Registered number: 03326840

Dangerous Films Limited

Report and financial statements

For the Year Ended 31 December 2018

Dangerous Films Limited

Company Information

Directors	C Burke P Langenberg S Gregson
Registered number	03326840
Registered office	The Gloucester Building Kensington Village Avonmore Road London W14 8RF
Independent auditors	Ernst & Young LLP 1 More London Place London SE1 2AF
Bankers	NatWest 1 Princes Street London EC2R 8BP

Dangerous Films Limited

Contents

Strategic Report
For the Year Ended 31 December 2018

The directors present their Strategic Report for the year ended 31 December 2018.

Review of the business

The principal activity of the Company is the production of television programmes for broadcast purposes, but the Company is not currently seeking new commissions. It will, however, continue to receive Intellectual Property revenue from the exploitation of previously commissioned programmes for the foreseeable future.

The performance of the Company during 2018 was in line with expectations.

Business environment

The UK television market continues to be challenging, with customers maintaining pressure on license fees paid for both new and returning commissions. However, there continue to be new buyers to the marketplace, so the portfolio of potential customers continues to increase.

Strategy and future development

The Company will continue to receive Intellectual Property revenue over the future periods.

Key performance indicators

The entity's key performance indicators considered to be as follows:

1. Turnover – £23,000 (2017 - £66,000)
2. Operating loss - £94,000 (2017 - £52,000 profit)

Principal risks and uncertainties

The Banijay Group SAS, the intermediate parent undertaking, manages business and financial risks and uncertainties at group level, rather than on an individual Company basis. As a result the Company has reduced exposure to business financial risks because it is able to call on Group financial resources and experience, for instance hedging currency fluctuations.

Cyber Security and Data Protection risk
Risk that the Group is subject to increasingly sophisticated cyber-attacks aimed at causing business disruption, capture of data for financial gain and reputational damage. The Group has strengthened controls and defences around this area of risk, including additional security levels applied to IT systems, and remains vigilant to the increasing threat.

This report was approved by the board on 16 May 2019 and signed on its behalf.

C Burke
Director

Directors' Report
For the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Dividends

The loss for the year, after taxation, amounted to £105,000 (2017 - £57,000 profit). The directors do not recommend a final dividend (2017 - £Nil).

Directors

The directors who served during the year were:

C Burke
P Langenberg
S Gregson

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future.

The financial statements have been prepared on the going concern basis. The Company has made a loss of £0.1m for the year ended 31 December 2018. It is in a net asset position of £0.6m as at 31 December 2018.

In addition, the Company's intermediate parent undertaking, Banijay Group SAS has agreed to provide financial support as necessary for a period of at least twelve months from the date the directors approve the financial statements of the Company. The directors, having made sufficient enquiries, are satisfied that Banijay Group SAS is in a position to provide the level of support required and hence have concluded that it is appropriate to prepare the financial statements on a going concern basis.

Qualifying third party indemnity provisions

The Company has indemnified one or more directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provisions are in force as at the date of approving the Directors' Report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16 May 2019 and signed on its behalf.

C Burke
Director

Directors' Responsibilities Statement
For the Year Ended 31 December 2018

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Dangerous Films Limited

Opinion

We have audited the financial statements of Dangerous Films Limited for the year ended 31 December 2018 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst + Young LLP

Louise Pennell (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
London
Date: 17/5/19

Statement of Comprehensive Income
For the Year Ended 31 December 2018

	Note	2018 £000	2017 £000
Turnover	2	23	66
Gross profit		23	66
Administrative expenses		(117)	(14)
Operating (loss)/profit	3	(94)	52
Interest receivable and similar income	6	8	5
(Loss)/profit before tax		(86)	57
Tax on (loss)/profit	7	(19)	-
(Loss)/profit for the financial year		(105)	57
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(105)	57

There were no recognised gains or losses for 2018 or 2017 other than those included in the Statement of Comprehensive Income.

The notes on pages 12 to 21 form part of these financial statements.

Dangerous Films Limited
Registered number:03326840

Statement of Financial Position
As at 31 December 2018

	Note	2018 £000	2017 £000
Current assets			
Debtors	8	629	705
Current liabilities			
Creditors: amounts falling due within one year	9	(34)	(5)
Net current assets		595	700
Total assets less current liabilities		595	700
Net assets		595	700
Capital and reserves			
Called up share capital	11	1	1
Share premium account	12	32	32
Profit and loss account	12	562	667
Shareholders funds		595	700

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
16 MAY 2019

C Burke
Director

The notes on pages 12 to 21 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 31 December 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2018	1	32	667	700
Comprehensive income for the year				
Loss for the year	-	-	(105)	(105)
Total comprehensive loss for the year	-	-	(105)	(105)
At 31 December 2018	1	32	562	595

Statement of Changes in Equity
For the Year Ended 31 December 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2017	1	32	610	643
Comprehensive income for the year				
Profit for the year	-	-	57	57
Total comprehensive income for the year	-	-	57	57
At 31 December 2017	1	32	667	700

The notes on pages 12 to 21 form part of these financial statements.

Statement of Cash Flows
For the Year Ended 31 December 2018

	2018 £000	2017 £000
Cash flows from operating activities		
(Loss)/profit for the financial year	(105)	57
Adjustments for:		
Interest received	(8)	(5)
Taxation charge	19	-
Increase in debtors	13	697
Decrease in amounts owed by groups	89	-
Increase in amounts owed to groups	29	3
Corporation tax (paid)/received	(19)	-
Net cash used in operating activities	(8)	(642)
Cash flows from investing activities		
Interest received	8	5
Net increase/(decrease) in cash and cash equivalents	-	(637)
Cash and cash equivalents at beginning of year	-	637
Cash and cash equivalents at the end of year	-	-
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	-	-
	-	-

The notes on pages 12 to 21 form part of these financial statements.

1. Accounting policies

1.1 Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Dangerous Films Limited (the "Company") for the year ended 31 December 2018 were authorised for issue by the board of directors on 16 May 2019 and the Statement of Financial Position was signed on the board's behalf by C Burke.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The result of Dangerous Films Limited are included in the consolidated financial statements of its intermediate parent undertaking, Banijay Group SAS, which are publicly available.

Dangerous Films Limited is incorporated and domiciled in England and Wales. The Company is private and limited by shares.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The principal accounting policies adopted by the Company are set out below.

1.2 Adoption of new and revised standards

The company adopted the following new or revised standards which were effective for accounting periods beginning on or after 1 January 2018.

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 2 (amendments) Classification and Measurement of Share-based Payment Transactions

The adoption of the standards shown above did not have a material impact on the financial statements.

1.3 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

1. Accounting policies (continued)

1.4 Judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 101 requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. This Company has no such judgements and estimates.

1.5 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future.

The financial statements have been prepared on the going concern basis. The Company has made a loss of £0.1m for the year ended 31 December 2018. It is in a net asset position of £0.6m as at 31 December 2018.

In addition, the Company's intermediate parent undertaking, Banijay Group SAS has agreed to provide financial support as necessary for a period of at least twelve months from the date the directors approve the financial statements of the Company. The directors, having made sufficient enquiries, are satisfied that Banijay Group SAS is in a position to provide the level of support required and hence have concluded that it is appropriate to prepare the financial statements on a going concern basis.

1.6 Revenue recognition

Performance obligations are the goods or services promised in the contract. The company recognises revenue when it has satisfied a performance obligation by providing the customer with the promised good or service.

A performance obligation is satisfied when control of the good or service is transferred to the customer. This transfer takes place at a point in time.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably estimated.

Revenues are measured at the fair value of the consideration received or receivable, net of rebates, and net of consideration payable to a customer (pay-backs).

If a contract includes a significant financing component, the revenue is discounted at revenue recognition date to reflect the credit facility granted to the customer.

Production revenues (from producing television programs)

Production revenues are recognised when the programs are delivered to the client. Standard criteria to establish revenue recognition are:

- in most cases: client's acceptance document (i.e. delivery notice signed/approved by the client, etc.),
- delivery of a certain number of episodes, and
- expiry of the period stated in the contract to reject or return the product.

In case of partial delivery of the same program over several periods of time (series, etc.), revenue, costs and margin are recognised according to episodic deliveries.

Production revenues are booked net of grants, subsidies and co-producers' contributions.

1. Accounting policies (continued)

1.6 Revenue recognition (continued)

Revenue not meeting these conditions is deferred. Revenue recognised in the statement of comprehensive income but not yet invoiced is held on the statement of financial position within prepayments and accrued income. Revenue invoiced but not yet recognised in the statement of comprehensive income is held on the statement of financial position within accruals and deferred income.

Distribution revenues (from the sale of finished programs)

Distribution revenues are recognised when the rights are transferred to the client:

- on the basis of a signed contract or a deal memo, and
- when the related rights are opened, and
- for the full revenue (revenues are not spread over the licensing period), as it is an access to right.

As a result, distribution revenues are only recognised when productions are completed and delivered.

Inter-group and third-party royalty income

Inter-group royalty income is recognised in the financial statements on an accruals basis.

Royalty income from third party distributors is recognised on statement receipt basis as this is when the revenue is measurable.

Revenues from other rights and services

Other rights and services include merchandising, music rights, other ancillary revenues and digital services.

Merchandising revenues are recognised when the rights are transferred to the client:

- on the basis of a signed contract or a deal memo, and
- when the licensing period begins, and
- for the full revenue (revenues are not spread over the licensing period).

Advanced payments are recognised as revenue when the above criteria are met and further payments are recognised when received.

1.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. Any losses arising from impairment are recognised in Statement of Comprehensive Income in operating expenses.

1.8 Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

1. Accounting policies (continued)

1.9 *Financial instruments*

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets
The Company recognises its financial assets into one of the categories discussed below.

Other than the financial assets in a qualifying hedging relationship, the Company's accounting policy for each category is as follows:

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities
The Company classifies its financial liabilities into one of the categories discussed below.

At amortised cost
Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

1.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1. Accounting policies (continued)

1.11 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Statement of Financial Position date.

All differences are taken to the Statement of Comprehensive Income.

Presentational currency and functional currency are the same.

1.12 Interest receivable and similar income

Interest receivable and similar income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.13 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the Statement of Financial Position date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

The carrying amount of deferred income tax assets is reviewed at each Statement of Financial Position date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the Statement of Comprehensive Income.

2. Analysis of turnover

Turnover, net of VAT, relates wholly to the Company's principal activity in the UK.

Analysis of turnover by country of destination:

	2018 £000	2017 £000
United Kingdom	23	66

3. Operating (loss)/profit

The audit fee for 2018 was borne by Banijay (Central) Limited, a fellow subsidiary undertaking, on behalf of the Company.

4. Employees

The Company has no employees other than the directors (2017 - NIL).

5. Directors' remuneration

The directors are remunerated by Banijay (Central) Limited. It is not practicable to determine the proportion of their emoluments which relate to their services as directors of this Company (2017 - £Nil).

6. Interest receivable

	2018 £000	2017 £000
Interest receivable from group companies	8	5

7. Taxation

	2018 £000	2017 £000
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	19	-
Total current tax	19	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit	19	-

Factors affecting tax charge for the year

The tax assessed for the year higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
(Loss)/profit before tax	(86)	57
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(16)	11
Effects of:		
Adjustments to tax charge in respect of previous periods	19	-
Deferred tax recognised during the year	16	-
Group relief claimed	-	(11)
Total tax charge for the year	19	-

Unrecognised deferred tax asset was £19,989 (2017 - £5,328) in respect of fixed asset timing differences and unutilised tax losses. The directors have concluded that there is insufficient certainty of future taxable profits to allow this to be recognised.

7. Taxation (continued)

Factors that may affect future tax charges

The UK corporation tax rate fell to 19% with effect from 1 April 2017 and will fall to 17% with effect from 1 April 2020 in accordance with legislation that was substantively enacted by 31 December 2018.

The reduction in corporation tax rates from 2017 to 2020 will have an impact on the recognition of deferred tax in the Company's accounts. Deferred tax should be recognised at the tax rate which has been enacted, or is substantively enacted, at the statement of the financial position date. Finance (No 2) Bill 2016 states that the corporation tax rate will reduce to 19% and further to 17% from 1 April 2020.

Therefore, rates of 19% and 17% should currently be used, depending on when the timing and temporary differences are expected to be reversed.

The unrecognised deferred tax assets within the Banijay Group are calculated at a rate of 17%.

8. Debtors

	2018 £000	2017 £000
Trade debtors	5	-
Amounts owed by group undertakings	605	694
Other debtors	17	3
Prepayments and accrued income	2	8
	629	705

On 14 November 2017, the Company entered into a Cash Pool Loan Agreement with Banijay Group SAS. The loan is repayable on demand, with interest charged and capitalised monthly. The balance of £605,000 (2017 - £694,000) has been included in the amounts owed by group undertakings at 31 December 2018.

9. Creditors: Amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	15	5
Corporation tax	19	-
	34	5

Amount owed to group undertakings are unsecured, repayable on demand and interest free.

10. Financial instruments

	2018 £000	2017 £000
Financial assets		
Loans and receivables	627	697
Financial liabilities		
Creditors	(15)	(5)

Financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset.

Financial liabilities

Creditors

Trade creditors are non-interest bearing and are normally settled on negotiated commercial terms depending on the nature of the creditor. Other creditors are non-interest bearing and have a payment term which is agreed with management.

11. Share capital

	2018 £	2017 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
68,580 (2017 - 68,580) Ordinary 'A' shares of £0.01 each	686	686
29,387 (2017 - 29,387) Ordinary 'B' shares of £0.01 each	294	294
7,460 (2017 - 7,460) Ordinary deferred shares of £0.01 each	74	74
	1,054	1,054

The A shareholders have the right to require the B shareholders to sell their shares, and the B shareholders have the right to require the A shareholders to buy their shares, by serving an exit notice once certain criteria are met as set out in the Articles of Association. The rights of the A and B shares otherwise rank pari passu in all respects.

The ordinary deferred shares carry no voting rights or rights to dividends.

12. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares issued, less transaction costs. As at 31 December 2018 the value of the share premium account was £32,000 (2017 - £32,000).

Profit & loss account

Includes all current and prior periods retained profits and losses.

13. Capital commitments

The Company had no capital commitments at 31 December 2018 or 31 December 2017.

14. Inter-group guarantees

As at 31 December 2018, the Company held a cash pool agreement with Banijay Group SAS under which the Company has issued an unlimited inter-company guarantee to the entity, as well as given the entity right of set-off against debit balances of other UK Banijay Media Group companies. This agreement replaced the multi-currency arrangement with RBS on November 30, 2017.

15. Controlling party

The immediate parent undertaking is Banijay UK Limited.

The parent undertaking of the smallest and largest group which includes the Company and for which publicly available Group financial statements are prepared is Banijay Group SAS. Copies of these financial accounts can be obtained from 5 Rue Francois 1er, 75008 Paris, France.

At the date of the Statement of Financial Position the ultimate parent undertaking and controlling party is Stéphane Courbit's LOV Group who controls Banijay Group.