StudioCanal Limited

Directors' report and financial statements
Registered Number: 03647235

Year ended 31 December 2015

Contents

Strategic report

Principal activities

The principal activity of the company is that of motion picture distribution and production.

Business review

The results for the year are shown on page 8. Financial performance in each trading period can fluctuate depending on the number of theatrical releases and the stage in the life cycle of each individual film title. Revenues rose by £10m to £106m for the year ended 31 December 2015, driven by the continued exploitation of StudioCanal's portfolio of film rights. Theatrical net revenues remained strong at £19.5m (£24.0m in 2014) with the key titles of "Shaun the Sheep" and "Legend" achieving £13.7m and £18.4m in gross box office receipts respectively. Revenues from Home Entertainment increased to £32.8m from £24.1m in 2014, due to the very successful releases of "Paddington" and "The Imitation Game". TV, Video on Demand and Electronic Sell Through revenues increased to £51.9m (2014: £44.6m), continuing to benefit from a significant Streaming Video on Demand deal and strong Free TV sales

The gross profit for the year ended 31 December 2015 amounted to £7.1m (2014: £9.9m). At the year end, net assets totalled £29.5m, an increase from £28.7m in the prior year.

The key financial and other performance indicators during the year were as follows:

	2015	2014	%
Turnover	£106.1m	£95.8m	11%
Gross profit	£7.1m	£9.9m	(28%)
Profit on ordinary activities before tax	£0.7m	£3.6m	(81%)
Shareholders' funds	£29.5m	£28.7m	3%
Average number of employees	53	55	(4%)

Future developments

The directors expect to continue the development of the company's business in the forthcoming year and take advantage of opportunities arising in Digital and New Media technology.

Principal risks and uncertainties

The company's operations expose it to the following risks:

(i) Piracy: The media industry continues to be affected adversely by the issue of piracy. The directors take reasonable steps to protect the Company's intellectual property.

(ii) Competition: The market in which the Company operates remains highly competitive. Although the margins on physical media such as DVD are under pressure, new media formats and distribution channels provide significant growth opportunities.

(iii) Credit risk: The exposure to credit risk is continually monitored by management. The directors consider that an appropriate level of credit insurance is in place and that appropriate credit controls are in place.

(iv) Foreign exchange risk: The Company is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than sterling. The Company co-ordinates with the Group treasury function to mitigate this risk, including the use of currency hedging instruments as appropriate.

Given the size of the company, the directors have not delegated the responsibility of monitoring the financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Strategic report (continued)

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The Company is supported in terms of cash flow by the parent company, StudioCanal S.A. in the form of an intercompany loan. The Company has received a letter of support from StudioCanal S.A. indicating that it is its present intention not to request repayment of the outstanding loan balance at 31 December 2015 of £9.8m for the foreseeable future, and in any event for a period of no less than twelve months from the date of approval of these financial statements.

By order of the board

Daniel Perkins
Director

23 June 2016

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2015.

Proposed dividend
The directors do not recommend the payment of a dividend (2014: Nil).

Directors
The directors are as follows:

R Bessi
O Courson (resigned September 2015)
D Lupfer (appointed September 2015)
D Perkins
J Forde
S Murphy
S Arnould

Charitable contributions
Donations to UK charities amounted to £9,555 (2014: £4,750).

Disclosure of information to auditor
The directors who held office at the date of approval of the directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor
The appointed auditors are KPMG LLP. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Daniel Perkins
Director
StudioCanal Limited

50 Marshall Street
London
W1F 9BQ

Registered Number: 03647235

23 June 2016

Statement of directors' responsibilities in respect of the Strategic Report, Directors' Report and the financial statements

The directors are responsible for preparing 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 period. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDIOCANAL LIMITED

We have audited the financial statements of StudioCanal Limited for the year ended 31 December 2015 set out on pages 8 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

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 auditors' 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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Tudor Aw (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Registered auditors
24 June 2016

15 Canada Square
London E14 5GL

Income statement and statement of other comprehensive income

For the year ended 31 December 2015

	Notes	2015 £000	2014 £000
Turnover	2	**106,077**	95,839
Cost of sales		**(99,027)**	(85,916)
Gross profit		**7,050**	9,923
Administrative expenses	3	**(6,012)**	(6,027)
Operating profit		**1,038**	3,896
Interest payable and similar charges	6	**(372)**	(365)
Interest receivable and similar income	7	**64**	58
Profit on ordinary activities before taxation		**730**	3,589
Taxation on profit on ordinary activities	8	**33**	(458)
Profit on ordinary activities after taxation		**763**	3,131
Other comprehensive income		-	-
Total comprehensive income for the year		**763**	3,131

The results shown above are derived from continuing activities.

Statement of total recognised gains and losses
There are no recognised gains or losses other than the profit of £0.763m attributable to the shareholders for the period ended 31 December 2015 (2014 - profit of £3.131m).

The Company does not hold any assets that show gains or losses that would have to be disclosed under Other Comprehensive Income for the period ending 31 December 2015.

The notes on pages 11 to 22 form part of these financial statements.

Balance sheet
At 31 December 2015

	Notes	2015 £000	2015 £000	Restated* 2014 £000	Restated* 2014 £000
Fixed assets					
Intangible assets	9		**7,196**		15,459
Tangible assets	10		**88**		204
Investments	11		**1,830**		1,830
			9,114		17,493
Current assets					
Stocks	12	**10,203**		8,744	
Debtors	13	**73,827**		67,159	
Cash at bank and in hand		**270**		240	
		84,300		76,143	
Creditors falling due within one year	14	**(54,198)**		(37,805)	
Net current assets			**30,102**		38,338
Total assets less current liabilities			**39,216**		55,831
Creditors falling due after one year	14		**(9,734)**		(27,112)
Net assets			**29,482**		28,719
Capital and reserves					
Called up share capital	15		**1**		1
Capital redemption reserve	16		**50**		50
Profit and loss account	16		**29,431**		28,668
Shareholders' funds	17		**29,482**		28,719

*In accordance with the transition to FRS 101, software assets have been restated at their net book value within intangible assets. Please see note 20 for reconciliation.

The financial statements on pages 8 to 22 were approved by the board of directors on 23 June 2016 and were signed on its behalf by:

Daniel Perkins
Director
StudioCanal Limited
Registered Number: 03647235

The notes on pages 11 to 22 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2015

	Called up Share capital £000	Capital Redemption Reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2014	1	50	25,537	25,588
Profit for the period	-	-	3,131	3,131
Other comprehensive income	-	-	-	-
Total comprehensive income for the period			**3,131**	**3,131**
Balance at 31 December 2014	**1**	**50**	**28,668**	**28,719**
Profit for the period	-	-	763	763
Other comprehensive income	-	-	-	-
Total comprehensive income for the period			**763**	**763**
Balance at 31 December 2015	**1**	**50**	**29,431**	**29,482**

Notes

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position, financial performance and cash flows of the Company is provided in the note 20.

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts as the company is included in the published accounts of a larger group headed by Vivendi S.A., a parent undertaking established under the law of a member state of the European Union. These financial statements present information about the company as an individual undertaking and not about its group.

The consolidated financial statements of Vivendi S.A are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 42 Avenue Friedland, 75380 Paris, Cedex 08, France.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Vivendi S.A. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.

Notes (continued)

Going concern

The Directors have considered the funding and liquidity position of the Company and have reasonable expectation that the Company has adequate resources to continue in operational existence of the foreseeable future, being for at least 12 months after the date of signing these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Intangible fixed assets

The cost of acquiring film licensing rights and technical costs associated with producing DVDs are capitalised and amortised in accordance with the revenue generated in the period in proportion to the total expected revenue.

In certain circumstances the Company enters into arrangements whereby contributions to the production costs of a film are received from investors in return for a share of future revenues. Where the terms of these agreements are such that the arrangement is not a clear financing transaction, or the disposal of an economic interest in the title, judgment is required to account for such transactions. The Company recognises the amounts received as a reduction in the capitalised cost of the intangible asset.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows

Office equipment, fixtures and fittings	3 years

Investments

Fixed asset investments are shown at cost less provision for permanent diminution in value.

Work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Costs incurred to acquire film rights are recognised and retained as work in progress until the films' theatre release date or significant revenues are generated. At the earlier of these two events, the costs are capitalised. The capitalised amount is then amortised as described above. Foreseeable losses are recognised in the accounting period in which they are identified. Other acquisition costs relating to television release dates and other media transmissions release dates are released when the film has been delivered and can be released via that media. All other printing and advertising costs are written off to the profit and loss account as incurred.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

Operating leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the term of the lease period.

Foreign currency

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

Advance income in relation to sale of distribution rights

The company enters into arrangements with broadcasters for the airing of films at a future date. The revenue is recognised at the point that:

- The significant risks and rewards of ownership are transferred to the customer;
- There is relative certainty that the economic benefits will flow to the company;
- The revenues are measurable, being the fair value of consideration received or receivable.

This will usually be at the point when the right sold is available for exploitation by the acquirer or the content has been delivered, thus fulfilling the company's contractual obligation. Advance income received is credited to accruals and deferred income until it is recognised as income.

Pensions

Pension costs under the defined contribution scheme are charged against profits for the year in accordance with the amount of contributions payable to the pension scheme in respect of the accounting period.

Pension costs include commitments of £nil (2014: £84,185) which have been accrued in the Company's balance sheet.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2 Turnover

Turnover represents income, net of Value Added Tax and other sales taxes, from distribution fees, box office receipts and other amounts receivable under distribution agreements entered into by the company. Income is not recognised until the release date of a theatrical film or home video title and until it has been delivered and is available for exploitation.

All revenues earned are within a single class of business, film rights exploitation. All revenues are earned within the UK & Ireland. A segmental analysis by territory is shown below:

	2015	2014
UK	**98%**	98%
Ireland	**2%**	2%

3 Profit on ordinary activities before taxation

	2015	2014
	£000	£000
Profit on ordinary activities before taxation is stated after charging		
Amortisation, depreciation and amounts written off:		
- Tangible fixed assets	**174**	183
- Intangible fixed assets	**13,424**	17,091
Operating lease rentals - Land and buildings	**437**	415
Auditor's remuneration:		
- audit fees (audit of these financial statements)	**36**	35

4 Staff Costs

	2015	2014
	£000	£000
Wages and salaries	**3,154**	3,108
Social security costs	**331**	407
Pension costs	**183**	150
	3,668	3,665

The average weekly number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2015	2014
	Number	Number
Sales	**33**	34
Administration	**20**	21
	53	55

Notes (continued)

5 Director's emoluments

	2015	2014
	£000	£000
Aggregate emoluments including benefits in kind	679	657
Company contributions to money purchase pension scheme	76	63
	755	720

Retirement benefits are accruing to three directors (2014: three) under a money purchase pension scheme.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £365,000 (2014: £348,000), and company pension contributions of £50,000 (2014: £48,000) were made to a money purchase scheme on their behalf.

The company did not pay third parties for the services of any director (2014: Nil).

The remuneration of the other directors is borne by other group companies.

6 Interest payable and similar charges

	2015	2014
	£000	£000
Interest on intercompany loan	372	365
	372	365

7 Interest receivable and similar income

	2015	2014
	£000	£000
Bank interest	2	2
Net exchange gains	62	56
	64	58

Notes (continued)

8 Tax charge

a) Analysis of tax charge in the year:

	2015	2014
	£000	£000
UK Corporation tax		
Current tax on income for the year	-	614
Adjustment in respect of prior years	**(70)**	(116)
Total current tax	(70)	498
Deferred tax (see note 8c)		
Origination and reversal of temporary differences	**7**	(40)
Changes in tax rates	**30**	-
Total deferred tax credit	**37**	(40)
Tax on profit on ordinary activities	**(33)**	458

The tax assessed for the period is lower than (2014: lower than) the standard rate of corporation tax in the UK of 20.25% (2014: 21.5%). The differences are explained in b) below:

b) Factors affecting the tax charge for the year:

	2015	2014
	£000	£000
Profit/(loss) on ordinary activities before tax	**730**	3,589
Profit on ordinary activities multiplied by the standard rate in the UK of 20.25% (2014: 21.5%)	**148**	772
Effects of:		
Expenses not deductible for tax purposes	**1**	3
Excess of depreciation over capital allowances	**(7)**	40
Transfer pricing adjustment and other	**(142)**	(201)
Adjustments in respect of prior years	**(70)**	(116)
Total current tax surrendered for group relief in exchange for consideration/current tax charge for the year	**(70)**	498

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020). This will reduce the company's future current tax charge accordingly.

Notes (continued)

8 Tax charge (continued)

c) Deferred taxation

	2015 £000	2014 £000
At the beginning of the period	**130**	90
Credited to the profit and loss account	**(7)**	40
Adjustment in respect of prior years	**(30)**	-
At the end of the period	**93**	130
Analysis of deferred tax asset		
Excess of depreciation over capital allowances	**84**	106
Tax losses	**3**	-
Other short term timing differences	**7**	24
	93	130

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the rates that have been enacted or substantively enacted at the balance sheet date. Therefore, at 31 December 2015, deferred tax assets and liabilities have been calculated based on a rate of 20%, where the temporary difference is expected to reverse after 1 April 2016.

9 Intangible assets

	Film rights £000	Software (Restated for 2014)* £000	Total (Restated for 2014)* £000
Cost			
Balance at 1 January 2014	82,802	271	**83,073**
Additions	16,547	87	**16,634**
Balance at 31 December 2014	**99,349**	**358**	**99,707**
Balance at 1 January 2015	99,349	358	99,707
Additions	5,146	21	5,167
Balance at 31 December 2015	**104,495**	**379**	**104,874**
Amortisation			
Balance at 1 January 2014	66,922	217	67,139
Charge for the year	17,091	18	17,109
Balance at 31 December 2014	**84,013**	**235**	**84,248**
Balance at 1 January 2015	84,013	235	84,248
Charge for the year	13,424	6	13,430
Balance at 31 December 2015	**97,437**	**241**	**97,678**
Net book value			
At 1 January 2014	15,880	54	15,934
At 1 January 2015	15,336	123	15,459
At 31 December 2015	**7,058**	**138**	**7,196**

Notes (continued)

9 Intangible assets (continued)

Software assets were previously capitalised within tangible assets. In accordance with the transition to FRS 101, these have now been restated at their net book value within intangible assets.

The amortisation charge is recognised within administrative expenses in the profit and loss account.

10 Tangible fixed assets

	Office equipment, fixtures & fittings (Restated for 2014)* £000
Cost	
Balance at 1 January 2014	1,289
Additions	200
Balance at 31 December 2014	**1,488**
Balance at 1 January 2015	1,488
Additions	53
Balance at 31 December 2015	**1,541**
Depreciation	
Balance at 1 January 2014	1,120
Charge for the year	164
Balance at 31 December 2014	**1,284**
Balance at 1 January 2015	1,284
Charge for the year	169
Balance at 31 December 2015	**1,453**
Net book value	
At 1 January 2014	**169**
At 1 January 2015	**204**
At 31 December 2015	**88**

Notes (continued)

11 Investments

	Share in group undertakings £000
Cost at the beginning of the year	1,830
Net book value at the end of the year	**1,830**

The Company has the following investments in subsidiaries, associates and jointly controlled entities:

	Country of incorporation or registration	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
Dinosaur Productions Limited	England and Wales	Film production	Ordinary 100%
Fury Pictures Limited	England and Wales	Film production	Ordinary 100%
Joint venture undertakings			
Elevation Sales Limited	England and Wales	DVD distributor and sales agent	Ordinary 50%

Elevation Sales Limited is operated under a Shareholders Agreement with Lions Gate UK Limited. Under the terms of this agreement, Elevation Sales Limited acts as a sales agent on behalf of StudioCanal Limited.

During the year, transactions with Elevation Sales Limited included sales of £28,597,145 and expenses of £6,352,361. At the year end, there was a balance of £4,568,747 included within trade debtors due from Elevation Sales Limited and an amount of £678,447 included within trade creditors due to Elevation Sales Limited.

12 Stocks

	2015	2014
	£000	£000
Finished goods	**2,079**	**2,183**
Work in progress	**8,124**	**6,561**
	10,203	**8,744**

13 Debtors

	2015	2014
	£000	£000
Trade debtors	**6,852**	5,660
Amounts owed from parent undertaking	**411**	-
Amounts owed by other group undertakings	**15**	430
Amounts due from joint venture	**4,580**	2,727
Other debtors, prepayments and accrued income	**61,876**	58,212
Deferred Tax asset see (note 8c)	**93**	130
	73,827	67,159

Total debtors include trade debtors of £57,405 (2014: £597,600) and accrued income of £22,219,760 (2014: £11,476,712) due after more than one year.

Notes (continued)

14 Creditors

	2015	2014
	£000	£000
Trade creditors	**204**	2,552
Amounts due to parent undertaking	**12,133**	28,238
Amounts payable under distribution agreements	**38,033**	21,718
Corporation tax	**679**	1,099
Other taxation and social security	**499**	(653)
Accruals and deferred income	**12,384**	11,963
	63,932	64,917

Total creditors include £9,733,781 (2014: £27,112,297) due to the parent undertaking after more than one year.

15 Called up share capital

	2015	2014
	£000	£000
Authorised		
50,000 ordinary shares of £1 each	**50**	50
50,000 preference shares of £1 each	**50**	50
	100	100
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	**1**	1

16 Profit and loss account and reserves

	Profit and loss account	Capital redemption reserve
	£000	**£000**
At 1 January 2015	**28,668**	50
Profit for the year	**763**	-
At 31 December 2015	**29,431**	50

The capital redemption reserve relates to the buyback of preference shares.

17 Reconciliation of movements in shareholders' funds

	2015	2014
	£000	£000
Opening shareholders' funds	**28,719**	25,588
Profit for the period	**763**	3,131
Closing shareholders' funds	**29,482**	28,719

Notes (continued)

18 Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

Lease commitments	Land and buildings	
	2015	2014
	£000	£000
Operating leases which expire:		
Less than one year	**4**	-
Between one and five years	**420**	415
More than five years	**-**	-
	424	415

The Company leases its main office under an operating lease.

During the year £427,930 was recognised as an expense in the profit and loss account in respect of operating leases (2014: £415,383).

Contractual commitments

At 31 December 2015, the company had outstanding contractual commitments totalling £14,031,000 (2014: £7,988,000) in relation to future rights to distribute motion pictures.

19 Parent undertaking and controlling party

The company's immediate parent undertaking is StudioCanal Holdings UK.

The ultimate parent company and controlling party is Vivendi S.A. a company incorporated in France.

The largest group of which the company is a member and for which consolidated financial statements are drawn up is that headed by Vivendi SA. These consolidated financial statements are available at 42 Avenue Friedland, 75380 Paris, Cedex 08, France.

Notes (continued)

20 *Explanation of transition to FRS 101*

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014 (the Company's date of transition).

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position is set out in the following tables and the notes that accompany the tables.

Reconciliation of Equity

	2015 UKGAAP	2015 Effect of transition to FRS 101	2015 FRS 101	2014 UKGAAP	2014 Effect of transition to FRS 101	2014 FRS 101
	£	£	£	£	£	£
Fixed assets						
Intangible assets	7,058	138	7,196	15,336	123	15,459
Tangible fixed assets	226	(138)	88	327	(123)	204
Investments	1,830	-	1,830	1,830	-	1,830
	9,114	-	9,114	17,493	-	17,493
Current assets						
Stocks	10,203	-	10,203	8,744	-	8,744
Debtors	73,827	-	73,827	67,159	-	67,159
Cash at bank	270	-	270	240	-	240
	84,300	-	84,300	76,143	-	76,143
Creditors: Amounts falling due within one year	(54,198)	-	(54,198)	(37,805)	-	(37,805)
Net current assets	30,102	-	30,102	38,338	-	38,338
Creditors: Amounts falling due after one year	(9,734)	-	(9,734)	(27,112)	-	(27,112)
Net assets	29,482	-	29,482	28,719	-	28,719
Capital and reserves						
Called-up share capital	1	-	1	1	-	1
Capital redemption reserve	50	-	50	50	-	50
Profit and loss account	29,431	-	29,431	28,668	-	28,668
Shareholders' funds	29,482	-	29,482	28,719	-	28,719

Notes to the reconciliation of equity

a) Software assets were previously capitalised within tangible assets. In accordance with the transition to FRS 101, these have now been restated at their net book value within intangible assets.