

Pathé Fund Limited

Annual Report

for the year ended 31 December 2013

Registered number: 3407564

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Pathé Fund Limited

Annual Report for the year ended 31 December 2013

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Strategic report for the year ended 31 December 2013

The directors present their Strategic report on Pathé Fund Limited (“the Company”) for the year ended 31 December 2013.

Review of the business

The principal activity of the Company is an international film sales agency operation, along with the development, production and exploitation of theatrical feature films.

The Company is a wholly-owned subsidiary of Pathé Entertainment Limited, incorporated in England, which itself is ultimately owned by Pathé SAS, a company incorporated in France.

The results of the Company are driven by the success of individual films in the international film market.

Turnover for the year was £2.1m (2012: £4.8m). The 2012 turnover was particularly high since it included 100% of sales revenue relating to one particular title (rather than simply the commission) as a result of the financing structure for that particular film. The profit for the year was £0.5m (2012: £2.3m), the difference being due to generally lower levels of activity in 2013. The balance sheet of the Company increased to net assets of £4.3m (2012: £3.8m). The directors do not recommend the payment of a dividend in respect of performance in the year (2012: £nil).

Profits carried forward to reserves amount to £0.8m (2012: £0.3m).

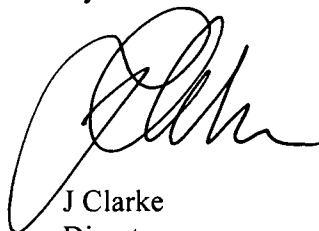
Key performance indicators

The success of the Company’s films is measured by the revenues generated when selling film rights in the international market.

Disclosures of principal risks and uncertainties

Since the Company generally acts as an agent, earning commission on sales it has negotiated, its general trading risks are not significant. Occasionally the Company will make an advance to secure the right to act as sales agent for a particular film and there is a risk this investment will not be recovered from revenues earned.

By order of the board



J Clarke
Director

20 June 2014

Directors' report for the year ended 31 December 2013

The directors present their report with the audited financial statements of Pathé Fund Limited for the year ended 31 December 2013.

Future developments

The Company continues to act as sales agent for a number of active films and will continue to provide sales agency services to UK films produced by the Pathé UK group of companies in the future.

The directors consider that the outlook for the Company in 2014 is good, including further contribution from *Philomena*, *Mandela: Long Walk to Freedom* and *The Iron Lady*.

Dividends

The directors do not recommend the payment of a dividend in respect of 2013 (2012: £nil).

Financial risk management

The Company is conservatively managed. The financial risks of the company are limited as the Company typically acts as an agent and its cost base is limited. The Company's main financial risks are credit risk and foreign currency risk.

Credit risk exposure is minimised by actively managing significant debts and only delivering films to international customers after receipt of payment.

The Company operates in the international film market and as such enters into contracts denominated in foreign currency, specifically US dollars and Euros. The overall exposure to foreign exchange is reviewed regularly and where necessary, hedging transactions are entered into.

The Company has sufficient cash balances to fund its ongoing operations and liquidity is not considered a risk. The Company has no variable rate loans so is not exposed to interest rate risk. There are few fixed costs and price risk is not considered significant.

Post balance sheet events

There are no post balance sheet events subsequent to the year end.

Directors

The directors of the Company who served throughout the financial year and up to the date of the signing of the financial statements are as follows:

J Clarke

F B Ivernel (resigned 30 May 2013)

C R McCracken

P du Plessis

Directors' report for the year ended 31 December 2013 (continued)**Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- 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.

Disclosure of information to auditors

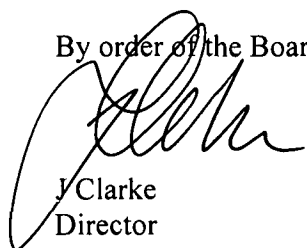
So far as the directors are aware;

- there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

By order of the Board



J Clarke
Director

30 June 2014

Independent auditors' report to the members of Pathé Fund Limited**Report on the financial statements****Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Pathé Fund Limited, comprise:

- the Profit and loss account for the year ended 31 December 2013;
- the Balance sheet as at 31 December 2013; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent auditors' report to the members of Pathé Fund Limited (continued)**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

Other matters on which we are required to report by exceptionAdequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

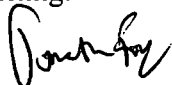
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the auditOur responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Jonathan Ford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
30 June 2014

**Profit and loss account
for the year ended 31 December**

	Note	2013 £'000	2012 £'000
Turnover	2	2,058	4,842
Cost of sales		(728)	(2,208)
Gross profit		<u>1,330</u>	<u>2,634</u>
Administrative expenses		(777)	(72)
Operating profit	3	<u>553</u>	<u>2,562</u>
Net interest receivable/(payable) and similar income/(charges)	4	<u>36</u>	<u>(59)</u>
Profit on ordinary activities before taxation		<u>589</u>	<u>2,503</u>
Tax on profit on ordinary activities	7	<u>(137)</u>	<u>(238)</u>
Profit for the financial year	14	<u><u>452</u></u>	<u><u>2,265</u></u>

All the above transactions relate to continuing operations.

The notes on pages 8 to 18 form an integral part of these financial statements.

The Company has no recognised gains or losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

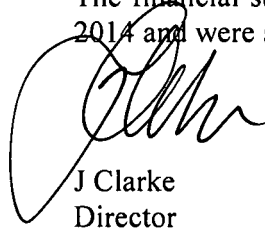
There is no difference between the profit on ordinary activities before taxation and the retained profit for the years stated above and their historical cost equivalents.

Balance sheet
as at 31 December

	Note	2013 £'000	2012 £'000
Fixed assets			
Fixed asset investments	8	-	-
Film investments	9	500	572
Non-recourse loans		<u>(187)</u>	<u>(187)</u>
		313	385
Current assets			
Debtors	10	18,097	12,790
Cash at bank and in hand		<u>685</u>	<u>39</u>
		18,782	12,829
Creditors: amounts falling due within one year	11	<u>(14,795)</u>	<u>(9,366)</u>
Net current assets		<u>3,987</u>	<u>3,463</u>
Total assets less current liabilities		4,300	3,848
Net assets		<u>4,300</u>	<u>3,848</u>
Capital and reserves			
Called up share capital	13	3,500	3,500
Profit and loss account	14	<u>800</u>	<u>348</u>
Total shareholders' funds	15	<u>4,300</u>	<u>3,848</u>

The notes on pages 8 to 18 form an integral part of these financial statements.

The financial statements on pages 6 to 18 were approved by the board of directors on ~~30~~ June 2014 and were signed on its behalf by:



J Clarke
Director

Registered number: 3407564

6 Ramillies Street
London
W1F 7TY

Notes to the financial statements for the year ended 31 December 2013 (continued)

1. Accounting policies

The principal accounting policies are summarised below. These policies have been applied consistently throughout the year and the preceding year.

(a) Accounting convention, consolidated financial statements

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary undertaking of Pathé SAS which prepares consolidated financial statements which are publicly available.

(b) Fundamental accounting concept

The financial statements have been prepared on a going concern basis as the parent company, Pathé Entertainment Limited, has confirmed its intention to continue to provide adequate financial support, for a period of at least twelve months from the approval date of these financial statements.

(c) Sale and leaseback of film rights

The Company has entered into transactions whereby film rights are sold to a third party investor and subsequently the Company enters into arrangements to lease the rights from the third party investor. The proceeds from the sale of the film rights are deposited directly into a restricted bank account from which the payments that are due under the lease are made directly to the third party investor. The total receipts from the sale of the film rights and the interest due on the deposit balance match the total payments due under the lease arrangements. The payments from the deposit account to the third party investor are made under a bank mandate and without reference to the Company. The deposit account cannot be used for any purpose other than the lease payments. The directors of the Company consider that, as they do not control the deposit account that is used to pay the lease creditor and that the Company is not obliged to pay the lease payments, then under the terms of Financial Reporting Standard ("FRS") 5 "Reporting the Substance of Transactions" it is more appropriate that the deposit account and the finance lease creditor be excluded from the Company's balance sheet and the related bank interest and finance lease charges be excluded from the profit and loss account. The value of the deposit account and finance lease payments have been disclosed in note 12.

(d) Turnover

Turnover represents commission income and film income. Commission income is earned on the gross sales from the Company's exploitation of film rights. Sales commission from the exploitation of film rights is recognised on the later of the delivery to individual sub-distributors and the beginning of licence periods under individual sub-distribution contracts. Film income comprises gross sales from the Company's exploitation of film rights which are recognised on the later of the delivery to individual sub-distributors and the beginning of licence periods under individual sub-distribution contracts. Monies received in advance of the licence periods and film delivery are excluded from film income and are accounted for as deferred income in the balance sheet.

Notes to the financial statements for the year ended 31 December 2013 (continued)

1. Accounting policies (continued)

(e) Pension costs

The Company operates a defined contribution money purchase scheme which is open to eligible employees. The Company's contributions are charged to the profit and loss account in the year in which they are payable. The difference between the charge to the profit and loss account and contributions paid is included as an asset or liability in the balance sheet.

(f) Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment.

(g) Film investments

Film investments comprise completed films (either owned, or leased), and development expenditure relating to films which have been, or are anticipated to be commissioned for production. These are valued at the lower of cost and recoverable amount. Film production investments are amortised on an individual film basis in the proportion that income for the accounting period bears to the directors' forecast of total income to be received. No amortisation is charged against production investments until the date of first release of the film. If at any point in time, the unamortised film cost exceeds anticipated future revenue streams, a provision for impairment is made.

(h) Non-recourse loans

Film investment assets have been individually part financed on terms whereby the providers of the finance have recourse to only the specific film investment they finance and not to the Company's other assets. This arrangement ensures that the loans will be repaid only from the proceeds generated by the specific film asset they finance and there is no possibility whatsoever, either explicit or implicit, of a claim on the Company being established other than against funds generated by that film investment. There is no provision whatsoever whereby the Company has a right or obligation either to keep the film investment on repayment of the finance or re-acquire it at any time. The providers of the finance have contractually agreed that they will seek repayment of their respective loans, as to both principal and interest, only to the extent that sufficient funds are generated by the specific film investments they have financed and that they will not seek recourse in any other form. If the funds generated by the item are insufficient to pay off the provider of the finance, this does not constitute an event of default for the Company.

The directors confirm that the Company is not obliged to support any losses associated with these loan arrangements, nor does it intend to do so. Since the aforementioned conditions hold for only part of the finance attributable to film investments, a linked presentation as permitted by FRS 5 has been adopted. Where a film investment has been written down because of doubts about its recoverability, it is therefore not probable that a transfer of economic benefits will be required to settle the obligations as originally recorded. Hence, non-recourse loans will be recorded to the extent that amounts will be paid to the providers of finance. Any write-back of the loans is treated as other income in the profit and loss account for the year.

Notes to the financial statements for the year ended 31 December 2013 (continued)

1. Accounting policies (continued)

(i) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences are taken to the profit and loss account.

(j) Taxation

UK Corporation Tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

(k) Cash flow statement

The Company has taken advantage of the exemption under FRS 1 (Revised 1996) "Cash Flow Statements" from presenting a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and the financial statements of its ultimate parent company, Pathé SAS, a European Community company, include a consolidated cash flow statement.

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

2. Turnover

i) Geographical segments:

	United Kingdom		Rest of Europe		North America		Rest of world		Total	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000	2013 £'000	2012 £'000	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Turnover by destination	2	79	577	3,237	588	289	891	1,237	2,058	4,842

All turnover originates from the United Kingdom.

ii) Operational segments

	Turnover		Operating profit	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Sales agency	1,684	2,408	1,357	2,434
Exploitation of film rights	374	2,434	2	128
	<u>2,058</u>	<u>4,842</u>	<u>1,359</u>	<u>2,562</u>

3. Operating profit

	2013 £'000	2012 £'000
Operating profit is stated after charging		
Amortisation of film investments	357	1,223
Exchange loss/(gain) on foreign currency borrowings/deposits	<u>79</u>	<u>(485)</u>

Audit fees are borne by Pathé Productions Limited, a group company.

4. Net interest receivable/(payable) and similar income/(charges)

	2013 £'000	2012 £'000
Interest income from group companies	36	38
Interest payable on other balances	-	(22)
Interest payable to group companies	<u>-</u>	<u>(75)</u>
	<u>36</u>	<u>(59)</u>

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

5. Directors' emoluments

The remuneration of the directors was as follows:

	2013	2012
	£'000	£'000
Aggregate emoluments	98	145
Pension contributions to personal pension plan	4	7
	<u>102</u>	<u>152</u>

The directors of the Company are also directors of other group companies. The remuneration above reflects the directors' best estimate of how their time is allocated across the various group companies.

6. Employee information

The average monthly number of employees (including executive directors) was as follows:

	2013	2012
	Number	Number
Administration	2	2
Sales	<u>1</u>	<u>1</u>

The employees also work for various other group companies and the figures above include an allocation based on estimated time spent working on business of the Company.

Their aggregate remuneration comprised:

	2013	2012
	£'000	£'000
Wages and salaries	397	226
Social security costs	19	28
Other pension costs	23	26
	<u>439</u>	<u>280</u>

All the figures above are recharged by another group company. There were no pension contributions outstanding at the year end (2012: £nil).

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

7. Tax on profit on ordinary activities

The tax charge in the year was £137,000 (2012: £238,000).

The Company has no deferred tax asset (2012: £nil).

The tax for the year is equal to (2012: lower than) the relevant rate of corporation tax in the UK for the year ended 31 December 2013 of 23.25% (2012: 24.5%) as explained below:

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	<u>589</u>	<u>2,503</u>
Profit on ordinary activities multiplied by the standard rate in the UK 23.25% (2012: 24.5%)	137	613
Effects of:		
Prior year losses utilised	<u>-</u>	<u>(375)</u>
Current tax charge for the year	<u>137</u>	<u>238</u>

The main rate of corporation tax in the UK reduced from 24% to 23% with effect from 1 April 2013. Accordingly, profits for the accounting period to 31 December 2013 were taxed at an effective rate of 23.25%. Further rate reductions to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015 were substantively enacted on 2 July 2013 and therefore any relevant deferred tax balances have been measured at this rate.

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

8. Fixed asset investments

The Company has the following subsidiary undertakings and joint venture.

	Principal business activity	Country of incorporation	Holding	%
Pathé Slate Limited	Dormant	United Kingdom	Ordinary Shares	100
Dekker Limited	Dormant	United Kingdom	Ordinary Shares	100
Big Nothing Limited	Dormant	Isle of Man	Ordinary Shares	100
Pathé (Jet Lag) Limited	Dormant	United Kingdom	Ordinary shares	100
Pathé Features Limited	Film investment	United Kingdom	Ordinary shares	100
Magic Rights Limited	Merchandising	United Kingdom	A Ordinary shares	50

	Shares £	Total £
Cost and Net book amount		
As at 1 January 2013 and 31 December 2013	<u>52</u>	<u>52</u>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

9. Film investments

	Completed films – owned £'000	Completed films – leased £'000	Total £'000
Cost			
As at 1 January 2013	10,962	40,582	51,544
Additions	285	-	285
As at 31 December 2013	<u>11,247</u>	<u>40,582</u>	<u>51,829</u>
Accumulated amortisation			
As at 1 January 2013	(10,528)	(40,444)	(50,972)
Charge for the year	(357)	-	(357)
As at 31 December 2013	<u>(10,885)</u>	<u>(40,444)</u>	<u>(51,329)</u>
Net book amount			
As at 31 December 2013	<u>362</u>	<u>138</u>	<u>500</u>
As at 31 December 2012	<u>434</u>	<u>138</u>	<u>572</u>

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

10. Debtors

	2013	2012
	£'000	£'000
Trade debtors	6,593	4,498
Amounts owed by group undertakings	8,898	5,872
Other taxation and social security	1,326	1,094
Other debtors	1,280	1,326
	<u>18,097</u>	<u>12,790</u>

Certain trading balances due from group companies earn interest at LIBOR+1% for amounts outstanding for more than three months. Cash advances earn interest at LIBOR+1% from the month in which the cash is advanced. All balances due from group companies are unsecured and repayable on demand.

The balance above includes £267,000 (2012: £231,000) of interest due from group undertakings. Details of interest charged to group undertakings during the year are shown in note 4.

11. Creditors: amounts falling due within one year

	2013	2012
	£'000	£'000
Trade creditors	530	606
Amounts owed to group undertakings	4,988	3,324
Taxation and social security	137	238
Accruals and deferred income	9,140	5,198
	<u>14,795</u>	<u>9,366</u>

Certain trading balances due to group companies incur interest at LIBOR+1% for amounts outstanding for more than three months. Cash advances attract interest at LIBOR+1% from the month in which the cash is advanced. All balances due to group companies are unsecured and repayable on demand.

The balance above includes £273,000 (2012: £273,000) of interest due to group companies. Details of interest charged by group undertakings during the year are shown in note 4.

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**

12. Deposit and lease payment

	2013 £'000	2012 £'000
Restricted deposit account	<u>830</u>	<u>2,802</u>
Lease payments		
- due within one year	881	1,375
- due within one to two years	<u>-</u>	<u>881</u>
	881	2,256
Less: Finance charges included above	<u>(39)</u>	<u>(134)</u>
	<u>842</u>	<u>2,122</u>

The Company entered into transactions to sell film rights to third party investors, and subsequently entered into arrangements to lease the rights from the third party investors. The proceeds from the sale of the film rights are deposited directly into a restricted bank account from which the payments that are due under the lease are made directly to the third party investor. The total receipts from the sale of the film rights and the interest due on the deposit balance match the total payments due under the lease arrangements. The payments from the deposit account to the third party investor are made under a bank mandate and without reference to the Company. The deposit account cannot be used for any purpose other than the lease payments. As at 31 December 2013 there was an interest receivable on the deposit account of £52,000 (2012: £174,000).

13. Called up share capital

	2013 £'000	2012 £'000
Authorised		
300 (2012: 300) Cumulative redeemable preference shares of £10,000 each	3,000	3,000
10,001,000 (2012: 10,001,000) Ordinary shares of £1 each	<u>10,001</u>	<u>10,001</u>
	<u>13,001</u>	<u>13,001</u>
 Allotted, called-up and fully-paid	 £'000	 £'000
3,500,001 (2012: 3,500,001) Ordinary shares of £1 each	<u>3,500</u>	<u>3,500</u>

**Notes to the financial statements
for the year ended 31 December 2013 (continued)**
14. Profit and loss account

	£'000
Opening balance at 1 January 2013	348
Profit for the financial year	452
Closing balance at 31 December 2013	<u>800</u>

15. Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Profit for the financial year	452	2,265
Increase in shareholders' funds	452	2,265
Opening shareholders' funds	3,848	1,583
Closing shareholders' funds	<u>4,300</u>	<u>3,848</u>

16. Related party disclosures

The Company is ultimately a wholly owned subsidiary of Pathé SAS and is included within the publicly available consolidated financial statements. The Company has taken advantage of the exemption in Financial Reporting Standard No 8: Related Party Disclosure ("FRS 8") which allows the financial statements of the subsidiary undertaking, 100% of whose voting rights are controlled within the group, not to disclose details of transactions with entities which are part of the group.

Two directors of the Company, F B Ivernel and C M McCracken, were also directors and shareholders of Kent House Pictures Limited during the financial year. During the year the Company made no payments to (2012: made payments of £77,613 to) and incurred no recharges (2012: £133,760) from Kent House Pictures Limited. At the year end the Company owed Kent House Pictures Limited a total of £118,242 (2012: £118,242)

Details of the ultimate controlling party and availability of consolidated financial statements are given in note 17.

**Notes to the financial statements
for the year ended 31 December 2013 (continued)****17. Ultimate parent undertaking and controlling party**

The Company's immediate parent undertaking is Pathé Entertainment Limited (100% effective holding) a company incorporated and registered in England.

Pathé SAS, a company incorporated and registered in France, is the ultimate parent company and the ultimate controlling party (100% effective holding).

Pathé SAS is the parent company of the largest and smallest group of which the Company is a member and for which group financial statements are drawn up. Copies of the consolidated financial statements of Pathé SAS can be obtained from the Secretary, Pathé SAS, 2 rue Lamennais, 75008 Paris, France.