

Pathé Fund Limited

Annual Report

for the year ended 31 December 2014

Registered number: 3407564

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Pathé Fund Limited

Annual Report for the year ended 31 December 2014

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Strategic report for the year ended 31 December 2014

The directors present their Strategic report on Pathé Fund Limited (“the Company”) for the year ended 31 December 2014.

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 £3.5m (2013: £2.1m). The profit for the year was £1.0m (2013: £0.5m). Revenue increased due to recognition of sales of ‘Enemy’, whilst profits were driven by commission from sales of ‘Philomena’ and ‘Pride’. The balance sheet of the Company increased to net assets of £5.3m (2013: £4.3m). The directors do not recommend the payment of a dividend in respect of performance in the year (2013: £nil).

Profits carried forward to reserves amount to £1.8m (2013: £0.8m).

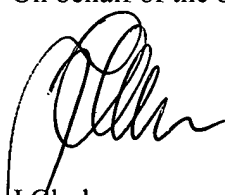
Key performance indicators

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.

On behalf of the board



J Clarke
Director

10 July 2015

Directors' report for the year ended 31 December 2014

The directors present their report with the audited financial statements of Pathé Fund Limited for the year ended 31 December 2014.

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 2015 is good, as results will include commission from the critically acclaimed 'Selma' (which released in the US in 2014, and the rest of the world early in 2015), and 'Suffragette' (which is scheduled for worldwide release in the latter half of 2015).

Dividends

The directors do not recommend the payment of a dividend in respect of 2014 (2013: £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
C R McCracken
P du Plessis

Directors' report for the year ended 31 December 2014 (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

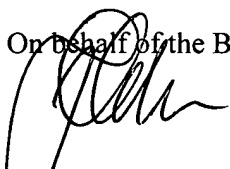
So far as the directors are aware;

- 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.

On behalf of the Board



J Clarke
Director
10 July 2015

Independent auditors' report to the members of Pathé Fund Limited

Report on the financial statements

Our opinion

In our opinion, Pathé Fund Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

What we have audited

The financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended; 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 the preparation of the financial statements 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.

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 exception

Adequacy 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.

Independent auditors' report to the members of Pathé Fund Limited (continued)**Responsibilities for the financial statements and the audit****Our 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 International Standards on Auditing (UK and Ireland) ("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.

What an audit of financial statements involves

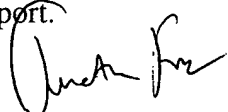
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Jonathan Ford (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
10 July 2015

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

	Note	2014 £'000	2013 £'000
Turnover	2	3,546	2,058
Cost of sales		<u>(1,369)</u>	<u>(728)</u>
Gross profit		2,177	1,330
Administrative expenses		<u>(1,127)</u>	<u>(777)</u>
Operating profit	3	1,050	553
Net interest receivable and similar income	4	<u>79</u>	<u>36</u>
Profit on ordinary activities before taxation		1,129	589
Tax on profit on ordinary activities	7	<u>(106)</u>	<u>(137)</u>
Profit for the financial year	14	<u>1,023</u>	<u>452</u>

All the above transactions relate to continuing operations.

The notes on pages 8 to 17 form an integral part of these financial statements.

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

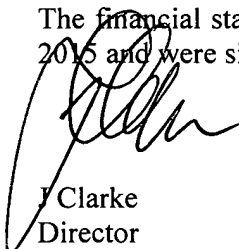
There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial years stated above and their historical cost equivalents.

**Balance sheet
as at 31 December**

	Note	2014 £'000	2013 £'000
Fixed assets			
Investments	8	-	-
Film investments	9	366	500
Non-recourse loans		<u>(187)</u>	<u>(187)</u>
		179	313
Current assets			
Debtors	10	17,154	18,097
Cash at bank and in hand		<u>8</u>	<u>685</u>
		17,162	18,782
Creditors: amounts falling due within one year	11	<u>(12,018)</u>	<u>(14,795)</u>
Net current assets		<u>5,144</u>	<u>3,987</u>
Total assets less current liabilities		5,323	4,300
Net assets		<u>5,323</u>	<u>4,300</u>
Capital and reserves			
Called up share capital	13	3,500	3,500
Profit and loss account	14	<u>1,823</u>	<u>800</u>
Total shareholders' funds	15	<u>5,323</u>	<u>4,300</u>

The notes on pages 8 to 17 form an integral part of these financial statements.

The financial statements on pages 6 to 17 were approved by the board of directors on 10 July 2015 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 2014

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 2014 (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 2014 (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 2014 (continued)**

2. Turnover

i) Geographical segments:

	United Kingdom		Rest of Europe		North America		Rest of world		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Turnover by destination	2	2	1,708	577	177	588	1,659	891	3,546	2,058

All turnover originates from the United Kingdom.

ii) Operational segments

	Turnover		Operating profit	
	2014	2013	2014	2013
	£'000	£'000	£'000	(restated) £'000
Sales agency	2,210	1,684	1,368	721
Exploitation of film rights	1,336	374	(318)	(168)
	<u>3,546</u>	<u>2,058</u>	<u>1,050</u>	<u>553</u>

3. Operating profit

	2014	2013
	£'000	£'000
Operating profit is stated after charging		
Amortisation of film investments	1,222	357
Exchange loss on foreign currency borrowings/deposits	<u>18</u>	<u>79</u>

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

4. Net interest receivable and similar income

	2014	2013
	£'000	£'000
Interest income from group companies	80	36
Interest payable on other balances	(3)	-
Interest income from other balances	<u>2</u>	<u>-</u>
	<u>79</u>	<u>36</u>

**Notes to the financial statements
for the year ended 31 December 2014 (continued)**

5. Directors' emoluments

The remuneration of the directors was as follows:

	2014 £'000	2013 £'000
Aggregate emoluments	51	98
Pension contributions to personal pension plan	4	4
	<u>55</u>	<u>102</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:

	2014 Number	2013 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:

	2014 £'000	2013 £'000
Wages and salaries	402	397
Social security costs	19	19
Other pension costs	21	23
	<u>442</u>	<u>439</u>

All the figures above are recharged by another group company. There were no pension contributions outstanding at the year end (2013: £nil).

Notes to the financial statements for the year ended 31 December 2014 (continued)

7. Tax on profit on ordinary activities

The tax charge in the year was £106,000 (2013: £137,000).

The Company has no deferred tax assets (2013: £nil).

The tax for the year is lower than (2013: equal to) the relevant rate of corporation tax in the UK for the year ended 31 December 2014 of 21.5% (2013: 23.25%) as explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	1,129	589
Profit on ordinary activities multiplied by the standard rate in the UK 21.5% (2013: 23.25%)	243	137
Effects of:		
Prior year taxable profits group relieved	(137)	-
Current tax charge for the year	<u>106</u>	<u>137</u>

The main rate of corporation tax in the UK reduced from 23% to 21% with effect from 1 April 2014. Accordingly, profits for the accounting year to 31 December 2014 were taxed at an effective rate of 21.5%. Further rate reductions 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.

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 2014 and 31 December 2014	<u>52</u>	<u>52</u>

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

**Notes to the financial statements
for the year ended 31 December 2014 (continued)**

9. Film investments

	Completed films – owned £'000	Completed films – leased £'000	Total £'000
Cost			
As at 1 January 2014	11,247	40,582	51,829
Additions	1,088	-	1,088
As at 31 December 2014	<u>12,335</u>	<u>40,582</u>	<u>52,917</u>
Accumulated amortisation			
As at 1 January 2014	(10,885)	(40,444)	(51,329)
Charge for the year	(1,222)	-	(1,222)
As at 31 December 2014	<u>(12,107)</u>	<u>(40,444)</u>	<u>(52,551)</u>
Net book amount			
As at 31 December 2014	<u>228</u>	<u>138</u>	<u>366</u>
As at 31 December 2013	<u>362</u>	<u>138</u>	<u>500</u>

10. Debtors

	2014 £'000	2013 £'000
Trade debtors	4,557	6,593
Amounts owed by group undertakings	9,829	8,898
Taxation and social security	1,466	1,326
Other debtors	1,302	1,280
	<u>17,154</u>	<u>18,097</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 £347,000 (2013: £267,000) of interest due from group undertakings. Details of interest charged to group undertakings during the year are shown in note 4.

**Notes to the financial statements
for the year ended 31 December 2014 (continued)**

11. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	110	530
Amounts owed to group undertakings	4,601	4,988
Taxation and social security	106	137
Accruals and deferred income	7,201	9,140
	<u>12,018</u>	<u>14,795</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 (2013: £273,000) of interest due to group companies. Details of interest charged by group undertakings during the year are shown in note 4.

12. Deposit and lease payment

	2014 £'000	2013 £'000
Restricted deposit account	-	830
Lease payments		
- due within one year	-	881
- due within one to two years	-	-
	-	881
Less: Finance charges included above	-	(39)
	<u>-</u>	<u>842</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 2014 all these transactions had been completed and there were no remaining balances and there was no interest receivable on the deposit account (2013: £52,000).

**Notes to the financial statements
for the year ended 31 December 2014 (continued)**

13. Called up share capital

	2014	2013
	£'000	£'000
Authorised		
300 (2013: 300) Cumulative redeemable preference shares of £10,000 each	3,000	3,000
10,001,000 (2013: 10,001,000) Ordinary shares of £1 each	10,001	10,001
	<u>13,001</u>	<u>13,001</u>
 Allotted, called-up and fully-paid	 £'000	 £'000
3,500,001 (2013: 3,500,001) Ordinary shares of £1 each	<u>3,500</u>	<u>3,500</u>

14. Profit and loss account

	£'000
Opening balance at 1 January 2014	800
Profit for the financial year	<u>1,023</u>
Closing balance at 31 December 2014	<u>1,823</u>

15. Reconciliation of movements in shareholders' funds

	2014	2013
	£'000	£'000
Profit for the financial year	<u>1,023</u>	<u>452</u>
Increase in shareholders' funds	<u>1,023</u>	<u>452</u>
Opening shareholders' funds	<u>4,300</u>	<u>3,848</u>
Closing shareholders' funds	<u>5,323</u>	<u>4,300</u>

**Notes to the financial statements
for the year ended 31 December 2014 (continued)****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.

One director, C M McCracken, was also a director and shareholder of Kent House Pictures Limited during the financial year. During the year the Company made payments of £64 to (2013: £nil) and incurred no recharges (2013: £nil) from Kent House Pictures Limited. A reconciliation of the account with Kent House Pictures Limited identified certain differences and as a result, the balance due to Kent House Pictures Limited was reduced by £14,478. At the year end the Company owed Kent House Pictures Limited a total of £103,700 (2013: £118,242).

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

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.