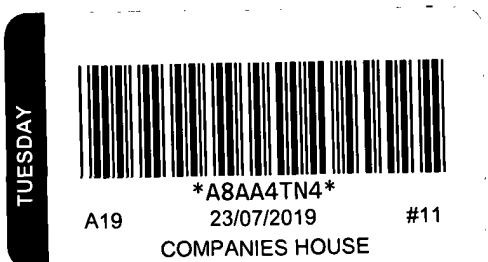


Pathé Fund Limited

Annual Report

for the year ended 31 December 2018

Registered number: 3407564



Pathé Fund Limited

Annual Report for the year ended 31 December 2018

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Strategic report for the year ended 31 December 2018

The directors present their Strategic report on Pathé Fund Limited ('the Company') for the year ended 31 December 2018.

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 £1.8m (2017: £3.0m). Profit for the year was £1.2m (2017: £1.8m). Revenue was derived primarily from commission on sales of the major film release during the year, this being *The Little Stranger*. Net assets increased to £8.1m (2017: £6.9m). Retained profits carried forward in reserves amount to £4.6m (2017: £3.4m).

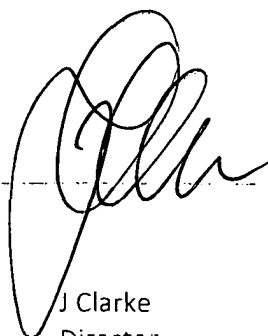
Key performance indicators

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 usually 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

12 July 2019

Directors' report for the year ended 31 December 2018

The directors present their report with the audited financial statements of Pathé Fund Limited for the year ended 31 December 2018.

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 films produced by the Pathé UK group of companies in the future. The directors consider that the outlook for the Company is good, as the group continues to develop new projects for sale in the international film market.

Dividends

No dividends were paid the year (2017: £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 small. 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 cashflow is not considered a risk. The Company has no variable rate loans so is not exposed to interest rate risk. There are few costs which are not fixed and price risk is not considered significant.

Post balance sheet events

There are no post balance sheet events subsequent to report.

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	J Borgars (appointed 1 July 2018)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation. 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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.

Directors' report for the year ended 31 December 2018 (continued)**Directors' responsibilities statement (continued)**

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

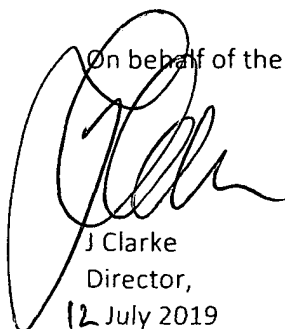
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is 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 a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



J Clarke
Director,
12 July 2019

Independent auditor's report to the members of Pathé Fund Limited**Opinion**

We have audited the financial statements of Pathé Fund Limited for the year ended 31 December 2018 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 19, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its 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.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

Independent auditor's report to the members of Pathé Fund Limited (continued)**Other information**

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Independent auditor's report to the members of Pathé Fund Limited (continued)**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement (set out on pages 2-3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

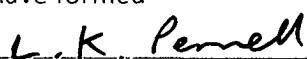
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Louise Pennell (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

16 July 2019

**Statement of comprehensive income
for the year ended 31 December 2018**

	Note	2018 £'000	2017 £'000
Turnover	5	1,758	3,027
Cost of sales		<u>66</u>	<u>(125)</u>
Gross profit		1,824	2,902
Administrative expenses		<u>(698)</u>	<u>(823)</u>
Operating profit	6	1,126	2,079
Net interest income	7	<u>50</u>	<u>79</u>
Profit before taxation		1,176	2,158
Tax on profit	10	<u>–</u>	<u>(405)</u>
Profit and total comprehensive income for the year		<u>1,176</u>	<u>1,753</u>

The notes on pages 10 to 20 form an integral part of these financial statements.

Balance sheet
as at 31 December 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	11	193	193
Investments	12	—	—
Non-recourse loans		<u>(187)</u>	<u>(187)</u>
		6	6
Current assets			
Debtors	13	15,974	13,260
Cash at bank and in hand		<u>267</u>	<u>113</u>
		16,241	13,373
Creditors: amounts falling due within one year	14	<u>(8,147)</u>	<u>(6,455)</u>
Net current assets		<u>8,094</u>	<u>6,918</u>
Total assets less current liabilities		8,100	6,924
Net assets		<u>8,100</u>	<u>6,924</u>
Capital and reserves			
Called up share capital	16	3,500	3,500
Profit and loss account		<u>4,600</u>	<u>3,424</u>
Total equity		<u>8,100</u>	<u>6,924</u>

The notes on pages 10 to 20 form an integral part of these financial statements.

The financial statements on pages 7 to 20 were approved by the board of directors on 12 July 2019 and were signed on its behalf by:



J Clarke
Director

Registered number: 3407564
6 Ramillies Street
London
W1F 7TY

Statement of changes in equity

	Note	Called up share capital £'000	Profit and loss account £'00	Total equity £'000
As at 1 January 2017		3,500	1,671	5,171
Profit for the financial year		–	1,753	1,753
As at 31 December 2017		3,500	3,424	6,924
As at 1 January 2018		3,500	3,424	6,924
Profit for the financial year		–	1,176	1,176
As at 31 December 2018		3,500	4,600	8,100

**Notes to the financial statements
for the year ended 31 December 2018**

1. General information

Pathé Fund Limited ('the Company') is primarily responsible for acting as an international sales agent for independent theatrical feature films, most of which have been produced and part financed by the Pathé group of companies.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is 6 Ramillies Street, London, W1F 7TY.

The Company's financial statements were authorised for issue by the Board of directors on 12 July 2019.

2. Statement of compliance

The individual financial statements of Pathé Fund Limited have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "Financial Reporting Standards applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year, unless otherwise stated.

The preparation of financial statements in accordance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 4.

Basis of preparation

The financial statements are prepared on a going concern basis.

The directors have reviewed cash flow projections for the period of more than twelve months from the date of approval of these financial statements and are satisfied that the ~~Company has sufficient finances to continue as a going concern. Although there is no~~ expectation that repayment of the amounts owed to group undertakings will be requested, the directors of the parent company, Pathé Entertainment Limited, have confirmed their intention to provide support as financial liabilities fall due if necessary, for the 12 months from the date of approval of these financial statements.

Notes to the financial statements
for the year ended 31 December 2018 (continued)

3. Accounting policies (continued)

Exemptions for qualifying activities under FRS 102

The Company has taken advantage of the exemption under FRS 102, paragraph 1.12(b), from preparing a statement of cashflow on the basis that it is a qualifying entity and its ultimate parent company, Pathé SAS, includes the Company's cash flows in its own consolidated financial statements. The Company is also taking the exemption for disclosing key management personnel compensation in total under FRS 102, paragraph 33.7, and from preparing a reconciliation of the number of shares outstanding at the beginning and end of the period under FRS 102, paragraph 3.17.

Consolidated financial statements

The Company is exempt from preparing group financial statements under section 400 of the Companies Act 2006 as it is a wholly owned subsidiary of Pathé SAS which is registered in France. The financial statements present information about the Company as an individual undertaking and not about its group.

Foreign currencies

The Company's functional and presentation currency is the pound sterling. Monetary assets and liabilities denominated in foreign currencies are reported at the rate of exchange prevailing 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.

Revenue recognition

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.

Employee Benefits

Staff working for the Company are employed by other Pathe group companies. The Company is subject to recharges from these other companies according to how much time staff spend working on the Company's business. These recharges include elements to cover pension costs and bonus costs.

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.

Notes to the financial statements
for the year ended 31 December 2018 (continued)

3. Accounting policies (continued)

Deferred taxation

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.

Intangible assets - Film investments

Film investments comprise amounts paid for the development or production of films in progress and completed films produced, all of which 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 financial year 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.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any provision for a diminution in value.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, and deposits with banks of less than three months' duration.

Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial assets, including trade and other receivables, and cash and bank balances are recognised at transaction price. These are reviewed regularly and if necessary, an impairment charge is taken to the profit and loss account. Financial assets are derecognised when the contractual rights to the cashflows are settled.

Basic financial liabilities, including trade and other receivables, and cash and bank balances are recognised at transaction price. Financial liabilities are derecognised when the liability is extinguished, i.e. when the contractual obligation is discharged, cancelled or expires.

The Company has no other financial instruments.

Notes to the financial statements
for the year ended 31 December 2018 (continued)

3. Accounting policies (continued)

Share capital and dividends

Ordinary shares are classified as equity. Dividends are recognised as a liability in the period in which the dividends are approved by the Company's shareholders, and are shown in the statement of changes in equity.

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 is considered the most appropriate treatment. 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.

Related party transactions

The Company discloses transactions with related parties that are not fully owned with the same group (see note 18). It does not disclose transactions with members of the same group that are fully owned with the same group as permitted by FRS 102 paragraph 33.1A.

Notes to the financial statements
for the year ended 31 December 2018 (continued)

4. Critical accounting estimates and estimation uncertainty

In some areas, it is necessary to make assumptions about future events.

i) Intangible assets: film investments

The Company seeks to cover its investment in film productions by securing sales of distribution rights to international distributors, along with income from distribution in the UK and France. All film investments are monitored regularly and the value of the Company's investment is compared to its share of forecast revenues from the film's exploitation. These forecast revenues may either be contracted, or estimated. Estimates are based on previous experience and management's assessment of conditions in the relevant markets. These estimates are prudent, but should actual revenues fall below these amounts, it may be necessary to charge additional amortisation amounts in future periods.

ii) Impairment of debtors

Where possible, business is contracted with organisations with which the Company has had prior dealings. In addition, international sales are typically made on the condition that the materials necessary to release the film will not be made until the customer has made full, or substantially full, payment in advance. If considering the recoverability of debtors, management will take in to account previous payment history, current developments in the relevant market and specific information available concerning the individual debtor.

5. Turnover

i) Geographical segments:

	United Kingdom		Rest of Europe		North America		Rest of world		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Turnover by destination	16	103	768	1,901	489	35	485	988	1,758	3,027

All turnover originates from the United Kingdom.

ii) Operational segments

	Turnover	
	2018	2017
	£'000	£'000
Sales agency	1,733	2,966
Exploitation of film rights	25	61
	<u>1,758</u>	<u>3,027</u>

Notes to the financial statements
for the year ended 31 December 2018 (continued)

6. Operating profit

	2018 £'000	2017 £'000
Operating profit is stated after charging/(crediting)		
Amortisation of film investments	–	49
Exchange (gain)/loss on foreign currency	(18)	(20)

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

7. Net interest income

	2018 £'000	2017 £'000
Interest receivable from group companies	50	92
Interest payable on other balances	–	(13)
	<u>50</u>	<u>79</u>

8. Directors' emoluments

The remuneration of the directors was as follows:

	2018 £'000	2017 £'000
Aggregate emoluments	83	60
Pension contributions to personal pension plan	4	4
	<u>87</u>	<u>64</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. Through the year four directors (2017: three) were members of money purchase pension scheme administered by the group.

9. Employee information

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

	2018 Number	2017 Number
Administration	2	2
Sales	<u>1</u>	<u>1</u>

Notes to the financial statements
for the year ended 31 December 2018 (continued)

9. Employee information (continued)

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:

	2018 £'000	2017 £'000
Wages and salaries	177	180
Social security costs	22	22
Other pension costs	25	20
	<u>224</u>	<u>222</u>

All the figures above are recharged by another group company. There were no pension contributions outstanding at the year end (2017: £nil).

10. Tax on profit

The tax charge in the year was £nil (2017: £405,000).

The Company has no deferred tax assets (2017: £nil).

The effective tax rate for the year is lower than (2017: lower than) the relevant rate of corporation tax in the UK for the year ended 31 December 2018 of 19.00% (2017: 19.25%) as explained below:

	2018 £'000	2017 £'000
Profit before taxation	<u>1,176</u>	<u>2,158</u>
Profit multiplied by the standard rate in the UK 19.00% (2017: 19.25%)	223	415
Effects of:		
Losses surrendered from group companies	(223)	-
Prior year adjustment of overseas tax charge	<u>-</u>	<u>(10)</u>
Total tax charge for the year	<u>-</u>	<u>405</u>

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 (on 7 September 2016). These include reductions of the main rate to 17% from 1 April 2020.

Notes to the financial statements
for the year ended 31 December 2018 (continued)

11. Intangible assets

	Completed films - owned	Completed films - leased	Total
	£'000	£'000	£'000
Cost			
As at 1 January 2018	12,335	40,582	52,917
Additions	—	—	—
As at 31 December 2018	12,335	40,582	52,917
Accumulated amortisation			
As at 1 January 2018	(12,280)	(40,444)	(52,724)
Charge for the year	—	—	—
As at 31 December 2018	(12,280)	(40,444)	(52,724)
Net book amount			
As at 31 December 2018	55	138	193
As at 31 December 2017	55	138	193

12. 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 2018 and 31 December 2018			52	52

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 2018 (continued)

13. Debtors

	2018	2017
	£'000	£'000
Trade debtors	1,456	241
Amounts owed by group undertakings	13,051	12,855
Taxation and social security	-	21
Other debtors	1,467	143
	<u>15,974</u>	<u>13,260</u>

Certain trading amounts due from group undertakings 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 amounts owed from group undertakings are unsecured and repayable on demand.

The balance above includes £677,000 (2017: £627,000) of interest due from group undertakings. Details of interest charged to group undertakings during the year are shown in note 7.

14. Creditors: amounts falling due within one year

	2018	2017
	£'000	£'000
Trade creditors	291	37
Amounts owed to group undertakings	4,594	4,593
Corporation tax	415	789
Taxation and social security	36	-
Accruals and deferred income	2,811	1,036
	<u>8,147</u>	<u>6,455</u>

Certain trading amounts owed to group undertakings 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 amounts owed to group undertakings are unsecured and repayable on demand.

The balance above includes £273,000 (2017: £273,000) of interest owed to group companies. Details of interest charged by group undertakings during the year are shown in note 7.

Notes to the financial statements
for the year ended 31 December 2018 (continued)

15. Financial instruments

The Company has the following financial instruments:

	2018 £'000	2017 £'000
Financial assets measured at amortised cost:		
Trade debtors	1,456	241
Amounts owed by group undertakings	13,051	12,855
	<u>14,507</u>	<u>13,096</u>
Financial liabilities measured at amortised cost:		
Trade creditors	291	37
Amounts owed to group undertakings	4,594	4,593
	<u>4,885</u>	<u>4,630</u>

16. Called up share capital

	2018 £'000	2017 £'000
Authorised		
300 (2017: 300) Cumulative redeemable preference shares of £10,000 each	3,000	3,000
10,001,000 (2017: 10,001,000) Ordinary shares of £1 each	10,001	10,001
	<u>13,001</u>	<u>13,001</u>
	2018	2017
Allotted, called-up and fully-paid	£'000	£'000
3,500,001 (2017: 3,500,001) Ordinary shares of £1 each	3,500	3,500

There is a single class of ordinary share. There are no restrictions on the distribution of income and the repayment of capital.

17. Dividends

	2018 £'000	2017 £'000
Ordinary shares: declared and paid		
	2018	2017
	Pence	Pence
Paid: per £1.00 share	-	-

**Notes to the financial statements
for the year ended 31 December 2018 (continued)****18. Related party disclosures**

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 no payments to (2017: £11,053) and incurred no recharges (2017: £nil) from Kent House Pictures Limited. At the year end the Company owed Kent House Pictures Limited a total of £92,323 (2017: £92,323).

At the year end the Company was owed £56,572 by Magic Rights Limited (2017: £56,572), a joint venture undertaking within the group. The Company had no transactions with Magic Rights during the financial year.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned by the group.

Details of the ultimate controlling party and availability of consolidated financial statements are given in note 19.

19. Controlling parties

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.
