MOTION PICTURE LICENSING COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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MOTION PICTURE LICENSING COMPANY LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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;
- 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.
MOTION PICTURE LICENSING COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th></th>
<th>2017</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td></td>
<td>£</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>4</td>
<td>3,009,970</td>
<td>4,124,322</td>
<td></td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>191,488</td>
<td>254,848</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,201,458</td>
<td>4,379,170</td>
<td></td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>5</td>
<td>(3,192,297)</td>
<td>(2,426,981)</td>
<td></td>
</tr>
<tr>
<td>Net current assets</td>
<td></td>
<td>9,161</td>
<td>1,952,189</td>
<td></td>
</tr>
<tr>
<td>Capital and reserves</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td>6</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Profit and loss reserves</td>
<td></td>
<td>9,061</td>
<td>1,952,089</td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td></td>
<td>9,161</td>
<td>1,952,189</td>
<td></td>
</tr>
</tbody>
</table>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 23 August 2019, and are signed on its behalf by:

Michael Weatherley
Director
MOTION PICTURE LICENSING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information
Motion Picture Licensing Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is MPLC House, 4 Saffrons Road, Eastbourne, East Sussex, United Kingdom, BN21 1DG.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future on the basis of prepared budgets and forecasts. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover
Turnover is derived from the sale of non-refundable licenses for the public display of motion picture intellectual properties owned by third parties recharged by the company's fellow subsidiaries and related parties.

License sales are recognised when the license period starts and when collection is reasonably assured. At this point all service obligations are judged to have been delivered in accordance with the terms of arrangements reached with each customer.

Cost of sales
Cost of sales represent royalties payable to third parties' for their share of the license sales earned recharged by the company's fellow subsidiaries and related parties. Royalties payable are recognised within cost of sales when the corresponding license sale is recognised with turnover.

Interest income
Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.
1 Accounting policies (Continued)

Financial instruments
The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments
Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.
1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 15 (2017 - 12).

3 Directors' remuneration

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration paid to directors</td>
<td>208,703</td>
<td>59,667</td>
</tr>
</tbody>
</table>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

4 Debtors

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts falling due within one year:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade debtors</td>
<td>1,623,981</td>
<td>1,053,971</td>
</tr>
<tr>
<td>Amounts owed by group undertakings</td>
<td>1,191,350</td>
<td>2,913,660</td>
</tr>
<tr>
<td>Other debtors</td>
<td>194,639</td>
<td>156,691</td>
</tr>
<tr>
<td></td>
<td>3,009,970</td>
<td>4,124,322</td>
</tr>
</tbody>
</table>
MOTION PICTURE LICENSING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>16,107</td>
<td>10,904</td>
</tr>
<tr>
<td>Amounts due to group undertakings</td>
<td>1,104,002</td>
<td>919,258</td>
</tr>
<tr>
<td>Corporation tax</td>
<td>205,455</td>
<td>187,103</td>
</tr>
<tr>
<td>Other taxation and social security</td>
<td>316,833</td>
<td>248,836</td>
</tr>
<tr>
<td>Other creditors</td>
<td>1,549,900</td>
<td>1,060,880</td>
</tr>
<tr>
<td></td>
<td>3,192,297</td>
<td>2,426,981</td>
</tr>
</tbody>
</table>

6 Called up share capital

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary share capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued and fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>100 Ordinary Shares of £1 each</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

The company has one class of ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

7 Related party transactions

Transactions with related parties
During the year the company entered into the following transactions with related parties:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchases</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Other related parties</td>
<td>-</td>
<td>16,270</td>
</tr>
</tbody>
</table>

<p>| Royalties received                        | Royalties paid |</p>
<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Entities over which the entity has joint control</td>
<td>18,993</td>
<td>18,475</td>
<td>18,993</td>
</tr>
</tbody>
</table>

Other related parties comprise fellow group companies controlled by the immediate parent company.

No guarantees have been given or received. No expense has been recognised in the year (2017: £nil) in respect of bad debts from related parties.
8 Parent company

The ultimate controlling party is Peter Kuyper, by virtue of his controlling stake in the group.

Motion Picture Licensing Company (International) Limited is the immediate parent, and is the smallest company for which consolidated accounts including Motion Picture Licensing Company Limited are prepared. The consolidated accounts of Motion Picture Licensing Company (International) Limited are available from its registered office, C/O Skadden, Arps, Slate, Meagher & Flom (UK) LLP, 40 Bank Street, Canary Wharf London, E14 5DS.

The largest company to include Motion Picture Licensing Company Limited in its consolidated accounts is Motion Picture Licensing Corporation, a company incorporated in the United States of America.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Zoe Rudling.
The auditor was RSM UK Audit LLP.