

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016  
FOR  
CARNABY INTERNATIONAL PLC**

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**CARNABY INTERNATIONAL PLC**

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FOR THE YEAR ENDED 30 APRIL 2016**

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**CARNABY INTERNATIONAL PLC**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 APRIL 2016**

<b>DIRECTORS:</b>	C Hooper F Wasson
<b>SECRETARY:</b>	MH Secretaries Ltd.
<b>REGISTERED OFFICE:</b>	Staple Court 11 Staple Inn Buildings London WC1V 7QH
<b>REGISTERED NUMBER:</b>	04969597 (England and Wales)
<b>AUDITORS:</b>	Johnsons, Chartered Accountants Statutory Auditor 2nd Floor 109 Uxbridge Road Ealing London W5 5TL
<b>BANKERS:</b>	Societe Generale SG House 41 Tower Hill London EC3N 4SG
<b>SOLICITORS:</b>	Marriott Harrison Staple Court 11 Staple Inn Buildings London WC1V 7QH

## **CARNABY INTERNATIONAL PLC**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2016**

The directors present their strategic report for the year ended 30 April 2016.

#### **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

Turnover:

Turnover, excluding sales to related undertakings, was £234,113 (2015: £268,456)

Key performance indicators:

		2016	2015
Turnover (excluding sales to related parties)	% (decrease) year on year	(13%)	(19)%
Working capital	% of total assets	5%	33%


#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The key business risks affecting the company are:

- the risk of declining revenue from the exploitation of film rights and rights to revenue streams held by the company in various films
- the variability of revenues from the exploitation of the library of television programmes in which the company has residual rights.

In response to the risks the company continues to source new channels of distribution and markets in order to maintain revenue although the directors recognise that by its very nature the film industry is a high risk business.

**ON BEHALF OF THE BOARD:**

+  JCH

C Hooper - Director

12 October 2016

## **CARNABY INTERNATIONAL PLC**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2016**

The directors present their report with the financial statements of the company for the year ended 30 April 2016.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 30 April 2016.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 May 2015 to the date of this report.

C Hooper  
F Wasson

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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;
- state whether applicable 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

The auditors, Johnsons, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

#### **ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'C Hooper', followed by a small 'x' and the letters 'CH'.

C Hooper - Director

12 October 2016

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CARNABY INTERNATIONAL PLC**

We have audited the financial statements of Carnaby International plc for the year ended 30 April 2016 on pages five to twelve. 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).

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

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

### **Scope of the audit of the financial statements**

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 Strategic Report and the Report of the Directors 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.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its loss 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

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

David Turner (Senior Statutory Auditor)  
for and on behalf of Johnsons, Chartered Accountants  
Statutory Auditor  
2nd Floor  
109 Uxbridge Road  
Ealing  
London  
W5 5TL

12 October 2016

**CARNABY INTERNATIONAL PLC**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 APRIL 2016**

	Notes	2016 £	2015 £
<b>TURNOVER</b>		252,044	269,790
Cost of sales		<u>23,780</u>	<u>26,900</u>
<b>GROSS PROFIT</b>		228,264	242,890
Administrative expenses		<u>256,110</u>	<u>292,831</u>
<b>OPERATING LOSS</b>	3	(27,846)	(49,941)
Interest receivable and similar income		<u>200</u>	<u>-</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(27,646)	(49,941)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(27,646)</u>	<u>(49,941)</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the losses for the current year or previous year.

The notes form part of these financial statements

**CARNABY INTERNATIONAL PLC (REGISTERED NUMBER: 04969597)**

**BALANCE SHEET  
30 APRIL 2016**

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Intangible assets	5	60,197	70,863
<b>CURRENT ASSETS</b>			
Debtors	6	78,517	29,568
Cash at bank		10,637	104,587
		<u>89,154</u>	<u>134,155</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>71,717</u>	<u>99,738</u>
<b>NET CURRENT ASSETS</b>		<u>17,437</u>	<u>34,417</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>77,634</u>	<u>105,280</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	5,671,800	5,671,800
Profit and loss account	9	(5,594,166)	(5,566,520)
<b>SHAREHOLDERS' FUNDS</b>	11	<u>77,634</u>	<u>105,280</u>

The financial statements were approved by the Board of Directors on 12 October 2016 and were signed on its behalf by:

 +CH

C Hooper - Director



**CARNABY INTERNATIONAL PLC**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2016**

	Notes	2016 £	2015 £
<b>Net cash (outflow)/inflow from operating activities</b>	1	(94,148)	75,348
<b>Returns on investments and servicing of finance</b>	2	200	-
<b>Capital expenditure</b>	2	(2)	(1)
<b>(Decrease)/increase in cash in the period</b>		<u>(93,950)</u>	<u>75,347</u>
<hr/>			
<b>Reconciliation of net cash flow to movement in net funds</b>	3		
(Decrease)/increase in cash in the period		<u>(93,950)</u>	<u>75,347</u>
Change in net funds resulting from cash flows		<u>(93,950)</u>	<u>75,347</u>
<b>Movement in net funds in the period</b>		<u>(93,950)</u>	<u>75,347</u>
<b>Net funds at 1 May</b>		<u>104,587</u>	<u>29,240</u>
<b>Net funds at 30 April</b>		<u><u>10,637</u></u>	<u><u>104,587</u></u>

The notes form part of these financial statements

**CARNABY INTERNATIONAL PLC**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2016**

**1. RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2016	2015
	£	£
Operating loss	(27,846)	(49,941)
Depreciation charges	10,668	25,958
(Increase)/decrease in debtors	(48,949)	34,078
(Decrease)/increase in creditors	(28,021)	65,253
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(94,148)</b>	<b>75,348</b>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2016	2015
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest received	200	-
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>200</b>	<b>-</b>
 <b>Capital expenditure</b>		
Purchase of intangible fixed assets	(2)	(1)
<b>Net cash outflow for capital expenditure</b>	<b>(2)</b>	<b>(1)</b>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.5.15	Cash flow	At
	£	£	30.4.16
			£
Net cash:			
Cash at bank	104,587	(93,950)	10,637
	<u>104,587</u>	<u>(93,950)</u>	<u>10,637</u>
 Total	<u>104,587</u>	<u>(93,950)</u>	<u>10,637</u>

The notes form part of these financial statements

## CARNABY INTERNATIONAL PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2016

#### 1. ACCOUNTING POLICIES

##### Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

##### Turnover

Turnover represents royalties and fees receivable for services, excluding value added tax.

##### Intangible fixed assets

Intangible fixed assets include:

a) The film rights in the feature films entitled - "Daddy's Girl," "Dolphins," "Rise of the Footsoldier," "Lighthouse Hill," "Spivs," "Are You Ready For Love", "Caught in the Act", "Doghouse", "The Last Drop" and "Salt Beef & Rye". The film rights are being amortised over their estimated useful life at the annual rate of 6.67% on a straight line basis.

b) Revenue streams in the feature films entitled "Doghouse", "Caught in the Act" and "A Lonely Place to Die". The revenue streams are being amortised over their estimated useful life at the annual rate of 10% on a straight line basis.

c) The website is amortised on a straight line basis over its estimated useful life of 3 years.

d) Music and video content has not been depreciated as it has an indefinite life.

##### Impairment

The company assesses at each balance sheet date whether there is any indication of a significant and permanent reduction in the value of intangible assets. If there is such an indication, an impairment review is carried out. The impairment review is based on an estimate of discounted future cash flows. Actual discounted cash flows could vary significantly as compared to the estimates due to the assumptions used in the estimation process. When the recoverable amount of intangible assets, determined using this basis, is less than its carrying value, an impairment loss is recognised in the profit and loss account and the carrying value of the intangible assets is reduced by the amount of the loss.

#### 2. STAFF COSTS

There were no staff costs for the year ended 30 April 2016 nor for the year ended 30 April 2015.

The average monthly number of employees during the year was as follows:

	2016	2015
Management	<u>2</u>	<u>2</u>

#### 3. OPERATING LOSS

The operating loss is stated after charging:

	2016	2015
	£	£
Film rights amortisation	540	3,830
Film revenue streams amortisation	10,128	22,128
Auditors' remuneration	9,500	9,500
Auditors' remuneration for non audit work	<u>4,000</u>	<u>4,500</u>
Directors' remuneration	<u>-</u>	<u>-</u>

# CARNABY INTERNATIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2016

### 4. TAXATION

#### Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 30 April 2016 nor for the year ended 30 April 2015.

### 5. INTANGIBLE FIXED ASSETS

	Film rights £	Website £	Film revenue streams £	Music & video content £	Totals £
<b>COST</b>					
At 1 May 2015	1,425,847	15,000	1,210,750	2	2,651,599
Additions	2	-	-	-	2
At 30 April 2016	1,425,849	15,000	1,210,750	2	2,651,601
<b>AMORTISATION</b>					
At 1 May 2015	1,418,283	15,000	1,147,453	-	2,580,736
Amortisation for year	540	-	10,128	-	10,668
At 30 April 2016	1,418,823	15,000	1,157,581	-	2,591,404
<b>NET BOOK VALUE</b>					
At 30 April 2016	7,026	-	53,169	2	60,197
At 30 April 2015	7,564	-	63,297	2	70,863

During the year the company acquired the film rights pertaining to the feature films "The Last Drop" and "Salt Beef & Rye" for £1 each.

### 6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	2,646	1,988
Other debtors	74,400	27,580
VAT	1,471	-
	<u>78,517</u>	<u>29,568</u>

### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade creditors	55,548	83,158
Other creditors	169	580
Accrued expenses	16,000	16,000
	<u>71,717</u>	<u>99,738</u>

# CARNABY INTERNATIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2016

### 8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£	£
50,000	A Ordinary Shares	£1	50,000	50,000
5,621,800	B Ordinary Shares	£1	5,621,800	5,621,800
			<u>5,671,800</u>	<u>5,671,800</u>

The A Ordinary shares and B Ordinary shares rank pari passu in all respects except;

1) Following payment of an aggregate total dividend of £1 in respect of each share in issue any further dividends shall be paid as follows:

(i) 50% in value of such dividends shall be paid to the holders of the A Ordinary shares in proportion to the number of A shares held by each of them; and

(ii) 50% in value of such dividends shall be paid to the holders of the B Ordinary shares in proportion to the number of B shares held by each of them.

Notwithstanding any other provision of these Articles, on a return of assets on a liquidation, reduction of capital or otherwise, the holders of the A Ordinary shares and the holders of the B Ordinary shares shall be entitled to be paid out of the surplus assets of the Company remaining after payment of its liabilities the amount paid up or credited as paid up on the shares, such payment to be paid in proportion to the number of A shares or B shares held respectively by the holders of the A Ordinary shares or the B Ordinary shares (as the case may be). After such payment has been made to the holder of the A shares and the holders of the B shares any further surplus assets shall be paid as follows:

(i) 50% in value of such surplus assets shall be paid to the holders of the A shares in proportion to the number of A Ordinary shares held by each of them; and

(ii) 50% in value of such surplus assets shall be paid to the holders of the B Ordinary shares in proportion to the number of B Ordinary shares held by each of them.

2) Whatever the number of A Ordinary shares in issue at any time the A Ordinary shares shall confer upon the holders thereof the right (pro rata to the number of A Ordinary shares held by each of them) to cast an aggregate of 51% of the voting rights capable of being cast on all matters decided by vote at general meetings.

### 9. RESERVES

	Profit and loss account £
At 1 May 2015	(5,566,520)
Deficit for the year	<u>(27,646)</u>
At 30 April 2016	<u><u>(5,594,166)</u></u>

## CARNABY INTERNATIONAL PLC

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2016

#### 10. RELATED PARTY DISCLOSURES

Carnaby's Superbiker plc, a company in which C. Hooper and F. Wasson are directors, supplied services totalling £8,333 (2015: £28,500) to the company.

The company supplied services totalling £19,770 (2015: £nil) to Carnaby International Sales and Distribution plc, a company in which C. Hooper and F. Wasson are directors.

The company purchased the film rights to the feature film "The Last Drop" and "Salt Beef & Rye" for £1 each from Carnaby Pictures plc, a company in which C. Hooper and F. Wasson were directors.

#### 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2016 £	2015 £
Loss for the financial year	(27,646)	(49,941)
<b>Net reduction of shareholders' funds</b>	<b>(27,646)</b>	<b>(49,941)</b>
Opening shareholders' funds	105,280	155,221
<b>Closing shareholders' funds</b>	<b>77,634</b>	<b>105,280</b>

#### 12. CONTROLLING PARTY

The company was under the joint control of C. Hooper and F. Wasson, who are both directors and shareholders.