

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017  
FOR  
CARNABY INTERNATIONAL PLC**

TUESDAY



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**CARNABY INTERNATIONAL PLC**

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FOR THE YEAR ENDED 30 APRIL 2017**

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**CARNABY INTERNATIONAL PLC**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 APRIL 2017**

<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 2017**

The directors present their strategic report for the year ended 30 April 2017.

**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 £171,172 (2016: £234,113)

Key performance indicators:

		2017	2016
Turnover (excluding sales to related parties)	% (decrease) year on year	(27)%	(13)%
Working capital	% of total assets	74%	22%

**PRINCIPAL RISKS AND UNCERTAINTIES**

The key business risks affecting the company are:

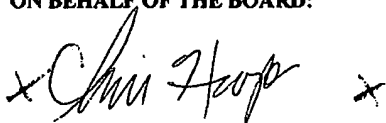
- the risk of declining revenue from the exploitation of film rights and rights to revenue streams held by the company in various films
- the variability of revenues from the exploitation of the library of television programmes in which the company has residual rights.

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.

**CREDITORS PAYMENT POLICY**

The company does not have a standard policy on the payment of creditors. Suppliers are paid on the due dates of payment negotiated with each supplier.

**ON BEHALF OF THE BOARD:**



C Hooper - Director

19 October 2017

**CARNABY INTERNATIONAL PLC**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 APRIL 2017**

The directors present their report with the financial statements of the company for the year ended 30 April 2017.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 April 2017.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 May 2016 to the date of this report.

C Hooper  
F Wasson

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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.

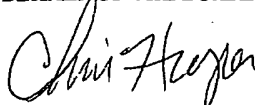
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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:**

x  x

C Hooper - Director

19 October 2017

## **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 2017 on pages six to fourteen. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2017 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.

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

In our opinion, based on the work undertaken in the course of our audit, 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, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

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

**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

19 October 2017

**CARNABY INTERNATIONAL PLC**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2017**

	Notes	2017 £	2016 £
<b>TURNOVER</b>		183,377	252,044
Cost of sales		17,271	23,780
<b>GROSS PROFIT</b>		166,106	228,264
Administrative expenses		135,709	256,110
<b>OPERATING PROFIT/(LOSS)</b>	4	30,397	(27,846)
Interest receivable and similar income		-	200
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		30,397	(27,646)
Tax on profit/(loss)	5	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		30,397	(27,646)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		30,397	(27,646)

The notes form part of these financial statements

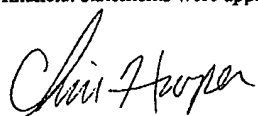


**CARNABY INTERNATIONAL PLC (REGISTERED NUMBER: 04969597)**

**BALANCE SHEET  
30 APRIL 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Intangible assets	6	49,531	60,197
<b>CURRENT ASSETS</b>			
Debtors	7	108,403	78,517
Cash at bank		22,525	10,637
		<u>130,928</u>	<u>89,154</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>72,428</u>	<u>71,717</u>
<b>NET CURRENT ASSETS</b>		<u>58,500</u>	<u>17,437</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>108,031</u>	<u>77,634</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	5,671,800	5,671,800
Retained earnings	10	<u>(5,563,769)</u>	<u>(5,594,166)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>108,031</u>	<u>77,634</u>

The financial statements were approved by the Board of Directors on 19 October 2017 and were signed on its behalf by:

x  x

C Hooper - Director

The notes form part of these financial statements

**CARNABY INTERNATIONAL PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2017**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 May 2015</b>	5,671,800	(5,566,520)	105,280
<b>Changes in equity</b>			
Total comprehensive income	-	(27,646)	(27,646)
<b>Balance at 30 April 2016</b>	<u>5,671,800</u>	<u>(5,594,166)</u>	<u>77,634</u>
<b>Changes in equity</b>			
Total comprehensive income	-	30,397	30,397
<b>Balance at 30 April 2017</b>	<u>5,671,800</u>	<u>(5,563,769)</u>	<u>108,031</u>

The notes form part of these financial statements

**CARNABY INTERNATIONAL PLC**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2017**

	Notes	2017 £	2016 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	11,890	(94,148)
Net cash from operating activities		<u>11,890</u>	<u>(94,148)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(2)	(2)
Interest received		-	200
Net cash from investing activities		<u>(2)</u>	<u>198</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>11,888</u>	<u>(93,950)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	10,637	104,587
<b>Cash and cash equivalents at end of year</b>	2	<u><u>22,525</u></u>	<u><u>10,637</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 2017**

**1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2017	2016
	£	£
Profit/(loss) before taxation	30,397	(27,646)
Depreciation charges	10,668	10,668
Finance income	-	(200)
	<u>41,065</u>	<u>(17,178)</u>
Increase in trade and other debtors	(29,886)	(48,949)
Increase/(decrease) in trade and other creditors	711	(28,021)
	<u>11,890</u>	<u>(94,148)</u>
<b>Cash generated from operations</b>	<b><u>11,890</u></b>	<b><u>(94,148)</u></b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 April 2017**

	30.4.17	1.5.16
	£	£
Cash and cash equivalents	<u>22,525</u>	<u>10,637</u>

**Year ended 30 April 2016**

	30.4.16	1.5.15
	£	£
Cash and cash equivalents	<u>10,637</u>	<u>104,587</u>

The notes form part of these financial statements

## CARNABY INTERNATIONAL PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

#### 1. STATUTORY INFORMATION

Carnaby International Plc is a public company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

#### 2. ACCOUNTING POLICIES

##### Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

##### 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", "Salt Beef & Rye", "I Superbiker: The War for Four " and "Angel". The film rights are being amortized 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 amortized over their estimated useful life at the annual rate of 10% on a straight line basis.

c) The website is amortized 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.

#### 3. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	7,400	-

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

	2017	2016
Management	2	2

	2017	2016
	£	£
Directors' remuneration	7,400	-

# CARNABY INTERNATIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2017

### 4. OPERATING PROFIT/(LOSS)

The operating profit (2016 - operating loss) is stated after charging:

	2017 £	2016 £
Film rights amortisation	540	540
Film revenue streams amortisation	10,128	10,128
Auditors' remuneration	7,000	9,500
Auditors' remuneration for non audit work	3,000	4,000
	<u>10,668</u>	<u>24,168</u>

### 5. TAXATION

#### Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 April 2017 nor for the year ended 30 April 2016.

### 6. INTANGIBLE FIXED ASSETS

	Film rights £	Website £	Film revenue streams £	Music & video content £	Totals £
<b>COST</b>					
At 1 May 2016	1,425,849	15,000	1,210,750	2	2,651,601
Additions	2	-	-	-	2
	<u>1,425,851</u>	<u>15,000</u>	<u>1,210,750</u>	<u>2</u>	<u>2,651,603</u>
At 30 April 2017	1,425,851	15,000	1,210,750	2	2,651,603
<b>AMORTISATION</b>					
At 1 May 2016	1,418,823	15,000	1,157,581	-	2,591,404
Amortisation for year	540	-	10,128	-	10,668
	<u>1,419,363</u>	<u>15,000</u>	<u>1,167,709</u>	<u>-</u>	<u>2,602,072</u>
At 30 April 2017	1,419,363	15,000	1,167,709	-	2,602,072
<b>NET BOOK VALUE</b>					
At 30 April 2017	<u>6,488</u>	<u>-</u>	<u>43,041</u>	<u>2</u>	<u>49,531</u>
At 30 April 2016	<u>7,026</u>	<u>-</u>	<u>53,169</u>	<u>2</u>	<u>60,197</u>

During the year the company acquired the film rights pertaining to the feature films "I Superbiker: The War for Four" and "Angel" for £1 each.

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

	2017 £	2016 £
Trade debtors	773	2,646
Other debtors	85,190	74,400
VAT	-	1,471
Prepayments & accrued income	22,440	-
	<u>108,403</u>	<u>78,517</u>

# CARNABY INTERNATIONAL PLC

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2017

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

	2017	2016
	£	£
Trade creditors	55,111	55,548
VAT	4,317	-
Other creditors	-	169
Accrued expenses	13,000	16,000
	<u>72,428</u>	<u>71,717</u>

### 9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	£	£
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.

## CARNABY INTERNATIONAL PLC

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2017

#### 10. RESERVES

	Retained earnings £
At 1 May 2016	(5,594,166)
Profit for the year	30,397
	<hr/>
At 30 April 2017	<u>(5,563,769)</u>

#### 11. RELATED PARTY DISCLOSURES

During the year Carnaby International Pictures plc, a company in which C. Hooper and F. Wasson were directors, supplied services totalling £5,000 (2016: £nil) to the company.

During the year the company supplied services totalling £12,205 (2016: £19,770) to Carnaby International Sales and Distribution plc, a company in which C. Hooper and F. Wasson are directors.

During the year the company purchased the film rights to the feature film "I Superbiker: The War for Four" for £1 from Carnaby's Superbiker plc in which C. Hooper and F. Wasson were directors.

During the year the company purchased the film rights to the feature film "Angel" for £1 from Carnaby International Pictures plc in which C. Hooper and F. Wasson were directors.

#### 12. ULTIMATE CONTROLLING PARTY

The company was under the joint control of C. Hooper and F. Wasson.