

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018
FOR
CARNABY INTERNATIONAL PLC**

TUESDAY



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CARNABY INTERNATIONAL PLC

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FOR THE YEAR ENDED 30 APRIL 2018**

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CARNABY INTERNATIONAL PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2018**

DIRECTORS:	C Hooper F Wasson
SECRETARY:	MH Secretaries Ltd.
REGISTERED OFFICE:	Staple Court 11 Staple Inn Buildings London WC1V 7QH
REGISTERED NUMBER:	04969597 (England and Wales)
AUDITORS:	Johnsons, Chartered Accountants Statutory Auditor Ground Floor 1 - 2 Craven Road Ealing London W5 2UA
BANKERS:	Societe Generale SG House 41 Tower Hill London EC3N 4SG
SOLICITORS:	Marriott Harrison Staple Court 11 Staple Inn Buildings London WC1V 7QH

CARNABY INTERNATIONAL PLC

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2018

The directors present their strategic report for the year ended 30 April 2018.

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 £112,251 (2017: £171,172)

Key performance indicators:

		2018	2017
Turnover (excluding sales to related parties)	% (decrease) year on year	(34)%	(27)%
Working capital	% of total assets	75%	54%

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:

x C Hooper x

C Hooper - Director

17 October 2018

CARNABY INTERNATIONAL PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2018

The directors present their report with the financial statements of the company for the year ended 30 April 2018.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2017 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:



C Hooper - Director

17 October 2018

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

Opinion

We have audited the financial statements of Carnaby International plc (the 'company') for the year ended 30 April 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 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 Auditors' responsibilities for the audit of the financial statements section of our report. 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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

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 the Report of the Directors.

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.

Responsibilities of directors

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, and for such internal control as the directors determine 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.

Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 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.

David Turner (Senior Statutory Auditor)
for and on behalf of Johnsons, Chartered Accountants
Statutory Auditor
Ground Floor
1 - 2 Craven Road
Ealing
London
W5 2UA

17 October 2018

CARNABY INTERNATIONAL PLC

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2018**

	Notes	2018 £	2017 £
TURNOVER		114,471	183,377
Cost of sales		<u>(5,930)</u>	<u>(17,271)</u>
GROSS PROFIT		108,541	166,106
Administrative expenses		<u>(60,707)</u>	<u>(135,709)</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		47,834	30,397
Tax on profit	5	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		47,834	30,397
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>47,834</u></u>	<u><u>30,397</u></u>

The notes form part of these financial statements

CARNABY INTERNATIONAL PLC (REGISTERED NUMBER: 04969597)

**BALANCE SHEET
30 APRIL 2018**

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible assets	6	38,863	49,531
CURRENT ASSETS			
Debtors	7	175,720	108,403
Cash at bank		4,015	22,525
		<u>179,735</u>	<u>130,928</u>
CREDITORS			
Amounts falling due within one year	8	(62,733)	(72,428)
NET CURRENT ASSETS		<u>117,002</u>	<u>58,500</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>155,865</u>	<u>108,031</u>
CAPITAL AND RESERVES			
Called up share capital	9	5,671,800	5,671,800
Retained earnings	10	(5,515,935)	(5,563,769)
SHAREHOLDERS' FUNDS		<u>155,865</u>	<u>108,031</u>

The financial statements were approved by the Board of Directors on 17 October 2018 and were signed on its behalf by:

 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 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2016	5,671,800	(5,594,166)	77,634
Changes in equity			
Total comprehensive income	-	30,397	30,397
Balance at 30 April 2017	<u>5,671,800</u>	<u>(5,563,769)</u>	<u>108,031</u>
Changes in equity			
Total comprehensive income	-	47,834	47,834
Balance at 30 April 2018	<u><u>5,671,800</u></u>	<u><u>(5,515,935)</u></u>	<u><u>155,865</u></u>

The notes form part of these financial statements

CARNABY INTERNATIONAL PLC

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 APRIL 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	(18,510)	11,890
Net cash from operating activities		<u>(18,510)</u>	<u>11,890</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(2)
Net cash from investing activities		<u>-</u>	<u>(2)</u>
(Decrease)/increase in cash and cash equivalents		<u>(18,510)</u>	<u>11,888</u>
Cash and cash equivalents at beginning of year	2	22,525	10,637
Cash and cash equivalents at end of year	2	<u><u>4,015</u></u>	<u><u>22,525</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 2018**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Profit before taxation	47,834	30,397
Depreciation charges	10,668	10,668
	<u>58,502</u>	<u>41,065</u>
Increase in trade and other debtors	(67,317)	(29,886)
(Decrease)/increase in trade and other creditors	(9,695)	711
	<u>(18,510)</u>	<u>11,890</u>
Cash generated from operations	(18,510)	11,890

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 2018

	30.4.18	1.5.17
	£	£
Cash and cash equivalents	4,015	22,525
	<u>4,015</u>	<u>22,525</u>

Year ended 30 April 2017

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

CARNABY INTERNATIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2018

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

	2018	2017
	£	£
Wages and salaries	-	7,400

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

	2018	2017
Management	2	2

	2018	2017
	£	£
Directors' remuneration	-	7,400

CARNABY INTERNATIONAL PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2018**

4. OPERATING PROFIT

The operating profit is stated after charging:

	2018 £	2017 £
Film rights amortisation	540	540
Film revenue streams amortisation	10,128	10,128
Auditors' remuneration	4,500	7,000
Auditors' remuneration for non audit work	3,000	3,000
	<u>18,168</u>	<u>20,668</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 April 2018 nor for the year ended 30 April 2017.

6. INTANGIBLE FIXED ASSETS

	Film rights £	Website £	Film revenue streams £	Music & video content £	Totals £
COST					
At 1 May 2017					
and 30 April 2018	<u>1,425,851</u>	<u>15,000</u>	<u>1,210,750</u>	<u>2</u>	<u>2,651,603</u>
AMORTISATION					
At 1 May 2017	1,419,363	15,000	1,167,709	-	2,602,072
Amortisation for year	<u>540</u>	<u>-</u>	<u>10,128</u>	<u>-</u>	<u>10,668</u>
At 30 April 2018	<u>1,419,903</u>	<u>15,000</u>	<u>1,177,837</u>	<u>-</u>	<u>2,612,740</u>
NET BOOK VALUE					
At 30 April 2018	<u>5,948</u>	<u>-</u>	<u>32,913</u>	<u>2</u>	<u>38,863</u>
At 30 April 2017	<u>6,488</u>	<u>-</u>	<u>43,041</u>	<u>2</u>	<u>49,531</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	773	773
Other debtors	109,060	85,190
Prepayments & accrued income	<u>65,887</u>	<u>22,440</u>
	<u>175,720</u>	<u>108,403</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	49,570	55,111
VAT	3,163	4,317
Accrued expenses	<u>10,000</u>	<u>13,000</u>
	<u>62,733</u>	<u>72,428</u>

CARNABY INTERNATIONAL PLC

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 APRIL 2018

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2018	2017
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.

10. RESERVES

	Retained earnings £
At 1 May 2017	(5,563,769)
Profit for the year	47,834
At 30 April 2018	<u>(5,515,935)</u>

CARNABY INTERNATIONAL PLC

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2018**

11. RELATED PARTY DISCLOSURES

During the year the company paid expenses totalling £36,673 (2017: £nil) on behalf of Carnaby International Sales and Distribution plc, a company in which C. Hooper and F. Wasson are directors. These expenses have been reimbursed.

During the year the company supplied services totalling £2,220 (2017: £12,205) to Carnaby Sales and Distribution plc, a company in which C. Hooper and F. Wasson are directors.

12. ULTIMATE CONTROLLING PARTY

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