

APPLE FILMS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

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APPLE FILMS LIMITED

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APPLE FILMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the exploitation of film rights. No changes in this activity are proposed. The company's result for the year was as expected.

DIRECTORS

The directors who served during the year were

Y O Lennon
O T Harrison
J L Eastman
H L Gerrard

DIRECTORS' RESPONSIBILITIES STATEMENT

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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

APPLE FILMS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

AUDITORS

Under section 487(2) of the Companies Act 2006, Sopher + Co will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on *28 SEPTEMBER 2012* and signed on its behalf



Apple Corps Limited
Secretary

APPLE FILMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF APPLE FILMS LIMITED

We have audited the financial statements of Apple Films Limited for the year ended 31 December 2011, set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2010) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Auditors' 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, 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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

APPLE FILMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF APPLE FILMS LIMITED

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report



Stephen Iseman FCA (Senior Statutory Auditor)

for and on behalf of
Sopher + Co

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

28 September 2012

APPLE FILMS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

| | Note | 2011 £ | 2010 £ |
|--|-------------|------------------------|------------------------|
| Administrative expenses | | <u>(11,986)</u> | <u>(12,209)</u> |
| OPERATING LOSS | 2 | (11,986) | (12,209) |
| Interest receivable and similar income | | 892 | 657 |
| Interest payable and similar charges | 3 | <u>(2,720)</u> | <u>(2,720)</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (13,814) | (14,272) |
| Tax on loss on ordinary activities | 4 | <u>-</u> | <u>-</u> |
| LOSS FOR THE FINANCIAL YEAR | 9 | <u>(13,814)</u> | <u>(14,272)</u> |

The notes on pages 7 to 10 form part of these financial statements

APPLE FILMS LIMITED
REGISTERED NUMBER: 00783808

BALANCE SHEET
AS AT 31 DECEMBER 2011

| | Note | £ | 2011 £ | £ | 2010 £ |
|--|------|------------------|------------------|------------------|------------------|
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 270 | | 228 | |
| Cash at bank | | 251,882 | | 260,155 | |
| | | <u>252,152</u> | | <u>260,383</u> | |
| CREDITORS: amounts falling due within one year | 6 | <u>(179,519)</u> | | <u>(176,655)</u> | |
| NET CURRENT ASSETS | | | <u>72,633</u> | | <u>83,728</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>72,633</u> | | <u>83,728</u> |
| CREDITORS: amounts falling due after more than one year | 7 | | <u>(803,078)</u> | | <u>(800,359)</u> |
| NET LIABILITIES | | | <u>(730,445)</u> | | <u>(716,631)</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 8 | | 100 | | 100 |
| Profit and loss account | 9 | | <u>(730,545)</u> | | <u>(716,731)</u> |
| SHAREHOLDERS' DEFICIT | | | <u>(730,445)</u> | | <u>(716,631)</u> |

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on *28 SEPTEMBER 2012*


J L Eastman
 Director

J L Eastman
 Director


O T Harrison
 Director


H L Gerrard
 Director

The notes on pages 7 to 10 form part of these financial statements

APPLE FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Going concern

The financial statements have been prepared on a going concern basis as the company has sufficient cash to pay its liabilities as and when they fall due. Furthermore, the long-term loan owed to an affiliated undertaking, Subafilms Limited, is only repayable out of profits earned from the related film. The directors therefore believe the going concern basis to be valid in preparing these financial statements.

1.3 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.4 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.5 Affiliated undertakings

In these financial statements, undertakings are described as affiliated to Apple Films Limited if

- (a) they have the same shareholders or ultimate shareholders as Apple Films Limited, or
- (b) the undertaking is owned by one or more of the ultimate shareholders of Apple Films Limited

APPLE FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

2 OPERATING LOSS

The operating loss is stated after charging/(crediting)

| | 2011 £ | 2010 £ |
|--|-------------------|-------------------|
| Auditors' remuneration | 3,000 | 3,000 |
| Increase in provision for amount due from affiliated undertaking | 3,728 | 9,070 |
| Net profit on foreign currency translation | (3,728) | (9,070) |
| | <u> </u> | <u> </u> |

During the year, no director received any emoluments (2010 - £NIL)

3. INTEREST PAYABLE

| | 2011 £ | 2010 £ |
|--|-------------------|-------------------|
| Interest payable to affiliated undertaking | 2,720 | 2,720 |
| | <u> </u> | <u> </u> |

4. TAXATION

| | 2011 £ | 2010 £ |
|--|-------------------|-------------------|
| UK corporation tax charge on loss for the year | - | - |
| | <u> </u> | <u> </u> |

Factors that may affect future tax charges

There was no liability to deferred tax at either 31 December 2011 or 31 December 2010. Subject to agreement with the HM Revenue and Customs, the company has tax losses of approximately £740,000 (2010 - £726,000) available to carry forward and offset against future profits from the same trade. The potential deferred tax asset of £192,400 (2010 - £188,760) arising in respect of the tax losses has not been recognised in these financial statements as it is not certain that sufficient taxable profits will arise in the foreseeable future.

5. DEBTORS

| | 2011 £ | 2010 £ |
|---------------|-------------------|-------------------|
| Other debtors | 270 | 228 |
| | <u> </u> | <u> </u> |

APPLE FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

**6. CREDITORS:
Amounts falling due within one year**

| | 2011 £ | 2010 £ |
|---|----------------|----------------|
| Amounts owed to affiliated undertakings | 179,519 | 176,519 |
| Other creditors | - | 136 |
| | <u>179,519</u> | <u>176,655</u> |

**7. CREDITORS:
Amounts falling due after more than one year**

| | 2011 £ | 2010 £ |
|----------------|----------------|----------------|
| Long term loan | <u>803,078</u> | <u>800,359</u> |

The long term loan from an affiliated undertaking bears interest at 1% above the Bank of England's base rate and is repayable out of profits earned from the related film at an agreed proportion of those profits each year

8. SHARE CAPITAL

| | 2011 £ | 2010 £ |
|---|------------|------------|
| Allotted, called up and fully paid | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

9. RESERVES

| | Profit and loss account £ |
|---------------------|---------------------------------|
| At 1 January 2011 | (716,731) |
| Loss for the year | (13,814) |
| | <u>(730,545)</u> |
| At 31 December 2011 | |

APPLE FILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

10 RELATED PARTY TRANSACTIONS

At 31 December 2011, the company owed Subafilms Limited, an undertaking owned by one or more of the shareholders of Apple Films Limited, £976,597 (2010 - £973,878) in respect of short-term and long-term loans and accrued interest thereon

Interest payable to Subafilms Limited during the year is disclosed in note 3

The company also owed Apple Corps Limited, an affiliated undertaking, £6,000 (2010 - £3,000)

11. CONTROLLING PARTY

The company has no ultimate controlling party