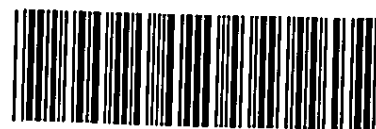


Registered number: 00787093

**SUBAFILMS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

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## **SUBAFILMS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

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The directors present their report and the financial statements for the year ended 31 December 2012

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was the making, producing and exploitation of films. 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.

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**SUBAFILMS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**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 *1 August 2013* and signed on its behalf

  
**Apple Corps Limited**  
Secretary

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## **SUBAFILMS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUBAFILMS LIMITED**

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We have audited the financial statements of Subafilms Limited for the year ended 31 December 2012, set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (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 2012 and of its profit 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.

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**SUBAFILMS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUBAFILMS LIMITED**

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**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

1 August 2013

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**SUBAFILMS LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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	<b>Note</b>	<b>2012 £</b>	<b>2011 £</b>
<b>TURNOVER</b>	1,2	1,043,126	415,081
Administrative expenses		(693,691)	(325,921)
<b>OPERATING PROFIT</b>	3	349,435	89,160
Interest receivable and similar income		10,988	9,480
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		360,423	98,640
Tax on profit on ordinary activities	4	(89,783)	(27,690)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	10	270,640	70,950

The notes on pages 7 to 11 form part of these financial statements

**SUBAFILMS LIMITED**  
**REGISTERED NUMBER: 00787093**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

	Note	£	2012 £	£	2011 £
<b>FIXED ASSETS</b>					
Investments	5		2		2
<b>CURRENT ASSETS</b>					
Debtors	6	345,510		547,233	
Cash at bank		1,662,066		884,908	
		<u>2,007,576</u>		<u>1,432,141</u>	
<b>CREDITORS</b> amounts falling due within one year	7	(579,622)		(274,827)	
<b>NET CURRENT ASSETS</b>			1,427,954		1,157,314
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,427,956		1,157,316
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	8		(35,483)		(35,483)
<b>NET ASSETS</b>			<u>1,392,473</u>		<u>1,121,833</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		92		92
Profit and loss account	10		1,392,381		1,121,741
<b>SHAREHOLDERS' FUNDS</b>			<u>1,392,473</u>		<u>1,121,833</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  
*1 August 2013*

**Y O Lennon**  
Director

**J L Eastman**  
Director

**O T Harrison**  
Director

**H L Gerrard**  
Director

The notes on pages 7 to 11 form part of these financial statements



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## **SUBAFILMS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

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#### **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 Turnover**

Turnover comprises revenue from the exploitation of films, including ancillary income, exclusive of VAT, which is accounted for on an accruals basis

##### **1.3 Investments**

Investments held as fixed assets are shown at cost less provision for impairment

##### **1.4 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

##### **1.5 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

##### **1.6 Affiliated undertakings**

In these financial statements undertakings are described as affiliated to Subafilms Limited if

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

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## SUBAFILMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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#### 2. TURNOVER

It is the opinion of the directors that, in view of the nature of the company's business, the markets in which it operates do not differ substantially from each other and are therefore treated as one market for the purposes of disclosing the particulars of turnover in these financial statements

#### 3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Auditors' remuneration	5,000	5,000
Difference on foreign exchange	21,608	(4,102)
Finance loans and interest provision	6,111	6,095
	<u>          </u>	<u>          </u>

During the year, no director received any emoluments (2011 - £NIL)

#### 4. TAXATION

	2012 £	2011 £
<b>Analysis of tax charge for the year</b>		
UK corporation tax charge on profit for the year	90,000	28,000
Adjustments in respect of prior periods	(217)	(310)
	<u>          </u>	<u>          </u>
	89,783	27,690
Double taxation relief	(8,708)	(972)
	<u>          </u>	<u>          </u>
	81,075	26,718
Foreign tax on income for the year	8,708	972
	<u>          </u>	<u>          </u>
<b>Tax on profit on ordinary activities</b>	<u>89,783</u>	<u>27,690</u>

**SUBAFILMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**5. FIXED ASSET INVESTMENTS**

	<b>Finance loans £</b>
<b>Cost or valuation</b>	
At 1 January 2012 and 31 December 2012	2
<b>Net book value</b>	
At 31 December 2012	2
At 31 December 2011	2

Amounts have been provided in respect of loans to affiliated undertakings, Apple Films Limited and Python Music Limited, to the extent that future recovery seems unlikely

	<b>2012 £</b>	<b>2011 £</b>
Long term finance loans - Apple Films Limited	805,805	803,078
Less Provision	(805,803)	(803,076)
	2	2

	<b>2012 £</b>	<b>2011 £</b>
Current finance loans - Python Music Limited	1,032,353	1,028,968
Less Provision	(1,032,353)	(1,028,968)
	-	-

**6. DEBTORS**

	<b>2012 £</b>	<b>2011 £</b>
Amounts owed by affiliated undertakings	173,519	173,519
Corporation tax repayable	18,093	241,812
Accrued income	152,065	100,593
Other debtors	1,833	31,309
	345,510	547,233

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**SUBAFILMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**7. CREDITORS:**

**Amounts falling due within one year**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Amounts owed to affiliated undertakings	15,000	10,000
Other creditors and accruals	564,622	264,827
	<u>579,622</u>	<u>274,827</u>

**8. DEFERRED TAXATION**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
At beginning and end of year	<u>35,483</u>	<u>35,483</u>

The provision for deferred taxation is made up as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Interest on finance loans not taxable until received	<u>35,483</u>	<u>35,483</u>

**9. SHARE CAPITAL**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
184 ordinary shares of £0.50 each	<u>92</u>	<u>92</u>

**10. RESERVES**

	<b>Profit and loss account £</b>
At 1 January 2012	1,121,741
Profit for the year	270,640
At 31 December 2012	<u>1,392,381</u>

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**SUBAFILMS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

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**11. RELATED PARTY TRANSACTIONS**

(a) Amounts charged in the profit and loss account include fees in respect of promotional services payable to the beneficial shareholders (Sir J P McCartney, Mr R Starkey, Mrs Y O Lennon and Mrs O T Harrison) amounting to £75,000 (2011 - £50,000) each

(b) At 31 December 2012, the company owed £15,000 (2011 - £10,000) to Apple Corps Limited, a company owned by one of more of the shareholders of Subafilms Limited

(c) Interest income receivable amounting to £2,727 (2011 - £2,720) has been included in the profit and loss account on loans to Apple Films Limited, an undertaking owned by one or more of the shareholders of Subafilms Limited. Full provision has been made against these amounts.

At 31 December 2012, the company was owed £173,519 (2011 - £173,519) by Apple Films Limited. Details of an additional long-term finance loan to Apple Films Limited are set out in Note 5.

(d) Interest income receivable amounting to £3,384 (2011 - £3,375) has been included in the profit and loss account on a loan to Python Music Limited, an affiliated undertaking of Subafilms Limited. Full provision has been made against these amounts.

Details of the finance loan to Python Music Limited are set out in Note 5.

**12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company has no ultimate controlling party.