

SUBAFILMS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

WEDNESDAY



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COMPANIES HOUSE

SUBAFILMS LIMITED

COMPANY INFORMATION

DIRECTORS

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

COMPANY SECRETARY

Apple Corps Limited

COMPANY NUMBER

787093

REGISTERED OFFICE

27 Ovington Square
London
SW3 1LJ

AUDITORS

Sopher + Co
Chartered Accountants & Statutory Auditors
5 Elstree Gate
Elstree Way
Borehamwood
Herts
WD6 1JD

BANKERS

National Westminster Bank Plc
Piccadilly and New Bond Street Branch
PO Box 2AG
63 Piccadilly
London
W1A 2AG

SUBAFILMS LIMITED

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SUBAFILMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements for the year ended 31 December 2009

PRINCIPAL ACTIVITIES

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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.

SUBAFILMS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

AUDITORS

The auditors, Sopher + Co, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

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 22 October 2010 and signed on its behalf



Apple Corps Limited
Secretary

SUBAFILMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUBAFILMS LIMITED

We have audited the financial statements of Subafilms Limited for the year ended 31 December 2009, 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 Statement of Directors' Responsibilities, 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 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.

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 2009 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.

SUBAFILMS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SUBAFILMS 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 and the Directors' Report in accordance with the small companies regime



S M Iseman (Senior Statutory Auditor)

for and on behalf of

SOPHER + CO

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Herts
WD6 1JD

22 October 2010

SUBAFILMS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
TURNOVER	1,2	282,905	542,829
Administrative expenses		(483,049)	(370,883)
OPERATING (LOSS)/PROFIT	3	(200,144)	171,946
Interest receivable		13,628	127,682
Interest payable		(747)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(187,263)	299,628
Tax on (loss)/profit on ordinary activities	4	45,518	(92,170)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	10	(141,745)	207,458

SUBAFILMS LIMITED
REGISTERED NUMBER: 787093

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	£	2009 £	£	2008 £
FIXED ASSETS					
Fixed asset investments	5		2		2
CURRENT ASSETS					
Debtors	6	703,983		685,311	
Cash at bank		1,337,552		1,457,203	
		<u>2,041,535</u>		<u>2,142,514</u>	
CREDITORS . amounts falling due within one year	7	(392,099)		(351,333)	
NET CURRENT ASSETS			<u>1,649,436</u>		<u>1,791,181</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,649,438</u>		<u>1,791,183</u>
PROVISIONS FOR LIABILITIES					
Deferred tax	8		(35,483)		(35,483)
NET ASSETS			<u><u>1,613,955</u></u>		<u><u>1,755,700</u></u>
CAPITAL AND RESERVES					
Called up share capital	9		92		92
Profit and loss account	10		<u>1,613,863</u>		<u>1,755,608</u>
SHAREHOLDERS' FUNDS			<u><u>1,613,955</u></u>		<u><u>1,755,700</u></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 22 October 2010


J L Eastman
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

SUBAFILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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 Film rights

Film rights are carried at cost less accumulated amortisation and accumulated impairment losses. Film rights are amortised under the cost recovery method.

The carrying values of film rights are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1.3 Turnover

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

1.4 Investments

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

1.5 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 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.

1.6 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.

SUBAFILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES (continued)

1.7 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

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 (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting)

	2009	2008
	£	£
Auditor's remuneration	5,000	5,000
Net (profit)/loss on foreign currency translation	19,563	(59,934)
Increase in provisions against loans	6,663	23,146
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2008 - £NIL)

SUBAFILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

4 TAXATION

	2009 £	2008 £
UK corporation tax (credit)/charge on (loss)/profit for the year	<u>(45,518)</u>	<u>92,170</u>

5 FIXED ASSET INVESTMENTS

**Finance
loans
£**

Cost:

At 1 January 2009 and 31 December 2009

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

	2009 £	2008 £
Long term finance loans	797,639	794,651
Less Provision	(797,637)	(794,649)
	<u>2</u>	<u>2</u>

	2009 £	2008 £
Current finance loans	1,022,218	1,018,543
Less Provision	(1,022,218)	(1,018,543)
	<u>-</u>	<u>-</u>

SUBAFILMS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

6. DEBTORS

	2009 £	2008 £
Amounts owed by affiliated undertakings	433,232	438,230
Corporation tax repayable	95,000	28,294
Prepayment and accrued income	174,726	213,648
Other debtors	1,025	5,139
	<u>703,983</u>	<u>685,311</u>

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

	2009 £	2008 £
Other creditors and accruals	<u>392,099</u>	<u>351,333</u>

8 DEFERRED TAXATION

	2009 £	2008 £
At beginning and end of year	<u>35,483</u>	<u>35,483</u>

The provision for deferred taxation is made up as follows

	2009 £	2008 £
Interest on finance loans not taxable until received	<u>35,483</u>	<u>35,483</u>

9. SHARE CAPITAL

	2009 £	2008 £
Allotted, called up and fully paid		
184 Ordinary shares of 50p each	<u>92</u>	<u>92</u>

SUBAFILMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

10 RESERVES

	Profit and loss account £
At 1 January 2009	1,755,608
Loss for the year	(141,745)
At 31 December 2009	<u>1,613,863</u>

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 £25,000 (2008 - £40,000) each

(b) At 31 December 2009, the company had a receivable of £259,711 (2008- £264,711) from Apple Corps Limited, a company owned by one or more of the shareholders of Subafilms Limited. It also had a receivable of £173,519 (2008 - £173,519) from Apple Films Limited, another undertaking owned by one or more of the shareholders of Subafilms Limited

(c) Interest income amounting to £6,663 (2008 - £23,146) has been included in the profit and loss account on loans to Apple Films Limited and Python Music Limited. Python Music Limited is an affiliated undertaking of Subafilms Limited

12. CONTROLLING PARTY

The company has no ultimate controlling party