

Fragile Film Distribution Limited

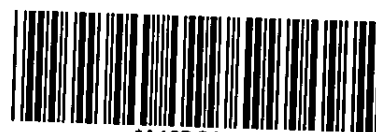
Report and Financial Statements

Year Ended

31 December 2010

Registered in England
04184039

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Fragile Film Distribution Limited

Annual report and financial statements for the year ended 31 December 2010

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Directors

B D W Thompson
A J Spring

Secretary and registered office

S J George, Ealing Studios, Ealing Green, Ealing, London, W5 5EP

Company number

04184039

Auditors

Shipleys LLP, Chartered Accounts & Registered Auditor, 10 Orange Street,
Haymarket, London, WC2H 7DQ

Bankers

Barclays Bank PLC, Soho Square, London

Fragile Film Distribution Limited

Report of the directors for the year ended 31 December 2010

The directors present their report together with the audited financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the company is film sales and distribution

Business review and future developments

During the year the company has continued to exploit the film distribution rights that it holds. The directors anticipate that this will continue in future years and that further distribution rights will be acquired.

Directors and their interests

The directors of the company during the year were

B D W Thompson
A J Spring

Directors' responsibilities

The directors are responsible for preparing the annual 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- make judgements and accounting estimates that are reasonable and prudent
- 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.

Fragile Film Distribution Limited

Report of the directors for the year ended 31 December 2010

Directors' responsibilities continued...

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Going concern

The directors have undertaken a rigorous assessment of whether the company was a going concern when the accounts were prepared, considering all available information about the future, covering a period of 12 months from the date of the approval of the accounts.

The directors are not aware of any material uncertainty arising from their assessment that would cast doubt on the company's ability to continue as a going concern. Having reviewed the financial and cash flow position of the company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason the accounts are prepared on a going concern basis. The cash flows prepared that support this basis of preparation take into account external funds raised since the year end and are based upon the assumption of the continued support of the shareholders and planned further external funding.

Auditors

The auditors, Shipleys LLP, have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Basis of Preparation

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Approved by the Board and authorised for issue on **30 MARCH 2011**
and signed on their behalf by



Director

Fragile Film Distribution Limited

Independent auditor's report to the shareholders of Fragile Film Distribution Limited

We have audited the financial statements of Fragile Film Distribution Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Statement 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 shareholders, 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 auditor's 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 (APB's) Ethical Standards for Auditors.

Basis of audit opinion

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.

Fragile Film Distribution Limited

Independent auditor's report to the shareholders of Fragile Film Distribution Limited (continued)

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 2010 and of its profit or 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 properly prepared in accordance with the requirements of the Companies Act 2006

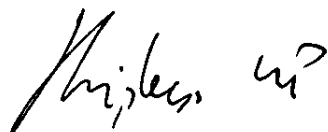
Opinion on other matters prescribed by the Companies Act 2006

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

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 and take advantage of the small companies' exemption in preparing the directors' report



STEPHEN JOBERNS (Senior Statutory Auditor)

For and on behalf of

SHIPLEYS LLP

Chartered Accountants

& Statutory Auditor

Date 3 April 2012

Fragile Film Distribution Limited

Profit and loss account for the year ended 31 December 2010

	Note	2010 £	2010 £	2009 £	2009 £
TURNOVER	1		3,033,403		3,123,462
COST OF SALES			(3,189,411)		(2,928,223)
			<hr/>		<hr/>
GROSS LOSS			(156,008)		195,239
Administrative expenses		(296,937)		(381,848)	
		<hr/>	(296,937)	<hr/>	(381,848)
			<hr/>		<hr/>
			(452,945)		(186,609)
Other operating income			-		-
			<hr/>		<hr/>
OPERATING LOSS			(452,945)		(186,609)
Interest payable and similar charges			(787)		(844)
			<hr/>		<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(453,732)		(187,453)
Taxation on profit on ordinary activities			-		-
			<hr/>		<hr/>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION			(453,732)		(187,453)
			<hr/>		<hr/>

All amounts relate to continuing activities

All recognised gains and losses are included in the profit and loss account

The notes on pages 7 to 9 form part of these financial statements

Fragile Film Distribution Limited
Balance sheet at 31 December 2010

	Note	2010 £	2010 £	2009 £	2009 £
Current assets					
Debtors	3	1,693,559		1,071,152	
Cash at bank and in hand		<u>10,711</u>		<u>2,587</u>	
		1,704,270		1,073,739	
Creditors: amounts falling due within one year	4	<u>(1,992,509)</u>		<u>(908,246)</u>	
Net current assets			(288,239)		165,493
Total assets less current liabilities			(288,239)		165,493
Capital and reserves					
Called up share capital	5		1		1
Profit and loss account			(288,240)		165,492
Shareholders' equity			(288,239)		165,493

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board and authorised for issue on **30 MARCH 2012**
and signed on their behalf by


A J SPRING
Director

Company Registration Number 04184039

The notes on pages 7 to 9 form part of these financial statements

Fragile Film Distribution Limited

Notes forming part of the financial statements for the year ended 31 December 2010

1. ACCOUNTING POLICIES

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)

Turnover

Turnover is stated after trade discounts, other taxes and net of VAT. Turnover is recognised by reference to the terms of agreed distribution contracts for the films the company distributes

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as, either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of a company after deducting all of its liabilities

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

2.	DIRECTORS' REMUNERATION	2010	2009
		£	£
	Operating profit is stated after crediting directors' remuneration of	-	-
		<hr/>	<hr/>
3	DEBTORS	2010	2009
		£	£
	Trade debtors	1,437,825	660,013
	Other debtors	-	10,621
	Owing from group undertakings	21,937	25,000
	Prepayments and accrued income	233,611	375,517
	Taxation	185	-
		<hr/>	<hr/>
		1,693,559	1,071,152
		<hr/>	<hr/>

Fragile Film Distribution Limited

Notes forming part of the financial statements for the year ended 31 December 2010 (Continued)

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade creditors	67,090	123,736
Owing to group undertakings	363,701	47,493
Other creditors	11,997	46,252
Accruals	1,549,721	690,766
	<u>1,992,509</u>	<u>908,246</u>

5. SHARE CAPITAL

	2010	2009
	£	£
Allotted, called up and fully paid	1	1
	<u>1</u>	<u>1</u>

6. RELATED PARTY TRANSACTIONS

The company was a wholly-owned subsidiary of Ealing Studios Enterprises Ltd during the current and prior period

The company has taken advantage of the exemption under Financial Reporting Standard Number 8 from disclosing transactions entered into between two or more members of a group, where any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group

7. CONTINGENT LIABILITIES

Charges have been made against the company in favour of Barclays Bank plc in order to secure their interests

Fragile Film Distribution Limited

Notes forming part of the financial statements for the year ended 31 December 2010 *(Continued)*

8. ULTIMATE CONTROLLING COMPANY

The ultimate parent company is Ealing Studios Enterprises Limited, a company incorporated in England and Wales. Ealing Studios Enterprises Limited is under no overall control.

Ealing Studios Enterprises Ltd is the parent company of the largest and smallest group of which the company is a member and for which group accounts are drawn up. Group accounts are publicly available from the registered office address.

The company has therefore taken advantage of the exemption conferred by Financial Reporting Standard Number 1 (Revised 1996) not to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary and a consolidated cash flow statement for the parent company is publicly available.

The auditors were remunerated by the ultimate parent company for the audit of these accounts and not by the company itself.