

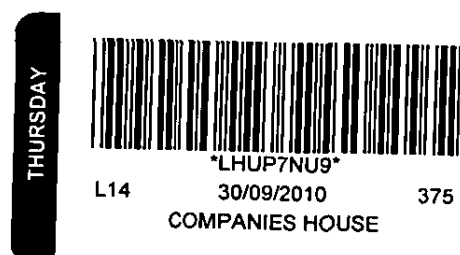
**Fragile Film Distribution Limited**

**Report and Financial Statements**

**Year Ended**

**31 December 2009**

Registered in England  
04184039



## **Fragile Film Distribution Limited**

### **Annual report and financial statements for the year ended 31 December 2009**

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#### **Contents**

##### **Company Information**

#### **Page:**

1	Report of the directors
3	Report of the Auditors
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

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#### **Directors**

B D W Thompson  
A J Spring

#### **Secretary and registered office**

S 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, 50 Pall Mall, London, SW1A 1QA

## **Fragile Film Distribution Limited**

### **Report of the directors for the year ended 31 December 2009**

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The directors present their report together with the audited financial statements for the year ended 31 December 2009

#### **Principal activities, results and dividends**

The profit and loss account is set out on page 5 and shows the result for the year. The directors do not recommend the payment of a dividend.

The principal activity of the company is that of a film sales and distribution company.

#### **Directors and their interests**

The directors of the company during the year were

B D W Thompson  
A J Spring

B D W Thompson and A J Spring are also directors of the ultimate parent company, Ealing Studios Enterprises Limited. Their interest in the share capital of that company is shown in its financial statements.

#### **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 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.

## **Fragile Film Distribution Limited**

### **Report of the directors for the year ended 31 December 2009**

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#### **Directors' responsibilities continued...**

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

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  
and signed on their behalf by

20 SEP 2010



AJ SPRING  
DIRECTOR

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
FRAGILE FILM DISTRIBUTION LIMITED**

We have audited the financial statements of Fragile Film Distribution Limited for the year ended 31 December 2009 which comprise the profit and loss account, the statement of total recognised gains and losses, the note of historical cost profits and losses, 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 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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
FRAGILE FILM DISTRIBUTION LIMITED (continued)**

*Opinion on financial statements*

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, 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, and
- have been properly prepared in accordance with the requirements of the Companies Act 2006

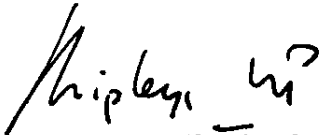
*Opinion on other matters prescribed by the Companies Act 2006*

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



**Stephen Joberns (Senior Statutory Auditor)**  
**For and on behalf of Shipleys LLP, statutory auditor**  
**London, United Kingdom**

Shipleys LLP is a limited liability partnership registered in England and Wales (with registered number OC317129)

Date: 30/9/10

**Fragile Film Distribution Limited****Profit and loss account for the year ended 31 December 2009**

	<b>Note</b>	<b>2009</b> <b>£</b>	<b>2009</b> <b>£</b>	<b>2008</b> <b>£</b>	<b>2008</b> <b>£</b>
<b>Turnover</b>	2		3,123,462		1,706,338
Cost of sales			(2,928,223)		(1,395,008)
			<hr/>		<hr/>
<b>Gross profit</b>			195,239		311,330
Administrative expenses		(381,848)		(63,748)	
		<hr/>	(381,848)	<hr/>	(63,748)
			<hr/>		<hr/>
			(186,609)		247,582
<b>Other operating income</b>			-		-
			<hr/>		<hr/>
<b>Operating Loss</b>			(186,609)		247,582
Interest payable and similar charges			(844)		(578)
			<hr/>		<hr/>
<b>Loss on on ordinary activities before taxation</b>			(187,453)		247,004
Taxation on profit on ordinary activities	4		-		-
			<hr/>		<hr/>
<b>Loss on ordinary activities after taxation</b>	6		(187,453)		247,004
			<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 11 form part of these financial statements

**Fragile Film Distribution Limited**  
**Balance sheet at 31 December 2009**

	Note	2009 £	2009 £	2008 £	2008 £
<b>Current assets</b>					
Debtors	5	1,071,152		1,222,921	
Cash at bank and in hand		2,587		7,612	
<b>Creditors: amounts falling due within one year</b>	6	<u>(908,246)</u>		<u>(877,588)</u>	
<b>Net current assets</b>			165,493		352,945
<b>Total assets less current liabilities</b>			165,493		352,945
<b>Capital and reserves</b>					
Called up share capital	7		1		1
Profit and loss account	8		165,492		352,944
<b>Shareholders' equity</b>	9		165,493		352,945

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  
and signed on their behalf by

30 SEP 2010

AJ SPRING  
DIRECTOR

Company Registration Number 04184039

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

## **Fragile Film Distribution Limited**

### **Notes forming part of the financial statements for the year ended 31 December 2009**

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#### **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 represents amounts receivable for goods and services net of VAT and trade discounts

##### *Investments*

Investments are stated at the lower of cost and net realisable value

##### *Impairment*

The need for any write down of fixed assets is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use

##### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

##### *Foreign Currencies*

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account

**Fragile Film Distribution Limited****Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)****2 Turnover**

Turnover is wholly attributable to the principal activity of the company and arises solely within the UK

**3 Operating loss**

	2009 £	2008 £
This has been arrived at after charging		
Auditors' remuneration	6,000	-
	<u>          </u>	<u>          </u>

**4 Taxation**

	2009 £	2008 £
Taxation on profit on ordinary activities	-	-
	<u>          </u>	<u>          </u>

The tax assessed for the year differs from the standard rate of corporation tax in the UK The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	187,453	247,004
	<u>          </u>	<u>          </u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 28% (2008 – 30%)	56,236	69,161
Effects of		
Expenses not deductible for tax purposes	-	-
Depreciation in excess of capital allowances for year	-	-
Group relief of profits	(56,236)	(69,161)
	<u>          </u>	<u>          </u>
Current tax charge for year	-	-
	<u>          </u>	<u>          </u>

**Fragile Film Distribution Limited**

**Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)**

**5 Debtors**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade debtors	660,013	690,202
Other debtors	10,621	20,563
Owing from Group Undertakings	25,000	59,632
Prepayments and accrued income	375,517	452,524
	<u>1,071,152</u>	<u>1,222,921</u>

All amounts shown under debtors fall due for payment within one year

**6 Creditors: amounts falling due within one year**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Trade Creditors	123,736	191,909
Owing to Group Undertakings	47,493	18,954
Other creditors	46,252	-
Accruals	690,766	666,725
	<u>908,246</u>	<u>877,588</u>

**7 Share capital**

	<b>2009</b>	<b>Authorised</b>	<b>2009</b>	<b>2008</b>
	<b>Number</b>	<b>2008</b>	<b>£</b>	<b>£</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
Ordinary shares of £0 001 each	1,000	1,000	1,000	1,000
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	<b>Allotted, called up and fully paid</b>			
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
Ordinary shares of £0 001 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**Fragile Film Distribution Limited****Notes forming part of the financial statements for the year ended 31 December 2009 (Continued)****8 Statement of movements on profit and loss account**

	<b>Profit and loss account £</b>
Balance at 1 January 2009	352,944
Profit for the year	(187,453)
	<hr/>
Balance at 31 December 2009	165,492
	<hr/>

**9 Reconciliation of movements in shareholders' funds**

	<b>2009 £</b>	<b>2008 £</b>
Profit for the financial year	(187,453)	105,941
Opening shareholders' funds	352,945	247,004
	<hr/>	<hr/>
Closing shareholders' deficit	165,493	352,945
	<hr/>	<hr/>

**10 Contingent Liabilities**

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

**11 Inter Group Transactions**

The company is a wholly-owned subsidiary of Ealing Studios Enterprises Ltd. The company has taken advantage of the exemption allowed under the Financial Reporting Standard for Smaller Entities not to disclose inter-group transactions and balances with other group companies.

**Fragile Film Distribution Limited**

**Notes forming part of the financial statements for the year ended 31 December 2009 (*Continued*)**

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**12 Ultimate Parent 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.