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# **The Invicta Film Partnership No. 6, LLP**

## **Financial Statements**

**For the period from incorporation (14<sup>th</sup> December 2001) to 5<sup>th</sup> April 2002**

**Limited Liability Partnership number: OC 301153**



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## **CONTENTS**

	<b>Page</b>
Members and advisers	2
Designated members' report	3 - 4
Independent auditors' report	5 - 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 – 12

## **MEMBERS**

### **Ordinary Members (all admitted on 22<sup>nd</sup> March 2002)**

Mr J Andrew	Mr J Usher	Mr W Schuenemann
Mr L C R Smith	Mr D M Sanders	Miss T Dwyer
Mr P Smith	Mrs K I M Sanders	Mr L F Watts
Mr P J Rowlin	Mr A J Best	Mr M Brookes
Mr S G Popham	Mr M Hayeem	Mr P J B Gibson
Mr W S O'Leary	Mr H S Hungin	Mr D Dootson
Mr P D D Leccacorvi	Mr P G Wiltshire	Mr G E Daniel
Mr W H R Wilkes	Mr C N Hughes	Mr R D S Herbert
Mr C G Pace	Mr D W McMullan	Mr M Donnelly
Mr T F X Parr	Dr R P Whitbread	Mr T Henman
Mr M P Trees	Mr G Holden	Mr P J Crawford
Mr S A C Cakebread	Mr G T Veale	Mr S W Vaughan
Ms T O Ryan-Dawes	Mr T Gwyn-Jones	Mr S Barnes
Mr R G Hurdley	Mrs C Blackman	Mr G Hale
Mr L Grasso	Mr D Oram	Mrs D Balzer
Mr F Mallardo	Mr P Nichols	Mr A J Hartwill
Mr I Bull	Mrs K Nichols	Mr D Gray
Mr A J Dyson	Mr M Oakley	Mr J A Kimber
Mr D J L Clowes	Mr T Piggott	Mr N D Smith
Mr P Green	Mrs C L M Ross	Mr N Webb
Mr R S Humphreys	Mr A Frangakis	Mr I Hanson
Mr D A Thorpe	Mr T P Murray	Mr R C Lewis
Mr S F Winn	Mr G Harris	Mr J C Morris
Ms J A Castiau	Mr P B Robson	Mrs D J Morris
Mr G G Toner	Mrs C J Bradley	Mr I M Williams
Mr J W Chalk		

## **ADVISERS**

### **Registered Auditors**

MRI Moores Rowland  
Mitre House  
177 Regent Street  
London  
W1B 4BB

### **Solicitors**

Denton Wilde Sapte  
One Fleet Place  
London  
EC4M 7WS

### **Bankers**

Société Générale  
41 Tower Hill  
London  
EC3N 4SG

## **DESIGNATED MEMBERS' REPORT FOR THE PERIOD ENDED 5<sup>TH</sup> APRIL 2002**

The designated members present their report and the audited financial statements for the period ended 5<sup>th</sup> April 2002.

### **Principal activities**

The limited liability partnership's principal activity is that of acquiring films, arranging for the leasing and distribution of these films and acting as licensor of the films. The limited liability partnership was incorporated on 14<sup>th</sup> December 2001.

### **Review of business and future developments**

The results for the period are shown on page 7.

A total of three television productions were acquired by the partnership on 27<sup>th</sup> March 2002 and leased back to the production company for a period of fifteen years from the date of acquisition, as follows: "NCS Manhunt", "The Secret" and "Man And Boy".

By 5<sup>th</sup> April 2002, the partnership had unconditionally contracted to purchase a further four film and television productions under similar arrangements. These were:

- "Born and Bred" (a.k.a. "Heart Of The Valley")
- "Murder In Mind – Series 2 Episodes 3-6"
- "The Hoobs"
- "Callas Forever".

Of these, the first two were financially completed on 16<sup>th</sup> April 2002. The other two are due to complete financially before the end of April 2002.

The films that have been unconditionally contracted have been included in the accounts as a film asset at a value of £20,557,792.

### **Designated members**

Anglo Film Nominees Limited and Sovereign Film Nominees Limited were appointed as designated members during the period.

### **Designated members' responsibilities**

Company law requires the designated members to prepare financial statements for the period which give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

**DESIGNATED MEMBERS' REPORT  
FOR THE PERIOD ENDED 5<sup>TH</sup> APRIL 2002 (continued)**

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The designated members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the limited liability partnership and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

MRI Moores Rowland have expressed their willingness to continue in office and a resolution proposing their re-appointment will be presented at a meeting of the designated members.

**Special provisions relating to small companies**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 as applicable to small limited liability partnerships.

This report was approved by the designated members on 5<sup>th</sup> July 2002.

*Siddharth on behalf of*  
*Anglo Film Nominees Limited*  
.....  
**Anglo Film Nominees Limited**  
**Designated Member**

*ABanyard on behalf of*  
*Sovereign Film Nominees Ltd*  
.....  
**Sovereign Film Nominees Limited**  
**Designated Member**

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF THE INVICTA FILM PARTNERSHIP NO. 6, LLP**

We have audited the financial statements of The Invicta Film Partnership No. 6, LLP on pages 7 to 12 for the period ended 5<sup>th</sup> April 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

**Respective responsibilities of designated members and auditors**

The designated members' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out on pages 3 and 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 as applicable to limited liability partnerships. We also report to you if, in our opinion, the designated members' report is not consistent with the financial statements, if the limited liability partnership has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding transactions with the limited liability partnership is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises the Members' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the designated members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the limited liability partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF THE INVICTA FILM PARTNERSHIP, LLP (continued)**

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the limited liability partnership's affairs as at 5<sup>th</sup> April 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to limited liability partnerships.

*MRI Moores Rowland*

**MRI Moores Rowland  
Chartered Accountants and Registered Auditors  
London**

**Dated: 5<sup>th</sup> July 2002**

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 5<sup>TH</sup> APRIL 2002**

	Notes	Period ended 5 <sup>th</sup> April 2002 £
Turnover	3	452,377
Cost of sales		(779,988)
Gross loss		(327,611)
Administrative expenses - depreciation		(17,058)
<b>Loss on ordinary activities before members' remuneration and profit share</b>	4	<b>(344,669)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The limited liability partnership has no recognised gains and losses other than those included in the figures above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities and the loss for the period stated above, and their historical cost equivalents.

The notes on pages 9 to 12 form part of these financial statements.



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**BALANCE SHEET AT 5<sup>TH</sup> APRIL 2002**

	Notes	2002 £
<b>Fixed assets</b>		
Intangible assets	5	<u>29,879,734</u>
<b>Current assets</b>		
Debtors:	6	14,131,703
Cash at bank and in hand		3,845,362
		<u>17,977,065</u>
<b>Creditors:</b> amounts falling due within one year	7	(6,553,867)
		<u>11,423,198</u>
Total assets less current liabilities		41,302,932
<b>Creditors:</b> amounts falling due after more than 7 one period		(11,170,024)
<b>Net assets</b>		<u><u>30,132,908</u></u>
<b>Capital and reserves</b>		
Members' capital contributions		30,477,577
Profit and loss account		(344,669)
<b>Members' funds</b>	8	<u><u>30,132,908</u></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies as applicable to the limited liability partnership.

The financial statements on pages 7 to 12 were approved by the designated members on 5<sup>th</sup> July 2002 and were signed on their behalf by:

*Signed on behalf of  
Anglo Film Nominees Limited*

**Anglo Film Nominees Limited  
Designated Member**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 5<sup>TH</sup> APRIL 2002**

### **1. Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently during the period, is set out below.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention.

#### **Sale and leaseback and finance lease agreements**

The Partnership completed sale and leaseback agreements on 27<sup>th</sup> March 2002 in respect of "NCS Manhunt", "The Secret" and "Man And Boy", whereby it purchased the Master Prints of these television productions and leased back the rights to the producer, retaining substantially all the risks and rewards of ownership of the productions.

By 5<sup>th</sup> April 2002, the partnership had entered into unconditional sale and leaseback arrangements in respect of the following television and film productions:

- "Born and Bred" (a.k.a. "Heart Of The Valley");
- "Murder In Mind – Series 2 Episodes 3-6";
- "The Hoobs";
- "Callas Forever".

Of these, the first two were financially completed on 16<sup>th</sup> April 2002. The other two are due to complete financially before the end of April 2002.

The films that have been unconditionally contracted have been included in the accounts as a film asset at a value of £20,557,792.

These transactions are treated in accordance with FRS 5, Reporting for the substance of transactions. The cost of each film and television production is capitalised at its fair value as at the inception of the lease, or as at the date of the partnership acquiring the unconditional liability to purchase the rights in the film, and depreciated over the term of the lease. The leases are all for terms of fifteen years.

#### **Cash flow statement**

The limited liability partnership qualifies as a small entity under the terms of section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

**Intangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Film assets – over 15 years.

**2. Taxation**

The limited liability partnership is not liable to taxation and any liability for taxation arising on profits from the limited liability partnership is borne by the members.

**3. Turnover**

Turnover is in respect of the partnership's principal activity and represents net rental income receivable during the period, excluding VAT.

**4. Loss on ordinary activities**

**2002**  
**£**

The profit on ordinary activities is stated after charging:

Auditors' remuneration	1,500
Depreciation	<u>17,058</u>

As per the Services' Agreement, Invicta Capital Limited bears the cost of the auditors' remuneration.

**5. Fixed assets**

**2002**  
**£**

Intangible assets:	
Film costs	29,896,792
Film depreciation	(17,058)
	<u>29,879,734</u>

**6. Debtors**

	<b>2002</b>
	<b>£</b>
Trade debtors	13,312,981
Other debtors and prepayments	818,722
	<u>14,131,703</u>

Included in trade debtors is an amount of £10,613,438 that is recoverable after more than one year, and represents rental income not yet due. Of other debtors and prepayments, £781,767 is recoverable after more than one year.

**7. Creditors: amounts falling due within one year**

	<b>2002</b>
	<b>£</b>
Trade creditors	1,698,228
Accruals and deferred income	4,246,738
VAT	430,658
Other creditors	178,243
	<u>6,553,867</u>
Amounts falling due after more than one year:	
Deferred income	11,170,024
	<u>17,723,891</u>

**8. Reconciliation of movements in members' funds**

	<b>2002</b>
	<b>£</b>
Receivable during the period	30,477,577
Loss for the financial period	(344,669)
	<u>30,132,908</u>

**9. Commitments**

The members are committed to the limited liability partnership for a minimum of 15 years from their date of admission to the partnership.

**10. Related party transactions**

Other debtors receivable after more than one year reflects amounts paid on behalf of the members in respect of the members' loans. The limited liability partnership is liable to settle the loan on behalf of the members from the rental income received.

**11. Ultimate controlling party**

There is no ultimate controlling party.

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**SCHEDULE OF PROFITS AND LOSSES BY FILM**

The schedule below does not form part of the audited financial statements.

	<b><u>Turnover</u></b>	<b><u>Cost of Sales</u></b>	<b><u>Depreciation</u></b>	<b><u>Profit/(Loss)</u></b>
Deal 1 (Note 1)	452,377	(365,161 )	(17,058 )	70,158
Deal 2 (Note 2)	-	(151,005 )		(151,005 )
The Hoobs	-	(55,118 )	-	(55,118 )
Callas Forever	-	(208,704 )	-	(208,704 )
<b>TOTAL</b>	<b><u>452,377</u></b>	<b><u>(779,988 )</u></b>	<b><u>(17,058 )</u></b>	<b><u>(344,669 )</u></b>

**Notes**

- 1)** Deal 1 relates to the acquisition of "NCS Manhunt", "The Secret" and "Man And Boy".
- 2)** Deal 2 relates to the acquisition of "Murder In Mind – Series 2 Episodes 3-6" and "Born And Bred" (a.k.a. "Heart Of The Valley").