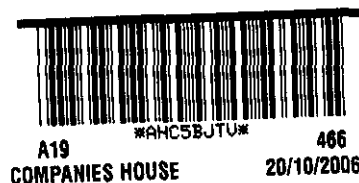


# The Invicta Film Partnership No. 6 LLP

## Financial Statements

For the year ended 5 April 2006

Limited Liability Partnership number: OC301153



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## **MEMBERS**

### **Ordinary Members**

Mr Jonathan Andrew  
Mrs Doris Balzer  
Mr Simon Barnes  
Mr Anthony John Best  
Mrs Carmela Blackman  
Mrs Carolyn Jane Bradley  
Mr Martin Brookes  
Mr Ian Bull  
Mr Stuart Alan Charles Cakebread  
Ms Jain Anne Castiau  
Mr John William Chalk  
Mr David James Leonard Clowes  
Mr Philip James Crawford  
Mr George Edward Daniel  
Mr Mal Donnelly  
Mr David Dootson  
Miss Tonianne Dwyer  
Mr Arthur John Dyson  
Mr Athanassios Frangakis  
Mr Peter John Bradford Gibson  
Mr Luigi Grasso  
Mr Duncan Gray  
Mr Philip Green  
Mr Timothy Gwyn-Jones  
Mr Graham Hale  
Mr Ian Hanson  
Mr George Harris  
Mr Andrew James Hartwill  
Mr Marc Hayeem  
Mr Tim Henman  
Mr Richard David Standish Herbert  
Mr Gary Holden  
Mr Colin Norman Hughes  
Mr Richard Simon Humphreys  
Mr Harvinder Singh Hungin  
Mr Richard George Hurdley  
Mr James Anthony Kimber  
Mr Pietro Dandrea Duilio Leccacorvi  
Mr Richard Cameron Lewis

Mr Francesco Mallardo  
Mr David Wilson McMullan  
Mrs Debra Jane Morris  
Mr Jeffrey Clive Morris  
Mr Timothy Paul Murray  
Mrs Kathryn Nichols  
Mr Peter Nichols  
Mr William Stephen O'Leary  
Mr Matthew Oakley  
Mr David Oram  
Mr Christopher Grant Pace  
Mr Timothy Francis Xavier Parr  
Mr Tony Piggott  
Mr Stuart Godfrey Popham  
Mr Peter Bernard Robson  
Mrs Christine Louise Marina Ross  
Mr Peter John Rowlin  
Ms Trudi Ometha Martini Ryan - Dawes  
Mr Daman Marcus Sanders  
Mrs Katherine Isobel Mary Sanders  
Mr Werner Schuenemann  
Mr Lance Clifford Redfern Smith  
Mr Neil Douglas Smith  
Mr Paul Smith  
Mr David Allan Thorpe  
Mr Gary Gerard Toner  
Mr Martin Philip Trees  
Mr Julian Usher  
Mr Stephen William Vaughan  
Mr Garry Tibbott Veale  
Mr Lewis Fitzgerald Watts  
Mr Nigel Webb  
Dr Rhoderick Peter Whitbread  
Mr Walter Henry Rupert Wilkes  
Mr Iestyn Milton Williams  
Mr Paul Graham Wiltshire  
Mr Simon Francis Winn

### **Designated Members**

Anglo Film Nominees Limited  
Sovereign Film Nominees Limited

**ADVISORS**

**Registered Auditors**

MRI Moores Rowland LLP  
3 Sheldon Square  
Paddington  
London  
W2 6PS

**Bankers**

Société Générale  
41 Tower Hill  
London  
EC3N 4SG

## **DESIGNATED MEMBERS' REPORT**

### **FOR THE YEAR ENDED 5 APRIL 2006**

The designated members present their report and the audited financial statements for the year ended 5 April 2006.

#### **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.

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

The results for the year are shown on page 8.

The partnership had previously acquired the following productions prior to 5 April 2002:

"Born and Bred" (a.k.a. "Heart of the Valley");  
"Murder in Mind – Series 2 Episodes 3-6";  
"The Secret";  
"Man and Boy";  
"Callas Forever";  
"NCS Manhunt – Series 2";  
"The Hoobs";

During the year the Partnership continued to receive income from the exploitation of these films under lease arrangements. The partnership continues to seek to acquire further films for exploitation.

#### **Designated members**

Anglo Film Nominees Limited and Sovereign Film Nominees Limited served as designated members throughout the year.

New ordinary members are required to subscribe capital at a level agreed with the designated members. No member has the right to make any drawings or withdraw part of their capital without the prior written agreement of all the other ordinary members.

#### **Designated members' responsibilities**

Legislation applicable to limited liability partnerships requires the designated members to prepare financial statements for the year that 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 year. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

## **DESIGNATED MEMBERS' REPORT**

### **FOR THE YEAR ENDED 5 APRIL 2006 (CONTINUED)**

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 Limited Liability Partnership Regulations. 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 LLP have expressed their willingness to continue in office and, in accordance with section 385 of the Companies Act 1985, a resolution proposing their re-appointment will be presented at a meeting of the designated members.

#### **Special provisions relating to small limited liability partnerships**

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 6 June 2006.



**Niall Bamford**  
For and on behalf of  
**Anglo Film Nominees Limited**  
Designated Member



**Mohammed Yusef**  
For and on behalf of  
**Sovereign Film Nominees Limited**  
Designated Member

## **INDEPENDENT AUDITOR'S 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 8 to 13 for the year ended 5 April 2006. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Section 235 of the Companies Act 1985 as modified by the Limited Liability Partnership Regulations. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **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 page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 Limited Liability Partnership Regulations. 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 International Standards on Auditing (UK and Ireland) 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.

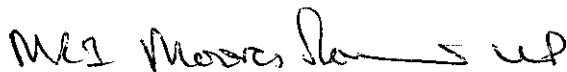
**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF THE INVICTA FILM PARTNERSHIP NO. 6 LLP  
(CONTINUED)**

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.

**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 April 2006 and of its loss for the year then ended and have been properly prepared in accordance with the Limited Liability Partnership Regulations.



**MRI Moores Rowland LLP**  
**Chartered Accountants and Registered Auditors**  
**3 Sheldon Square**  
**London**

**Dated:** 6/6/06



# **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 5 APRIL 2006**

	Notes	Year ended 5 April 2006 £	Year ended 5 April 2005 £
Turnover	3	1,979,713	1,883,276
Cost of sales		-	-
<b>Gross profit</b>		<u>1,979,713</u>	<u>1,883,276</u>
Administrative expenses – amortisation		(1,993,119)	(1,993,119)
Interest receivable		904	1,452
Interest payable		<u>(904)</u>	<u>(1,452)</u>
<b>Loss on ordinary activities before members' remuneration and profit share</b>	5	<u>(13,406)</u>	<u>(109,843)</u>

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 or 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 year stated above, and their historical cost equivalents.

The notes on pages 10 to 13 form part of these financial statements.

# **BALANCE SHEET**

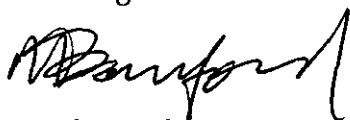
**5 APRIL 2006**

	Notes	2006 £	2005 £
<b>Fixed assets</b>			
Film assets	6	22,139,126	24,132,245
<b>Current assets</b>			
Debtors: amounts due within one year	7	2,122,376	2,021,311
Debtors: amounts due after more than one year	7	35,547,497	35,648,562
Cash at bank		25,871	24,967
		<u>37,695,744</u>	<u>37,694,840</u>
<b>Creditors: amounts falling due within one year</b>	8	(2,102,668)	(2,004,679)
		<u>35,593,076</u>	<u>35,690,161</u>
<b>Total assets less current liabilities</b>		57,732,202	59,822,406
Creditors: amounts falling due after more than one year	9	(27,819,044)	(29,895,842)
<b>Net assets</b>		<u>29,913,158</u>	<u>29,926,564</u>
<b>Members' other interests</b>			
Members' capital	10	30,477,577	30,477,577
Other reserves	10	(564,419)	(551,013)
		<u>29,913,158</u>	<u>29,926,564</u>
<b>Total members' interests</b>			
Loans and other debt due to members	10	25,870	24,966
Members' other interests	10	29,913,158	29,926,564
		<u>29,939,028</u>	<u>29,951,530</u>

The notes on pages 10 to 13 form part of these financial statements.

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

The financial statements were approved by the designated members on 6 June 2006 and were signed on their behalf by:



**Niall Bamford**  
For and on behalf of  
**Anglo Film Nominees Limited**  
Designated Member

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 5 APRIL 2006**

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

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships". A summary of the more important accounting policies, which have been applied consistently during the year, 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 entered into various sale and leaseback agreements, whereby it purchased the master prints and leased back the rights to the producer, retaining substantially all the risks and rewards of ownership of the productions. These productions are listed below together with the dates on which the transactions were financially completed:

<b>27 March 2002:</b>	"NCS Manhunt – Series 2", "The Secret" and "Man and Boy"
<b>16 April 2002:</b>	"Born and Bred" (a.k.a. "Heart of the Valley") and "Murder in Mind – Series 2 Episodes 3-6";
<b>28 June 2002</b>	"Callas Forever"
<b>1 August 2002</b>	"The Hoobs"

These transactions are treated in accordance with FRS 5, "Reporting the Substance of Transactions". The cost of each production is capitalised at its fair value as at inception of the lease, or as at the date of the Partnership acquiring the unconditional liability to purchase the rights in the film, and amortised 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**

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

Film assets – over 15 years.

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**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 in the year excluding VAT.

**4. Information in relation to members**

	2006 Number	2005 Number
The average number of members during the year was:	<u>78</u>	<u>78</u>

Neither of the designated members receives any remuneration.

**5. Loss on ordinary activities**

	2006 £	2005 £
The loss on ordinary activities is stated after charging:		
Auditors' remuneration	1,750	1,750
Amortisation	<u>1,993,119</u>	<u>1,993,119</u>

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

## 6. Fixed assets

Intangible assets - films	£
<b>Cost:</b>	
At 6 April 2005 and 5 April 2006	<u>29,896,792</u>
<b>Amortisation:</b>	
At 6 April 2005	5,764,547
Charge for the year	<u>1,993,119</u>
At 5 April 2006	<u>7,757,666</u>
<b>Net book value:</b>	
At 5 April 2006	<u>22,139,126</u>
At 5 April 2005	<u>24,132,245</u>

The designated members consider the carrying value of the film asset in the accounts totalling £22,139,126 (2005: £24,132,245) to be fair after carrying out a full impairment review of this film asset in accordance with the requirements of Financial Reporting Standard No. 10, "Goodwill And Intangible Assets", and Financial Reporting Standard No. 11, "Impairment Of Fixed Assets".

## 7. Debtors

	2006 £	2005 £
Trade debtors	29,022,285	31,043,596
Other debtors	8,647,588	6,626,277
	<u>37,669,873</u>	<u>37,669,873</u>

All other debtors are recoverable after more than one year. Included in trade debtors is an amount of £26,899,909 (2005: £29,022,285) that is recoverable after more than one year, and represents rental income not yet due.

## 8. Creditors: amounts falling due within one year

	2006 £	2005 £
Deferred income	2,076,798	1,979,713
Other creditors	25,870	24,966
	<u>2,102,668</u>	<u>2,004,679</u>

Other creditors represent amounts due to the members.

## 9. Creditors: amounts falling due in more than one year

	2006 £	2005 £
Deferred income	<u>27,819,044</u>	<u>29,895,842</u>

## 10. Reconciliation of movements in members' interests

	Members' capital £	Other reserves £	Total £	Loans and other debt due to members £	Total members' interests £
Amounts due to members	-	-	-	24,966	24,966
Members' interests at 6 April 2005	<u>30,477,577</u>	<u>(551,013)</u>	<u>29,926,564</u>	<u>24,966</u>	<u>29,951,530</u>
Loss for the financial year available for division among members	-	(13,406)	(13,406)	-	(13,406)
Net interest received	-	-	-	904	904
Members' interests at 5 April 2006	<u>(30,477,577)</u>	<u>(564,419)</u>	<u>29,913,158</u>	<u>25,870</u>	<u>29,939,028</u>

The accumulated loss of the limited liability partnership has been included within other reserves, rather than within debtors (as the Statement of Recommended Practice suggests it should be). The reasoning for this is that these accumulated losses do not represent amounts that are due to the limited liability partnership, and therefore are not debtor balances as defined by UK Accounting Standards. At present, it is anticipated that the limited liability partnership will make a profit over its lifetime and therefore there will not be any need at all for the members, or any other party, to contribute any further amounts to the limited liability partnership.

## 11. Commitments

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

## 12. Related party transactions

Other debtors reflect 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.

## 13. Ultimate controlling party

In the opinion of the designated members, there is no ultimate controlling party.