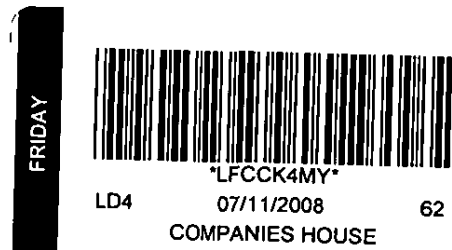


**REPORT OF THE MEMBERS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 5TH APRIL 2008**  
**FOR**  
**BRASS HAT FILMS SLATE 2 LLP**



Mazars LLP  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

**BRASS HAT FILMS SLATE 2 LLP**

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**FOR THE YEAR ENDED 5TH APRIL 2008**

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**BRASS HAT FILMS SLATE 2 LLP**  
**GENERAL INFORMATION**  
**FOR THE YEAR ENDED 5TH APRIL 2008**

<b>DESIGNATED MEMBERS</b>	BH Nominees No1 Limited BH Nominees No2 Limited
<b>REGISTERED OFFICE:</b>	18 Soho Square London W1D 3QL
<b>REGISTERED NUMBER:</b>	OC309306 (England and Wales)
<b>AUDITORS:</b>	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

**BRASS HAT FILMS SLATE 2 LLP**  
**REPORT OF THE MEMBERS**  
**FOR THE YEAR ENDED 5TH APRIL 2008**

The members present their report with the financial statements of the LLP for the year ended 5th April 2008

**PRINCIPAL ACTIVITY**

The principal activity of the LLP in the year under review was that of acquisition and exploitation of film rights

**DESIGNATED MEMBERS**

The designated members during the year under review were

BH Nominees No1 Limited  
BH Nominees No2 Limited

**RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS**

The profit for the year before members' remuneration and profit shares was £18,303 (2007 - £668,973)

**MEMBERS' INTERESTS**

**MEMBERS' DRAWINGS AND THE SUBSCRIPTION AND REPAYMENT OF MEMBERS' CAPITAL**

**MEMBERS CAPITAL**

Each Individual Member shall on his Admission Date have an amount equal to the amount of his Capital Contribution credited to his Capital Account. If any Individual Member makes any further contribution at any time after the Admission Date an amount equal to the amount or value of that contribution shall increase that Individual Member's Capital Contribution accordingly.

No Individual Member shall be entitled to any interest on the amount for the time being of his Capital Contribution.

In the normal course of continuing business, it is not intended that there be allowed any redemption of members' capital, subject to a vote of 75% of the members in favour of a voluntary winding up.

On 12 April 2007, Stephen John Hoffman, one of the ordinary members died and the date for his personal representative to request to be become an ordinary member in his place has passed. The LLP Agreement states that, under such circumstances, the deceased's capital account and current account balance, as of the date of his death, should be paid out to his personal representative. However, the designated members would like to first discuss this with the personal representative and investigate whether there are any alternatives to this approach that could be taken before proceeding with doing this. Consequently, the deceased's capital contribution has remained classified within capital contributions at 5 April 2008 and his current account, which was closed on the date of his death, remains classified within other reserves.

**PROFITS AND LOSSES**

The Individual Members' aggregate allocation of profits and losses shall be allocated as between the respective Individual Members pro rata to their respective Capital Contributions and this shall be recorded in their current account. For the avoidance of doubt, nothing shall oblige any Individual Member to bear any additional liability to any third party beyond that which it would otherwise be obliged to bear, or to be liable for or to indemnify and keep indemnified any other Individual Member for any loss that such other Individual Member may have suffered.

In respect of distributions, as soon as practicable after the end of each Accounting Year, an amount equal to the Net Individual Members Entitlement shall be distributed between the Individual Members pro-rata to their respective Capital Contributions subject to the cash requirements of the LLP and the agreement of the designated members.

Due to there being no income received in the year, no distribution is due in respect of the year.

During the year to 5th April 2008, £nil of the members' interests were transferred from capital to debt.

**BRASS HAT FILMS SLATE 2 LLP**  
**REPORT OF THE MEMBERS**  
**FOR THE YEAR ENDED 5TH APRIL 2008**

**STATEMENT OF MEMBERS' RESPONSIBILITIES**

The members are responsible for preparing the financial statements in accordance with applicable law and regulations

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these 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 LLP will continue in business

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the members are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the LLP's auditors are unaware, and each member has taken all the steps that he or she ought to have taken as a member in order to make himself or herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

**AUDITORS**

The auditors, Mazars LLP, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001 relating to small LLPs.

ON BEHALF OF THE MEMBERS:



**ALBANY NOMINEES LTD**  
**DIRECTOR - PER J D CROFT**

BH Nominees No 1 Limited - Designated Member

Date **29 OCT 2008**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**BRASS HAT FILMS SLATE 2 LLP**

We have audited the financial statements of Brass Hat Films Slate 2 LLP for the year ended 5th April 2008 on pages five to eight. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the LLP's members, as a body, in accordance with Section 235 of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of members and auditors**

The members' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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 Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. We also report to you whether in our opinion the information given in the Report of the Members is consistent with the financial statements.

In addition, we report to you if, in our opinion, the LLP 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 members' remuneration and other transactions is not disclosed.

We read the Report of the Members and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit 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 members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP'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.

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the LLP's affairs as at 5th April 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001, and
- the information given in the Report of the Members is consistent with the financial statements.

*Mazars LLP*

Mazars LLP  
Chartered Accountants and Registered Auditors  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

Date 29/10/08

**BRASS HAT FILMS SLATE 2 LLP**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 5TH APRIL 2008**

	Notes	5 4 08 £	5 4 07 £
<b>TURNOVER</b>		-	-
Cost of sales		<u>49,253</u>	<u>696,782</u>
<b>GROSS PROFIT</b>		49,253	696,782
Administrative expenses		<u>(33,224)</u>	<u>(32,285)</u>
<b>OPERATING PROFIT</b>	2	16,029	664,497
Interest receivable and similar income		<u>2,274</u>	<u>4,476</u>
<b>PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>	7	<u>18,303</u>	<u>668,973</u>

The notes form part of these financial statements

**BRASS HAT FILMS SLATE 2 LLP****BALANCE SHEET**  
**5TH APRIL 2008**

	Notes	5 4 08 £	5 4 07 £
<b>CURRENT ASSETS</b>			
Stocks	4	37,575	-
Debtors	5	1,166,763	1,161,529
Cash at bank		<u>26,205</u>	<u>108,983</u>
		1,230,543	1,270,512
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>(28,615)</u>	<u>(86,887)</u>
<b>NET CURRENT ASSETS</b>		<u>1,201,928</u>	<u>1,183,625</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,201,928</u>	<u>1,183,625</u>
<b>REPRESENTED BY</b>			
<b>Loans and other debts due to members</b>			
Members capital classified as a liability under FRS25	7	5,355,298	5,355,298
<b>Equity</b>			
Members' other interests – other reserves classified as equity under FRS25	7	<u>(4,153,370)</u>	<u>(4,171,673)</u>
		<u>1,201,928</u>	<u>1,183,625</u>
<b>TOTAL MEMBERS' INTERESTS</b>			
Members' other interests	7	1,201,928	1,183,625
Amounts due from members		<u>-</u>	<u>-</u>
		<u>1,201,928</u>	<u>1,183,625</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001 relating to small LLPs and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements were approved by the members of the LLP on

**29 OCT 2008**

and were signed by



**ALBANY NOMINEES LTD**  
**DIRECTOR - PETER D CROFT**

BH Nominees No1 Limited - Designated member



**BRASS HAT FILMS SLATE 2 LLP**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 5TH APRIL 2008**

**1 ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the requirements of the Statements of the Recommended Practice 'Accounting by Limited Liability Partnerships'. A summary of the more important accounting policies which have been applied consistently during the period is set out below

**Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships

**Stocks**

Stock relates to film distribution rights that have been purchased

Stocks are valued at the lower of cost and net realisable value

The stock figure is based on a valuation prepared in accordance with advice from a media advisor and a professional film valuer

Once the film distribution rights have been sold in exchange for a right to income, the cost of acquiring the original film distribution rights is reclassified from stock to prepayments and accrued income. This right to income is valued at the lower of cost and net realisable value and the net realisable value is based on a third party valuation and advice from a media advisor

**Foreign currencies**

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

**2 OPERATING PROFIT**

The operating profit is stated after charging

	<b>5 4 08</b>	<b>5 4 07</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	<b>6,531</b>	<b>7,876</b>
Auditors remuneration - other services	<b>5,150</b>	<b>5,187</b>
Foreign exchange differences	<b>439</b>	<b>7,732</b>

**3 INFORMATION IN RELATION TO MEMBERS**

	<b>5 4 08</b>	<b>5 4 07</b>
The average number of members during the year was	<b><u>55</u></b>	<b><u>55</u></b>

**BRASS HAT FILMS SLATE 2 LLP**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 5TH APRIL 2008**

**4 STOCKS**

The rights in the film Trade (UK) are valued at £37,575 within stock

**5 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	5.4.08	5 4 07
	£	£
Other debtors	1,404	3,214
Prepayments and accrued income	<u>1,165,359</u>	<u>1,158,315</u>
	<u>1,166,763</u>	<u>1,161,529</u>

The rights in the film Premonition have been provided as security to the bank Natexis who have loaned money to the commissioning producer to the film to part fund the production

**6 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR**

	5.4.08	5 4 07
	£	£
Trade creditors	16,015	26,467
Accruals and deferred income	<u>12,600</u>	<u>60,420</u>
	<u>28,615</u>	<u>86,887</u>

**7 MEMBERS' INTERESTS**

	Members' other interests			Loans and other debts due to/(from) members	Total
	Members' capital (classified as debt)	Other reserves	Total		
	£	£	£		
Balance at 6th April 2007	5,355,298	(4,171,673)	1,183,625	-	1,183,625
Profit for the financial year available for discretionary division among members		18,303	18,303	-	18,303
Members' interests after profit for the year	5,355,298	(4,153,370)	1,201,928	-	1,201,928
Balance at 5th April 2008	5,355,298	(4,153,370)	1,201,928	-	1,201,928

On 12 April 2007, Stephen John Hoffman, one of the ordinary members died and the date for his personal representative to request to be become an ordinary member in his place has passed. The LLP Agreement states that, under such circumstances, the deceased's capital account and current account balance, as of the date of his death, should be paid out to his personal representative. However the designated members would like to first discuss this with the personal representative and investigate whether there are any alternatives to this approach that could be taken before proceeding with doing this. Consequently, the deceased's capital contribution has remained classified within capital contributions at 5 April 2008 and his current account, which was closed on the date of his death, remains classified within other reserves.

**8 REGISTRATION AND DESIGNATED MEMBERS**

The Brass Hat Films Slate 2 LLP is registered in the United Kingdom. The designated members are BH Nominees No 1 Limited and BH Nominees No 2 Limited.

The partnership is resident for tax purposes in the United Kingdom.