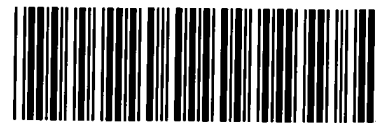


DART FILMS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2018

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Limited Liability Partnership Number: OC317756

DART FILMS LLP

**ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 5 APRIL 2018**

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DART FILMS LLP

MEMBERS' REPORT YEAR ENDED 5 APRIL 2018

The members present the annual report on the affairs of Dart Films LLP ("the Partnership"), together with the financial statements and auditor's report, for the year ended 5 April 2018.

Principal activities

The Partnership commenced its trade in the 2006/07 tax year, at which time the members contributed capital for the purposes of acquiring from, and leasing back to producers (under 15 year finance leases), films certified as "British" in accordance with the Films Act 1985, in exchange for guaranteed rental payments (the "Original Leasing Transactions").

The Original Leasing Transactions will reach the end of their lease period during the year ending 5 April 2023. Further details regarding the finance leases can be found in Note 1 to the financial statements.

Going concern

The Partnership is in a net assets position and under the terms of its Original Leasing Transactions the Partnership has guaranteed rental payments for the next 5 years.

The members believe that the Partnership will be able to meet its obligations as they arise and they have a reasonable expectation that the Partnership will continue in operational existence for the foreseeable future.

Further details regarding the adoption of the going concern basis can be found in Note 1 to the financial statements.

Policy regarding members' drawings and capital

The Designated Members serving during the year were Fleet Film Partners 1 Limited and Fleet Film Partners 2 Limited ("the Designated Members").

The Designated Members are not entitled to drawings. In accordance with the Members' Agreement, no ordinary member shall be entitled to make drawings on account of profits to which they are entitled, unless unanimously agreed by the Ordinary Members, or unless permitted under that Agreement.

There were no transfers of members' capital to debt during the year. Member's capital is subscribed in accordance with the current Members' Agreement, and retained by the Partnership until such time as the members agree to repay the capital. The operating cash requirements of the Partnership shall ordinarily be met out of the members' initial contributions. No member shall be required to make further funding available after their admission as a member.

DART FILMS LLP

MEMBERS' REPORT (CONTINUED)

Statement of members' responsibilities

Under the Members' Agreement, the Partnership is obliged to produce financial statements on an annual basis. The Designated Members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships ("LLPs") 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Partnership law, as applied to LLPs, the members 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 Partnership and of the profit or loss of the Partnership for that year. 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; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Partnership will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership 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 Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The operator of the Partnership is Ingenious Media Investments Limited ("the Operator"). The Operator is exclusively responsible for the provision to the Partnership of the services set out in Schedule 1 of the Operators' Agreement.

In so far as the Designated Members are aware:

- there is no relevant audit information of which the Partnership's auditor is unaware; and
- each Designated Member has taken all steps (such as making enquiries of other members and the auditor and any other steps required by the Designated Members' duty to exercise due care, skill and diligence) that they should have taken to make themselves aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

These responsibilities are exercised by the Designated Members on behalf of the Partnership.

Auditor

The Designated Members appointed Shipleys LLP to audit the current year annual report and financial statements under Section 485(3) of the Companies Act 2006 as applicable to LLPs.

DART FILMS LLP

MEMBERS' REPORT (CONTINUED)

Small company exemptions

This report has been prepared in accordance with the provisions applicable to entities entitled to the small companies exemption. This is in accordance with Part 15 of the Companies Act 2006, as applicable to LLPs. The Partnership has taken advantage of the exemption for the requirement to disclose an enhanced business review and to prepare a strategic report in accordance with section 414B of the Companies Act 2006.

The report was approved by the Designated Members and signed on their behalf by:



Director of Fleet Film Partners 1 Limited

Designated Member: **D M REID**

Date: **02 October 2018**

Registered office:

15 Golden Square
London
W1F 9JG

Limited Liability Partnership Number: OC317756

DART FILMS LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DART FILMS LLP

Opinion

We have audited the financial statements of Dart Films LLP (the "Partnership") for the year ended 5 April 2018 which comprise the Profit and Loss Account, the Balance Sheet, Reconciliation of movements in Members' Interests and Notes to the Financial Statements, including a summary of accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic Ireland (United Kingdom Generally Accepted Accounting Practice)'.

This report is made solely to the Partnership'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 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 Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 5 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applicable to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard, the provisions available for small entities (see note 1 to the financial statements) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of members

As explained more fully in the members' responsibilities statement (see page 2), the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website. This description forms part of our auditor's report.

DART FILMS LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DART FILMS LLP (CONTINUED)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Opinions on other matters prescribed by the Companies Act 2006, as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the members' report has been prepared in accordance with applicable legal requirements.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

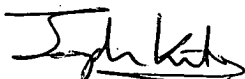
We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the members' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applicable to limited liability partnerships 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 members' remuneration specified by law are not made; or
- the members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the members' report and from the requirement to prepare a strategic report.



Joseph Kinton (Senior Statutory Auditor)

for and on behalf of Shipleys LLP

Chartered Accountants and Statutory Auditor

10 Orange Street, Haymarket, London WC2H 7DQ

Date: 3 October 2018

DART FILMS LLP

**PROFIT AND LOSS ACCOUNT
YEAR ENDED 5 APRIL 2018**

	Notes	5 April 2018 £	5 April 2017 £
Turnover	1, 3	662,535	789,261
Operating expenses:			
Audit fees and other professional fees	4	(1,565)	(2,500)
Bank charges		<u>(6)</u>	<u>(68)</u>
		<u>(1,571)</u>	<u>(2,568)</u>
OPERATING PROFIT		<u>660,964</u>	<u>786,693</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS BEFORE MEMBERS' REMUNERATION AND PROFIT SHARE		<u>660,964</u>	<u>786,693</u>

All results are derived from continuing operations during the current and prior years.

The Partnership has no recognised gains and losses other than those shown above.

The Notes on pages 9 to 11 form an integral part of the financial statements.

DART FILMS LLP

**BALANCE SHEET
AS AT 5 APRIL 2018**


	Notes	5 April 2018 £	5 April 2017 £
CURRENT ASSETS			
Amounts falling due within one year:			
Net investment in film finance leases	5	4,320,270	3,948,654
Accrued finance lease income		335,660	403,381
Called up members' capital not paid		2	2
Cash at bank		31,380	30,885
		<u>4,687,312</u>	<u>4,382,922</u>
CREDITORS			
Amounts falling due within one year:			
Rentals received in advance		(2,706,306)	(2,661,409)
Accruals		(1,565)	(2,500)
Other creditors		(3,000)	-
		<u>(2,710,871)</u>	<u>(2,663,909)</u>
NET CURRENT ASSETS		<u>1,976,441</u>	<u>1,719,013</u>
ASSETS			
Amounts falling due after more than one year:			
Net investment in film finance leases	5	15,877,256	20,197,526
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>17,853,697</u>	<u>21,916,539</u>
MEMBERS' OTHER INTERESTS REPRESENTED BY:			
Members' capital classified as equity under FRS 25		50,045,043	50,045,043
Other reserves		(32,191,346)	(28,128,504)
TOTAL MEMBERS' INTERESTS		<u>17,853,697</u>	<u>21,916,539</u>

The Notes on pages 9 to 11 form an integral part of the financial statements.

The Designated Members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 (as applicable to limited liability partnerships) with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A small entities.

The financial statements were approved by the Designated Members and authorised for issue and signed on their behalf by:



Director of Fleet Film Partners 1 Limited

Designated Member: D M Reid

Date: 02 October 2018

Limited Liability Partnership Number: OC317756

DART FILMS LLP

**RECONCILIATION OF MOVEMENTS IN MEMBERS' INTERESTS
YEAR ENDED 5 APRIL 2018**

	Members' Capital £	Other Reserves £	Total £	Other Amounts Due to Members £	2018 Total Members' Interests £	2017 Total Members' Interests £
Balance at 6 April 2017	50,045,043	(28,128,504)	21,916,539	-	21,916,539	25,628,710
Profit for the financial year available for discretionary division among members	-	660,964	660,964	-	660,964	786,693
Members' interests after profit for the year	50,045,043	(27,467,540)	22,577,503	-	22,577,503	26,415,403
Other division of profits	-	(4,723,806)	(4,723,806)	4,723,806	-	-
Drawings	-	-	-	(4,723,806)	(4,723,806)	(4,498,864)
Balance at 5 April 2018	<u>50,045,043</u>	<u>(32,191,346)</u>	<u>17,853,697</u>	<u>-</u>	<u>17,853,697</u>	<u>21,916,539</u>

The Notes on pages 9 to 11 form an integral part of the financial statements.

DART FILMS LLP

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 5 APRIL 2018

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the current and preceding year.

General information and basis of preparation of financial instruments

The Partnership was incorporated in England and Wales as a limited liability partnership under the Limited Liability Partnerships Act 2000. Its place of business and head office address is 15 Golden Square, London, W1F 9JG. The nature of the Partnership's operations and principal activity are set out in the Members' Report on page 1.

The functional currency of the Partnership is considered to be pounds sterling which is the currency of the primary economic environment in which the Company operates.

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102 Section 1A ('FRS 102 Section 1A'), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

The preparation of financial statements in compliance with FRS 102 Section 1A requires the use of certain critical accounting estimates (see note 2 to the financial statements). It also requires management to exercise judgement in applying the Partnership's accounting policies.

The financial statements do not include a cash flow statement because the Partnership is a qualifying entity under FRS 102 Section 1A for taking advantage of the exemption from preparing such a statement.

Turnover

Turnover, excluding VAT, is recognised on the following basis:

(i) Finance lease income

The recognition of finance lease income is calculated to reflect a constant periodic rate of return on the net cash investment in the lease.

(ii) Participation in film net revenues

The Partnership's participation in film net revenues in excess of net investment in film finance leases, development and production expenditure, is recognised in turnover when notified by the relevant collection agent.

The members do not consider any one part of the worldwide market to be significantly different from any other.

Film finance leases

In accordance with FRS 102 'Accounting for leases and hire purchase contracts', the amount due from the lessee under finance leases is recorded in the balance sheet of the Partnership as a debtor at the amount of the net investment in the lease, less provision for any items such as bad and doubtful rentals receivable.

Rentals received in advance

When lease rentals are received in advance of the period to which they relate, the amounts are recorded as rentals received in advance and included as creditors due within one year.

Going concern

Under the terms of its sale and leaseback agreements the Partnership has guaranteed rental payments for the next 5 years. The Partnership is in a net assets position. Accordingly, the members believe that the Partnership will be able to maintain positive cash flows for the foreseeable future. As a result the going concern basis of accounting has been adopted.

DART FILMS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 5 APRIL 2018

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

No current or deferred taxation is provided on the profits attributable to the members as the liability for taxation falls on the individual members.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Partnership's accounting policies, which are described in Note 1, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. TURNOVER

Turnover represents finance lease income calculated to reflect a consistent periodic rate of return on the net cash investment in the lease plus any participation in net film revenues receivable in excess of the net investment made.

In the current year, there were no revenues in excess of the net investment made.

4. AUDIT FEES AND OTHER PROFESSIONAL FEES

The analysis of auditor's remuneration is as follows:

	2018	2017
	£	£
Audit fees payable to the Partnership's auditor for the audit of the Partnership's annual accounts	<u>1,565</u>	<u>2,500</u>

DART FILMS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 5 APRIL 2018

5. NET INVESTMENT IN FILM FINANCE LEASES

Name of film	Gross Rentals £	Finance Charge £	2018 Net Investment £	2017 Net Investment £
Venus	3,725,951	(708,626)	3,017,325	3,017,325
Amazing Grace	21,668,539	(4,765,073)	16,903,466	16,903,466
Sunshine	35,913,789	(8,233,914)	27,679,875	27,679,875
	61,308,279	(13,707,613)	47,600,666	47,600,666
Rentals accrued previously	(35,394,800)	11,940,314	(23,454,486)	(19,866,537)
Rentals accrued to 5 April 2018	(4,611,189)	662,535	(3,948,654)	(3,587,949)
	21,302,290	(1,104,764)	20,197,526	24,146,180
Amounts falling due within one year			4,320,270	3,948,654
Amounts falling due within two to five years			15,877,256	19,655,841
Amounts falling due after more than five years			-	541,685
			20,197,526	24,146,180

6. INFORMATION RELATING TO MEMBERS

No member received any salaried remuneration from the Partnership during the current and prior year.

The average number of members in the year was 35 (year ended 5 April 2017 - 35). The average allocation of profit was therefore £18,885 (year ended 5 April 2017 - £22,477) and the largest allocation of profit to any single member was £455,726 (year ended 5 April 2017 - £542,414).

7. RELATED PARTY TRANSACTIONS

The Designated Members and the Operator are all wholly-owned subsidiaries of Ingenious Media Limited, which is itself a wholly-owned subsidiary of Ingenious Media Holdings Limited.

There were no material transactions with any related parties in the year and no related party balances were held on the balance sheet as at 5 April 2018.