

BIG SCREEN PRODUCTIONS 12 LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

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Limited Liability Partnership Number: OC348191

**ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**

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**MEMBERS' REPORT
YEAR ENDED 31 DECEMBER 2016**

The members submit the Annual Report and Financial Statements of Big Screen Productions 12 LLP ("the Partnership") for the year ended 31 December 2016.

Principal activities

The Partnership was formed to conduct a film production business. Based in the UK, it draws on a deep pool of talent, both on and off screen, to produce and deliver high quality films to the Partnership's commissioning distributor ("the Commissioning Distributor").

The Partnership has adopted a sophisticated project selection procedure to manage risks from the outset and will only produce films where there is a strong likelihood of distribution and where the remuneration it receives is calculated by reference to gross sales receipts from the exploitation of the films it produces.

Review of the year

Waterloo Film Partner 1 Limited and Waterloo Film Partner 2 Limited ("the Designated Members") served during the year as the designated members.

The Partnership continued to pursue its principal activities during the year.

On 2 August 2016 Ingenious Film Partners ("IFP") received the decision of the First-tier Tribunal in respect of its appeals against the enquiry closure notices issued by HMRC. The decision was complex and a clarification of aspects of the decision was received on 17 May 2017. It is intended that an application will be lodged for permission to appeal the decision.

Given the similarities between the Partnership and IFP partnerships in the way these partnerships raised their funds and undertook film production activities we expect HMRC to seek to apply the main elements of the IFP decision to the Partnership, which will be subject to the outcome of any appeal.

Any financial impact of the final decision will not be reflected in the financial statements of the Partnership because it is a tax transparent entity and therefore any impact on the tax position of the members will be reflected in their financial statements.

Future developments

The Partnership is well placed to benefit from the future exploitation of its film productions by the Commissioning Distributor and from its relationship with Ingenious Media Holdings Limited and its subsidiaries ("the Ingenious Group").

Policy regarding members' drawings and capital

The Designated Members are not entitled to drawings. In accordance with the Members' Agreement, drawings shall be made at the discretion of Ingenious Media Investments Limited, the operator of the Partnership ("the Operator").

Members' capital is subscribed in accordance with the current Members' Agreement, and retained by the Partnership until such time as the members agree to repay that capital. There were no transfers of members' capital to debt during the current or prior year.

The operating cash requirements of the Partnership shall be met out of the members' initial contributions. No member shall be required to make any further funding available after their admission as a member (save to the extent of their liability on a winding up).

MEMBERS' REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

Statement of members' responsibilities

The members are responsible for preparing the Annual Report and 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 period. 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 period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper 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, as applicable to limited liability partnerships. The members 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.

In so far as the members are aware:

- there is no relevant audit information of which the Partnership's auditor is unaware; and
- the members have taken all steps that they should have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditor

Shipleys LLP are deemed to be re-appointed under s487(2) of the Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 limited liability partnerships. 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 414(B) of the Companies Act 2006.

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



Director of Waterloo Film Partner 1 Limited

Designated Member:

Date: 11/8/17

Registered office
15 Golden Square
London W1F 9JG

Limited Liability Partnership Number: OC348191

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG SCREEN PRODUCTIONS 12 LLP

We have audited the financial statements of Big Screen Productions 12 LLP for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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, as applicable to limited liability partnerships. 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.

Respective responsibilities of the members and auditor

As explained more fully in the statement of members' responsibilities, the members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 Partnership's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2016 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 modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Opinion 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

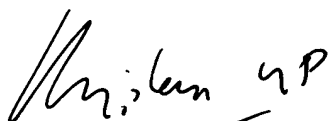
In our opinion the information given in the Members' Report for the year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIG SCREEN PRODUCTIONS 12 LLP (CONTINUED)

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, 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to take advantage of the small companies exemption as applicable to limited liability partnerships in preparing the members' report.



S L Joberns (Senior Statutory Auditor)

for and on behalf of Shipleys LLP (Statutory Auditor)
10 Orange Street, Haymarket, London, WC2H 7DQ

Date: 11/8/17

PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2016

	Notes	Year ended 31 December 2016 £ '000s	Year ended 31 December 2015 £ '000s
Turnover		204	96
Cost of sales		<u>(49)</u>	<u>-</u>
Gross profit		155	96
Operating expenses		<u>(4)</u>	<u>(4)</u>
Operating profit	3	<u>151</u>	<u>92</u>
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		<u>151</u>	<u>92</u>

All of the Partnership's profit is derived from continuing operations during the current and prior year.

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

The notes on pages 7 to 10 form an integral part of the financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Notes	31 December 2016 £ '000s	31 December 2015 £ '000s
Current assets			
Debtors	5	120	136
Cash at bank		20	80
		<u>140</u>	<u>216</u>
Creditors: amounts falling due within one year	6	<u>(82)</u>	<u>(106)</u>
Net current assets		<u>58</u>	<u>110</u>
Net assets attributable to members		<u>58</u>	<u>110</u>
Represented by:			
Members' interests			
Members' capital accounts	7	32,848	32,848
Other reserves	7	<u>(32,790)</u>	<u>(32,738)</u>
Total members' interests		<u>58</u>	<u>110</u>
Memorandum of members' total interests			
Members' other interests	7	<u>58</u>	<u>110</u>
Total members' interests		<u>58</u>	<u>110</u>

The notes on pages 7 to 10 form an integral part of the financial statements.

The 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 was approved by the Designated Members and authorised for issue and signed on their behalf by:



Director of Waterloo Film Partner 1 Limited

Designated Member:

Date: 11/8/17

Limited Liability Partnership Number: OC348191

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016**

1. Accounting policies

Big Screen Productions 12 LLP was incorporated in the United Kingdom as a limited liability partnership under the Limited Liability Partnerships Act 2000.

The financial statements have been prepared under the historical cost convention in accordance with the provisions of FRS 102 Section 1A Small Entities. The principle accounting policies adopted in the preparation of the financial statements are set out below:

Turnover

Turnover represents amounts receivable for services provided in the normal course of business, net of VAT.

Cost of sales

Cost of sales represents direct costs attributable to turnover.

Taxation

No current or deferred taxation is provided in the financial statements as the liability for taxation falls on the members.

Foreign currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the Balance Sheet date. Exchange differences are taken to the Profit and Loss Account.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Partnership after deducting all of its liabilities.

Cash flow statement

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016**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.

Critical accounting judgements in applying the accounting policies

The following are the critical judgements that the members have made in the process of applying the Partnership's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Impairment of investments

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

3. Operating profit

	Year ended 31 December 2016 £ '000s	Year ended 31 December 2015 £ '000s
The operating profit is stated after charging/(crediting):		
Auditor's remuneration for audit services	4	4
Foreign exchange gain	(8)	(22)
	<u>(4)</u>	<u>(18)</u>

4. Information relating to members

No members received remuneration from the Partnership during the current and prior year.

The average number of members in the year was 18 (year ended 31 December 2015: 18). The average allocation of profit was therefore £8,391 (year ended 31 December 2015: profit of £5,114) and the largest allocation of profit to any single member was £33,716 (year ended 31 December 2015: profit of £20,548).

5. Debtors

	31 December 2016 £ '000s	31 December 2015 £ '000s
Accrued income	74	41
Trade debtors	45	95
VAT recoverable	1	-
	<u>120</u>	<u>136</u>

6. Creditors: amounts falling due within one year

	31 December 2016 £ '000s	31 December 2015 £ '000s
Other creditors	78	102
Accruals	4	4
	<u>82</u>	<u>106</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2016

7. Reconciliation of movement in members' interests

	Members' capital	Other reserves	Total members' other interests	Loans and other debts due to members	Total members' interests 2016	Total members' interests 2015
	£ '000s	£ '000s	£ '000s	£ '000s	£ '000s	£ '000s
Balance at start of year	32,848	(32,738)	110	-	110	408
Profit for the financial year	-	151	151	-	151	92
Members' interests after profit for the financial year	32,848	(32,587)	261	-	261	500
Members' drawings	-	(203)	(203)	-	(203)	(390)
Members' interests at end of year	32,848	(32,790)	58	-	58	110

In the event of a winding up, the Partnership's creditors are paid from any surplus assets prior to their distribution to the members.

8. Related party disclosures

The Designated Members, Big Screen Productions 12 Limited ("the Ingenious Member", a member of the Partnership) and the Operator are all wholly-owned subsidiaries of Ingenious Media Limited, a company registered in England and Wales. Ingenious Media Limited is a wholly-owned subsidiary within the Ingenious Group.

N A Forster and D M Reid are directors of the Designated Members, the Ingenious Member and the Operator. P A McKenna is a director of the Operator. N A Forster, D M Reid and P A McKenna are also directors of Ingenious Media Holdings Limited.

D M Reid and P A McKenna are members of the Executive Committee of the Partnership. The Executive Committee has discretion to approve any films proposed for production by the Operator.

In a prior year, the fees for the audit of the Partnership were paid by the Operator on behalf of the Partnership. The amounts were recharged back to the Partnership and £1,094 remained outstanding at the year end (year ended 31 December 2015: £1,094).

During the year, the Ingenious Member made drawings of £127,302 (year ended 31 December 2015: £243,570), of which £8,548 (year ended 31 December 2015: £11,332) were owed to the Ingenious Member at the year end.

9. Controlling party

In the opinion of the members there is no controlling party.