

**BIG SCREEN PRODUCTIONS 12 LLP**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2017**

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Limited Liability Partnership Number: OC348191

**BIG SCREEN PRODUCTIONS 12 LLP**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2017**

**CONTENTS**

MEMBERS' REPORT.....	1
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS.....	3
PROFIT AND LOSS ACCOUNT.....	5
BALANCE SHEET.....	6
NOTES TO THE FINANCIAL STATEMENTS.....	7

**MEMBERS' REPORT  
YEAR ENDED 31 DECEMBER 2017**

The members submit the Annual Report and Financial Statements of Big Screen Productions 12 LLP ("the Partnership") for the year ended 31 December 2017.

**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 ("FTT") 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. An appeal against this decision is scheduled to be heard, commencing 4 March 2019.

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 the 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").

**Going concern**

The members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. 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 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 2017**

**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; 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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.

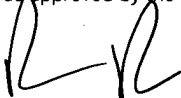
**Auditor**

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: **D. Reid**

Date: **16/7/18**

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**

**Opinion**

- We have audited the financial statements of Big Screen Productions 12 LLP (the "Partnership") for the year ended 31 December 2017 which comprise the Profit and Loss Account, the Balance Sheet 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 31 December 2017 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.

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

**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.

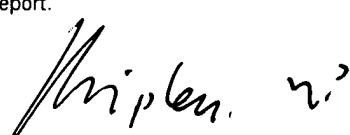
We have nothing to report in this regard.

**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 in relation to which 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
- we have not received all the information and explanations we require for our audit; 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.

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

Date:

16/7/14

# BIG SCREEN PRODUCTIONS 12 LLP

## PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 2017

	Notes	Year ended 31 December 2017 £ '000s	Year ended 31 December 2016 £ '000s
Turnover		171	204
Cost of sales		-	(49)
<b>Gross profit</b>		<b>171</b>	<b>155</b>
Operating expenses		(4)	(4)
<b>Operating profit</b>	3	<b>167</b>	<b>151</b>
<b>Profit for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		<b>167</b>	<b>151</b>

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 11 form an integral part of the financial statements.

# BIG SCREEN PRODUCTIONS 12 LLP

## BALANCE SHEET AS AT 31 DECEMBER 2017

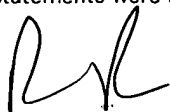
	Notes	31 December 2017 £ '000s	31 December 2016 £ '000s
<b>Current assets</b>			
Debtors	5	103	120
Cash at bank		14	20
		<u>117</u>	<u>140</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>(72)</u>	<u>(82)</u>
<b>Net current assets</b>		<u>45</u>	<u>58</u>
<b>Net assets attributable to members</b>		<u>45</u>	<u>58</u>
<b>Represented by:</b>			
<b>Members' interests</b>			
Members' capital accounts	7	32,848	32,848
Other reserves	7	<u>(32,803)</u>	<u>(32,790)</u>
<b>Total members' interests</b>		<u>45</u>	<u>58</u>
<b>Memorandum of members' total interests</b>			
Members' other interests	7	<u>45</u>	<u>58</u>
<b>Total members' interests</b>		<u>45</u>	<u>58</u>

The notes on pages 7 to 11 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 as defined within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 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 Waterloo Film Partner 1 Limited**

Designated Member: D. Reid

Date: 16/7/18

Limited Liability Partnership Number: OC348191



**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2017**

**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 registered 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 pound sterling which is the currency of the primary economic environment in which the Partnership operates.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and 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.

**Going concern**

The Partnership's business activities, together with the factors likely to affect its future development, performance and position have been reviewed by the members.

Having assessed the risks facing the Partnership as set out in the Members' Report, its financial position and profit and cash flow forecasts, the members believe that the Partnership is well placed to manage its business successfully despite the current uncertain economic outlook. Therefore, the members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

**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.

**NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2017**

**1. Accounting policies (continued)**

**Long-term contracts**

Long-term contract balances represent costs incurred on specific contracts, net of amounts transferred to cost of sales in respect of work recorded as turnover, less foreseeable losses and payments on account not matched with turnover. Provision is made for the full amount of foreseeable losses on contracts.

**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.

**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:

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 2017**

**3. Operating profit**

	Year ended 31 December 2017 £ '000s	Year ended 31 December 2016 £ '000s
The operating profit is stated after charging/(crediting):		
Auditor's remuneration for audit services	4	4
Foreign exchange gain	-	(8)
	<u>4</u>	<u>(4)</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 2016: 18). The average allocation of profit was therefore £9,270 (year ended 31 December 2016: profit of £8,391) and the largest allocation of profit to any single member was £37,251 (year ended 31 December 2016: profit of £33,716).

**5. Debtors**

	31 December 2017 £ '000s	31 December 2016 £ '000s
Accrued income	67	74
Trade debtors	25	45
VAT recoverable	-	1
Other debtors	<u>11</u>	<u>-</u>
	<u>103</u>	<u>120</u>

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

	31 December 2017 £ '000s	31 December 2016 £ '000s
Other creditors	68	78
Accruals	<u>4</u>	<u>4</u>
	<u>72</u>	<u>82</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2017**

**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 2017	Total members' interests 2016
	£ '000s	£ '000s	£ '000s	£ '000s	£ '000s	£ '000s
<b>Balance at start of year</b>	32,848	(32,790)	58	-	58	110
Profit for the financial year	-	167	167	-	167	151
Members' interests after profit for the financial year	32,848	(32,623)	225	-	225	261
Members' drawings	-	(180)	(180)	-	(180)	(203)
<b>Balance at end of year</b>	<b>32,848</b>	<b>(32,803)</b>	<b>45</b>	<b>-</b>	<b>45</b>	<b>58</b>

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 2016: £1,094).

During the year, the Ingenious Member made drawings of £112,483 (year ended 31 December 2016: £127,302), of which £10,693 (year ended 31 December 2016: £8,548 was owed to the Ingenious Member) was owed from the Ingenious Member at the year end.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**YEAR ENDED 31 DECEMBER 2017**

**9. Contingent liabilities**

Charges are in place against the films entitled "The A Team" and "Unstoppable" in favour of the following parties to secure their interests in the copyright of and title to the films:

Twentieth Century Fox Film Corporation  
Twentieth Century Fox Worldwide Productions, Inc

**10. First time adoption**

The policy applied under the Partnerships' previous accounting framework are not materially different to FRS 102 and have not impacted on members' interests or profit and loss.

**11. Controlling party**

The Ingenious Member controls the financial and operating policies of the Partnership. The ultimate parent company of the Ingenious Member is Ingenious Media Limited. The results of the Partnership have been consolidated in the financial statements of Ingenious Media Limited.

The consolidated financial statements of Ingenious Media Holdings Limited can be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The controlling shareholder of Ingenious Media Holdings Limited in the year was Patrick A. McKenna.