
IMAGINE NO.3 LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 5 APRIL 2009



IMAGINE NO.3 LLP

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INFORMATION

Designated Members

Future Films (Partnership Services) Limited
Future Films (Management Services) Limited

LLP registered number

OC313498

Registered office

25 Noel Street
London
W1F 8GX

Auditors

Hillier Hopkins LLP
Chartered Accountants
Registered Auditor
10 Dover Street
London
W1S 4LQ

IMAGINE NO.3 LLP

MEMBERS' REPORT FOR THE YEAR ENDED 5 APRIL 2009

The members present their annual report together with the audited financial statements for the year ended 5 April 2009.

PRINCIPAL ACTIVITIES

The principal object of the LLP continued to be that of the provision of film production services and film exploitation.

DESIGNATED MEMBERS

The following designated members have held office since 6 April 2008:

Future Films (Partnership Services) Limited
Future Films (Management Services) Limited

POLICY ON MEMBERS' DRAWINGS

The profits/losses of the limited liability partnership are allocated between the members in proportion to their capital contributions. In accordance with the Partnership Agreement, where a net profit arises in a financial year this is distributed to the members within 120 days of the accounting date, providing that the limited liability partnership has sufficient cash resources to make such a distribution. In accordance with the Partnership Agreement, losses attributable to Members may only be allocated to each Member up to the value of that Member's total capital contribution.

New ordinary members are required to subscribe a minimum level of capital. No interest is payable on this capital. An ordinary member may retire from the limited liability partnership and hence withdraw their capital, but only under limited circumstances.

STATEMENT OF MEMBERS' RESPONSIBILITIES

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the members has 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 is 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 entity 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 LLP and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

IMAGINE NO.3 LLP

MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2009

STATEMENT OF DISCLOSURE TO AUDITOR

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.

AUDITOR

The auditor, Hillier Hopkins LLP, has indicated its willingness to continue in office. The Designated members will propose a motion re-appointing the auditor at a meeting of the members.

This report was approved by the members on 12/6/2009 and signed on their behalf, by:


.....
Future Films (Partnership Services) Limited
Designated Member

Date: 12 June 2009

IMAGINE NO.3 LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMAGINE NO.3 LLP

We have audited the financial statements of Imagine No.3 LLP for the year ended 5 April 2009, set out on pages 6 to 12.

These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the LLP's members in accordance with Section 235 of the Companies Act 1985, as modified for limited liability partnerships 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 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 LLP and the LLP's members 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 in the Statement of members' responsibilities.

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 for limited liability partnerships by the Limited Liability Partnerships Regulations 2001.

In addition we report to you if, in our opinion, the LLP has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Members' report 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 judgments 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.

IMAGINE NO.3 LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMAGINE NO.3 LLP

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 5 April 2009 and of its results for the year then ended; and
- have been prepared in accordance with the Companies Act 1985, as modified for limited liability partnerships by the Limited Liability Partnerships Regulations 2001.

Hillier Hopkins LLP

HILLIER HOPKINS LLP
Chartered Accountants
Registered Auditor
10 Dover Street
London
W1S 4LQ

Date: *12 June 2009*

IMAGINE NO.3 LLP

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 5 APRIL 2009**

	Note	2009 £	2008 £
TURNOVER	1	1,299,367	2,563,243
Administrative expenses		(279,760)	(28)
OPERATING PROFIT	2	1,019,607	2,563,215
Interest payable		(4)	-
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		<u>1,019,603</u>	<u>2,563,215</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		1,019,603	2,563,215
Members' remuneration charged as an expense		(1,019,603)	(2,563,243)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>-</u>	<u>(28)</u>

The notes on pages 9 to 12 form part of these financial statements.

IMAGINE NO.3 LLP

BALANCE SHEET
AS AT 5 APRIL 2009

	Note	£	2009 £	£	2008 £
CURRENT ASSETS					
Debtors	4	271,775		100	
Cash at bank		329		384	
		<u>272,104</u>		<u>484</u>	
CREDITORS: amounts falling due within one year	5	(271,679)		(12)	
NET CURRENT ASSETS			<u>425</u>		<u>472</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>425</u>		<u>472</u>
REPRESENTED BY:					
Loans and other debts due to members within one year					
Other amounts due to members			180		180
Members' capital classified as debt under FRS 25		32,552,413		32,552,413	
Current account		(3,582,893)		(2,563,243)	
Losses attributable to members		<u>(28,969,275)</u>		<u>(29,988,878)</u>	
			<u>245</u>		<u>292</u>
			<u>425</u>		<u>472</u>
TOTAL MEMBERS' INTERESTS					
Amounts due from members			(100)		(100)
Amounts due to members			180		180
Loans and other debts due to members			<u>245</u>		<u>292</u>
	6		<u>325</u>		<u>372</u>

IMAGINE NO.3 LLP

BALANCE SHEET (continued)
AS AT 5 APRIL 2009

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985, as applied to LLPs by the Limited Liability Partnership Regulations 2001, applicable to small entities, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 12 June 2009



.....
Future Films (Partnership Services) Limited
Designated member

The notes on pages 9 to 12 form part of these financial statements.

IMAGINE NO.3 LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2009

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of (enter above), in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships ("SORP").

1.2 Turnover

Turnover comprises revenue recognised by the LLP in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.3 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.4 Taxation

Taxation on all partnership profits is solely the personal liability of the individual members. Consequently neither taxation nor deferred taxation arising in the partnership has been accounted for in the financial statements.

1.5 Members' capital

The financial statements have been prepared in accordance with the requirements of FRS 25 as applied to limited liability partnerships by the applicable SORP. Since the profits of the limited liability partnership are automatically distributed, FRS 25 requires members' capital to be disclosed as a liability. Under the terms of the Partnership Agreement, there is no entitlement for members to draw out, or receive back at any time while they are members of the limited liability partnership, the amounts contributed by them as capital.

1.6 Members' remuneration

Members' remuneration is any outflow of benefits to a member. Where the payment of any remuneration is not at the discretion of the limited liability partnership, this is charged to the profit and loss account as an expense.

1.7 Members' current account

All cash transactions between the limited liability partnership and its Members are included in the Members' current accounts to the extent that they are not matched by allocation of profits and losses.

IMAGINE NO.3 LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2009

2. OPERATING PROFIT/(LOSS)

The auditors' remuneration (being audit and tax compliance fees) of £3,000 (2008: £5,000) is met by Future Capital Partners Limited.

3. INFORMATION IN RELATION TO MEMBERS

	2009 Number	2008 Number
The average number of members during the year was	68	71
During the year, no designated member received any emoluments (2008 - £NIL).		

4. DEBTORS

	2009 £	2008 £
Other debtors	271,675	-
Amounts due from members	100	100
	271,775	100

5. CREDITORS:

Amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts	4	12
Other creditors	271,675	-
	271,679	12

IMAGINE NO.3 LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2009

6. RECONCILIATION OF MEMBERS' INTERESTS

	Members' capital (classified as debt) £	Current account £	Losses attributable to members £	Loans and other debts due to/(from) members £	Total £
Amounts due to members b/fwd				180	
Amounts due from members b/fwd				(100)	
Members' interests: balance at 6 April 2007	32,552,413	-	(32,552,093)	80	400
Loss for the year available for discretionary division among members	-	-	(28)	-	(28)
Members' interests after loss for the year	32,552,413	-	(32,552,121)	80	372
Movement in reserves	-	(2,563,243)	2,563,243	-	-
Members' interests: balance at 6 April 2008	32,552,413	(2,563,243)	(29,988,878)	80	372
Members' interests after profit for the year	32,552,413	(2,563,243)	(29,988,878)	80	372
Movement in reserves	-	(1,019,650)	1,019,603	-	(47)
Members' interests at 5 April 2009	32,552,413	(3,582,893)	(28,969,275)	80	325
Amounts due to members				180	180
Amounts due from members				(100)	(100)
Net amount due to members				80	80

Included in the Members' current accounts are drawings by the Members of £1,234,150 (2008: £2,563,243).

IMAGINE NO.3 LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2009**

7. RELATED PARTY TRANSACTIONS

The designated members, Future Films (Partnership Services) Limited and Future Films (Management Services) Limited are wholly owned subsidiaries of Future Capital Global Holdings Limited. The LLP has entered into a consultancy agreement with Future Capital Partners Limited ("Future"), also a subsidiary of Future Capital Global Holdings Limited.

The LLP is governed by its LLP Agreement, which, together with the consultancy agreement with Future provides (among other things) that Future will carry out certain obligations for the proper administration of the LLP, and has interests in certain income from the exploitation of film rights by the LLP as well rights to reimbursement for certain costs.

The LLP has provided security in the form of fixed and floating charges and a negative pledge over certain of its assets to Alliance & Leicester Commercial Finance Plc, G Mate Incorporated and Third Mate Productions Incorporated in support of loans taken by members to provide the capital of the LLP. In turn, the LLP has taken security over any risk that may arise under that security by way of a letter of credit from the guarantee bank.

During the year, Future charged contractual fees of £279,717 (2008: £nil) to the LLP, and at the balance sheet date the amount outstanding and payable to Future was £271,675 (2008: £nil).