

Registered number: OC322843

ECLIPSE FILM PARTNERS NO. 35 LLP

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

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ECLIPSE FILM PARTNERS NO. 35 LLP

INFORMATION

Designated Members

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

LLP registered number

OC322843

Registered office

27/28 Eastcastle Street
London
W1W 8DH

Independent auditor

Hillier Hopkins LLP
Chartered Accountants
45 Pall Mall
St James's
London
SW1Y 5JG

ECLIPSE FILM PARTNERS NO. 35 LLP

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ECLIPSE FILM PARTNERS NO. 35 LLP

MEMBERS' REPORT FOR THE YEAR ENDED 5 APRIL 2017

The Members present their annual report together with the audited financial statements of Eclipse Film Partners No. 35 LLP (the "LLP") for the year ended 5 April 2017.

Principal activities

The principal activity of the LLP continued to be that of film exploitation.

Designated Members

Future Films (Partnership Services) Limited and Future Films (Management Services) Limited were designated members of the LLP throughout the period.

Members' capital and interests

Each Member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Details of changes in Members' capital in the year ended 5 April 2017 are set out in the financial statements.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between Members after finalisation of the financial statements. Members draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed after the year, subject to the cash requirements of the business.

Members' responsibilities statement

The Members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), 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). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 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 judgments and accounting 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 adequate accounting records that are sufficient to show and explain the LLP's transactions and 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 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). 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.

ECLIPSE FILM PARTNERS NO. 35 LLP

**MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 5 APRIL 2017**

The Members are responsible for the maintenance and integrity of the LLP and financial information included on the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

Each of the persons who are Members at the time when this Members' report is approved has confirmed that:

- so far as that Member is aware, there is no relevant audit information of which the LLP's auditor is unaware, and
- that Member has taken all the steps that ought to have been taken as a Member in order to be aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.


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

Date: 03/01/2018

ECLIPSE FILM PARTNERS NO. 35 LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECLIPSE FILM PARTNERS NO. 35 LLP

We have audited the financial statements of Eclipse Film Partners No. 35 LLP for the year ended 5 April 2017, set out on pages 5 to 13. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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 Auditor

As explained more fully in the Members' responsibilities statement on page 1, the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council'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 LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated Members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 LLP's affairs as at 5 April 2017 and of its result 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 applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Emphasis of matter

We draw attention to note 3 to the financial statements which explains significant judgements used in the preparation of the financial statements. The financial statements are prepared using judgements and interpretations applied consistently since the LLP's incorporation and in accordance with detailed interpretations

ECLIPSE FILM PARTNERS NO. 35 LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECLIPSE FILM PARTNERS NO. 35 LLP
(CONTINUED)

and technical opinions used historically. A Court Decision concerning the affairs of the LLP has led to these judgements being called into question, and one respected authority has expressed the view that the financial statements should have been prepared from the outset as if the substance of the LLP's contractual arrangements were that its entire business activity occurred on completion of the contracts in its first period of activity. The Designated Members consider that the contractual activity is supported by monetary transactions each year, resulting in transfers in economic values between persons, and while respecting the view expressed, are unable to see a basis on which the LLP can, within applicable Accounting Standards, accept that its interpretation is not correct.

If that alternative interpretation of the transactions of the LLP were accepted, the financial statements would need to be restated on the grounds of fundamental error. This would require that all of the activity of the LLP envisaged throughout its life in connection with the exploitation of films be restated as if all of the transactions occurred in the first period of operation of the LLP, leaving only day to day administration costs flowing through the profit and loss account. The balance sheet would show no assets and no members' capital.

We have considered the information available in this respect and also the disclosures made in these financial statements by the Designated Members, and our opinion is not qualified in this respect.

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 applied 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.



Jonathan Franks FCA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

45 Pall Mall
St James's
London
SW1Y 5JG

Date: 5/10/2018

ECLIPSE FILM PARTNERS NO. 35 LLP

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 5 APRIL 2017

	Note	2017 £	2016 £
Turnover	4	23,894,288	22,865,348
Cost of sales		(21,658,877)	(20,585,730)
		<hr/>	<hr/>
Gross profit		2,235,411	2,279,618
Administrative expenses		(2,228,867)	(2,614,237)
		<hr/>	<hr/>
Operating profit/(loss)	5	6,544	(334,619)
		<hr/>	<hr/>
Profit for the year before members' remuneration and profit shares		6,544	(334,619)
		<hr/>	<hr/>
Profit/(loss) for the year before members' remuneration and profit shares		6,544	(334,619)
Members' remuneration charged as an expense		(6,544)	334,619
		<hr/>	<hr/>
Results for the year available for discretionary division among members		-	-
		<hr/>	<hr/>

ECLIPSE FILM PARTNERS NO. 35 LLP
REGISTERED NUMBER: OC322843

BALANCE SHEET
AS AT 5 APRIL 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due after more than one year	7	338,903,693	363,891,600
Debtors: amounts falling due within one year	7	319,301,747	318,201,400
Cash at bank and in hand	8	94	126
		<u>658,205,534</u>	<u>682,093,126</u>
Creditors: Amounts Falling Due Within One Year	9	(95,410)	(95,411)
Net current assets		<u>658,110,124</u>	<u>681,997,715</u>
Total assets less current liabilities		<u>658,110,124</u>	<u>681,997,715</u>
Net assets		<u><u>658,110,124</u></u>	<u><u>681,997,715</u></u>
Represented by:			
Members' other interests			
Members' capital classified as equity		658,110,124	681,997,715
		<u>658,110,124</u>	<u>681,997,715</u>
		<u><u>658,110,124</u></u>	<u><u>681,997,715</u></u>
Total members' interests			
Amounts due from members (included in debtors)	7	(294,311,367)	(294,240,421)
Members' other interests		658,110,124	681,997,715
		<u>363,798,757</u>	<u>387,757,294</u>

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


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

Date: 03/01/2018

The notes on pages 9 to 13 form part of these financial statements.

ECLIPSE FILM PARTNERS NO. 35 LLP

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 5 APRIL 2017

	Members capital (classified as equity) £	Total equity £
At 6 April 2015	704,601,460	704,601,460
Contributions by and distributions to Members		
Capital amounts repaid to Members	(22,603,746)	(22,603,746)
At 6 April 2016	681,997,715	681,997,715
Contributions by and distributions to Members		
Capital amounts repaid to Members	(23,887,591)	(23,887,591)
At 5 April 2017	658,110,124	658,110,124

ECLIPSE FILM PARTNERS NO. 35 LLP

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 5 APRIL 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	6,544	(334,619)
Adjustments for:		
Decrease in debtors	23,887,708	44,669,509
Increase/(decrease) in creditors	-	(21,880,715)
Net cash generated from operating activities	23,894,252	22,454,175
Cash flows from financing activities		
Other new loans	-	95,400
Members' capital repaid	(23,887,591)	(22,603,746)
Distribution paid to members	(147)	(296,022)
Members' remuneration charged as an expense	(6,545)	334,619
Net cash used in financing activities	(23,894,283)	(22,469,749)
Net (decrease) in cash and cash equivalents	(31)	(15,574)
Cash and cash equivalents at beginning of year	125	15,699
Cash and cash equivalents at the end of year	94	125
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	94	125
	94	125

ECLIPSE FILM PARTNERS NO. 35 LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2017

1. General information

Eclipse Film Partners No. 35 LLP is a Limited Liability Partnership incorporated in the United Kingdom. The registered office is 27/28 Eastcastle Street, London, W1W 8DH.

The principal activity during the year continued to be that of film exploitation.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the entity's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration contractually received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The revenue of the business is wholly in respect of its contractual activities in the exploitation and licensing of designated film rights.

2.3 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the LLP's cash management.

2.5 Financial Instruments

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.6 Creditors

Short term creditors are measured at the transaction price.

ECLIPSE FILM PARTNERS NO. 35 LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

2. Accounting policies (continued)

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Designated Members to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Designated Members believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below.

Underlying Activity of the LLP

The principal activity of the LLP, noted in Note 1, being that of film exploitation, arises from its contractual obligations and rights entered into at the commencement of the LLP's activities. It has been established in the English Courts that the activities of the LLP amount to a business but not to a trade. While many of the implications of this decision do not affect the disclosures and treatments in these financial statements, the Designated Members have considered and taken into account the views of various parties regarding the activities of the LLP. Assessments and interpretations of the meaning of the transactions of the LLP are necessary and it is accepted that they could be interpreted in various ways. The Designated Members consider that Accounting Standards, including the requirement for periodic consistency, require the LLP to reflect that contractual activity which occurred in the year in accordance with the accounting policies set out in Note 2.

The judgements applied in reaching this conclusion are of considerable significance and would most likely have a fundamental effect on the presentation of these financial statements were an alternative view taken.

4. Turnover

The total turnover of the limited liability partnership for the year has been derived from its principal activity.

5. Operating profit

The auditor's remuneration is paid by Future Capital Partners Limited under the consultancy agreement and is not charged to the LLP.

ECLIPSE FILM PARTNERS NO. 35 LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017

6. Information in relation to members

	2017 Number	2016 Number
The average number of members during the year was	211	211
	<u>2017</u> £	<u>2016</u> £
The amount of profit attributable to the member with the largest entitlement was	233	(279)

7. Debtors

	2017 £	2016 £
Due after more than one year		
Prepayments and accrued income	338,903,693	363,891,600
	<u>2017</u> £	<u>2016</u> £
Due within one year		
Other debtors	2,473	73,272
Prepayments and accrued income	24,987,907	23,887,708
Amounts due from members	294,311,367	294,240,420
	<u>319,301,747</u>	<u>318,201,400</u>

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	94	125

ECLIPSE FILM PARTNERS NO. 35 LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other loans	95,400	95,400
Other creditors	10	11
	<u>95,410</u>	<u>95,411</u>

10. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	94	125
Financial assets that are debt instruments measured at amortised cost	294,313,840	294,313,692
	<u>294,313,934</u>	<u>294,313,817</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(95,410)	(95,411)
	<u>(95,410)</u>	<u>(95,411)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise amounts due from members.

Financial liabilities measured at amortised cost comprise creditors.

ECLIPSE FILM PARTNERS NO. 35 LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2017**

11. Reconciliation of members' interests

	EQUITY Members' other interests	DEBT Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Members' capital (classified as equity) £	Other amounts £	Total £
Members' interests after profit for the year	704,601,460	(293,944,398)	410,657,062
Repayment of capital	(22,603,746)	-	(22,603,746)
Drawings	-	(296,022)	(296,022)
Amounts due from members		(294,240,420)	
Balance at 5 April 2016	681,997,715	(294,240,421)	387,757,294
Members' interests after profit for the year	681,997,715	(294,240,421)	387,757,294
Repayment of capital	(23,887,591)	-	(23,887,591)
Drawings	-	(70,946)	(70,946)
Amounts due from members		(294,311,367)	
Balance at 5 April 2017	658,110,124	(294,311,367)	363,798,757

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

12. Related party transactions

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

During the year, £2,228,831 (2016: £2,614,143) has been expensed through the profit and loss in respect of fees charged by Future. At the balance sheet date, amounts payable to Future totalled £nil (2016: £nil).