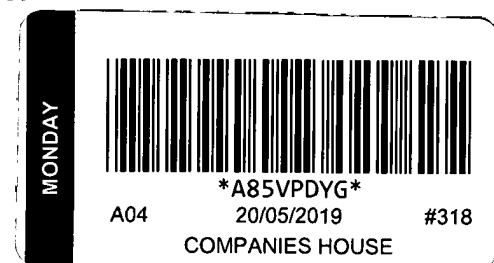


The Close Film Sale and Leaseback (2003/4) LLP
Financial Statements
5 April 2019

FOURM LIMITED

Chartered Accountants & Statutory Auditor
Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee
DD5 1NB



The Close Film Sale and Leaseback (2003/4) LLP

Financial Statements

Year ended 5 April 2019

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The Close Film Sale and Leaseback (2003/4) LLP

Designated Members and Professional Advisers

Designated members	Close Investments Limited CFSL Management Limited
Registered office	Close Investments Limited 10 Exchange Square Primrose Street London EC2A 2BY
Auditor	FourM Limited Chartered Accountants & Statutory Auditor Stannergate House 41 Dundee Road West Broughty Ferry Dundee DD5 1NB
Bankers	Barclays Bank plc Media Banking Centre 27 Soho Square London W1D 3QR

The Close Film Sale and Leaseback (2003/4) LLP

Members' Report

Year ended 5 April 2019

The members present their report and the financial statements of the LLP for the year ended 5 April 2019.

Principal activities

The principal activity of the LLP is to acquire and exploit a portfolio of qualifying British Films (as defined in the Films Act 1985).

In the year ended 5 April 2019, the final amounts due to the LLP under the finance leases relating to the portfolio of qualifying British Films were received and, following this, the LLP has ceased to trade.

Designated members

The designated members who served the LLP during the year were as follows:

Close Investments Limited
CFSL Management Limited

Policy regarding members' drawings and the subscription and repayment of amounts subscribed or otherwise contributed by members

Allocation to Members

Net Income of LLP shall be distributed to all members pro rata and pari passu to their respective capital contributions.

Subscription of Capital

Each member has contributed to the capital of the LLP. Members may increase the amount of capital contribution if members so agree by the members' consent. On retirement, the balance on a members' capital account is repaid.

The Designated Members have not contributed, and shall not be required to contribute to the capital of the LLP.

Members' responsibilities statement

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

Company law as applied to limited liability partnerships 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 to limited liability partnerships 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 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 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. 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.

The Close Film Sale and Leaseback (2003/4) LLP

Members' Report *(continued)*

Year ended 5 April 2019

Auditor

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

This report was approved by the members on 13th May 2019 and signed on behalf of the members by:



Close Investments Limited
Designated Member



CFSL Management Limited
Designated Member

Registered office:
Close Investments Limited
10 Exchange Square
Primrose Street
London
EC2A 2BY

The Close Film Sale and Leaseback (2003/4) LLP

Independent Auditor's Report to the Members of The Close Film Sale and Leaseback (2003/4) LLP

Year ended 5 April 2019

Opinion

We have audited the financial statements of The Close Film Sale and Leaseback (2003/4) LLP (the 'LLP') for the year ended 5 April 2019 on pages 7 to 14 which comprise the statement of comprehensive income, statement of financial position, reconciliation of members' interests and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the LLP's members, as a body, in accordance with chapter 3 of part 16 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. 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 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 LLP's affairs as at 5 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

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 LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Conclusions relating to going concern

The members have stated in their report that the LLP has ceased to trade, and they have therefore prepared these accounts on a basis other than that of a going concern. The statement of financial position reflects only amounts due from and to members, and we consider the non-adoption of the going concern basis in these circumstances to be appropriate.

The Close Film Sale and Leaseback (2003/4) LLP

Independent Auditor's Report to the Members of The Close Film Sale and Leaseback (2003/4) LLP (continued)

Year ended 5 April 2019

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

We have nothing to report in respect of the following matters in relation to which 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; or
- the members were not entitled to prepare the financial statements in accordance with the small LLPs regime.

Responsibilities of members

As explained more fully in the members' responsibilities statement, 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 LLP'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 LLP 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.

The Close Film Sale and Leaseback (2003/4) LLP

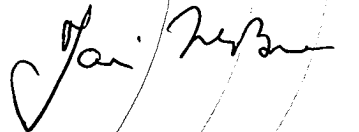
Independent Auditor's Report to the Members of The Close Film Sale and Leaseback (2003/4) LLP (continued)

Year ended 5 April 2019

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the LLP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the LLP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Iain McBride MA CA (Senior Statutory Auditor)
For and on behalf of
FourM Limited
Chartered Accountants
& Registered Auditors

Stannergate House
41 Dundee Road West
Broughty Ferry
Dundee
DD5 1NB

13th May 2019

The Close Film Sale and Leaseback (2003/4) LLP

Statement of Comprehensive Income

Year ended 5 April 2019

	Note	2019 £	2018 £
Turnover		211,797	403,676
Gross profit		<u>211,797</u>	<u>403,676</u>
Operating profit		<u>211,797</u>	<u>403,676</u>
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members		<u>211,797</u>	<u>403,676</u>

The main activity of the LLP has now ceased.

The notes on pages 11 to 13 form part of these financial statements.

The Close Film Sale and Leaseback (2003/4) LLP

Statement of Financial Position

5 April 2019

	Note	2019 £	2018 £
Current assets			
Debtors	5	39,392,546	39,392,546
Net current assets		<u>39,392,546</u>	<u>39,392,546</u>
Total assets less current liabilities		<u>39,392,546</u>	<u>39,392,546</u>
Represented by:			
Loans and other debts due to members			
Other amounts	7	<u>39,392,546</u>	<u>39,392,546</u>
Members' other interests			
Other reserves		<u>—</u>	<u>—</u>
		<u>39,392,546</u>	<u>39,392,546</u>
Total members' interests			
Amounts due from members		(39,392,546)	(35,035,508)
Loans and other debts due to members	7	<u>39,392,546</u>	<u>39,392,546</u>
Members' other interests		<u>—</u>	<u>—</u>
		<u>—</u>	<u>4,357,038</u>

These financial statements have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the members and authorised for issue on 13th May 2019 and are signed on their behalf by:



Close Investments Limited
Designated Member



CFSL Management Limited
Designated Member

Registered number: OC301522

The notes on pages 11 to 13 form part of these financial statements.

The Close Film Sale and Leaseback (2003/4) LLP

Reconciliation of Members' Interests

Year ended 5 April 2019

	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Other reserves	Members' capital	Other amounts	Total	
	£	£	£	£	£
Amounts due to members			39,392,546	39,392,546	
Amounts due from members			(35,035,508)	(35,035,508)	
Balance at 6 April 2018	—	—	4,357,038	4,357,038	4,357,038
Members remuneration charged as an expense	—	—	—	—	—
Profit for the financial year available for discretionary division among members	—	—	211,797	211,797	211,797
Members' interests after profit for the year			4,568,835	4,568,835	4,568,835
Drawings	—	—	(4,568,835)	(4,568,835)	(4,568,835)
Amounts due to members			39,392,546	39,392,546	
Amounts due from members			(39,392,546)	(39,392,546)	
Balance at 5 April 2019	—	—	—	—	—

The reconciliation of members' interests continues on the following page.

The notes on pages 11 to 13 form part of these financial statements.

The Close Film Sale and Leaseback (2003/4) LLP

Reconciliation of Members' Interests *(continued)*

Year ended 5 April 2019

	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Other reserves	Members' capital	Other amounts	Total	
	£	£	£	£	£
Amounts due to members			39,392,546	39,392,546	
Amounts due from members			(31,087,913)	(31,087,913)	
Balance at 6 April 2017	—	—	8,304,633	8,304,633	8,304,633
Members remuneration charged as an expense	—	—	403,676	403,676	403,676
Profit for the financial year available for discretionary division among members	—	—	—	—	—
Members' interests after profit for the year			8,708,309	8,708,309	8,708,309
Drawings	—	—	(4,351,271)	(4,351,271)	(4,351,271)
Amounts due to members			39,392,546	39,392,546	
Amounts due from members			(35,035,508)	(35,035,508)	
Balance at 5 April 2018	—	—	4,357,038	4,357,038	4,357,038

The notes on pages 11 to 13 form part of these financial statements.

The Close Film Sale and Leaseback (2003/4) LLP

Notes to the Financial Statements

Year ended 5 April 2019

1. General information

The LLP is registered in England and Wales.

The address of the registered office is Close Investments Limited, 10 Exchange Square, Primrose Street, London, EC2A 2BY.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in January 2017 (SORP 2017).

3. Particulars of members

The average number of members during the period was 151, plus 2 Designated Members. No members received remuneration. The largest profit share attributable to a member for the period was £17,273.

4. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

As set out in the Members' report, due to the LLP ceasing to trade, the LLP members have prepared the financial statements on a basis other than that of a going concern. The statement of financial position reflects only the amounts due from and to the members.

Taxation

Taxation on all partnership profits is solely the personal liability of the individual members. Consequently neither taxation nor related deferred taxation arising in the partnership has been accounted for in these financial statements. The LLP is no longer registered for VAT.

Turnover

Turnover represents the finance income element of the rental stream allocated annually to give a constant periodic rate of return on the LLP's net cash investment in the lease in each financial year.

Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with Section 22 of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

The Close Film Sale and Leaseback (2003/4) LLP

Notes to the Financial Statements *(continued)*

Year ended 5 April 2019

4. Accounting policies *(continued)*

Members' participation rights *(continued)*

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the statement of comprehensive income in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the statement of financial position.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the statement of comprehensive income and are equity appropriations in the statement of financial position.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the statement of financial position within 'Loans and other debts due to members' and are charged to the statement of comprehensive income within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the statement of financial position within 'Members' other interests'.

Finance leases

The LLP acts as a lessor. Under these leases, the LLP retains legal title to the assets but passes substantially all of the risks and rewards of ownership to the lessee, in return for a rental stream.

The capital element of all future rental payments is recorded in the balance sheet as a debtor at the amount of net investment in the lease less provision for any items such as bad and doubtful rentals receivable.

Rentals received are apportioned between finance income, which is credited to the profit and loss account, and the capital element, which reduces the debtor.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

5. Debtors

	2019 £	2018 £
Present value of minimum lease payments (note 6)	–	4,357,038
Amounts due from members	39,392,546	35,035,508
	<u>39,392,546</u>	<u>39,392,546</u>

The Close Film Sale and Leaseback (2003/4) LLP

Notes to the Financial Statements *(continued)*

Year ended 5 April 2019

6. Finance leases and hire purchase contracts

The company as lessor

	2019 £	2018 £
Gross investment in finance leases	—	4,568,835
Less : unearned finance income	—	(211,797)
Present value of minimum lease payments	—	4,357,038

The gross investment in finance leases and present value of minimum lease payments receivable are aged as follows at the year end:

	Gross investment		Present value of minimum lease payments	
	2019 £	2018 £	2019 £	2018 £
Not later than 1 year	—	4,568,835	—	4,357,038
Later than 1 year and not later than 5 years	—	—	—	—
	—	4,568,835	—	4,357,038

The original cost of the assets leased out by the LLP was £33,047,877.

7. Loans and other debts due to members

	2019 £	2018 £
Other amounts due to members	39,392,546	39,392,546

8. Contingencies

The performance, observance and discharge by the LLP of each of its obligations under distribution agreements is secured via a charge over the Distribution Rights in the productions acquired and exploited by the LLP.

The LLP entered into deeds of assignment and charges over assets with Barclays Bank Plc. The deeds relate to security for loans obtained by individual members from the bank to fund their capital subscription to the LLP. These loans plus interest are being repaid from the members' drawings from the LLP and will be fully repaid at the end of the 15 year finance contract period.

The Designated Members consider it unlikely that the LLP's charges over the distribution rights would ever require to be assigned to Barclays Bank.

Following the receipt of final amounts due to the LLP under the finance leases, there is no future contract income receivable and so the LLP has ceased to trade.