

**THE INVICTA FILM PARTNERSHIP NO.26, LLP**  
**FINANCIAL STATEMENTS**  
**5TH APRIL 2011**

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COMPANIES HOUSE

**MALDE & CO**  
Chartered Certified Accountants & Statutory Auditor  
99 Kenton Road  
Kenton Harrow  
Middlesex  
HA3 0AN

**THE INVICTA FILM PARTNERSHIP NO.26, LLP**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 5TH APRIL 2011**

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# THE INVICTA FILM PARTNERSHIP NO.26, LLP

## DESIGNATED MEMBERS AND ADVISORS

<b>Designated members</b>	Invicta Film Nominees Limited Sovereign Film Nominees Limited
<b>Registered office</b>	1 Fleet Place London EC4M 7WS
<b>Auditor</b>	Malde & Co Chartered Certified Accountants & Statutory Auditor 99 Kenton Road Kenton Harrow Middlesex HA3 0AN
<b>Bankers</b>	Royal Bank of Scotland plc 62/63 Threadneedle Street London EC2R 8LA

## **THE INVICTA FILM PARTNERSHIP NO.26, LLP**

### **THE MEMBERS' REPORT**

#### **YEAR ENDED 5TH APRIL 2011**

The members present their report and the financial statements of the LLP for the year ended 5th April 2011

#### **PRINCIPAL ACTIVITIES**

The principal activity of the LLP continues to be that of acquiring films, arranging for the leasing and distribution of these films and acting as licensor of the films

#### **RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS**

The profit for the year available for distribution to members was £169,607 (2010 £365,972)

#### **DESIGNATED MEMBERS**

The following were designated members during the year

Invicta Film Nominees Limited  
Sovereign Film Nominees Limited

#### **POLICY WITH RESPECT TO MEMBERS' DRAWINGS AND SUBSCRIPTION AND REPAYMENTS OF AMOUNTS SUBSCRIBED OR OTHERWISE CONTRIBUTED BY MEMBERS**

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the LLP.

New ordinary members are required to subscribe capital at a level agreed with the designated members. No member has the right to make any drawings or withdraw part of their capital without the prior written agreement of all the other ordinary members.

#### **MEMBERS' RESPONSIBILITIES**

The members are responsible for preparing the Members' Report and the 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 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). 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 those financial statements, the members are 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 LLP will continue in business.

**THE INVICTA FILM PARTNERSHIP NO.26, LLP****THE MEMBERS' REPORT** *(continued)***YEAR ENDED 5TH APRIL 2011**

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 them to ensure that the financial statements comply with the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008. The members 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.

In so far as the members are aware

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

**AUDITOR**

Malde & Co are deemed to be re-appointed under section 487(2) of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008.

**SMALL LLP PROVISIONS**

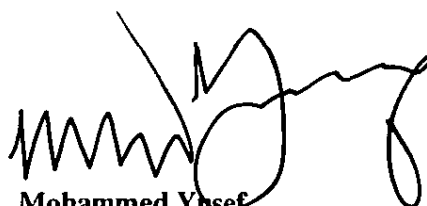
This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2008).

Registered office  
1 Fleet Place  
London  
EC4M 7WS

Signed on behalf of the members



**Niall Bamford**  
**Invicta Film Nominees Limited**  
Designated member



**Mohammed Yusef**  
**Sovereign Film Nominees Limited**  
Designated member

Approved by the members on 18th November 2011

**THE INVICTA FILM PARTNERSHIP NO.26, LLP****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INVICTA FILM PARTNERSHIP NO.26, LLP****YEAR ENDED 5TH APRIL 2011**

We have audited the financial statements of The Invicta Film Partnership No 26, LLP for the year ended 5th April 2011. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

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 modified by the Limited Liability Partnerships 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.

**RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITOR**

As explained more fully in the Members' Report set out on pages 2 to 3, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors, including "APB Ethical Standard - Provisions Available for Small Entities (Revised)", in the circumstances set out in note 8 to the financial statements.

**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 limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by members, and the overall presentation of the financial statements.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 5<sup>th</sup> April 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008.

**OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006 AS MODIFIED BY THE LIMITED LIABILITY PARTNERSHIPS REGULATIONS 2008**

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

## THE INVICTA FILM PARTNERSHIP NO.26, LLP

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE INVICTA FILM PARTNERSHIP NO.26, LLP *(continued)*

**YEAR ENDED 5TH APRIL 2011**

#### **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 modified by the Limited Liability Partnerships Regulations 2008 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 and the members' report in accordance with the small companies regime



SIRISHKUMAR V MALDE FCCA (Senior  
Statutory Auditor)  
For and on behalf of  
MALDE & CO  
Chartered Certified Accountants  
& Statutory Auditor

99 Kenton Road  
Kenton Harrow  
Middlesex  
HA3 0AN

18th November 2011

**THE INVICTA FILM PARTNERSHIP NO.26, LLP**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 5TH APRIL 2011**

	Note	2011 £	2010 £
<b>TURNOVER</b>	<b>2</b>	<b>366,410</b>	365,972
Cost of sales		<u>182,937</u>	<u>–</u>
<b>GROSS PROFIT</b>		<b>183,473</b>	365,972
Administrative expenses		<u>3,954</u>	<u>–</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>179,519</b>	365,972
Interest payable and similar charges		<u>9,912</u>	<u>–</u>
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<b><u>169,607</u></b>	<b><u>365,972</u></b>



**THE INVICTA FILM PARTNERSHIP NO.26, LLP****BALANCE SHEET****5TH APRIL 2011**

	Note	2011 £	2010 £
<b>CURRENT ASSETS</b>			
Debtors due within one year	5	1,459,807	1,168,162
Debtors due after one year	5	<u>25,163,059</u>	<u>22,115,671</u>
		<b>26,622,866</b>	<b>23,283,833</b>
<b>NET CURRENT ASSETS</b>		<b>26,622,866</b>	<b>23,283,833</b>
<b>TOTAL ASSETS</b>		<b>26,622,866</b>	<b>23,283,833</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	6	<b>4,714,740</b>	<b>1,491,497</b>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<b><u>21,908,126</u></b>	<b><u>21,792,336</u></b>
<b>REPRESENTED BY:</b>			
<b>EQUITY</b>			
Members' other interests - members' capital	10	<b>22,880,998</b>	<b>22,765,208</b>
Members' other interests - other reserves	10	<b>(972,872)</b>	<b>(972,872)</b>
		<b><u>21,908,126</u></b>	<b><u>21,792,336</u></b>
<b>TOTAL MEMBERS' INTERESTS</b>			
Members' other interests	10	<b>21,908,126</b>	<b>21,792,336</b>
Amounts due from members	5	<b>(7,812,768)</b>	<b>(6,395,562)</b>
		<b><u>14,095,358</u></b>	<b><u>15,396,774</u></b>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008 relating to small LLPs and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the members and authorised for issue on 18th November 2011, and are signed on their behalf by



**Niall Bamford**  
For and on behalf of  
**Invicta Film Nominees Limited**  
Designated member

Registered Number OC307299

**THE INVICTA FILM PARTNERSHIP NO.26, LLP****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 5TH APRIL 2011****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments, and 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' issued in March 2006 (SORP 2006)

**Turnover**

Turnover, exclusive of Value Added Tax, is derived from the finance element of finance leases, where the LLP acts as a licensor of film rights, and from distribution fee income for the licensing of film rights

The finance element is the amount by which the total of the expected rental stream exceeds the cost of the leased asset. A rate is applied to the amount invested in the lease, which makes the total return over the whole period of 15 years, equal to the total of the finance element of the rental stream

Revenue from distribution agreements is recognised only when the LLP obtains the unconditional right to the annual distribution fee each year

**Finance lease agreements**

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

**Licence agreements**

Licence fees are treated as current assets, and are included in prepayments, as there is no certainty that the agreements will continue for more than one year. Consequently they are only charged to the profit and loss account each year once the annual licence fee becomes payable

**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 FRS 25 (IAS 32) Financial Instruments: Disclosure and Presentation and UITF abstract 39 Members' shares in co-operative entities and similar instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP

# THE INVICTA FILM PARTNERSHIP NO.26, LLP

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5TH APRIL 2011

### 1. ACCOUNTING POLICIES *(continued)*

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.

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 Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

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 Profit and Loss Account and are equity appropriations in the Balance Sheet.

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 Balance Sheet within 'Loans and other debts due to members' and are charged to the Profit and Loss Account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

### 2. TURNOVER

Overseas turnover amounted to 73.16% (2010 - 71.40%) of the total turnover for the year.

### 3. OPERATING PROFIT

Operating profit is stated after charging

	2011 £	2010 £
The auditor's remuneration for the year was £2,000 (2010 £2,000), which was borne by Invicta Capital Limited as per the Services Agreement	<u>          </u>	<u>          </u>

### 4. INFORMATION IN RELATION TO MEMBERS

	2011 No	2010 No
The average number of members during the year was	<u>84</u>	<u>84</u>
	2011 £	2010 £
The average members remuneration during the year was	<u>—</u>	<u>—</u>

# THE INVICTA FILM PARTNERSHIP NO.26, LLP

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 5TH APRIL 2011

### 5. DEBTORS

	2011 £	2010 £
Finance lease debtor	15,720,110	16,888,271
Prepayments and accrued income	3,089,988	—
Amounts due from members	7,812,768	6,395,562
	<u>26,622,866</u>	<u>23,283,833</u>

The debtors above include the following amounts falling due after more than one year

	2011 £	2010 £
Finance lease debtor	14,452,522	15,720,110
Prepayments and accrued income	2,897,769	—
Amounts due from members	7,812,768	6,395,561
	<u>25,163,059</u>	<u>22,115,671</u>

### 6. CREDITORS: Amounts falling due after more than one year

	2011 £	2010 £
Other creditors including		
Other creditors	3,148,698	—
Accruals and deferred income	1,566,042	1,491,497
	<u>4,714,740</u>	<u>1,491,497</u>

Included within creditors falling due after more than one year is an amount of £4,714,740 (2010 - £1,491,497) in respect of liabilities which fall due for payment after more than five years from the balance sheet date

### 7. CONTINGENCIES

The Royal Bank of Scotland plc has placed a charge over the LLP's dedicated bank account and all monies standing in that account from time to time, as well as all of the LLP's rights, interest and title in respect of the films leased, in order to secure the amounts borrowed by the individual members under facility letters that were entered into for the purpose of funding their capital contributions in the LLP. The LLP has guaranteed The Royal Bank of Scotland plc the payment of the amounts due under the facility letters and those amounts due will be recoverable from the LLP as if it were the principal debtor in respect of the borrowings.

### 8. APB ETHICAL STANDARDS

In common with many other businesses of our size and nature we use our auditors to assist with the preparation of the financial statements

# THE INVICTA FILM PARTNERSHIP NO.26, LLP

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 5TH APRIL 2011

#### 9. RELATED PARTY TRANSACTIONS

In the opinion of the members there is no controlling party

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard for Smaller Entities

#### 10. MEMBERS' INTERESTS

	Members' other interests		Total members' other interests £	Amounts due from members in debtors £	Total £
	Members' capital (classified as equity) £	Other reserves £			
Balance at 6th April 2010	22,765,208	(972,872)	21,792,336	(6,395,562)	15,396,774
Profit for the financial year available for discretionary division amongst members		169,607	169,607		169,607
Members' interests after profit for the year	22,765,208	(803,265)	21,961,943	(6,395,562)	15,566,381
Other division of profits		(169,607)	(169,607)	169,607	-
Introduced by members	115,790		115,790	-	115,790
Drawings				(1,586,813)	(1,586,813)
Balance at 5th April 2011	22,880,998	(972,872)	21,908,126	(7,812,768)	14,095,358

**THE INVICTA FILM PARTNERSHIP NO.26, LLP**  
**MANAGEMENT INFORMATION**  
**YEAR ENDED 5TH APRIL 2011**

**The following page does not form part of the statutory financial statements  
which are the subject of the independent auditor's report on pages 4 to 5**

**THE INVICTA FILM PARTNERSHIP NO.26, LLP**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 5TH APRIL 2011**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>TURNOVER</b>	<b>366,410</b>	<b>365,972</b>
<b>COST OF SALES</b>		
Direct costs	<u>182,937</u>	<u>–</u>
<b>GROSS PROFIT</b>	<u>183,473</u>	<u>365,972</u>
<b>OVERHEADS</b>		
Management charges payable	<u>3,954</u>	<u>–</u>
<b>OPERATING PROFIT</b>	<u>179,519</u>	<u>365,972</u>
Interest on other loans and other similar charges	<u>(9,912)</u>	<u>–</u>
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>	<u><u>169,607</u></u>	<u><u>365,972</u></u>