

**The Invicta Film Partnership No.43, LLP**  
**Financial Statements**  
**5 April 2017**



**MALDE & CO**  
Chartered Certified Accountants & statutory auditor  
99 Kenton Road  
Kenton Harrow  
Middlesex  
HA3 0AN

# **The Invicta Film Partnership No.43, LLP**

## **Designated Members and Professional Advisers**

### **Designated members**

Invicta Film Nominees Limited  
Sovereign Film Nominees Limited

### **Registered office**

99 Kenton Road  
Harrow  
Middlesex  
HA3 0AN

### **Auditor**

Malde & Co  
Chartered Certified Accountants & statutory auditor  
99 Kenton Road  
Kenton Harrow  
Middlesex  
HA3 0AN

### **Bankers**

Bank of Scotland  
West End Office  
PO Box 17235  
EH11 1YH

# **The Invicta Film Partnership No.43, LLP**

## **Members' Report**

### **Year ended 5 April 2017**

The members present their report and the financial statements of the LLP for the year ended 5 April 2017.

#### **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.

#### **Designated members**

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

Invicta Film Nominees Limited  
Sovereign Film Nominees Limited

#### **Policy regarding members' drawings and the subscription and repayment 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.

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 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 Invicta Film Partnership No.43, LLP**

## **Members' Report** *(continued)*

**Year ended 5 April 2017**

### **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 December 2017 and signed on behalf of the members by:



Mohammed Yusef  
Sovereign Film Nominees Limited  
Designated Member

Registered office:  
99 Kenton Road  
Harrow  
Middlesex  
HA3 0AN

# **The Invicta Film Partnership No.43, LLP**

## **Independent Auditor's Report to the Members of The Invicta Film Partnership No.43, LLP**

**Year ended 5 April 2017**

We have audited the financial statements of The Invicta Film Partnership No.43, LLP for the year ended 5 April 2017 which comprise the statement of comprehensive income, statement of financial position, reconciliation of members' interests, statement of cash flows and the related notes. The 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

### **Respective responsibilities of members and auditor**

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. 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 Auditing Practices Board'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 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 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

# **The Invicta Film Partnership No.43, LLP**

## **Independent Auditor's Report to the Members of The Invicta Film Partnership No.43, LLP (continued)**

**Year ended 5 April 2017**

### **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.



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

December 2017

# **The Invicta Film Partnership No.43, LLP**

## **Statement of Comprehensive Income**

**Year ended 5 April 2017**

	Note	2017 £	2016 £
<b>Turnover</b>	<b>4</b>	<b>11,091,893</b>	10,622,739
Cost of sales		<u>7,160,947</u>	<u>7,160,946</u>
<b>Gross profit</b>		<b>3,930,946</b>	3,461,793
Administrative expenses		<u>—</u>	<u>51,141</u>
<b>Operating profit</b>	<b>5</b>	<b>3,930,946</b>	3,410,652
<b>Profit for the financial year before members' remuneration and profit shares available for discretionary division among members</b>		<u><b>3,930,946</b></u>	<u>3,410,652</u>

All the activities of the LLP are from continuing operations.

The notes on pages 11 to 15 form part of these financial statements.

# The Invicta Film Partnership No.43, LLP

## Statement of Financial Position

5 April 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	7	35,804,729	42,965,676
<b>Current assets</b>			
Debtors	8	77,001,754	69,344,795
Cash at bank and in hand		100	100
		<u>77,001,854</u>	<u>69,344,895</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>9,781,296</u>	<u>9,285,284</u>
<b>Net current assets</b>		<u>67,220,558</u>	<u>60,059,611</u>
<b>Total assets less current liabilities</b>		<u>103,025,287</u>	<u>103,025,287</u>
<b>Net assets</b>		<u>103,025,287</u>	<u>103,025,287</u>

### Represented by:

#### Loans and other debts due to members

Other amounts

- -

#### Members' other interests

Members' capital classified as equity

196,922,127 196,922,127

Other reserves, including the fair value reserve

(93,896,840) (93,896,840)

103,025,287 103,025,287

#### Total members' interests

Amounts due from members

(77,001,754) (69,344,795)

Loans and other debts due to members

- -

Members' other interests

103,025,287 103,025,287

26,023,533 33,680,492

These financial statements were approved by the members and authorised for issue on ....December 2017, and are signed on their behalf by:



Mohammed Yusef  
Invicta Film Nominees Limited  
Designated Member

Registered number: OC327396

The notes on pages 11 to 15 form part of these financial statements.



# The Invicta Film Partnership No.43, LLP

## Reconciliation of Members' Interests

Year ended 5 April 2017

	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity)	Other reserves, including the fair value reserve	Total	Other amounts	Total	Total_2017
	£	£	£	£	£	£
Balance at 6 April 2016	196,922,127	(93,896,840)	103,025,287	(69,344,795)	(69,344,795)	33,680,492
Profit for the financial year available for discretionary division among members		3,930,946	3,930,946			3,930,946
Members' interests after profit for the year	196,922,127	(89,965,894)	106,956,233	(69,344,795)	(69,344,795)	37,611,438
Other division of profits		(3,930,946)	(3,930,946)	3,930,946	3,930,946	-
Introduced by members	-	-	-	-	-	-
Drawings	-	-	-	(11,587,905)	(11,587,905)	(11,587,905)
Other movements	-	-	-	-	-	-
Balance at 5 April 2017	196,922,127	(93,896,840)	103,025,287	(77,001,754)	(77,001,754)	26,023,533

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

The notes on pages 11 to 15 form part of these financial statements.

# The Invicta Film Partnership No.43, LLP

## Reconciliation of Members' Interests *(continued)*

Year ended 5 April 2017

	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity)	Other reserves, including the fair value reserve	Other amounts	Total	Total_2016
	£	£	£	£	£
Balance at 6 April 2015	196,922,127	(93,947,981)	(61,719,348)	(61,719,348)	41,254,798
Profit for the financial year available for discretionary division among members		3,410,652			3,410,652
Members' interests after profit for the year	196,922,127	(90,537,329)	(61,719,348)	(61,719,348)	44,665,450
Other division of profits		(3,410,652)	3,410,652	3,410,652	-
Introduced by members	51,141		-	-	51,141
Drawings			(11,036,099)	(11,036,099)	(11,036,099)
Other movements	(51,141)	51,141	-	-	-
Balance at 5 April 2016	196,922,127	(93,896,840)	(69,344,795)	(69,344,795)	33,680,492

The notes on pages 11 to 15 form part of these financial statements.

# The Invicta Film Partnership No.43, LLP

## Statement of Cash Flows

Year ended 5 April 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	3,930,946	3,410,652
<i>Adjustments for:</i>		
Amortisation of intangible assets	7,160,947	7,160,946
Accrued expenses	496,012	413,360
Cash generated from operations	<u>11,587,905</u>	<u>10,984,958</u>
Net cash from operating activities	<u>11,587,905</u>	<u>10,984,958</u>
<b>Cash flows from financing activities</b>		
Capital introduced by members	-	51,141
Payments to members	(11,587,905)	(11,036,099)
Net cash used in financing activities	<u>(11,587,905)</u>	<u>(10,984,958)</u>
<b>Net decrease in cash and cash equivalents</b>	-	-
Cash and cash equivalents at beginning of year	<u>100</u>	<u>100</u>
Cash and cash equivalents at end of year	<u>100</u>	<u>100</u>

The notes on pages 11 to 15 form part of these financial statements.

# **The Invicta Film Partnership No.43, LLP**

## **Notes to the Financial Statements**

**Year ended 5 April 2017**

### **1. General information**

The LLP is registered in England and Wales.

The address of the registered office is 99 Kenton Road, Harrow, Middlesex, HA3 0AN.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with 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. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis. In adopting the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", it was not necessary to change any accounting policies and no prior period adjustment was required. Hence there has been no effect on the results for the current period in adopting the new Financial Reporting Standard. The financial statements are prepared in UK sterling, which is the functional currency of the entity.

#### **Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 6 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Revenue recognition**

Turnover is in respect of the LLP's principal activity and represents income from the leasing of film rights, granted under lease agreements, recognised in the accounting period in which they are earned. Any other income relating to the lease will be accounted for as and when such income is received.

#### **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.

# **The Invicta Film Partnership No.43, LLP**

## **Notes to the Financial Statements** *(continued)*

### **Year ended 5 April 2017**

#### **3. Accounting policies** *(continued)*

##### **Members' participation rights** *(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 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'.

##### **Intangible assets**

The distribution rights of film productions are acquired for a term of 15 years and capitalised at cost. They are reviewed for impairment where events or changes in circumstances indicate that the carrying value may not be recoverable.

##### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Film asset	-	Straight line over 15 years
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

# The Invicta Film Partnership No.43, LLP

## Notes to the Financial Statements *(continued)*

Year ended 5 April 2017

### 3. Accounting policies *(continued)*

#### 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. Debt instruments are subsequently measured at amortised cost. 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.

### 4. Turnover

The turnover is attributable to the one principal activity of the LLP. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2017 £	2016 £
Overseas	<u>11,091,893</u>	<u>10,622,739</u>

### 5. Operating profit

Operating profit or loss is stated after charging:

	2017 £	2016 £
Amortisation of intangible assets	<u>7,160,947</u>	<u>7,160,946</u>

The auditor's remuneration for the year is borne by Invicta Capital Limited as per the Services Agreement.

### 6. Information in relation to members

	2017 No.	2016 No.
Average number of members	<u>227</u>	<u>227</u>

# The Invicta Film Partnership No.43, LLP

## Notes to the Financial Statements *(continued)*

Year ended 5 April 2017

### 7. Intangible assets

	Development costs £
<b>Cost</b>	
At 6 April 2016 and 5 April 2017	<u>186,208,241</u>
<b>Amortisation</b>	
At 6 April 2016	143,242,565
Charge for the year	<u>7,160,947</u>
At 5 April 2017	<u>150,403,512</u>
<b>Carrying amount</b>	
At 5 April 2017	<u>35,804,729</u>
At 5 April 2016	<u>42,965,676</u>

The film assets above are held for use in operating leases.

### 8. Debtors

	2017 £	2016 £
Amounts due from members	<u>77,001,754</u>	<u>69,344,795</u>

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

	2017 £	2016 £
Amounts due from members	<u>77,001,754</u>	<u>69,293,655</u>

### 9. Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	<u>9,781,296</u>	<u>9,285,284</u>

### 10. Contingencies

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.

### 11. 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 No. 8.

# **The Invicta Film Partnership No.43, LLP**

## **Notes to the Financial Statements** *(continued)*

**Year ended 5 April 2017**

### **12. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The LLP transitioned to FRS 102 on 6 April 2015.

No transitional adjustments were required in equity or profit or loss for the year.