

**PHOENIX FILM PARTNERS LLP**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 5 APRIL 2017**



Limited Liability Partnership Number: OC339129

ANNUAL REPORT AND FINANCIAL STATEMENTS  
YEAR ENDED 5 APRIL 2017

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**MEMBERS' REPORT  
YEAR ENDED 5 APRIL 2017**

The members present the Annual Report and Financial Statements on the affairs of Phoenix Film Partners LLP ("the Partnership") for the year ended 5 April 2017.

**Principal activities**

As an integrated film business, the Partnership was formed to undertake both film co-marketing and production. Its objective was to focus the majority of its capital on worldwide co-marketing of films while also producing film projects for distribution through the studio network. It has adopted a sophisticated selection policy to manage risks from the outset and has only produced films where there is a strong likelihood of distribution and where it is able to secure a participation in gross sales receipts arising from that distribution, thereby potentially benefiting from "hit" film production profits.

**Review of the year**

Further to the delivery of three films to the commissioning distributors and their theatrical release, the Partnership continues to participate in distribution receipts arising from sales made of the films by the commissioning distributors.

The Partnership made a loss for the financial year of £232k (year ended 5 April 2016: profit of £68k).

The net assets of the Partnership as at 5 April 2017 were £164k (5 April 2016: £455k).

The Partnership does not, at present, anticipate that it will undertake any further film projects.

**Future developments**

The Partnership is well placed to benefit from the future exploitation by the commissioning distributor of the three films produced by the Partnership as its remuneration for the production of those films is calculated by reference to their respective gross sales receipts.

**Going concern**

After making enquiries, the members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in Note 1 of the financial statements.

**Policy regarding members' drawings and capital**

Designated members are not entitled to drawings. In accordance with the Members' Agreement, drawings shall be made at the discretion of Ingenious Media Investments Limited ("the Operator"), the operator of the Partnership.

Members' capital is subscribed in accordance with the current Members' Agreement, and retained by the Partnership until such time as the members agree to repay that capital. There were no transfers of members' capital to debt during the year.

The operating cash requirements of the Partnership shall be met out of the members' initial contributions and no member shall be required to make any further funding available after their admission as a member (save to the extent of their liability on a winding up).

**MEMBERS' REPORT (Continued)**  
**YEAR ENDED 5 APRIL 2017**

**Designated Members**

The designated members serving during the year are Waterloo Film Partner 1 Limited and Waterloo Film Partner 2 Limited ("the Designated Members").

**Statement of members' responsibilities**

The members are responsible for preparing the Annual Report and 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 period. Under that law the members have elected to prepare the financial statements in accordance with applicable law and 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'. Under Partnership law, as applied to LLP's, 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 Partnership and of the profit or loss of the Partnership for that period. In preparing these 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 Partnership will continue in business.

The members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. The members are also responsible for safeguarding the assets of the Partnership 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 Partnership's auditor is unaware; and
- the members have taken all steps that they should have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

These responsibilities are exercised by the Designated Members on behalf of the Partnership.

**Auditor**

Shipleys LLP are deemed to be re-appointed under s487(2) of the Companies Act 2006 as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

**MEMBERS' REPORT (Continued)**  
**YEAR ENDED 5 APRIL 2017**

**Small Companies Exemption**

This report has been prepared in accordance with the provisions applicable to entities entitled to the small companies exemption. This is in accordance with Part 15 of the Companies Act 2006, as applicable to limited liability partnerships. The Partnership has taken advantage of the exemption for the requirement to disclose an enhanced business review and to prepare a strategic report in accordance with section 414(B) of the Companies Act 2006.

This report was approved by the Designated Members and signed on their behalf by:



**Waterloo Film Partner 1 Limited**

Designated Member:

Date: 03/10/2017

Registered office:

15 Golden Square

London W1F 9JG

Limited Liability Partnership Number: OC339129

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHOENIX FILM PARTNERS LLP**

We have audited the financial statements of Phoenix Film Partners LLP for the year ended 5 April 2017 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of

This report is made solely to the Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applicable to limited liability partnerships. Our audit work has been undertaken so that we might state to the Partnership'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 Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have

### **Respective responsibilities of the members and auditors**

As explained more fully in the statement of members' responsibilities, the members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 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 Partnership'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 annual report to identify material inconsistencies with the audited financial statements. 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 Partnership's affairs as at 5 April 2017 and of its loss 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 applicable to limited liability partnerships.

### **Opinion on other matters prescribed by the Companies Act 2006, as modified by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008**

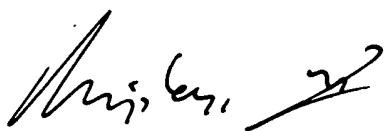
In our opinion the information given in the Members' Report for the year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHOENIX FILM PARTNERS LLP (Continued)**

**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 applicable 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
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to take advantage of the small companies exemption as applicable to limited liability partnerships in preparing the members' report.



**S L Joberns (Senior Statutory Auditor)**

for and on behalf of Shipleys LLP (Statutory Auditor)  
10 Orange Street, Haymarket, London, WC2H 7DQ

Date: 4/10/17

**PHOENIX FILM PARTNERS LLP**

**PROFIT AND LOSS ACCOUNT  
YEAR ENDED 5 APRIL 2017**

	NOTES	Year ended 5 April 2017 £ '000s	Year ended 5 April 2016 £ '000s
Turnover	1	97	76
Cost of sales		(323)	-
<b>GROSS (LOSS)/PROFIT</b>		<b>(226)</b>	<b>76</b>
Operating expenses	3	(6)	(8)
<b>OPERATING (LOSS)/PROFIT</b>	<b>3</b>	<b>(232)</b>	<b>68</b>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>	<b>7</b>	<b>(232)</b>	<b>68</b>

All results are derived from continuing operations during the current and prior year.

The Partnership have no recognised gains or losses during the financial year other than as stated in the Profit and Loss Account above, and accordingly no separate statement of Total Recognised Gains and Losses is presented.

The notes on pages 8 to 11 form an integral part of the financial statements.



**PHOENIX FILM PARTNERS LLP**

**BALANCE SHEET  
AS AT 5 APRIL 2017**

	NOTES	5 April 2017 £ '000s	5 April 2016 £ '000s
<b>CURRENT ASSETS</b>			
Debtors	4	208	494
Cash at bank		251	238
		<b>459</b>	732
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	5	<b>(295)</b>	(277)
<b>NET CURRENT ASSETS</b>		<b>164</b>	455
<b>NET ASSETS</b>		<b>164</b>	455
<b>REPRESENTED BY:</b>			
<b>MEMBERS' OTHER INTERESTS</b>			
Members' capital accounts	7	54,482	54,482
Other reserves	7	(54,318)	(54,027)
<b>TOTAL MEMBERS' OTHER INTERESTS</b>		<b>164</b>	455

The notes on pages 8 to 11 form an integral part of the financial statements.

The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 (as applicable to limited liability partnerships) with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A Small Entities.

The financial statements were approved by a Designated Member and authorised for issue and signed on its behalf by:



**Waterloo Film Partner 1 Limited**

Designated Member:

Date: 03/10/2017

Limited Liability Partnership Number: OC339129

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

**1. Accounting policies**

**Basis of accounting**

Phoenix Film Partners LLP was incorporated in England and Wales as a limited liability partnership under the Limited Liability Partnerships Act 2000.

The financial statements have been prepared under the historical cost convention in accordance with the provisions of FRS 102 Section 1A Small Entities. The principle accounting policies adopted in the preparation of the financial statements are set out below:

**Going concern**

The Partnership's business activities, together with the factors likely to affect its future development, performance and position have been reviewed by the members.

The Partnership is expected to continue to have sufficient cash to meet its foreseeable future obligations and the members believe that the Partnership is well placed to manage its business risks successfully despite the current uncertain economic outlook. As a result the financial statements of the Partnership have been prepared on a going concern basis.

**Turnover**

Turnover represents amounts receivable for services provided in the normal course of business, net of VAT.

**Taxation**

No current or deferred taxation is provided in these financial statements as the liability for taxation falls on the individual members.

**Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the Balance Sheet date. Exchange differences are taken to the Profit and Loss Account.

**Cash flow statement**

The financial statements do not include a cash flow statement because the Partnership is a qualifying entity under FRS 102 for taking advantage of the exemption from preparing such a statement.

**Joint Arrangement Not an Entity ('JANE')**

In a prior year the Partnership entered into a Film Services Agreements with Ingenious Media Services Limited to source and undertake various film-related activities on its behalf. The Film Services Agreements have been terminated. Following termination, all funds advanced thereunder were returned to the Partnership.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 5 APRIL 2017**

**2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Partnership's accounting policies, which are described in Note 1, the members are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical accounting judgements in applying the accounting policies**

The following are the critical judgements that the members have made in the process of applying the Partnership's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

**Impairment of investments'**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**Financial assets**

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**3. Operating (loss)/profit**

	Year ended 5 April 2017 £ '000s	Year ended 5 April 2016 £ '000s
The operating (loss)/profit is stated after charging:		
Auditor's remuneration for audit services	6	7

**4. Debtors**

	5 April 2017 £ '000s	5 April 2016 £ '000s
Other debtors	208	494

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 5 APRIL 2017**

**5. Creditors: Amounts falling due within one year**

	5 April 2017 £ '000s	5 April 2016 £ '000s
Distribution due to members	289	270
Accruals	6	7
	<b>295</b>	<b>277</b>

**6. Information relating to members**

No members received any salaried remuneration from the Partnership during the year (year ended 5 April 2016: £nil).

The average number of members during the year was 231 (year ended 5 April 2016: 231). The average allocation of losses was therefore £1,004 (year ended 5 April 2016: profit allocation of £294). The maximum loss allocated to a member was £139,215 (year ended 5 April 2016: profit allocation of £40,750).

**7. Reconciliation of movement in members' interests**

	2017				2016	
	Members' capital	Other reserves	Total	Loans and other debts due to members	Total members' interests	Total members' interests
	£ '000s	£ '000s	£ '000s	£ '000s	£ '000s	£ '000s
<b>Balance at the beginning of the year</b>	54,482	(54,027)	455	-	455	427
(Loss)/profit for the financial year available for discretionary division among members	-	(232)	(232)	-	(232)	68
Members' interests after profit for the year	54,482	(54,259)	223	-	223	495
Members' drawings	-	(59)	(59)	-	(59)	(40)
<b>Balance at the end of the year</b>	54,482	(54,318)	164	-	164	455

In the event of a winding up the Partnership's creditors are paid from any surplus assets prior to their distribution to the members.

Amounts due to be distributed to members at the year end amounted to £289k (year ended 5 April 2016: £270k).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED 5 APRIL 2017**

**8. Related party disclosures**

P A McKenna and D M Reid, who are all members of Phoenix Film Partners LLP ("the Partnership"), were also directors of Ingenious Media Investments Limited ("the Operator") during the year. D M Reid was also the director of Phoenix Film Partners Limited ("the Corporate Member"), Waterloo Film Partner 1 Limited ("the Designated Members") and Ingenious Media Services Limited during the year.

All of the above-named companies are wholly-owned subsidiaries of Ingenious Media Limited, which is itself a wholly-owned subsidiary of Ingenious Media Holdings Limited.

P A McKenna and D M Reid are also directors and beneficial shareholders of Ingenious Media Holdings Limited. P M Shawyer, a member of the Partnership, is also a director and beneficial shareholder of Ingenious Media Holdings Limited.

P A McKenna and D M Reid are members of the Partnership and also members of the Executive Committee. Capital investment and drawings relating to these members as at the year end are as follows:

Member	Capital investment at 5 April 2017 £	Drawings during the current year £	Drawings during the prior year £	Drawings owing at 5 April 2017 £	Drawings owing at 5 April 2016 £
P A McKenna	100	190	123	3,454	3,264
D M Reid	100	10	6	173	163

During the year the Corporate Member made drawings of £53,074 (year ended 5 April 2016: £35,482). At the year end an amount of £181,914 was owing by the Partnership to the Corporate Member (year ended 5 April 2016: £168,152).

Ingenious Media Investments Limited continued in its capacity as operator to the Partnership and charged no fees during the year (year ended 5 April 2016: £nil). No funds remained owing to Ingenious Media Investments Limited at the year end (year ended 5 April 2016: £nil).

Ingenious Media Services Limited owed the Partnership £2,900 at the year end (year ended 5 April 2016: £2,900).

**9. Controlling party**

In the opinion of the members there is no controlling party.