

REGISTERED NUMBER: OC307656 (England and Wales)

**REPORT OF THE MEMBERS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2007
FOR
FUTURE SCREEN PARTNERS 2005 NO.3 LLP**

SATURDAY



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21/07/2007
COMPANIES HOUSE

Badger Hakim
Chartered Accountants and Registered Auditors
10 Dover Street
London
W1S 4LQ

FUTURE SCREEN PARTNERS 2005 NO.3 LLP

GENERAL INFORMATION
for the Year Ended 5 April 2007

DESIGNATED MEMBERS: Future Films
(Management Services) Limited
Future Films (Partnership Services)
Limited

REGISTERED OFFICE: 25 Noel Street
London
W1F 8GX

REGISTERED NUMBER: OC307656 (England and Wales)

AUDITORS. Badger Hakim
Chartered Accountants and Registered Auditors
10 Dover Street
London
W1S 4LQ

FUTURE SCREEN PARTNERS 2005 NO.3 LLP

REPORT OF THE MEMBERS

for the Year Ended 5 April 2007

The members present their report with the financial statements of the LLP for the year ended 5 April 2007

PRINCIPAL ACTIVITY

The principal activity of the LLP in the year under review was that of acquiring and leasing films for exploitation. The LLP is currently leasing the films 'Hard Corps', 'Shadowman' and 'Second In Command'

REVIEW OF BUSINESS

The results for the year and financial position of the LLP are as shown in the annexed financial statements

The aim of the LLP is to exploit the collective activities, expertise and resources of the members to the advantage of the business of the LLP through acquisition of film rights, film development, production and sale and leaseback

During the year under review, the LLP continued leaseback operations of its films to the film producers. This has resulted in annual lease rental income in line with expectations

FUTURE DEVELOPMENTS

The LLP is operating in accordance with expectations and the Designated Members have no reason to believe that there should be any significant deviation from the Members' plans

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements

DESIGNATED MEMBERS

The designated members during the year under review were

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

Each Designated Member has contributed £50, but neither are entitled to share in the profits of the LLP

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The profit for the year before members' remuneration and profit shares was £652,844 (2006 - £1,624,498 loss)

MEMBERS' INTERESTS

During the period the members received additional profit distributions. The level and timing of the additional profit distributions is decided by taking into account the partnership's cash requirements for operating and investment activities. The profit distributions represent payments on account of current year profits and are reclaimable from members until profits have been allocated. Any over-distribution of profits during the period is also recoverable from members

As such, prior to allocation of profits and their division between members, on-account profit distributions are shown as debtors. Unallocated profits are shown in "Members' other interests"

The capital requirements of the partnership are determined by the Partnership Agreement. Each member is required to subscribe a proportion of this capital. The amount of capital subscribed by each member is usually linked to the earnings allocated to that member. No interest is paid on capital. On leaving the partnership, a member's capital is repayable as set out in the Partnership Agreement

During the period up to 5 April 2007 no members' interests were transferred from capital to debt

FUTURE SCREEN PARTNERS 2005 NO.3 LLP

REPORT OF THE MEMBERS for the Year Ended 5 April 2007

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing 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 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 LLP will continue in business.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the members are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the LLP's auditors are unaware, and each member has taken all the steps that he or she ought to have taken as a member in order to make himself or herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

AUDITORS

The auditors, Badger Hakim, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE MEMBERS:



Designated Member

Date

18/7/2007

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FUTURE SCREEN PARTNERS 2005 NO.3 LLP

We have audited the financial statements of Future Screen Partners 2005 No 3 LLP for the year ended 5 April 2007 on pages six to thirteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's members, as a body, in accordance with Section 235 of the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. 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 auditors' 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 auditors

The members' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page three.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. We also report to you whether in our opinion the information given in the Report of the Members is consistent with the financial statements.

In addition, we report to you if, in our opinion, the LLP has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding members' remuneration and other transactions is not disclosed.

We read the Report of the Members and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP's circumstances, consistently applied and adequately disclosed.

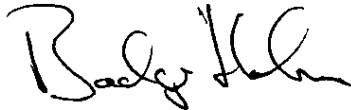
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FUTURE SCREEN PARTNERS 2005 NO.3 LLP**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the LLP's affairs as at 5 April 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001, and
- the information given in the Report of the Members is consistent with the financial statements



Badger Hakim
Chartered Accountants and Registered Auditors
10 Dover Street
London
W1S 4LQ

Date

18 July 2007

FUTURE SCREEN PARTNERS 2005 NO.3 LLP

PROFIT AND LOSS ACCOUNT for the Year Ended 5 April 2007

	Notes	2007 £	2006 £
TURNOVER		618,888	-
Cost of sales		<u>-</u>	<u>1,624,490</u>
GROSS PROFIT/(LOSS)		618,888	(1,624,490)
Administrative expenses		<u>325</u>	<u>8</u>
OPERATING PROFIT/(LOSS)	3	618,563	(1,624,498)
Interest receivable and similar income		<u>34,281</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		<u>652,844</u>	<u>(1,624,498)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		652,844	(1,624,498)
Members' remuneration charged as an expense	4	<u>(652,844)</u>	<u>1,624,498</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	7	<u>-</u>	<u>-</u>

CONTINUING OPERATIONS

None of the LLP's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The LLP has no recognised gains or losses for the current year or previous year

The notes form part of these financial statements

FUTURE SCREEN PARTNERS 2005 NO.3 LLP

BALANCE SHEET

5 April 2007

	Notes	2007 £	2006 £
CURRENT ASSETS			
Debtors	5	32,138,691	55,551,295
Cash at bank		<u>34,048</u>	<u>4,958,117</u>
		32,172,739	60,509,412
CREDITORS			
Amounts falling due within one year	6	<u>1,732,168</u>	<u>30,068,841</u>
NET CURRENT ASSETS		<u>30,440,571</u>	<u>30,440,571</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>30,440,571</u>	<u>30,440,571</u>
REPRESENTED BY.			
Loans and other debts due to members after more than one year			
Members' capital classified as liabilities under FRS 25	7	<u>30,440,571</u>	<u>30,440,571</u>
TOTAL MEMBERS' INTERESTS			
Members' other interests	7	30,440,571	30,440,571
Amounts due from members	5	<u>(2,621,337)</u>	<u>(1,624,498)</u>
		<u>27,819,234</u>	<u>28,816,073</u>

The financial statements were approved by the members of the LLP on 18 July 2007 and were signed by

Future Films
(Management Services) Limited - Designated member

Future Films (Partnership Services)
Limited - Designated member

The notes form part of these financial statements

FUTURE SCREEN PARTNERS 2005 NO.3 LLP

CASH FLOW STATEMENT
for the Year Ended 5 April 2007

	Notes	2007		2006	
		£	£	£	£
Net cash outflow from operating activities	1		(3,308,667)		(25,482,354)
Returns on investments and servicing of finance	2		34,281		-
Transactions with members	2		<u>(1,649,683)</u>		<u>30,440,471</u>
(Decrease)/Increase in cash in the period			<u>(4,924,069)</u>		<u>4,958,117</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(4,924,069)		4,958,117	
Cash outflow from decrease in debt		<u>1,649,683</u>		<u>-</u>	
Change in net funds resulting from cash flows			(3,274,386)		4,958,117
Non-cash change in loans and other debts due to members			<u>(1,649,683)</u>		<u>-</u>
Movement in net funds in the period			(4,924,069)		4,958,117
Net funds at 6 April			<u>4,958,117</u>		<u>-</u>
Net funds at 5 April			<u>34,048</u>		<u>4,958,117</u>

The notes form part of these financial statements

FUTURE SCREEN PARTNERS 2005 NO.3 LLP

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 5 April 2007

1 RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2007 £	2006 £
Operating profit/(loss)	618,563	(1,624,498)
Decrease/(Increase) in debtors	24,409,443	(53,926,697)
(Decrease)/Increase in creditors	<u>(28,336,673)</u>	<u>30,068,841</u>
Net cash outflow from operating activities	<u>(3,308,667)</u>	<u>(25,482,354)</u>

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2007 £	2006 £
Returns on investments and servicing of finance		
Interest received	<u>34,281</u>	-
Net cash inflow for returns on investments and servicing of finance	<u>34,281</u>	<u>-</u>
Transactions with members		
Payments to members	(1,649,683)	-
Contributions by members	-	<u>30,440,471</u>
Net cash (outflow)/inflow from transactions with members	<u>(1,649,683)</u>	<u>30,440,471</u>

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 6/4/06 £	Cash flow £	Other non-cash changes £	At 5/4/07 £
Net cash				
Cash at bank	<u>4,958,117</u>	<u>(4,924,069)</u>		<u>34,048</u>
	<u>4,958,117</u>	<u>(4,924,069)</u>		<u>34,048</u>
Debt				
Loans and other debts due to members	-	<u>1,649,683</u>	<u>(1,649,683)</u>	-
	-	<u>1,649,683</u>	<u>(1,649,683)</u>	-
Total	<u>4,958,117</u>	<u>(3,274,386)</u>	<u>(1,649,683)</u>	<u>34,048</u>

The notes form part of these financial statements

FUTURE SCREEN PARTNERS 2005 NO.3 LLP

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 5 April 2007

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships

Turnover

Turnover represents income received by way of finance lease charges excluding value added tax

Recognition of capital

The financial statements have been prepared in accordance with the requirements of FRS 25 as applied to limited liability partnerships by the applicable SORP. Since the profits of the limited liability partnership are automatically distributed, FRS 25 requires members' capital to be disclosed as a liability, rather than equity. It is for this reason only that the members' capital has been presented as a liability. Under the terms of the Partnership Deed, there is no entitlement for members to draw out, or receive back at any time while they are members of the limited liability partnership, the amounts contributed by them as capital.

Amounts recoverable on contracts

Once a film has been leased to the producer, the value attributable to the lease is included in the balance sheet as an amount recoverable on contract. The amount of that attributable value is the net present value of the minimum lease payments under the contract. Each year the net present value is recomputed and the reduction in value of the lease is set off against the rental income and treated as a recovery of the leasing debt. This computation is carried out on a consistent basis year on year.

Taxation

The taxation payable on partnership profits is the personal liability of the members during the period and consequently neither taxation nor related deferred taxation are accounted for in the financial statements. Amounts retained for tax are treated in the same way as other profits of the partnership and are so included in "Members' interests" or in "Loans and other debts due to Members" depending on whether or not division of profit has occurred.

Capital contributions

Where capital contributions by partners are unpaid at the balance sheet date, but a binding commitment to contribute that capital has been given by the partner, the capital contribution is recognised as such, and the amount unpaid is shown as a debtor.

2 EMPLOYEE INFORMATION

There were no employees of the LLP during the period under review.

The Designated Members received no remuneration during the period in respect of their services to the LLP.

3 OPERATING PROFIT/(LOSS)

Auditors' remuneration of £3,500 (2006 £3,500) is reimbursed by the Operator under the consultancy agreement.

4 INFORMATION IN RELATION TO MEMBERS

	2007	2006
	£	£
Members' remuneration charged as an expense		
Automatic division of profit/(loss)	<u>652,844</u>	<u>(1,624,498)</u>

FUTURE SCREEN PARTNERS 2005 NO.3 LLP

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 5 April 2007

4 INFORMATION IN RELATION TO MEMBERS - continued

	2007	
	£	
The amount of profit for the year ended 5 April 2007 attributable to the member with the largest entitlement was	<u>53,831</u>	
	2007	2006
The average number of members during the year was	<u>76</u>	<u>76</u>

5 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Amounts due from members	2,621,337	1,624,498
Amounts recoverable on contract	27,785,186	28,815,981
Other debtors	<u>1,732,168</u>	<u>25,110,816</u>
	<u>32,138,691</u>	<u>55,551,295</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade creditors	-	845,989
Other creditors	-	28,815,981
Accruals and deferred income	<u>1,732,168</u>	<u>406,871</u>
	<u>1,732,168</u>	<u>30,068,841</u>

FUTURE SCREEN PARTNERS 2005 NO.3 LLP

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 5 April 2007

7 MEMBERS' INTERESTS

	Members' other interests			Loans and other debts due to/(from) members £	Total £
	Members' capital (classified as liabilities under FRS 25) £	Reserves £	Total £		
Balance at 6 April 2006	30,440,571	-	30,440,571	(1,624,498)	28,816,073
Members' remuneration charged as an expense, including employment and retirement benefit costs				652,844	652,844
Profit for the financial year available for discretionary division among members		-	-		-
Members' interests after profit for the year	30,440,571	-	30,440,571	(971,654)	29,468,917
Drawings				(1,649,683)	(1,649,683)
Balance at 5 April 2007	<u>30,440,571</u>	<u>-</u>	<u>30,440,571</u>	<u>(2,621,337)</u>	<u>27,819,234</u>

As stated in Note 1 Accounting Policies, the financial statements have been prepared under the revised SORP for Limited Liability Partnerships. Due to the nature of the LLP, the SORP requires that profits and losses previously disclosed as "other reserves" are now shown within amounts due from members.

Loans and other debts due to members may be set-off against amounts due from members included in debtors but would otherwise rank as unsecured creditors.

8 CONTINGENT LIABILITIES

There were no contingent liabilities at the year end (2006 £nil)

9 CAPITAL COMMITMENTS

	2007 £	2006 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>-</u>

FUTURE SCREEN PARTNERS 2005 NO.3 LLP

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 5 April 2007

10 RELATED PARTY DISCLOSURES

The designated members, Future Films (Partnership Services) Limited and Future Films (Management Services) Limited are wholly owned subsidiaries of Future Film Group Holdings Limited. The LLP has entered into a consultancy with Future Films Limited, also a subsidiary of Future Film Group Holdings Limited, Future Films Limited will reimburse certain expenditure of the LLP including banking and professional fees. Future Films Limited has also been paid a fee for co-production services from the producer on all films purchased, amounting to between 1% and 3% of the purchase price.

Future Films Limited is also entitled to 20% of any additional lease income once the LLP has received its maximum preferred recoupment. No payment of this nature was due in the period under review.

The LLP has provided security in the form of a fixed charge, a floating charge and a negative pledge over certain assets of the LLP to the Bank of Ireland in connection with borrowings by members for the purpose of making capital contributions.

11 POST BALANCE SHEET EVENTS

There are no adjusting post balance sheet events (2006 £nil).

12 CONTROLLING RELATED PARTY

The controlling related party is Future Film Group Holdings Limited by virtue of it owning 100% of the share capital of the designated member companies which have responsibility for the operational decisions of the partnership.