

AARDMAN FEATURE DEVELOPMENT LIMITED
ACCOUNTS
31 DECEMBER 2009

Company Registration Number 06712047



AARDMAN FEATURE DEVELOPMENT LIMITED

ACCOUNTS

PERIOD ENDED 31 DECEMBER 2009

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AARDMAN FEATURE DEVELOPMENT LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Board of directors	P D F Lord D A Sproxton
Company secretary	D A Sproxton
Registered office	Gas Ferry Road Bristol BS1 6UN
Auditors	Nexia Smith & Williamson Chartered Accountants Registered Auditors Portwall Place Portwall Lane Bristol BS1 6NA
Bankers	Coutts & Co Media Banking 440 Strand London WC2R 0QS

AARDMAN FEATURE DEVELOPMENT LIMITED

DIRECTORS' REPORT

PERIOD ENDED 31 DECEMBER 2009

The directors have pleasure in presenting their report and the accounts of the company for the period ended 31 December 2009

INCORPORATION

The company was incorporated on 1 October 2008

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company commenced trading on 1st December 2009, having previously been dormant. The principal activity of the company during the period was that of feature film development.

RESULTS AND DIVIDENDS

The trading results for the period, and the company's financial position at the end of the period, are shown in the attached accounts.

The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The directors have not established any formal financial risk management objectives and policies due to the size of the company and the nature of its business.

THE DIRECTORS

The directors who served the company during the period were as follows:

P D F Lord
D A Sproxtton

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial period. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts,
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

AARDMAN FEATURE DEVELOPMENT LIMITED

DIRECTORS' REPORT *(Continued)*

PERIOD ENDED 31 DECEMBER 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES *(Continued)*

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each person who was a director at the time this report was approved

- So far as that director was aware, there was no relevant available information of which the company's auditors were unaware, and
- That director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.


AUDITORS

Nexia Smith & Williamson LLP resigned as auditors effective as of 30 April 2010. Nexia Smith & Williamson Audit Limited, which trades as Nexia Smith & Williamson, has been appointed as auditors. A resolution to re-appoint Nexia Smith & Williamson will be proposed at the annual general meeting.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed on behalf of the directors



D A Sproxtton
Director

Date 30 June 2010

AARDMAN FEATURE DEVELOPMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER

PERIOD ENDED 31 DECEMBER 2009

We have audited the accounts of Aardman Feature Development Limited for the period ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 11. 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).

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

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 and 3, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit the accounts 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.

Scope of the audit of the accounts

A description of the scope of an audit of accounts is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on accounts

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its result for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the accounts are prepared is consistent with the accounts.

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 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 accounts are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Steven Coombe
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

Portwall Lane
Bristol
BS1 6NA
30 June 2010

AARDMAN FEATURE DEVELOPMENT LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD ENDED 31 DECEMBER 2009

	Note	Period from 1 October 2008 to 31 December 2009 £
TURNOVER		-
Cost of sales		-
GROSS PROFIT		-
Other operating income		1,980
Administrative expenses		(1,980)
OPERATING PROFIT	3	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-
Tax on profit on ordinary activities		-
PROFIT FOR THE FINANCIAL PERIOD		-

There are no recognised gains or losses for the period other than the result shown above

All of the activities of the company are classed as continuing and commenced on 1 December 2009

The notes on pages 7 to 9 form part of these accounts.

AARDMAN FEATURE DEVELOPMENT LIMITED**BALANCE SHEET****31 DECEMBER 2009**

	Note	2009 £	£
CURRENT ASSETS			
Stocks	5	931,978	
Debtors	6	33,380	
		<u>965,358</u>	
CREDITORS: Amounts falling due within one period	7	<u>(965,258)</u>	
NET CURRENT ASSETS			<u>100</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>100</u>
NET ASSETS			<u>100</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9		100
Profit and loss account			-
EQUITY SHAREHOLDER'S FUNDS	10		<u>100</u>

These accounts were approved by the directors on 30 June 2010 and are signed on their behalf by



D A Sproxtton
Director

Company registration number 06712047

The notes on pages 7 to 9 form part of these accounts.

AARDMAN FEATURE DEVELOPMENT LIMITED

NOTES TO THE ACCOUNTS

PERIOD ENDED 31 DECEMBER 2009

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption provided in Financial Reporting Standard 1 (revised) from including a cash flow statement in the accounts on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement

Other operating income

The other operating income shown in the profit and loss account represents recharges made for administration costs

Stocks and work in progress

Work in progress reflects development expenditure on feature film projects not yet in production

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating result

Fees received in advance

Monies received in respect of films and other projects in progress at the balance sheet date are initially treated as deferred income. When a feature goes into production the work in progress and deferred income relating to the feature gets transferred into a separate company

2. OTHER OPERATING INCOME

	Period from 1 Oct 2008 to 31 Dec 2009 £
Recharges	<u>1,980</u>

AARDMAN FEATURE DEVELOPMENT LIMITED

NOTES TO THE ACCOUNTS

PERIOD ENDED 31 DECEMBER 2009

3. OPERATING PROFIT

Operating profit is stated after charging

	Period from 1 Oct 2008 to 31 Dec 2009 £
Auditors' remuneration - audit fees	<u>1,900</u>

4. PARTICULARS OF EMPLOYEES

The only staff employed during the period were the directors, who received no remuneration for their services

5. STOCKS

	2009 £
Work in progress	<u>931,978</u>

6. DEBTORS

	2009 £
Amounts owed by group undertakings	31,400
Prepayments and accrued income	<u>1,980</u>
	<u>33,380</u>

7. CREDITORS: Amounts falling due within one year

	2009 £
Accruals and deferred income	<u>965,258</u>
	<u>965,258</u>

The company is party to a debenture dated 12 October 2009 with AA Development UK Limited securing all monies due or to become due from the company to AA Development Limited

8. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided by Financial Reporting Standard Number 8 from disclosing transactions with other wholly owned group companies on the grounds that it is itself a wholly owned subsidiary and its parent publishes consolidated accounts

The company is controlled by its parent company, Aardman Holdings Limited, which is itself controlled by D A Sproxton and P D F Lord, who are directors of the company

AARDMAN FEATURE DEVELOPMENT LIMITED

NOTES TO THE ACCOUNTS

PERIOD ENDED 31 DECEMBER 2009

9. SHARE CAPITAL

Authorised share capital	2009 £
100 Ordinary shares of £1.00 each	<u>100</u>
Allotted, called up and fully paid	2009 £
Ordinary share capital	<u>100</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2009 £
Result for the financial year	-
Opening equity shareholder's funds	<u>100</u>
Closing equity shareholder's funds	<u>100</u>

11. ULTIMATE PARENT COMPANY

The ultimate parent company is Aardman Holdings Limited, a company registered in England and Wales

Copies of the parent's consolidated accounts may be obtained from Aardman Holdings Limited, Gas Ferry Road, Bristol, BS1 6UN