

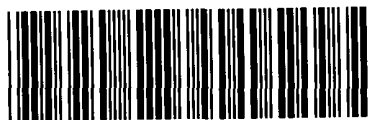
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**AARDMAN FEATURE DEVELOPMENT LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**AARDMAN FEATURE DEVELOPMENT LIMITED**

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**AARDMAN FEATURE DEVELOPMENT LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	D A Sproxton P D F Lord
<b>COMPANY SECRETARY</b>	D A Sproxton
<b>REGISTERED NUMBER</b>	06712047
<b>REGISTERED OFFICE</b>	Gas Ferry Road Bristol BS1 6UN
<b>INDEPENDENT AUDITORS</b>	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors Portwall Place Portwall Lane Bristol BS1 6NA
<b>BANKERS</b>	Coutts & Co Media Banking 440 Strand London WC2R 0QS

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## **AARDMAN FEATURE DEVELOPMENT LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their report and the audited financial statements for the year ended 31 December 2015.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was that of feature film development.

The directors are satisfied with the performance of the business during the year and the position of the company at the year end.

#### **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 the business.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors of Aardman Feature Development Limited manage the group's risks at a group level, rather than at an individual business unit level. For this reason the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of Aardman Feature Development Limited's business. The principal risks and uncertainties of the Aardman Holdings Limited group, which include those of this company, are discussed in the directors' report of the group's annual report which does not form part of this report.

#### **KEY PERFORMANCE INDICATORS**

The directors of Aardman Feature Development Limited manage the group's operations on a group basis. For this reason the company's directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the business of Aardman Feature Development Limited. The development, performance and position of the group is discussed in the directors' report of the group's annual report which does not form part of this report.

#### **DIRECTORS**

The directors who served during the year were as follows:

D A Sproxtton  
P D F Lord

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## AARDMAN FEATURE DEVELOPMENT LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

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#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors 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 company will continue in business.

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 financial statements 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

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are 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

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board and signed on its behalf.



D A Sproxton  
Director

Date: 29 September 2016

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## **AARDMAN FEATURE DEVELOPMENT LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AARDMAN FEATURE DEVELOPMENT LIMITED**

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We have audited the financial statements of Aardman Feature Development Limited for the year ended 31 December 2015, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 page 3, the directors 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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**AARDMAN FEATURE DEVELOPMENT LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AARDMAN FEATURE DEVELOPMENT LIMITED**

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**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 financial statements 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.



Carl Deane  
Senior Statutory Auditor

for and on behalf of  
**Nexia Smith & Williamson**

Chartered Accountants  
Statutory Auditors

Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA

29 September 2016

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**AARDMAN FEATURE DEVELOPMENT LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Note	2015 £	2014 £
<b>TURNOVER</b>	1	2,000	109,846
Cost of sales		<u>(2,000)</u>	<u>(109,846)</u>
<b>GROSS PROFIT</b>		-	-
Administrative expenses		(5,637)	(6,291)
Other operating income		<u>5,278</u>	<u>5,928</u>
<b>OPERATING LOSS</b>	3	(359)	(363)
Interest receivable and similar income		<u>173</u>	<u>241</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(186)	(122)
Tax on loss on ordinary activities		<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	8	<u><u>(186)</u></u>	<u><u>(122)</u></u>

The notes on pages 8 to 11 form part of these financial statements.



**AARDMAN FEATURE DEVELOPMENT LIMITED**  
**REGISTERED NUMBER: 06712047**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2015**

	Note	£	2015 £	£	2014 £
<b>CURRENT ASSETS</b>					
Stocks	4	648,199		1,136,085	
Debtors	5	17,912		12,618	
Cash at bank		157,826		220,393	
		<u>823,937</u>		<u>1,369,096</u>	
<b>CREDITORS:</b> amounts falling due within one year	6	<u>(825,964)</u>		<u>(1,370,937)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(2,027)</u>		<u>(1,841)</u>
<b>NET LIABILITIES</b>			<u>(2,027)</u>		<u>(1,841)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		100		100
Profit and loss account	8		<u>(2,127)</u>		<u>(1,941)</u>
<b>SHAREHOLDERS' DEFICIT</b>	9		<u>(2,027)</u>		<u>(1,841)</u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2016.

  
D A Sproxton  
Director

The notes on pages 8 to 11 form part of these financial statements.

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## AARDMAN FEATURE DEVELOPMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

##### 1.2 Going concern

The company has net liabilities of £2,027 as at 31 December 2015 and a reported loss of £186 for the year then ended. The parent company has indicated that it intends to continue to support the company for the foreseeable future.

##### 1.3 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### 1.4 Turnover

Turnover comprises feature film development which has been discontinued.

When a decision is made to discontinue development of a film, all income moves from deferred income to turnover, and the associated work in progress is released to cost of sales.

##### 1.5 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 are transferred to a separate company.

##### 1.6 Other operating income

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

##### 1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads incurred in relation to development on feature film projects not yet in production.

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## AARDMAN FEATURE DEVELOPMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

##### 1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

#### 2. TURNOVER

The whole of turnover and loss before tax are attributable to the principal activity of the company.

#### 3. OPERATING LOSS

The operating loss is stated after charging:

	2015 £	2014 £
Fees payable to the company's auditors for the audit of the company's annual accounts	2,700	3,850

During the year, no director received any emoluments (2014 - £NIL).

#### 4. STOCKS

	2015 £	2014 £
Work in progress	648,199	1,136,085

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**AARDMAN FEATURE DEVELOPMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**5. DEBTORS**

	2015 £	2014 £
Amounts owed by group undertakings	100	100
VAT recoverable	713	697
Prepayments and accrued income	17,099	11,821
	<u>17,912</u>	<u>12,618</u>

**6. CREDITORS:  
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	2,418	-
Amounts owed to group undertakings	-	70,861
Accruals and deferred income	823,546	1,300,076
	<u>825,964</u>	<u>1,370,937</u>

The company is party to a debenture dated 12 October 2009 with Film CP UK Limited securing all monies due, or to become due, from the company to Film CP UK Limited.

**7. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**8. RESERVES**

	Profit and loss account £
At 1 January 2015	(1,941)
Loss for the year	(186)
At 31 December 2015	<u>(2,127)</u>

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**AARDMAN FEATURE DEVELOPMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2015**

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**9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	2015	2014
	£	£
Opening shareholders' deficit	(1,841)	(1,719)
Loss for the financial year	(186)	(122)
Closing shareholders' deficit	<u>(2,027)</u>	<u>(1,841)</u>

**10. RELATED PARTY TRANSACTIONS**

There are no related party transactions with other group companies requiring disclosure in respect of the year ended 31 December 2015 and the year ended 31 December 2014.

The company has taken advantage of the exemptions provided by the Financial Reporting Standard for Smaller Entities (effective January 2015) 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.

**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.