

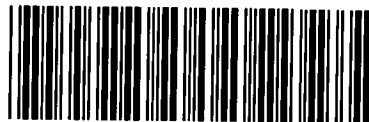
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**AARDMAN FEATURE DEVELOPMENT LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

FRIDAY



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28/09/2018

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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 2017

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The directors present their report and the financial statements for the year ended 31 December 2017.

#### Principal activity

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.

#### Directors

The directors who served during the year were:

D A Sproxtton  
P D F Lord

#### 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 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 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 for the Company's financial statements 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 to 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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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.

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**AARDMAN FEATURE DEVELOPMENT LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Auditors**

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

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

25/9/18

and signed on its behalf.

  
**D A Sproxton**  
Director

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## AARDMAN FEATURE DEVELOPMENT LIMITED

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

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#### Opinion

We have audited the financial statements of Aardman Feature Development Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of income and retained earnings, Balance sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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## AARDMAN FEATURE DEVELOPMENT LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AARDMAN FEATURE DEVELOPMENT LIMITED (CONTINUED)

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#### Other information

The other information comprises the information included in the Directors' report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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.

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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**AARDMAN FEATURE DEVELOPMENT LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AARDMAN FEATURE  
DEVELOPMENT LIMITED (CONTINUED)**

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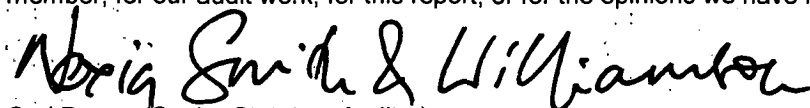
**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's member 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 member 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 company and the company's member, for our audit work, for this report, or for the opinions we have formed.



Carl Deane (Senior Statutory Auditor)

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

Chartered Accountants  
Statutory Auditors

Portwall Place  
Portwall Lane  
Bristol  
BS1 6NA  
Date:





**AARDMAN FEATURE DEVELOPMENT LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Administrative expenses		(5,329)	(5,229)
Other operating income	2	4,968	4,868
<b>Operating loss</b>		<u>(361)</u>	<u>(361)</u>
Interest receivable and similar income		75	134
<b>Loss and total comprehensive expense for the year</b>		<u>(286)</u>	<u>(227)</u>
Retained earnings at the beginning of the year		(2,354)	(2,127)
Loss for the year		(286)	(227)
<b>Retained earnings at the end of the year</b>		<u>(2,640)</u>	<u>(2,354)</u>

The notes on pages 9 to 12 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note		2017 £	2016 £
<b>Current assets</b>				
Stocks	5	648,199	648,199	
Debtors: amounts falling due within one year	6	27,231	22,652	
Cash at bank and in hand		147,281	150,471	
		<u>822,711</u>	<u>821,322</u>	
Creditors: amounts falling due within one year	8	(825,251)	(823,576)	
<b>Net current liabilities</b>			(2,540)	(2,254)
<b>Net liabilities</b>			<u>(2,540)</u>	<u>(2,254)</u>
<b>Capital and reserves</b>				
Called up share capital	9	100	100	
Profit and loss account		(2,640)	(2,354)	
		<u>(2,540)</u>	<u>(2,540)</u>	<u>(2,254)</u>

The 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 and authorised for issue by the board and were signed on its behalf on



28/9/18

**D A Sproxton**  
Director

The notes on pages 9 to 12 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 2017

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#### 1. General information

Aardman Feature Development Limited is a private company, limited by shares and incorporated in England and Wales. The address of the registered office is Gas Ferry Road, Bristol, BS1 6UN.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Aardman Holdings Limited as at 31 December 2017 and these financial statements may be obtained from the company's registered address.

##### 2.3 Going concern

The company has net liabilities of £2,540 as at 31 December 2017 and a reported loss of £286 for the year then ended. The parent company has indicated that it intends to continue to support the company for the foreseeable future.

##### 2.4 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.

##### 2.5 Other operating income

Other operating income shown in the statement of income and retained earnings represents recharges for administration costs.

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## AARDMAN FEATURE DEVELOPMENT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.6 Stocks and work in progress

Stocks and work in progress comprise costs incurred in the development of feature film projects not yet in production. Where projects are discontinued or income is not anticipated to be sufficient to cover costs incurred, an impairment charge is recognised in the statement of income and retained earnings.

##### 2.7 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 transaction.

Exchange gains and losses are recognised in statement of income and retained earnings.

##### 2.8 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and short term bank deposits with an original maturity of three months or less.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

#### 3. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £2,830 (2016 - £3,230).

#### 4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

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**AARDMAN FEATURE DEVELOPMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**5. Stocks**

	2017 £	2016 £
Work in progress	648,199	648,199

**6. Debtors**

	2017 £	2016 £
Amounts owed by group companies	100	100
VAT repayable	196	585
Prepayments and accrued income	26,935	21,967
	27,231	22,652

**7. Cash and cash equivalents**

	2017 £	2016 £
Cash at bank and in hand	147,281	150,471

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

	2017 £	2016 £
Accruals and deferred income	825,251	823,576

**9. Share capital**

	2017 £	2016 £
Allotted, called up and fully paid 100 Ordinary shares of £1 each	100	100

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**AARDMAN FEATURE DEVELOPMENT LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**10. Reserves**

**Profit & loss account**

This reserve relates to cumulative retained earnings less amounts distributed to shareholders.

**11. Controlling party**

The ultimate parent company is Aardman Holdings Limited, a company registered in England and Wales. The ultimate controlling parties are D A Sproxtton and P D F Lord who are directors of the company.

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