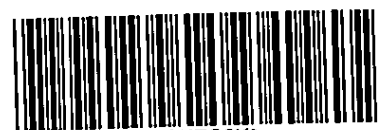


AARDMAN EQUIPMENT LIMITED
ACCOUNTS
31 DECEMBER 2008

Company Registration Number 3986159

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AARDMAN EQUIPMENT LIMITED

ACCOUNTS

YEAR ENDED 31 DECEMBER 2008

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AARDMAN EQUIPMENT 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 LLP
Chartered Accountants
Registered Auditors
Portwall Place
Portwall Lane
Bristol
BS1 6NA

Bankers

Coutts & Co
Media Banking
440 Strand
London
WC2R 0QS

AARDMAN EQUIPMENT LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2008

The directors have pleasure in presenting their report and the accounts of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company commenced trading on 30 September 2008. The principal activity of the company during the year was that of website development, build and moderation.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year 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 year were as follows:

P D F Lord
D A Sproxton

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those accounts, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. The directors 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.

AARDMAN EQUIPMENT LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2008

DIRECTORS' RESPONSIBILITIES *(continued)*

In so far as the directors are aware there is no relevant audit information of which the company's auditors are unaware and the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The company has appointed Nexia Smith & Williamson (Audit) Bristol LLP, trading as Nexia Smith & Williamson, as auditors.

A resolution to re-appoint the auditors, Nexia Smith & Williamson, will be proposed at the next annual general meeting.

Signed on behalf of the directors

D A Sproxton
Director

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a series of loops and a vertical line, representing the signature of D A Sproxton.

Date: 31 July 2009

AARDMAN EQUIPMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER

YEAR ENDED 31 DECEMBER 2008

We have audited the accounts of Aardman Equipment Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 12. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholder, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholder 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 shareholder as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We report to you whether in our opinion the information given in the Directors' Report is consistent with the accounts. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatement 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company'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 accounts 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 accounts.

AARDMAN EQUIPMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER *(continued)*

YEAR ENDED 31 DECEMBER 2008

OPINION

In our opinion:

- the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the accounts have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the accounts.

Nexia Smith & Williamson LLP

NEXIA SMITH & WILLIAMSON LLP
Chartered Accountants
Registered Auditors
Bristol

Date: 31 July 2009

AARDMAN EQUIPMENT LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
TURNOVER	2	65,672	-
Cost of sales		(65,672)	-
GROSS PROFIT		-	-
Administrative expenses		-	-
OPERATING PROFIT	3	-	-
Interest receivable		45	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		45	-
Tax on profit on ordinary activities	5	(1,629)	-
RETAINED LOSS FOR THE FINANCIAL YEAR		(1,584)	-

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing and commenced on 1 September 2008.

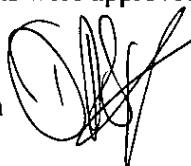
The notes on pages 8 to 10 form part of these accounts.

AARDMAN EQUIPMENT LIMITED**BALANCE SHEET****31 DECEMBER 2008**

	Note	2008		2007	
		£	£	£	£
CURRENT ASSETS					
Debtors	6	18,833		2	
Cash at bank		5,135		-	
		<u>23,968</u>		<u>2</u>	
CREDITORS: Amounts falling due within one year	7	<u>(25,550)</u>		<u>-</u>	
NET CURRENT (LIABILITIES)/ASSETS			(1,582)		2
NET (LIABILITIES)/ASSETS			<u>(1,582)</u>		<u>2</u>
CAPITAL AND RESERVES					
Called-up equity share capital	9		2		2
Profit and loss account	10		<u>(1,584)</u>		<u>-</u>
EQUITY SHAREHOLDER'S (DEFICIT)/FUNDS	11		<u>(1,582)</u>		<u>2</u>

These accounts were approved by the directors on 31 July 2009 and are signed on their behalf by:

D A Sproxton
Director



The notes on pages 8 to 10 form part of these accounts.

AARDMAN EQUIPMENT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2008

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents amounts generated from the build, maintenance and moderation of a website, where the right to consideration has been earned at the year-end, exclusive of value added tax.

Cash flow statement

The company has taken advantage of the exemption provided in Financial Reporting Standard number 1 (revised) from including a cash flow statement in the accounts on the grounds that the company is a wholly owned subsidiary of Aardman Holdings Limited which publishes a consolidated cash flow statement.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company, arising wholly within the United Kingdom.

3. OPERATING PROFIT

Audit fees are paid on the company's behalf by a fellow subsidiary undertaking Aardman Animations Limited.

4. PARTICULARS OF EMPLOYEES

The only staff employed during the current or prior year were the directors, who received no remuneration for their services.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2008		2007	
	£	£	£	£
Corporation tax based on the results for the year				
Current year	1,629		-	
Prior year	-		-	
	<hr/>		<hr/>	
Total current tax		1,629		-
Tax on ordinary activities		<hr/> 1,629 <hr/>		<hr/> - <hr/>

AARDMAN EQUIPMENT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2008

5. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28.5%.

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>45</u>	<u>-</u>
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 28.5%	13	-
Tax adjustments	2,198	-
Tax rate difference	<u>(582)</u>	<u>-</u>
Total current tax (note 5(a))	<u>1,629</u>	<u>-</u>

6. DEBTORS

	2008 £	2007 £
Trade debtors	18,831	-
Amounts owed by group undertakings	<u>2</u>	<u>2</u>
	<u>18,833</u>	<u>2</u>

7. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Amounts owed to group undertakings	16,375	-
VAT payable	7,546	-
Corporation tax	<u>1,629</u>	<u>-</u>
	<u>25,550</u>	<u>-</u>

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 EQUIPMENT LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 DECEMBER 2008

9. SHARE CAPITAL

Authorised share capital:

	2008	2007
	£	£
100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2008	2007
	£	£
Ordinary share capital	<u>2</u>	<u>2</u>

10. PROFIT AND LOSS ACCOUNT

	2008	2007
	£	£
Balance brought forward	-	-
Retained loss for the financial year	<u>(1,584)</u>	<u>-</u>
Balance carried forward	<u>(1,584)</u>	<u>-</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2008	2007
	£	£
Loss for the financial year	(1,584)	-
Opening equity shareholder's funds	<u>2</u>	<u>2</u>
Closing equity shareholder's (deficit)/funds	<u>(1,852)</u>	<u>2</u>

12. 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.