

ANIMATRIX LIMITED
Directors' Report &
Financial Statements

For the year ended 31st March 2011

Company Number: 3529802

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DIRECTOR AND ADVISERS

DIRECTOR Rupert Lywood

REGISTERED OFFICE 30 St James's Street
London
SW1A 1HB

BANKERS Barclays Bank PLC
50 Pall Mall
London
SW1

DIRECTOR'S REPORT

For the year ended 31st March 2011

The director presents his report and the unaudited financial statements for the year ended 31st March 2011

PRINCIPAL ACTIVITY

The Company's principal activity is that of a film and television production and distribution company

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The results for the year are shown on page 4

The Company has continued to participate in the development, co-production and distribution of children's television animation, in addition to executive producer roles on other film productions and other advisory activities

During the course of the year, the Company also continued its medical research project in the area of cancer vaccines

Each entity is a trading LLP Capital is provided, by RCG Lywood, by way of loans to the Company

The Matrix Films "Trial by Fire" Partnership and The Matrix Films "Last September" Partnership are each in the process of being dissolved

DIVIDENDS

The director does not recommend the payment of a dividend

DIRECTOR

The Director of the Company during the year was

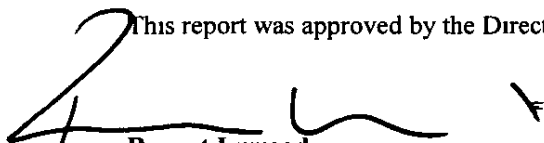
Rupert Lywood

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the Company made no political or charitable contributions

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

This report was approved by the Directors on 2nd December 2011


Rupert Lywood
Director

PROFIT AND LOSS ACCOUNTFor year ended 31st March 2011

	Notes	Year ended 31 st March 2011 £	Year ended 31 st March 2010 £
Turnover		-	255
Cost of sales		-	-
Gross profit/(loss)		-	255
Administrative expenses		(80,426)	(187,330)
Write off of investments		-	-
Interest receivable	2	3,922	2,879
Interest payable		(3,922)	(2,879)
(Loss)/profit on ordinary activities before tax		(80,426)	(187,075)
Tax charge on ordinary activities	1	-	-
(Loss)/profit for the year		(80,426)	(187,075)
Statement of Reserves			
Balance at 1 st April 2010		(417,720)	(230,645)
(Loss)/profit for the year		(80,426)	(187,075)
At 31 st March 2011		(498,146)	(417,720)

All of the operations are continuing

The Company has no recognised gains or profits other than those shown above and therefore no separate statement of total recognised gains and profits has been presented

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalents

The notes on pages 6 to 9 form part of these financial statements

BALANCE SHEET*As at 31st March 2011*

	Notes	31 st March 2011 £	31 st March 2010 £
Fixed assets			
Investments	4	1,047,572	1,367,572
Current assets			
Debtors	5	421,883	110,810
Cash at bank and in hand		30,827	15,591
		<u>452,710</u>	<u>126,401</u>
Creditors: amounts falling due within one year	6	(1,856,544)	(1,755,052)
Net current (liabilities)/assets		<u>(1,403,834)</u>	<u>(1,628,651)</u>
Total assets less current liabilities		<u>(356,262)</u>	<u>(261,079)</u>
Creditors: amounts due after more than one year	7	(34,884)	(49,641)
Net (Liabilities)/Assets		<u>(391,146)</u>	<u>(310,720)</u>
Capital and reserves			
Called up share capital	8	107,000	107,000
Profit and loss account		(498,146)	(417,720)
Equity Shareholders' Funds	9	<u>(391,146)</u>	<u>(310,720)</u>

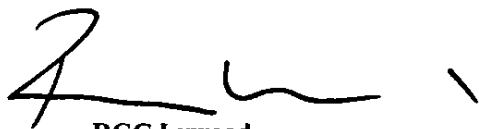
The notes on pages 6 to 9 form part of these financial statements

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

For the financial year ended 31st March 2011, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006, and no notice has been deposited under section 476

The directors acknowledge their responsibility for ensuring that the Company keeps accounting records which comply with section 386 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of the affairs of the Company at 31st March 2011 and of its results for the year then ended, in accordance with the requirement of section 394 and 395 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the Company

The financial statements on pages 4 to 9 were approved by the board of directors and were signed on its behalf on 21 December 2011 by



RGC Lywood
Director

Company Registered Number: 3529802

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2011

1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently, are set out below

a) **Basis of Accounting**

The financial statements have been prepared in accordance with the historical cost convention and the Financial Reporting Standard for Smaller Entities (effective April 2008)

b) **Investment in Partnerships**

The company's share of profits less losses of the Partnerships in which it has participated for the year ended 31st March 2011 are included in its profit and loss account and the company's share of the net assets of the Partnerships at 31st March 2011 are included in its balance sheet

(i) Sale and leaseback and finance lease agreements – "Trial by Fire"

On 3rd February 2000, the "Matrix Films "Trial by Fire" Partnership" entered into a Sale and Leaseback agreement whereby it sold the Master Print of the film "Trial by Fire" and leased back substantially all the risks and rewards of ownership of the film Proceeds on sale are treated as a finance lease creditor and will be reduced by future capital lease payments The lease is for a term of fifteen years, with annual repayments being guaranteed from the long-term deposit held under a deed dated 3rd February 2000

(ii) Sale and leaseback and finance lease agreements – "The Last September"

On 23rd March 2000, the "Matrix Films "Last September" Partnership" entered into a Sale and Leaseback agreement whereby it sold the Master Print of the film "The Last September" and leased back substantially all the risks and rewards of ownership of the film Proceeds on sale are treated as a finance lease creditor and will be reduced by future capital lease payments The lease is for a term of fifteen years, with annual repayments being guaranteed from the long term deposit held under a deed dated 23rd March 2000

c) **Cash flow statement**

The Company qualifies as a small company under the terms of section 247 of the Companies Act 1985 As a consequence it is exempt from the requirement to publish a cash flow statement

d) **Taxation**

The company made a loss for the year and accordingly no tax charge has arisen

2. INTEREST RECEIVABLE

This represents amounts receivable on monies held in the escrow accounts

3. PARTICIPATION IN PARTNERSHIPS

The Company's results are derived from a 57.1% participation in "Matrix Films "Trial by Fire" Partnership" and a 38.9% participation in "Matrix Films "Last September" Partnership"

The Company's participation in each partnership is set out below

	2011		2010	
	Matrix Films "Trial by Fire" Partnership £	Matrix Films "Last September" Partnership £	Matrix Films "Trial by Fire" Partnership £	Matrix Films "Last September" Partnership £
Current assets	9,683	41,253	12,101	52,103
Creditors amounts due within one year	(3,410)	(12,208)	(3,277)	(10,851)
Creditors amounts due after more than one year	(5,874)	(29,010)	(8,423)	(41,217)
Net assets	<u>399</u>	<u>35</u>	<u>401</u>	<u>35</u>
Capital contributed	731	-	731	-
Loss brought forward	(330)	35	(328)	35
Loss for the year	(2)	-	(2)	-
Share of funds	<u>399</u>	<u>35</u>	<u>401</u>	<u>35</u>

4. INVESTMENTS

	Dr Snuggles £	Sugar Cubes £	Star Syringe Ltd £	New Inv £	Medical Inv £	Total £
Film asset investment						
Cost						
As at 1 st April 2010	146,511	111,938	117,572	250,000	920,000	1,546,021
Additions/ (disposals)	-	-	-	-	(320,000)	(320,000)
As at 31 st March 2011	146,511	111,938	117,572	250,000	600,000	1,226,021
Depreciation						
As at 1 st April 2010	136,511	41,938	-	-	-	178,449
Write-off of investment	-	-	-	-	-	-
As at 31 st March 2011	136,511	41,938	-	-	-	178,449
Net book value						
As at 31 st March 2011	10,000	70,000	117,572	250,000	600,000	1,047,572
As at 31 st March 2010	10,000	70,000	117,572	250,000	920,000	1,367,572

Investments represent total costs incurred in the production of the above projects. The investment in Dr Snuggles has been provided against as a result of a dispute over the ownership of the rights. The new investment represents a 50% investment in an LLP called the Fudakowski Lywood LLP.

The Medical Investments were in three medical research projects, through special purpose LLPs, which were involved in the development and trial of cancer vaccines, a prenatal diagnostic test for detecting downs syndrome, and a revolutionary new design for orthopaedic crutches.

	CV R&D LLP £	Total £
As at 1 st April 2010	600,000	600,000
Additions	-	-
As at 31 st March 2011	600,000	600,000

5. DEBTORS

	2011 £	2010 £
Amounts falling due within one year		
Sale and leaseback deposits	50,408	63,650
Prepayments and accrued income	94	118
VAT	5,900	1,561
Other debtors	365,481	45,481
	421,883	110,810

The sale and leaseback deposits represent amounts put on deposit and held under guarantees to meet future finance lease payments. The funds are held in escrow accounts with ABN Amro NV and £34,884 (2010: £49,641) is due after more than one year.

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Sale and leaseback loans	15,524	14,009
Accruals and deferred income	95	118
Director's loan	1,840,925	1,740,925
	1,856,544	1,755,052

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Obligation under finance lease agreements	<u>34,884</u>	<u>49,641</u>
Debt due after more than one year		
Future commitments under finance leases are as follows		
	2011 £	2010 £
Amounts payable between one and five years	41,371	60,074
Amounts payable after more than five years	-	-
	<u>41,371</u>	<u>60,074</u>
Less interest and finance charges relating to future periods	(6,487)	(10,433)
	<u>34,884</u>	<u>49,641</u>

8. SHARE CAPITAL

	2011 £	2010 £
Called up, allotted and fully paid 107,000 Ordinary Shares of £1 each	<u>107,000</u>	<u>107,000</u>

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Shareholders' funds at 1 st April 2010	(310,720)	(123,645)
(Loss)/profit for the year	(80,426)	(187,075)
Shareholders' funds at 31 st March 2011	<u>(391,146)</u>	<u>(310,720)</u>