

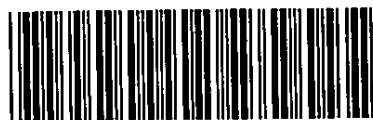
**ANIMATRIX LIMITED**  
**Directors' Report &**  
**Financial Statements**

For the year ended 31<sup>st</sup> March 2010

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Company Number: 3529802

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## **DIRECTOR AND ADVISERS**

<b>DIRECTOR</b>	Rupert Lywood
<b>SECRETARY</b>	Matrix Registrars Limited
<b>REGISTERED OFFICE</b>	One Vine Street London W1J 0AH
<b>BANKERS</b>	Barclays Bank PLC 50 Pall Mall London SW1

## **DIRECTOR'S REPORT**

*For the year ended 31<sup>st</sup> March 2010*

The director presents his report and the unaudited financial statements for the year ended 31<sup>st</sup> March 2010

### **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. The Doctor Snuggles project (which the company participated in via a limited liability partnership, The Doctor Snuggles Animatrix Partnership) still has issues following the out of court settlement in the company's favour in January 2009 and hence no further progress has been made with this project. This investment has been provided against in the accounts.

During the course of the year, the Company continued its medical research project in the area of cancer vaccines. The investment in Second Legs LLP was sold on 22<sup>nd</sup> February 2010 to Animatrix Capital LLP at book value. The Company also invested £245,000 in a 50% share of a new LLP called Fudakowski Lywood LLP, this company intends to participate in film development and production.

Since the year end the company has sold its investment in Zoragen LLP, the early phase prenatal diagnostic for detecting downs syndrome. This was sold to Animatrix Capital LLP on 4 April 2010 at book cost.

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 14 December 2010



**Matrix Registrars Limited**  
**Company Secretary**

**PROFIT AND LOSS ACCOUNT**For year ended 31<sup>st</sup> March 2010

	Notes	Year ended 31 <sup>st</sup> March 2010 £	Year ended 31 <sup>st</sup> March 2009 £
Turnover		255	-
Cost of sales		-	-
Gross profit/(loss)		<u>255</u>	<u>-</u>
Administrative expenses		(187,330)	(123,125)
Write off of investments		-	(41,939)
Interest receivable	2	2,879	5,320
Interest payable		(2,879)	(5,320)
<b>(Loss)/profit on ordinary activities before tax</b>		<u>(187,075)</u>	<u>(165,064)</u>
Tax charge on ordinary activities	1	-	-
<b>(Loss)/profit for the year</b>		<u>(187,075)</u>	<u>(165,064)</u>
<b>Statement of Reserves</b>			
Balance at 1 <sup>st</sup> April 2009		(230,645)	(65,581)
(Loss)/profit for the year		(187,075)	(165,064)
At 31 <sup>st</sup> March 2010		<u>(417,720)</u>	<u>(230,645)</u>

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 31<sup>st</sup> March 2010

	Notes	31 <sup>st</sup> March 2010 £	31 <sup>st</sup> March 2009 £
<b>Fixed assets</b>			
Investments	4	1,367,572	1,168,053
<b>Current assets</b>			
Debtors	5	110,810	80,117
Cash at bank and in hand		15,591	49,597
		<u>126,401</u>	<u>129,714</u>
<b>Creditors: amounts falling due within one year</b>	6	<b>(1,755,052)</b>	<b>(1,363,039)</b>
<b>Net current (liabilities)</b>		<b>(1,628,651)</b>	<b>(1,233,325)</b>
		<u>(261,079)</u>	<u>(65,272)</u>
<b>Total assets less current liabilities</b>		<b>(261,079)</b>	<b>(65,272)</b>
<b>Creditors: amounts due after more than one year</b>	7	<b>(49,641)</b>	<b>(58,373)</b>
<b>Net (Liabilities)</b>		<b>(310,720)</b>	<b>(123,645)</b>
<b>Capital and reserves</b>			
Called up share capital	8	107,000	107,000
Profit and loss account		(417,720)	(230,645)
<b>Equity Shareholders' Funds</b>	9	<b>(310,720)</b>	<b>(123,645)</b>

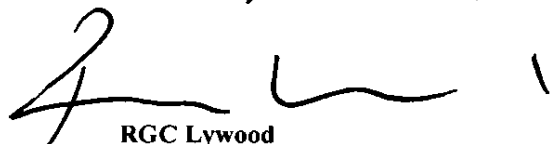
The notes on pages 6 to 9 form part of these financial statements

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 31<sup>st</sup> March 2010, 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 31<sup>st</sup> March 2010 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 13 December 2010 by



RGC Lywood  
Director

Company Registered Number: 3529802

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31<sup>st</sup> March 2010

## 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 31<sup>st</sup> March 2010 are included in its profit and loss account and the company's share of the net assets of the Partnerships at 31<sup>st</sup> March 2010 are included in its balance sheet

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

On 3<sup>rd</sup> 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 3<sup>rd</sup> February 2000

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

On 23<sup>rd</sup> 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 23<sup>rd</sup> 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

	2010		2009	
	Matrix Films "Trial by Fire" Partnership £	Matrix Films "Last September" Partnership £	Matrix Films "Tnal by Fire" Partnership £	Matrix Films "Last September" Partnership £
Current assets	12,101	52,103	14,227	61,700
Creditors amounts due within one year	(3,277 )	(10,851 )	(3,148 )	(13,967 )
Creditors amounts due after more than one year	(8,423 )	(41,217 )	(10,676 )	(47,698 )
Net assets	<u>401</u>	<u>35</u>	<u>403</u>	<u>35</u>
Capital contributed	731	-	731	-
Loss brought forward	(328 )	35	(326 )	35
Loss for the year	(2 )	-	(2 )	-
Share of funds	<u>401</u>	<u>35</u>	<u>403</u>	<u>35</u>

#### 4. INVESTMENTS

	Dr Snuggles £	Sugar Cubes £	Star Syringe Ltd £	Other Investmt £	Medical Investmt £	Total £
Film asset investment						
Cost						
As at 1 <sup>st</sup> April 2009	146,511	111,938	117,572	5,000	965,481	1,346,502
Additions/ (disposals)	-	-	-	245,000	(45,481)	199,519
As at 31 <sup>st</sup> March 2010	<u>146,511</u>	<u>111,938</u>	<u>117,572</u>	<u>250,000</u>	<u>920,000</u>	<u>1,546,021</u>
Depreciation						
As at 1 <sup>st</sup> April 2009	136,511	41,938	-	-	-	178,449
Write-off of investment	-	-	-	-	-	-
As at 31 <sup>st</sup> March 2010	<u>136,511</u>	<u>41,938</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>178,449</u>
Net book value						
As at 31 <sup>st</sup> March 2010	<u>10,000</u>	<u>70,000</u>	<u>117,572</u>	<u>250,000</u>	<u>920,000</u>	<u>1,367,572</u>
As at 31 <sup>st</sup> March 2009	<u>10,000</u>	<u>70,000</u>	<u>117,572</u>	<u>5,000</u>	<u>965,481</u>	<u>1,168,053</u>

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 other 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

	Zoragen LLP £	Second Legs LLP £	CV R&D LLP £	Total £
As at 1 <sup>st</sup> April 2009	320,000	45,481	600,000	965,481
Additions/(disposals)	-	(45,481)	-	(45,481)
As at 31 <sup>st</sup> March 2010	<u>320,000</u>	<u>-</u>	<u>600,000</u>	<u>920,000</u>

On 22<sup>nd</sup> February 2010 the investment in Second Legs LLP was taken over by Animatrix Capital LLP

## 5. DEBTORS

	2010 £	2009 £
Amounts falling due within one year		
Sale and leaseback deposits	63,650	75,349
Prepayments and accrued income	118	139
VAT	1,561	4,629
Other debtors	45,481	-
	<u>110,810</u>	<u>80,117</u>

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 £49,641 (2009 £58,373) is due after more than one year

## 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Sale and leaseback loans	14,009	16,976
Accruals and deferred income	118	5,139
Director's loan	1,740,925	1,340,924
	<u>1,755,052</u>	<u>1,363,039</u>

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

	2010 £	2009 £
Obligation under finance lease agreements	<u>49,641</u>	<u>58,373</u>
<b>Debt due after more than one year</b>		
Future commitments under finance leases are as follows		
	2010 £	2009 £
Amounts payable between one and five years	60,074	73,477
Amounts payable after more than five years	-	-
	<u>60,074</u>	<u>73,477</u>
Less interest and finance charges relating to future periods	(10,433 )	(15,104 )
	<u>49,641</u>	<u>58,373</u>

**8. SHARE CAPITAL**

	2010 £	2009 £
<b>Called up, allotted and fully paid</b> 107,000 Ordinary Shares of £1 each	<u>107,000</u>	<u>107,000</u>

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

	2010 £	2009 £
Shareholders' funds at 1 <sup>st</sup> April 2009	(123,645)	41,419
(Loss)/profit for the year	(187,075)	(165,064)
Shareholders' funds at 31 <sup>st</sup> March 2010	<u>(310,720)</u>	<u>(123,645 )</u>