

**REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008
FOR
MINDSCAPE (UK) LIMITED**

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MINDSCAPE (UK) LIMITED

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for the Year Ended 31 December 2008**

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MINDSCAPE (UK) LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2008

DIRECTOR:	J P Nordman
SECRETARY:	M H Secretaries Limited
REGISTERED OFFICE:	Staple Court 11 Staple Inn Buildings London WC1V 7QH
REGISTERED NUMBER:	01638551
AUDITORS:	Wood Branson Dickinson Norton House Fircroft Way Edenbridge Kent TN8 6EJ

MINDSCAPE (UK) LIMITED

REPORT OF THE DIRECTOR for the Year Ended 31 December 2008

The director presents his report with the financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of sale and distribution of computer software.

DIRECTOR

J P Nordman held office during the whole of the period from 1 January 2008 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 director is required to

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

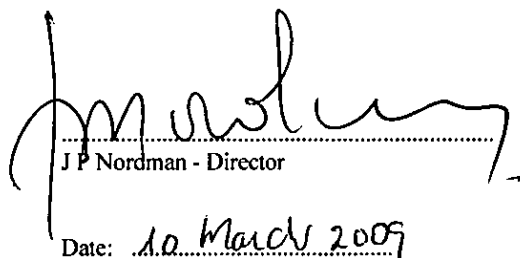
So far as the director is aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Wood Branson Dickinson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



J P Nordman - Director

Date: 10 March 2009

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF MINDSCAPE (UK) LIMITED

We have audited the financial statements of Mindscape (UK) Limited for the year ended 31 December 2008 on pages five to ten. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, 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 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 director and auditors

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements 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 financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Director is consistent with the financial statements.

In addition, we 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 information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Report of the Director and consider the implications for our report if we become aware of any apparent misstatements 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, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned 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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 15 of the financial statements concerning the director's assessment of the future solvency of the company. In view of the significance of this uncertainty, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
MINDSCAPE (UK) LIMITED**

Opinion

In our opinion:

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

Wood Branson Dickinson

Wood Branson Dickinson
Norton House
Fircroft Way
Edenbridge
Kent
TN8 6EJ

Date: 13/3/09

MINDSCAPE (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2008**

	Notes	31.12.08 £	31.12.07 £
TURNOVER		72,714	274,508
Cost of sales		27,181	94,528
GROSS PROFIT		45,533	179,980
Administrative expenses		35,883	182,502
		9,650	(2,522)
Other operating income		904	2,613
OPERATING PROFIT	2	10,554	91
Interest receivable and similar income		991	835
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		11,545	926
Tax on profit on ordinary activities	4	2,577	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		8,968	926

The notes form part of these financial statements

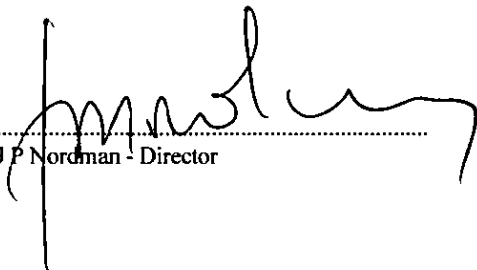
MINDSCAPE (UK) LIMITED

BALANCE SHEET
31 December 2008

	Notes	31.12.08 £	£	31.12.07 £	£
FIXED ASSETS					
Intangible assets	5		2,961		14,805
CURRENT ASSETS					
Debtors	6	18,136		120,588	
Prepayments and accrued income		-		41	
Cash at bank and in hand		38,058		73,302	
		<u>56,194</u>		<u>193,931</u>	
CREDITORS					
Amounts falling due within one year	7	57,807		216,356	
		<u></u>		<u></u>	
NET CURRENT LIABILITIES			(1,613)		(22,425)
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,348</u>		<u>(7,620)</u>
CAPITAL AND RESERVES					
Called up share capital	8	10,386,236		10,386,236	
Profit and loss account	9	(10,384,888)		(10,393,856)	
		<u></u>		<u></u>	
SHAREHOLDERS' FUNDS			<u>1,348</u>		<u>(7,620)</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved by the director on 10 March 2009 and were signed by:


J P Nordman - Director

The notes form part of these financial statements

MINDSCAPE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 2008

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Other intangible assets

Product development costs are amortised over 2 years being the estimated product life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.08	31.12.07
	£	£
Depreciation - owned assets	-	1,350
Development costs amortisation	11,844	8,883
Auditors' remuneration	4,490	4,250
Foreign exchange differences	19,762	15,350
Pension costs	-	1,716
	<u> </u>	<u> </u>
Director's emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

3. EXCEPTIONAL ITEMS

During the previous year the company provided against a bank balance owed to it amounting to £51,820 as this was a guarantee amount held in respect of a subsidiary which has been struck off and is not expected to be recoverable.

MINDSCAPE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2008

4. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	31.12.08 £	31.12.07 £
Current tax:		
UK corporation tax	2,577	-
	<u>2,577</u>	<u>-</u>
Tax on profit on ordinary activities	<u>2,577</u>	<u>-</u>

5. INTANGIBLE FIXED ASSETS

	Goodwill £	Other intangible assets £	Totals £
COST			
At 1 January 2008 and 31 December 2008	3,102,554	23,688	3,126,242
AMORTISATION			
At 1 January 2008	3,102,554	8,883	3,111,437
Charge for year	-	11,844	11,844
	<u>3,102,554</u>	<u>20,727</u>	<u>3,123,281</u>
At 31 December 2008			
NET BOOK VALUE			
At 31 December 2008	-	2,961	2,961
	<u>-</u>	<u>2,961</u>	<u>2,961</u>
At 31 December 2007	-	14,805	14,805
	<u>-</u>	<u>14,805</u>	<u>14,805</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.08 £	31.12.07 £
Trade debtors	18,136	112,114
Other debtors	-	8,474
	<u>18,136</u>	<u>120,588</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.08 £	31.12.07 £
Trade creditors	738	7,523
Amounts owed to group undertakings	47,932	182,199
Taxation and social security	2,540	18,206
Other creditors	6,597	8,428
	<u>57,807</u>	<u>216,356</u>

MINDSCAPE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2008

8. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.12.08	31.12.07
			£	£
11,000,000	Ordinary	1	11,000,000	11,000,000

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.08	31.12.07
			£	£
10,386,236	Ordinary	1	10,386,236	10,386,236

9. RESERVES

	Profit and loss account £
At 1 January 2008	(10,393,856)
Profit for the year	8,968
At 31 December 2008	(10,384,888)

10. RELATED PARTY DISCLOSURES

During the year the company paid management charges of £1,158 (2007: £9,718) in respect of recharged overheads to Mindscape SA and Mindscape France SA. The amounts owed by and to group companies are shown in notes 7 & 8.

11. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of Mindscape SA, a company incorporated in France, and its financial statements are incorporated in the consolidated financial statements prepared by that company. This is the smallest and largest group that the company's financial statements are consolidated into. Mindscape SA, principal place of business is 73 -77 Rue de Sevres, 92514 Boulogne-Billancourt, Cedex, Paris, France and a copy of its financial statements can be obtained from this address.

The financial statements do not disclose transactions with group entities in accordance with the exemption provisions of Financial Reporting Standards 8 "Related Party Disclosures".

12. CASH FLOW STATEMENT

No cashflow statement has been prepared as the directors have availed of the exemption available under Paragraph 5(a) of Financial Reporting Standard No. 1 (Revised 1996) for subsidiary companies where publicly available consolidated financial statements are prepared by the parent.

MINDSCAPE (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued for the Year Ended 31 December 2008

13. GOING CONCERN

The net liabilities for 2004 included £2,284,590 payable to Broderbund Software Limited which the director is of the opinion will not become payable in the future, accordingly this was written back in 2005. The director believes that in the event of Broderbund Software Limited calling the existing amount to be repaid, it would be offset by a similar receivable amount due by Broderbund Software Limited to Mindscape International Limited, a subsidiary of Mindscape (UK) Limited.

Mindscape SA has agreed not to demand repayment in the future of any intercompany debt, where to do so would make Mindscape (UK) Limited insolvent.

Based on the above the director is satisfied that it remains appropriate to prepare financial statements on a going concern basis.