

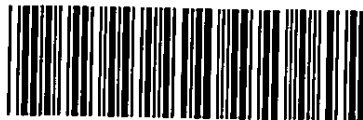
# **SysMedia Group plc**

Registered number 01651588

## **Directors' report and financial statements**

**For the year ended 31 December 2011**

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# **SYSMEDIA GROUP PLC**

## **COMPANY INFORMATION**

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<b>Directors</b>	A D Lambourne D T Lowen
<b>Company number</b>	01651588
<b>Registered office</b>	37 Frederick Place Brighton BN1 4EA
<b>Auditors</b>	Mazars LLP Chartered Accountants & Statutory Auditor 37 Frederick Place Brighton BN1 4EA

# **SYSMEDIA GROUP PLC**

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## **SYSMEDIA GROUP PLC**

### **CHAIRMAN'S STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011**

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The chairman presents his statement for the period

On 30 September 2011, SysMedia Group plc disposed its trading asset, SysMedia Ltd, to Screen Subtitling Systems Ltd in return for cash on completion of sale and further potential payments during a 30 month earn-out period. Details of the disposal were announced to shareholders, staff and the ShareMark exchange at the time.

The accounts for SysMedia Group plc for year ending 31 December 2011 are therefore not directly comparable with previous years because of the disposal of the trading subsidiary. The directors are confident that the sale was in the best interests of shareholders and a number of potential buyers were considered.

As is normal in a disposal of this kind, the seller provided warranties and this potential liability, taken with the earn out, means that the board is not in a position to utilise or dividend the proceeds until at least the net assets can finally be calculated. This also offers the board and its shareholders the chance to consider whether the benefits of sale should be distributed or invested in further projects. Initial proceeds from the sale were £800,000 with potential further consideration of £1,054,000. As at 31 December 2011 an amount of £38,433 had been recognised from this potential consideration.

Included in the financial statements, within exceptional items, is a loss on disposal of £271,567. This is calculated as the difference between the brought forward carrying value of £1,110,000 for the investment in SysMedia Limited and the consideration of £838,433 currently recognised. Also included in exceptional items is an expense of £1,340,291 in connection with the write off of the intercompany balance held with SysMedia Limited. Accounting standards do not allow us to recognise the deferred consideration until it becomes 'virtually certain' so we expect the eventual loss to be significantly lower once further consideration has been received.

Andrew Lambourne is employed by Screen but retains his shareholding in SysMedia Group plc and continues as a board director of SysMedia Group plc along with me.

Andrew took on extra responsibilities during the preparations leading up to the sale while ensuring that the trading activities of SysMedia Ltd were not compromised and I would like to register thanks for his significant contribution of time and effort. Mrs Gillian Lambourne has taken on responsibility for banking and financial transactions.

I also thank the SysMedia Ltd staff who have been loyal and hard-working throughout. The directors intend to honour share options granted to all staff in post at the date of disposal in due course and as circumstances permit.



Name David Lowen  
Chairman

Date 11 June 2012

# **SYSMEDIA GROUP PLC**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

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The directors present their report and the financial statements for the year ended 31 December 2011

### **Principal activities**

The subsidiary trading company was disposed of during the year. The principal activity of the company was that of a holding company and the company is currently looking at opportunities.

### **Business review**

A full review of the business during the year is given in the Chairman's statement on page 1.

### **Risk management**

**Business Risk** The company continues to look at new business opportunities.

**Liquidity Risk** The company manages its cash to maximise interest income, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of its business. The company has no borrowings.

**Interest Rate Risk** The company is exposed to cash flow interest rate risk on short-term deposits.

**Foreign Currency Risk** The company currently has no exposure to foreign currency.

### **Results**

The loss for the year, after taxation, amounted to £1,729,673 (2010 - loss £2,012).

### **Directors**

The directors who served during the year were

A D Lambourne  
D T Lowen

Directors' interests in share options are as disclosed in note 13 to the financial statements.

Qualifying third party indemnity insurance is in place for the directors.

### **Company's policy for payment of creditors**

In respect of the company's suppliers, it is not the company's policy to follow any code or standard on payment practice. It is the company's policy to settle the terms of payment with those suppliers when agreeing the terms of each transaction and then to abide by them.

### **Employee involvement**

There are no employees other than the company directors.

### **Disabled employees**

The company's policy is to give disabled workers equal opportunity to apply and be considered for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person.

# **SYSMEDIA GROUP PLC**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011**

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### **Provision 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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

### **Auditors**

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006

This report was approved by the board on 8 June 2012 and signed on its behalf

*A. D. Lambourne*

**A D Lambourne**  
Director

# **SYSMEDIA GROUP PLC**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011**

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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.

# **SYSMEDIA GROUP PLC**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SYSMEDIA GROUP PLC**

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We have audited the financial statements of SysMedia Group plc for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the company's members as a body 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 members 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 members as a body for our audit work, for this report, or for the opinions we have formed.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 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.

### **Opinion on the other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



# **SYSMEDIA GROUP PLC**

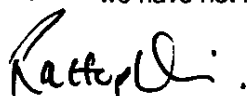
## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SYSMEDIA GROUP PLC**

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

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



Richard Hopkins (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

37 Frederck Place  
Brighton  
BN1 4EA

Date 14 June 2012

# **SYSMEDIA GROUP PLC**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011**

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	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Turnover</b>	<b>1,2</b>	-	65,000
Administrative expenses		(73,045)	(67,012)
		<hr/>	<hr/>
<b>Operating loss</b>	<b>3</b>	(73,045)	(2,012)
<b>Exceptional items</b>	<b>5</b>		
Net loss on sale of investment		(316,337)	-
Other exceptional items		(1,340,291)	-
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		(1,729,673)	(2,012)
Tax on loss on ordinary activities	<b>8</b>	-	-
		<hr/>	<hr/>
<b>Loss for the financial year</b>	<b>12</b>	(1,729,673)	(2,012)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations

The notes on pages 11 to 20 form part of these financial statements

## **SYSMEDIA GROUP PLC**

### **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2011**

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	<b>2011 £</b>	<b>2010 £</b>
<b>Loss for the financial year</b>	<b>(1,729,673)</b>	<b>(2,012)</b>
<b>Other movements - FRS20 charge released</b>	<b>17,223</b>	<b>5,738</b>
	<hr/>	<hr/>
<b>Total recognised gains and losses relating to the year</b>	<b>(1,712,450)</b>	<b>3,726</b>
	<hr/>	<hr/>

The notes on pages 11 to 20 form part of these financial statements

**SYSMEDIA GROUP PLC**

Registered number 01651588

**BALANCE SHEET****AS AT 31 DECEMBER 2011**

	Note	£	2011 £	£	2010 £
<b>Fixed assets</b>					
Investments	9		-		1,110,000
<b>Current assets</b>					
Debtors	10	53,641		1,426,352	
Cash at bank		812,163		35,530	
		<u>865,804</u>		<u>1,461,882</u>	
<b>Creditors</b> amounts falling due within one year	11	(44,544)		(38,172)	
<b>Net current assets</b>			<u>821,260</u>		<u>1,423,710</u>
<b>Total assets less current liabilities</b>			<u>821,260</u>		<u>2,533,710</u>
<b>Capital and reserves</b>					
Called up share capital	13		2,412,734		2,412,734
Share premium account	12		2,766,220		2,766,220
Profit and loss account	12		(4,357,694)		(2,645,244)
<b>Shareholders' funds</b>	14		<u>821,260</u>		<u>2,533,710</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 June 2012.



**D T Lowen**  
Director

The notes on pages 11 to 20 form part of these financial statements

## **SYSMEDIA GROUP PLC**

### **CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011**

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	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
Net cash flow from operating activities	<b>15</b>	21,403	9,077
Acquisitions and disposals	<b>16</b>	755,230	-
<b>Increase in cash in the year</b>		<u>776,633</u>	<u>9,077</u>

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### **RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 DECEMBER 2011**

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	<b>2011 £</b>	<b>2010 £</b>
Increase in cash in the year	<u>776,633</u>	<u>9,077</u>
<b>Movement in net debt in the year</b>	<u>776,633</u>	<u>9,077</u>
Net funds at 1 January 2011	35,530	26,453
<b>Net funds at 31 December 2011</b>	<u>812,163</u>	<u>35,530</u>

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The notes on pages 11 to 20 form part of these financial statements

# **SYSMEDIA GROUP PLC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011**

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### **1 Accounting Policies**

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

#### **1.2 Going concern**

The financial statements have been prepared on the going concern basis. The company's directors are currently exploring future investment opportunities. The company has significant cash at the year end.

#### **1.3 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

#### **1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

#### **1.5 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### **1.6 Share based incentives**

In accordance with FRS 20 the fair value of equity-settled share-based payments to employees is determined at the date of grant and is expensed on a straight line basis over the vesting period based on the company's estimate of options that will eventually vest. The fair value of options granted is measured by a binomial pricing model.

### **2. Turnover**

The whole of the turnover is attributable to the principal business activity.

All turnover arose within the United Kingdom.

# **SYSMEDIA GROUP PLC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011**

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### **3. Operating loss**

The operating loss is stated after charging

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration	3,972	15,853
Auditors' remuneration - non-audit	18,957	9,723
	<u>22,929</u>	<u>25,576</u>

The audit fees for the prior year included the audit of the subsidiary, SysMedia Limited, that was disposed of in the year. The non-audit fees for the current year include the fees relating to the disposal of SysMedia Limited.

### **4. Staff costs**

Staff costs, including directors' remuneration, were as follows

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Wages and salaries	30,000	24,000
Share-based payments	17,223	5,738
	<u>47,223</u>	<u>29,738</u>

The average monthly number of employees, including the directors, during the year was as follows

	<b>2011</b>	<b>2010</b>
	<b>No.</b>	<b>No.</b>
Directors	<u>2</u>	<u>2</u>

Staff costs consist of Directors fees of £30,000 (2010 £24,000) and share based payments £17,223 (2010 £5,738)

# **SYSMEDIA GROUP PLC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011**

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### **5. Exceptional items**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Loss on disposal of investment in subsidiary	271,567	-
Cost associated with sale of subsidiary	44,770	-
Intercompany loan written off	1,340,291	-
	<u>1,656,628</u>	<u>-</u>

Included in the financial statements, within exceptional items, is a loss on disposal of £271,567. This is calculated as the difference between the brought forward carrying value of £1,110,000 for the investment in SysMedia Limited and the consideration of £838,433 currently recognised. Also included in exceptional items is an expense of £1,340,291 in connection with the write off of the intercompany balance held with SysMedia Limited. Accounting standards do not allow us to recognise the deferred consideration until it becomes 'virtually certain' so we expect the eventual loss to be significantly lower.

### **6. Directors' remuneration**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Emoluments	<u>30,000</u>	<u>24,000</u>



# SYSMEDIA GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 7 Share based payments

The company's equity-settled share-based payments comprise share options awarded after 7 November 2002. Details of share options subject to equity-settled share-based payments are set out in note 17. The options are valued using a binomial pricing model according to the table below.

Share Option Award	24 May 2011	23 November 2010	December 2009	14 August 2008	14 April 2004	14 October 2003	Total
Share price at grant date	2p	2p	2p	N/A	7p	7.75p	
Exercise price	2.5p	3p	4p	2p	7p	7.75p	
Options life in years	10	10	10	10	10	10	
Risk free rate	4.14%	4.14%	4.14%	4.14%	4.96%	4.88%	
Expected volatility	15.28p	15.28%	15.28%	15.28%	15.28%	10.5%	
Value per option	2.5p	4p	4p	3.5p	2.94p	3.06p	
Charge in year	£3,785	£3,670	£4,587	£4,679	£226	£276	£17,222

Due to the low number of employees in each pool of options it has been assumed that no employees will leave prior to vesting, and that options will be exercised at the final vesting date.

Further details of the share options awarded after 7 November 2002 are as follows:

	Number of options	Weighted average exercise price
Outstanding at 1 January 2011	2,375,233	5.14p
Lapsed during the year	(245,000)	3.12p
Granted during the year	<u>750,000</u>	<u>2.5p</u>
Outstanding at 31 December 2011	<u>2,880,233</u>	<u>4.63p</u>

### 8. Taxation

#### Factors affecting tax charge for the year

There are no factors affecting the tax charge in the year.

#### Factors that may affect future tax charges

The company has a contingent asset in respect of the sale of SysMedia Limited, its former subsidiary. We expect that the company will have a capital loss and therefore no future tax will be due on the future consideration.

# SYSMEDIA GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 9 Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2011	3,909,732
Disposals	(3,909,732)
At 31 December 2011	-
<b>Impairment</b>	
At 1 January 2011	2,799,732
Impairment on disposals	(2,799,732)
At 31 December 2011	-
<b>Net book value</b>	
At 31 December 2011	-
At 31 December 2010	1,110,000

### Subsidiary undertakings

The following were subsidiary undertakings of the company

Name	Class of shares	Holding
SysMedia Limited	Ordinary	100%

Name	Business	Registered office
SysMedia Limited	Software development and distribution	England

During the year, the subsidiary SysMedia Limited was disposed of by sale of 100% of its shares

### 10. Debtors

	2011 £	2010 £
Amounts owed by group undertakings	-	1,422,441
Other debtors	48,669	3,911
Prepayments and accrued income	4,972	-
	<u>53,641</u>	<u>1,426,352</u>

# **SYSMEDIA GROUP PLC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011**

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

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade creditors	30,482	18,800
Accruals and deferred income	14,062	19,372
	<u>44,544</u>	<u>38,172</u>

**12. Reserves**

	<b>Share premium account £</b>	<b>Profit and loss account £</b>
At 1 January 2011	2,766,220	(2,645,244)
Loss for the year	-	(1,729,673)
Other movements - FRS20 charge released	-	17,223
At 31 December 2011	<u>2,766,220</u>	<u>(4,357,694)</u>

# **SYSMEDIA GROUP PLC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011**

### **13 Share capital**

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
30,679,800 Ordinary shares of £0.05 each	1,533,990	1,533,990
8,787,440 Deferred shares of £0.10 each	878,744	878,744
	<u>2,412,734</u>	<u>2,412,734</u>

The 10p deferred ordinary shares have no voting rights, or right to receive dividends or any other distribution. On a return of assets or a winding up the deferred shares will be repaid only after the repayment of the capital on the ordinary 5p shares plus the sum of £1,000,000 per ordinary share.

### **Share options**

<b>Directors</b>	<b>D T Lowen</b>	70,000 shares at an exercise price of 2p exercisable by 10th anniversary of the original date of grant being 14 August 2008
		150,000 shares at an exercise price of 4p exercisable by 10th anniversary of the original date of grant being 27 December 2009
		100,000 shares at an exercise price of 3p exercisable by 10th anniversary of the original date of grant being 23 November 2010
		67,500 shares at an exercise price of 2.5p exercisable by 10th anniversary of the original date of grant being 24 May 2011
	<b>A D Lambourne</b>	70,000 shares at an exercise price of 2p exercisable by 10th anniversary of the original date of grant being 14 August 2008
		200,000 shares at an exercise price of 4p exercisable by 10th anniversary of the original date of grant being 17 December 2009
		150,000 shares at an exercise price of 3p exercisable by 10th anniversary of the original date of grant being 23 November 2010
		67,500 shares at an exercise price of 2.5p exercisable by 10th anniversary of the original date of grant being 24 May 2011

# SYSMEDIA GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

<b>Employees of former subsidiary</b>	490,233 shares at an exercise price of 12.88p exercisable by 10th anniversary of the original date of grant being 5 February 2002. Post year end these share options lapsed.
	90,000 shares at an exercise price of 7.75p exercisable by 10th anniversary of the original date of grant being 14 October 2003.
	77,000 shares at an exercise price of 7p exercisable by 10th anniversary of the original date of grant being 14 April 2004.
	803,000 shares at an exercise price of 2p exercisable by 10th anniversary of the original date of grant being 14 August 2008.
	615,000 shares at an exercise price of 2.5p exercisable by 10th anniversary of the original date of grant being 24 May 2011.

### 14. Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	2,533,710	2,529,984
Loss for the year	(1,729,673)	(2,012)
FRS20 calculation for share based payments	17,223	5,738
Closing shareholders' funds	<u>821,260</u>	<u>2,533,710</u>

### 15. Net cash flow from operating activities

	2011 £	2010 £
Operating loss	(73,045)	(2,012)
Decrease in debtors	70,855	4,347
Increase in creditors	6,370	1,004
Share based payment	17,223	5,738
Net cash inflow from operating activities	<u>21,403</u>	<u>9,077</u>

# SYSMEDIA GROUP PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 16 Analysis of cash flows for headings netted in cash flow statement

	2011 £	2010 £
<b>Acquisitions and disposals</b>		
Sale of fixed asset investments	800,000	-
Cost associated with disposal of subsidiary	(44,770)	-
<b>Net cash inflow from acquisitions and disposals</b>	<b>755,230</b>	<b>-</b>

### 17 Analysis of changes in net funds

	1 January 2011 £	Cash flow £	Other non-cash changes £	31 December 2011 £
Cash at bank and in hand	35,530	776,633	-	812,163
<b>Net funds</b>	<b>35,530</b>	<b>776,633</b>	<b>-</b>	<b>812,163</b>

### 18. Major non-cash transactions

Included within exceptional items is an amount of £1,340,291 that was written off to the profit and loss account in respect of the balance previously held with SysMedia Limited. This has been excluded from the debtors movement in note 15.

The contingent debtor of £38,433 has also been excluded from the debtors movement in note 15.

### 19. Related party transactions

At the year end an amount of £17,180 (2010: £18,800) was outstanding in respect of fees owed to D T Lowen, a director of the company. This amount is included within creditors. At the year end an amount of £6,000 (2010: £nil) was outstanding in respect of fees owed to A D Lambourne, a director of the company. This amount is included within creditors.

In the prior year the company received a management fee of £65,000 from SysMedia Limited, the former subsidiary. As at 31 December 2010 an amount of £1,422,441 was owed by SysMedia Limited. During the year ended 31 December 2011 an amount of £1,340,291 was written off to the profit and loss account.

There is no overall controlling party.

# **SYSMEDIA GROUP PLC**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011**

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### **20 Contingent assets**

The company has contingent assets with a maximum value of £1,054,000. The value is subject to certain targets being achieved by its former subsidiary, SysMedia Limited. At the year end the directors have recognised an amount of £38,433 as a debtor relating to performance achieved by the former subsidiary as at 31 December 2011. An amount of £1,015,567 is left as contingent.