

**PSYGNOSIS HOLDINGS PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2011**

**REGISTERED NUMBER: 3300852**

THURSDAY



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16/06/2011  
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# **PSYGNOSIS HOLDINGS PLC**

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

The directors present their report and the audited financial statements of the company for the year ended 31 March 2011

### **Results and dividends**

The financial statements show a loss for the year before tax of €15,000 (2010 €75,000 profit)

The directors do not recommend the payment of a dividend (2010 €nil)

### **Business review and principal activities**

The principal activity of the company is to act as a holding company of Psygnosis Limited and Psygnosis Licensing Limited

Psygnosis Holdings PLC does not trade. For a full business review refer to page 2 of the financial statements of Sony Computer Entertainment Europe Limited

### **Principal risks and uncertainties**

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. These risks are discussed on page 2 of the Sony Computer Entertainment Europe Limited annual report for the year ended 31 March 2011 which does not form part of this report

### **Key performance indicators**

Given the straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business

### **Future developments**

The company is expected to continue to act as a holding company of Psygnosis Licensing Limited and Psygnosis Limited

### **Financial risk management**

Financial risk management is the ultimate responsibility of the boards of Psygnosis Holdings PLC and its immediate parent company Sony Computer Entertainment Europe Limited, and is monitored by the finance team

### **Directors**

The directors who held office during the year ended 31 March 2011 and up to the date of signing these financial statements are as follows

J Ryan  
A House

# **PSYGNOSIS HOLDINGS PLC**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2011 (continued)**

### **Statement of Directors' responsibilities in respect of the annual report and the financial statements**

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 prepared 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 judgements and accounting 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.

### **Disclosure of information to auditors**

Each of the persons who is a director at the date of approval of this report confirms that so far as each director is aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. Each director has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



J Ryan  
Director

14 June 2011

# PSYGNOSIS HOLDINGS PLC

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PSYGNOSIS HOLDINGS PLC

We have audited the financial statements of Psygnosis Holdings PLC for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet 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 in the Directors' report, 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on 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 March 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 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.

### 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



Robert Girdlestone (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans

14 June 2011

## PSYGNOSIS HOLDINGS PLC

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 €'000	2010 €'000
Interest receivable and similar income	1(a)	-	75
Interest payable and similar charges	1(a)	(15)	-
<b>(Loss)/Profit on ordinary activities before taxation</b>		(15)	75
Tax on (loss)/profit on ordinary activities	3	(10)	(32)
<b>(Loss)/Profit for the financial year</b>	8	(25)	43

All results derive from continuing operations

The company has no recognised gains or losses other than the results shown above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the result on ordinary activities before taxation and result for the financial years stated above and their historical cost equivalents

**PSYGNOSIS HOLDINGS PLC****BALANCE SHEET AS AT 31 MARCH 2011**

	Note	2011		2010	
		€'000	€'000	€'000	€'000
<b>Fixed assets</b>					
Investments	4		124,485		124,485
<b>Current assets</b>					
Debtors	5	1,680		1,667	
Creditors amounts falling due within one year	6	(596)		(558)	
<b>Net current assets</b>			1,084		1,109
<b>Total assets less current liabilities</b>			125,569		125,594
<b>Net assets</b>			125,569		125,594
<b>Capital and reserves</b>					
Called up share capital	7		248,504		248,504
Profit and loss account	8		(122,935)		(122,910)
<b>Total shareholders' funds</b>	8		125,569		125,594

These financial statements on pages 4 to 10 were approved by the board on 14 June 2011, and signed on its behalf by

  
J Ryan  
Director

**Registered Number: 3300852**

# **PSYGNOSIS HOLDINGS PLC**

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

### **1. Accounting policies**

#### **Basis of preparation**

The financial statements are prepared in the United Kingdom under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the Companies Act 2006. These financial statements have been prepared on a going concern basis and using consistently applied accounting policies.

#### **I. Foreign currencies**

The local and presentation currency is the Euro. Transactions in foreign currencies are translated into Euros at the rate prevailing at transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the rates of exchange prevailing at the balance sheet date. At 31 March 2011 the rate applicable was €1 to £0.88103. Non-monetary assets and liabilities denominated in foreign currencies are translated into Euros at the historic rates of exchange. All foreign exchange differences are taken to the profit and loss account.

#### **II. Taxation**

UK Corporation Tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. There is no deferred taxation arising and therefore disclosure under FRS 19 is not required.

#### **III. Group financial statements**

The company is not required to prepare Group financial statements under the exemption allowed by s401 Companies Act 2006, as at 31 March 2011 it is a wholly owned subsidiary undertaking of Sony Computer Entertainment Europe Limited.

#### **IV. Cash flow statement**

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 'Cash Flow Statements' (revised 1996) as its results are consolidated in the Group financial statements of Sony Corporation. Copies of these financial statements can be obtained from Sony Global Treasury Services Plc, 15<sup>th</sup> Floor, Commercial Union Tower, 1 Undershaft, London, EC3A 8EE.

#### **V. Financial Instruments**

Interest rate risk is minimal as the company has no external borrowings or loans. Liquidity risk is managed via funding, as required, from parent company undertakings. Foreign exchange gains or losses arise only from the translation into Euros of monetary assets and liabilities denominated in foreign currencies.

#### **VI. Investments**

Impairment reviews are carried out by the Finance team whenever a triggering event arises.

# PSYGNOSIS HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 (continued)

### 1 (a) (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The (loss)/profit on ordinary activities before taxation is stated after charging

	2011 €'000	2010 €'000
Foreign exchange (loss)/gain	(15)	75

Auditors' remuneration is borne by a group undertaking

The company had no employees in the year (2010 - none)

### 2. DIRECTORS EMOLUMENTS

None of the directors received remuneration in the year in respect of their services to the company (2010 - €nil)

### 3 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2011 €'000	2010 €'000
UK corporation tax on result of the year	10	29
Adjustment in respect of prior years	-	3
	10	32

The tax assessed in the year is higher (2010 - higher) than the standard rate of corporation tax in the UK (28%) (2010 - 28%)

The differences are explained below

	2011 €'000	2010 €'000
Profit on ordinary activities before taxation	(15)	75
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax in the UK of 28% (2010-28%)	(4)	21
Expenses not deductible for tax purposes	8	-
UK to UK transfer price adjustment	6	8
Adjustment to tax in respect of prior years	-	3
Current tax charge for the year	10	32

### Factors which may affect future tax charges

On 29 March 2011 a resolution passed by Parliament reduced the main corporation tax rate from 28% to 26% effective from 1 April 2011. This change was announced in the March 2011 Budget Statement together with the intention to reduce the main rate of corporation tax to 23% by 1 April 2014. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011. None of the rate reductions from 26% to 23% had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.



## PSYGNOSIS HOLDINGS PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 (continued)

#### 4. INVESTMENTS

Shares in  
Subsidiary  
Undertakings  
€'000

Cost and net book value as at 1 April 2010  
and 31 March 2011 124,485

There has been no impairment of the investment during the financial year (2010 €nil)

Details of the principal subsidiary undertakings are set out below

Name of undertaking	Country of incorporation	Nature of business	Percentage owned
Psygnosis Limited	England	Dormant company	100%
Psygnosis Licensing Limited	England	Software publisher	100%

The principal subsidiary undertakings all have share capital consisting solely of ordinary shares and are directly held. The net book value of investments is supported by the subsidiary's underlying net assets.

#### 5. DEBTORS

	2011 €'000	2010 €'000
Amounts receivable from group undertakings	1,680	1,667

#### 6. CREDITORS amounts falling due within one year

	2011 €'000	2010 €'000
Amounts payable to group undertakings	596	558

# PSYGNOSIS HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 (continued)

### 7 CALLED UP SHARE CAPITAL

	Number of shares	2011 €'000	Number of shares	2010 €'000
<b>Authorised</b>				
Ordinary shares of £1 (€1 6334) each	200,000,000	326,680	200,000,000	326,680
Preference shares of £1 (€1 6334) each	60,000,000	98,004	60,000,000	98,004
	260,000,000	424,684	260,000,000	424,684
<b>Allotted and fully paid</b>				
Ordinary shares of £1 (€1 6334) each	152,139,162	248,504	152,139,162	248,504
Preference shares of £1 (€1 6334) each	-	-	-	-
	152,139,162	248,504	152,139,162	248,504

### 8. STATEMENT OF MOVEMENT IN SHAREHOLDER'S FUNDS AND RESERVES

#### Reconciliation of movements in shareholder's funds

	2011 €'000	2010 €'000
Opening shareholders' funds	125,594	122,551
(Loss)/Profit for the financial year	(25)	43
Closing shareholders' funds	125,569	122,594

#### Reserves

	Profit and Loss Account €'000
Balance as at 1 April 2010	(122,910)
Loss for the financial year	(25)
Balance as at 31 March 2011	(122,935)

### 9. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

At 31 March 2011, the immediate parent undertaking is Sony Computer Entertainment Europe Limited. The smallest group for which Group financial statements are prepared, and of which the company is a member, is Sony Corporation, a company incorporated in Japan. Copies of these financial statements can be obtained from Sony Global Treasury Services Plc, 15<sup>th</sup> Floor, Commercial Union Tower, 1 Undershaft, London, EC3A 8EE.

The ultimate parent company is Sony Corporation.

## **PSYGNOSIS HOLDINGS PLC**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011 (continued)**

#### **10. RELATED PARTY TRANSACTIONS**

As 100% of share capital is held by its parent (Sony Computer Entertainment Europe Limited), advantage has been taken of paragraph 3 of FRS8 "Related party disclosures" not to disclose transactions with other group companies. Consolidated financial statements for Sony Corporation are publicly available.