



Grant Thornton

Financial statements Scene Systems Limited

For the Year Ended 30 June 2010

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COMPANIES HOUSE

Company No. 3860020

Officers and professional advisers

| | |
|------------------------------------|---|
| Company registration number | 3860020 |
| Registered office | St Johns Innovation Centre Cowley Road Cambridge CB4 0WS |
| Director | P Swinstead OBE |
| Secretary | P Swinstead OBE |
| Bankers | Barclays Bank plc Wembley & Park Royal Acorn House 36-38 Park Royal Road Park Royal LONDON NW10 7JA |
| Solicitors | Taylor Vinters Merlin Place Milton Road CAMBRIDGE CB4 0DP |

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Scene Systems Limited
Financial statements for the year ended 30 June 2010

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The directors present their report and the financial statements of the company for the year ended 30 June 2010

Principal activities

The principal activity of the company during the year was the development and licensing of software products and custom solutions for avatar based visualisations and simulations

Director

The director who served the company during the period was as follows

P Swinstead OBE

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to be 'P Swinstead', with a stylized flourish at the end.

P Swinstead OBE
Secretary

Basis of accounting

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

Turnover

The turnover shown in the profit and loss account represents the value of sales of products and services provided during the period, exclusive of Value Added Tax

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

| | |
|----------|-----------|
| Licences | - 2 years |
|----------|-----------|

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

| | |
|-----------------------------------|-----------|
| Furniture and office equipment | - 5 years |
| Computer equipment | - 3 years |
| Software | - 2 years |
| Short term leasehold improvements | - 5 years |

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised on all timing differences where the transactions or events that give the company the obligation to pay more tax in the future or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the profit.

The financial transactions of foreign subsidiaries are translated into sterling at the average rate of exchange and the differences arising from the translation of the opening net investment in subsidiaries at the closing rate and matched long term foreign currency borrowings are taken directly to reserves.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Research and development

Research and development expenditure is charged to the profit and loss account when incurred.

Share options

When options over shares have been granted, a charge, being the estimated market value of the shares at the date of the grant of the options less the exercise price of the options, is made to the profit and loss account evenly over the period to which the performance conditions of the options relate. Where options over shares in the parent company are granted to employees, a contribution is payable to the parent on exercise of the options to the extent of the discount at date of grant, recognised as a charge to the profit and loss account to the extent options have vested in the period.

Balance sheet

Company Registration Number 3860020

| | Note | Year ended 30 June 2010 | Period from 1 January 08 to 30 June 09 |
|--|------|-------------------------------|--|
| Fixed assets | | | |
| Intangible assets | 4 | - | - |
| Tangible assets | 5 | 10,301 | 57,937 |
| | | <u>10,301</u> | <u>57,937</u> |
| Current assets | | | |
| Debtors | 6 | 21,612 | 63,308 |
| Cash at bank | | 21,344 | 35,364 |
| | | <u>42,956</u> | <u>98,672</u> |
| Creditors: amounts falling due within one year | 7 | (8,447,635) | (48,061) |
| Net current (liabilities)/assets | | <u>(8,404,679)</u> | <u>50,611</u> |
| Total assets less current liabilities | | <u>(8,394,378)</u> | <u>108,548</u> |
| Creditors: amounts falling due after more than one year | 8 | - | 7,697,018 |
| | | <u>(8,394,378)</u> | <u>(7,588,470)</u> |
| Capital and reserves | | | |
| Called-up equity share capital | 11 | 2,806,064 | 2,806,064 |
| Share premium account | 12 | 2,443,936 | 2,443,936 |
| Profit and loss account | 13 | (13,644,378) | (12,838,470) |
| Deficit | | <u>(8,394,378)</u> | <u>(7,588,470)</u> |

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act

The directors acknowledge their responsibilities for

- ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 30 March 2011 and are signed on their behalf by

P Swinstead OBE
Director



The accompanying accounting policies and notes form part of these financial statements.

Profit and loss account

| | | Year ended 30 June 2010 | Period from 1 January 08 to 30 June 09 |
|--|-------------|--|---|
| | Note | £ | £ |
| Turnover | | 10,269 | 32,663 |
| Other operating charges | 1 | (834,936) | (3,803,104) |
| Other operating income | 2 | 18,613 | 121,201 |
| Operating loss | 3 | (806,054) | (3,649,240) |
| Interest receivable | | 146 | 9,272 |
| Loss on ordinary activities before taxation | | (805,908) | (3,639,968) |
| Tax on loss on ordinary activities | | - | - |
| Loss for the financial period | 13 | (805,908) | (3,639,968) |

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements

1 Other operating charges

| | Year ended 30 June 2010 | Period from 1 January 08 to 30 June 09 |
|-----------------------------|----------------------------|--|
| | £ | £ |
| Administrative expenses | 660,835 | 1,865,513 |
| Provision for doubtful debt | <u>174,101</u> | <u>1,937,591</u> |

2 Other operating income

| | Year ended 30 June 2010 | Period from 1 January 08 to 30 June 09 |
|-------------------------------|----------------------------|--|
| | £ | £ |
| Management charges receivable | 18,504 | 105,878 |
| Other operating income | <u>109</u> | <u>15,323</u> |
| | <u>18,613</u> | <u>121,201</u> |

3 Operating loss

Operating loss is stated after charging/(crediting)

| | Year ended 30 June 2010 | Period from 1 January 08 to 30 June 09 |
|---|----------------------------|--|
| | £ | £ |
| Directors remuneration | - | 44,098 |
| Depreciation of owned fixed assets | 47,984 | 49,326 |
| Accountancy fees | 11,600 | 12,000 |
| Net (profit)/loss on foreign currency translation | - | (429,785) |

4 Intangible fixed assets

| | Licences £ |
|----------------------------------|---------------|
| Cost | |
| At 30 June 2009 and 30 June 2010 | 20,376 |
| Amortisation | |
| At 30 June 2009 and 30 June 2010 | 20,376 |
| Net book value | |
| At 30 June 2010 | - |
| At 30 June 2009 | - |

5 Tangible fixed assets

| | Total £ |
|-----------------------|------------|
| Cost | |
| At 30 June 2009 | 413,185 |
| Additions | 348 |
| Disposals | - |
| At 30 June 2010 | 413,533 |
| Depreciation | |
| At 30 June 2009 | 355,248 |
| Charge for the period | 47,984 |
| On disposals | - |
| At 30 June 2010 | 403,232 |
| Net book value | |
| At 30 June 2010 | 10,301 |
| At 30 June 2009 | 57,937 |

6 Debtors

| | 30 June 10 £ | 30 June 09 £ |
|------------------------------------|-----------------|-----------------|
| Amounts owed by group undertakings | 9,426 | - |
| Other debtors | 12,186 | 63,308 |
| | <u>21,612</u> | <u>63,308</u> |

7 Creditors: amounts falling due within one year

| | 30 June 10 £ | 30 June 09 £ |
|-------------------------------------|------------------|-----------------|
| Trade creditors | 2,170 | 23,790 |
| Other taxation | 10,405 | 14,660 |
| Other creditors | 10,000 | 9,611 |
| Amounts owing to group undertakings | 8,425,060 | - |
| | <u>8,447,635</u> | <u>48,061</u> |

8 Creditors: amounts falling due after more than one year

| | 30 June 10 £ | 30 June 09 £ |
|------------------------------------|-----------------|-----------------|
| Amounts owed to group undertakings | - | 7,697,018 |

9 Commitments under operating leases

At 30 June 2010 the company had aggregate annual commitments under non-cancellable operating leases as set out below

| | 30 June 10 £ | 30 June 09 £ |
|--|-----------------|-----------------|
| Operating leases which expire Within 1 year | - | 55,000 |

10 Financial risk management

The company's principal financial assets are bank balances. The company has no loans or bank overdrafts at the year end and therefore is not exposed to any potential change in the interest rate potentially attached to them.

11 Share capital

Authorised share capital

| | 30 June 10 £ | 30 June 09 £ |
|--------------------------------------|------------------|------------------|
| 4,000,000 Ordinary shares of £1 each | <u>4,000,000</u> | <u>4,000,000</u> |

Allotted, called up and fully paid

| | 30 June 10 No | £ | 30 June 09 No | £ |
|--------------------------------------|------------------|------------------|------------------|------------------|
| 2,806,064 Ordinary shares of £1 each | <u>2,806,064</u> | <u>2,806,064</u> | <u>2,806,064</u> | <u>2,806,064</u> |

12 Share premium account

There was no movement on the share premium account during the financial period.

13 Profit and loss account

| | Year ended 30 June 2010 £ | Period from 1 January 08 to 30 June 09 £ |
|-------------------------------|---------------------------------|---|
| Balance brought forward | (12,838,470) | (9,198,502) |
| Loss for the financial period | <u>(805,908)</u> | <u>(3,639,968)</u> |
| Balance carried forward | <u>(13,644,378)</u> | <u>(12,838,470)</u> |

14 Ultimate controlling party and related party transactions

The ultimate controlling party is P E Swinstead.

During the period the company was charged £nil (2009 - £58,391) by E-loan BV, in which P E Swinstead is an employee. These charges were in respect of management time provided by P E Swinstead.