

AMENDING

STRATEGIC COMMUNICATION LABORATORIES LIMITED
Registered number: 05514098

Financial statements
for the year ended 31 December 2008

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STRATEGIC COMMUNICATION LABORATORIES LIMITED

Annual report for the year ended 31 December 2008

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STRATEGIC COMMUNICATION LABORATORIES LIMITED

Company information

Directors

Mr N J Oakes
Mr A W Oakes
Mr A J A Nix
Mr J Wheatland
Mr R Gabb
Sir G Pattie (resigned 01/12/08)

Secretary

Mr J M Bottomley

Registered office

One America Square
Crosswall
London
EC3N 2SG

STRATEGIC COMMUNICATION LABORATORIES LIMITED

Chairman's statement

This is my first report as Chairman and I am delighted to have taken over the role at this very exciting time for SCL. I would like to thank my predecessor, Sir Geoffrey Pattie, for his valuable service as Chairman during the first 3 years of SCL's life and to congratulate him on his appointment as Company President.

SCL creates, implements, and evaluates complete Strategic Communication campaigns for governments and military organisations worldwide. SCL's unique scientific approach focuses on creating real and measurable behavioural change. The company provides audience research, communications solutions and training in international defence markets.

During 2008, SCL made strong progress in penetrating its target defence market (a sector which is traditionally cautious and slow to embrace new market entrants). The company achieved a 336% growth in sales to £959,726 and losses have been reduced to £266,671.

SCL is now operating in multiple audience territories and its clients include several governments. The company continues to gain further traction with its target customers, as successfully executed contracts engender growing customer confidence and recognition of the value of science based strategic communications.

Whilst there is always a concern that defence budgets may be cut in this difficult economic climate, SCL is now well positioned to capitalize on the budgets that remain, across an increasing number of government and military departments. We anticipate continued market and financial progress during 2009.

Julian Wheatland
CHAIRMAN

STRATEGIC COMMUNICATION LABORATORIES LIMITED

Directors' report for the year ended 31 December 2008

The directors submit their report and the revised financial statements of the company for the year ended 31 December 2008. The comparative figures included within these financial statements are unaudited.

Principal activities

The company's principal activity is that of the training, consultancy and supply of operational facilities in the field of strategic communication.

Results

The results for the year are set out in the profit and loss account on page 7.

Directors

The directors who held office during the year were

Mr N J Oakes
Mr A W Oakes
Mr A J A Nix
Mr J Wheatland
Mr R Gabb
Sir G Pattie (resigned 01/12/08)

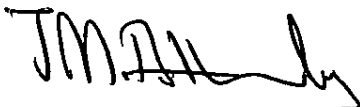
Provision of information to auditors

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.

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

Approved by the board and signed on its behalf by



Mr J M Bottomley
Secretary

24 March 2010

STRATEGIC COMMUNICATION LABORATORIES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the annual 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). The financial statements are required 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 directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 directors are responsible for keeping proper accounting records that 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 1985. 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

STRATEGIC COMMUNICATION LABORATORIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STRATEGIC COMMUNICATION LABORATORIES LIMITED

We have audited the revised financial statements of Strategic Communications Laboratories Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet and the related notes. These revised financial statements have been prepared under the accounting policies set out therein and replace the original financial statements approved by the directors on 30 April 2009. Comparative information in these financial statements is derived from the financial statements for the previous accounting period, which have not been audited.

The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Report) Regulations 1990 and accordingly the directors have not taken account of events which have taken place after the date on which the original financial statements were approved.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985 as applied by the Companies (Revision of Defective Accounts and Report) Regulations 1990. Our work has been undertaken so that we might state to the members of the company 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 work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of revised financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice').

Our responsibility is to audit the revised 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 revised financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 as they have effect under the Companies (Revision of Defective Accounts and Report) Regulations 1990. We also report to you whether in our opinion the information given in the directors' report is consistent with the revised 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 directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

We are also required to report whether in our opinion the original financial statements failed to comply with the requirements of the Companies Act 1985 in the respects identified by the directors.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the revised financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the

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revised financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

The audit of revised financial statements includes the performance of additional procedures to assess whether the revisions made by the directors are appropriate and have been properly made

We planned and performed 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 revised financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the revised financial statements

Opinion

In our opinion

- the revised financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, seen as at the date the original financial statements were approved, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended,
- the revised financial statements have been properly prepared in accordance with the provisions of the Companies Act 1985 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 1990,
- the original financial statements for the year ended 31 December 2008 failed to comply with the requirements of the Companies Act 1985 in the respects identified by the directors in the statement contained in note 1 to these revised financial statements, and
- the information given in the directors' report is consistent with the revised financial statements

PKF(UK) LLP

PKF (UK) LLP
Registered auditors
London, UK

Date 30 March 2010

STRATEGIC COMMUNICATION LABORATORIES LIMITED

Profit and loss account for the year ended 31 December 2008

	Notes	2008 £	2007 £
Turnover	3	959,726	219,877
Cost of sales		<u>(666,007)</u>	<u>(153,914)</u>
Gross profit		293,719	65,963
Administrative expenses		<u>(561,296)</u>	<u>(460,840)</u>
Operating loss	4	(267,577)	(394,877)
Interest receivable and similar income		1,065	15,955
Interest payable and similar charges		<u>(159)</u>	<u>-</u>
Loss on ordinary activities before taxation		(266,671)	(378,922)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation		<u>(266,671)</u>	<u>(378,922)</u>

STRATEGIC COMMUNICATION LABORATORIES LIMITED

Registered number: 05514098

Balance sheet as at 31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	6	35,893	28,157
		<u>35,893</u>	<u>28,157</u>
Current assets			
Debtors	7	247,330	166,663
Cash at bank and in hand		180,361	234,561
		<u>427,691</u>	<u>401,224</u>
Creditors: amounts falling due within one year	8	428,009	127,135
Net current (liabilities)/assets		<u>(318)</u>	<u>274,089</u>
Total assets less current liabilities		<u>35,575</u>	<u>302,246</u>
Net assets		<u>35,575</u>	<u>302,246</u>
Capital and reserves			
Called up share capital	10	9,513	9,513
Share premium account	11	2,993,238	2,993,238
Profit and loss account	11	(2,967,176)	(2,700,505)
Shareholders' funds		<u>35,575</u>	<u>302,246</u>

These revised financial statements (see note 1) 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 revised financial statements were approved by the board of directors on 24 March 2010 and were signed on its behalf by



Julian Wheatland
Chairman

STRATEGIC COMMUNICATION LABORATORIES LIMITED

Notes to the financial statements for the year ended 31 December 2008

1 Revision of financial statements

These revised financial statements replace the original financial statements for the year ended 31 December 2008 approved by the directors on 30 April 2009 and are now the statutory financial statements of the company for that financial year. These financial statements have been prepared as at the date of the original financial statements and not as at the date of revision and accordingly do not deal with events between those dates. The original financial statements did not comply with the requirements of the Companies Act 1985 in respect of the omission of certain required disclosures and the accounting policy in respect of revenue recognition did not comply with the Financial Reporting Standard for Smaller Entities (effective January 2007). As a consequence of amending the revenue recognition policy, turnover for the year was decreased by £292,486, loss on ordinary activities was increased by £284,807 and net assets was decreased by £284,807.

Accounting policies

Basis of preparation of financial statements

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). The comparative figures included within these financial statements are unaudited.

Turnover

Turnover represents supply of goods and services, including royalties, net of value added tax. Turnover is recognised as contract activity progresses by reference to the value of the work performed.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Library	25% reducing balance
Fixtures and fittings	20% straight line
Computer equipment	25-66% straight line

Foreign currencies

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 operating loss.

Leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

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Notes to the financial statements for the year ended 31 December 2008 – continued

2 Accounting policies (continued)

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

2 Turnover

Of the stated turnover figure, 86% (2007 100%) is attributable to geographical markets outside the United Kingdom

3 Operating loss

The operating loss is stated after charging

	2008 £	2007 £
Auditors' remuneration	8,000	-
Depreciation – owned assets	18,595	8,585
Directors' emoluments and other benefits	160,608	68,568

4 Tax on loss on ordinary activities

The company has tax losses carried forward to next year of £2,940,915 (2007 - £2,669,730)

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Notes to the financial statements for the year ended 31 December 2008 - continued

5 Tangible fixed assets

	Library £	Computer equipment £	Total £
Cost			
At 1 January 2008	5,321	36,914	42,235
Additions	1,589	24,742	26,331
At 31 December 2008	6,910	61,656	68,566
Accumulated depreciation			
At 1 January 2008	1,774	12,304	14,078
Charge for period	1,991	16,604	18,595
At 31 December 2008	3,765	28,908	32,673
Net book value			
At 31 December 2008	3,145	32,748	35,893
At 1 January 2008	3,547	24,610	28,157

6 Debtors

	2008 £	2007 £
Receivable on contracts	176,911	125,816
Other debtors	58,474	33,006
Prepayments and accrued income	7,972	-
VAT recoverable	3,973	7,841
	247,330	166,663

7 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	62,412	34,671
Other creditors	48,493	55,391
Accruals and payments on account	317,104	37,073
	428,009	127,135

STRATEGIC COMMUNICATION LABORATORIES LIMITED

Notes to the financial statements for the year ended 31 December 2008 – continued

8 Operating lease commitments

The following operating lease payments are committed to be paid within one year

Expiring:	2008 £	2007 £
Between 1 and 5 years	<u>34,900</u>	<u>20,400</u>

9 Share capital

	2008 £	2007 £
Authorised:		
100,000 ordinary shares of 10p each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid:		
95,134 ordinary shares of 10p each	<u>9,513</u>	<u>9,513</u>

10 Reserves

	Share premium account £	Profit and loss account £
At 31 December 2007	2,993,238	(2,700,505)
Loss for the period	-	(266,671)
At 31 December 2008	<u>2,993,238</u>	<u>(2,967,176)</u>

11 Director's loan account

During the year Mr N Oakes had an overdrawn director's loan account of £4,250 (2007 £762), which was the maximum balance during the year and the balance at the year end. This amount was repaid after the year end.

12 Related party transactions

Included in other debtors is £16,671 (2007 £16,671) due from Boldnote Ltd, a company controlled by certain directors of Strategic Communication Laboratories Limited.

Included in other creditors is £23,493 (2007 £23,493) due to Boldnote Ltd, a company controlled by certain directors of Strategic Communication Laboratories Limited.

Included in other creditors is £25,000 (2007 £25,000) due to Consensus Business Group Limited, a company that is a significant shareholder of Strategic Communication Laboratories Limited.