5822974

VNC Group Limited

Report and Financial Statements

31 December 2012

Directors
A C Harter
A Hopper
T J Richardson

Secretary
T McGuire

Auditors
Ernst & Young LLP
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Barclays Plc
28 Chesterton Road
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Registered No 05822974

Directors' report

The directors present their report and financial statements for the year ended 31 December 2012

Principal activities

The company's principal activities during the year continued to be software development, licensing, support and sales

Results and dividends

The group profit for the year after taxation amounted to £1,638,793 (2011 – profit of £6,441,685) The directors do not recommend a final dividend (2011 – £nil)

The group's key financial and other performance indicators over the past 3 years were as follows

	2012	*2011*	*2010*
	£000	*£000*	*£000*
Turnover	6,561	12,784	5,117
Profit on ordinary activities before taxation	909	7,529	1,054
Profit for the financial year	1,639	6,442	1,187
Shareholders' funds	12,148	10,509	4,065

Business review

During the year the group has produced a set of strong business results with strong cash reserves These results have been achieved by delivering high-quality software solutions at a compelling price point, together with further development of the OEM licensing business and strategic partnerships and collaborations

Developments

The group continued to significantly reinvest profits into internal R&D for specific new strategic product areas, including mobile, hosted services and automotive

Risks

Revenue is strongly international, which exposes the group to general global economic uncertainties and exchange rate fluctuations

Events since the balance sheet date

There have been no material events since the balance sheet date

Going concern

The company has access to considerable financial resources and as a result the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence in the foreseeable future Accordingly, the company continues to adopt the going concern basis in preparing its financial statements

Directors' report (continued)

Directors

The directors who served the company during the year were as follows

Dr A C Harter
Professor A Hopper
T J Richardson

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the Board

A. C. Harter

Dr A C Harter
Director
Date

27/9/13

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) 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 group and company and of the profit or loss of the group 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, and
- 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 group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent auditors' report

to the members of VNC Group Limited

We have audited the financial statements of VNC Group Limited for the year ended 31 December 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated and Parent Company Balance Sheet, the Group Statement of Cash Flows and the related notes 1 to 22 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)

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

Respective responsibilities of directors and auditor

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 Ethical Standards for Auditors

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 group's and the parent undertaking'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 Report and Financial Statements 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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent undertaking's affairs as at 31 December 2012 and of the group's profit 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

Independent auditors' report (continued)

to the members of VNC Group Limited

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 by the parent undertaking, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent undertaking 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

Ernst & Young LLP

Tony McCartney (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Cambridge
Date 27/9/13.

Consolidated Profit and loss account

for the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover	2	6,561,584	12,784,394
Cost of sales		(178,731)	(153,992)
Gross Profit		6,382,853	12,630,402
Administrative expenses		(5,667,427)	(5,198,612)
Operating Profit	3	715,426	7,431,790
Interest receivable and similar income	6	193,493	97,444
Profit on ordinary activities before taxation		908,919	7,529,234
Tax	7	729,874	(1,087,549)
Profit for the financial year		1,638,793	6,441,685

There are no other recognised gains or losses for the period other than the profit and loss account

Consolidated Balance Sheet

at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Intangible assets	9	8,240	8,240
Tangible assets	10	189,555	112,793
Investments	11	157,693	157,693
		355,488	278,726
Current assets			
Debtors	12	1,895,435	1,292,007
Cash at bank and in hand		10,909,815	10,919,220
		12,805,250	12,211,227
Creditors: amounts falling due within one year	13	(980,560)	(1,707,532)
Net current assets		11,824,690	10,503,695
Total assets less current liabilities		12,180,178	10,782,421
Creditors. amounts falling due after more than one year	14	(20,962)	(263,986)
Provisions for liabilities	15	(10,985)	(9,494)
Net assets		12,148,231	10,508,941
Capital and reserves			
Called up share capital	16	5,464	5,458
Share premium	17	4,055	3,565
Profit and loss account	17	12,138,712	10,499,918
Shareholders' funds		12,148,231	10,508,941

These report and financial statements were approved by the directors and authorised for issue on 27 September 2013 and are signed on their behalf by

A. C. Harter

Dr A C Harter

Director

Date

27/9/13

Parent Company Balance Sheet

at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Investments	11	5,334	5,334
Current assets			
Debtors	12	4,185	3,689
Total assets		9,519	9,023
Capital and reserves			
Called up share capital	16	5,464	5,458
Share premium	17	4,055	3,565
Shareholders' funds		9,519	9,023

A. C. Harter

Dr A C Harter

Director

Date

27/9/13

Consolidated Group Cash Flow Statement

for the year ended 31 December 2012

	Note	2012 £	2011 £
Cash flow from operating activities			
Profit for the year		1,638,793	6,441,685
Income tax	7	(729,874)	1,087,549
Net finance revenue		(193,493)	(97,444)
Depreciation of property, plant and equipment		68,938	22,558
Payments of income tax		(551,354)	-
Changes in working capital			
Trade and other receivables		(357,278)	(268,101)
Trade and other payables		66,574	112,457
Net cash (used in)/generated from operating activities		(57,694)	7,298,704
Cash flows from investing activities			
Purchase of property, plant and equipment		(145,700)	(135,351)
Proceeds from sales of shares		496	1,852
Interest received		193,493	97,444
Net cash used in investing activities		48,289	(36,055)
Net (decrease)/increase in cash and cash equivalents		(9,405)	7,262,649
Opening cash and cash equivalents		10,919,220	3,656,571
Closing cash and cash equivalents		10,909,815	10,919,220

Notes to the financial statements

at 31 December 2012

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Principles

The principle accounting policies have been applied consistently throughout the year and preceding year

Basis of consolidation

The Group financial statements are made up to 31 December 2012 and consolidate the financial statements of VNC Group Limited and RealVNC Limited No profit and loss account is presented for VNC Group Limited as permitted by section 408 of the Companies Act 2006

Entities, other than subsidiary undertakings or joint ventures, in which the Group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates In the Group financial statements, associates are accounted for using the equity method

Going concern

The company has access to considerable financial resources and as a result the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence in the foreseeable future Accordingly, the company continues to adopt the going concern basis in preparing its accounts

Intangible fixed assets

The recorded intangible asset represents a web site domain name with an indefinite economic life and as such, the asset is not amortised

The carrying value of intangible fixed assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable

Tangible fixed assets

Tangible fixed assets are stated at cost

Depreciation is provided on all tangible fixed assets at the following rates in order to write off each asset over its estimated useful life

Plant and machinery	–	33⅓% on cost per annum straight-line
Office and computer equipment	–	25% per annum straight-line
Computer assets with a cost of less than	–	£2,000 are written off in the year of expenditure

Investments

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Notes to the financial statements

at 31 December 2012

1. Accounting policies (continued)

Research and development

Expenditure on research and development is written-off in the year in which it is incurred

Revenue recognition

Revenue is recognised in line with the company's ongoing obligations under the licence contracts Certain licences require a high degree of modification and customisation provided through the maintenance and support services to enable appropriate usage by the customer Revenue from both the initial licence fees as well as the maintenance and support fees are initially reported as deferred income and is transferred to the profit and loss over the period over which the company is obligated to provide maintenance and support services

Turnover

Turnover represents the sale of software licences and support net of value added tax

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date Exchange differences are taken into account in arriving at the operating result

Operating leases

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

Pensions

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

Notes to the financial statements

at 31 December 2012

1. Accounting policies (continued)

Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award Fair value is determined by an external valuer using an appropriate pricing model In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions)

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report

An analysis of turnover by geographical market is given below

	2012	*2011*
	£	*£*
UK	462,752	783,504
Non UK sales	6,098,832	12,000,890
	6,561,584	12,784,394

3. Operating profit

This is stated after charging

			2012	*2011*
			£	*£*
Auditors' remuneration	–	audit services for Company and Group	1,000	1,000
Auditors' remuneration	–	audit services for subsidiaries	10,000	9,000
Auditors' remuneration	–	audit related assurance services	6,300	3,300
Auditors' remuneration	–	tax compliance services	3,000	3,000
Research and development expenditure			2,990,572	3,178,560
Operating lease rentals – land and buildings			144,187	145,526
Depreciation of owned fixed assets			68,938	22,558
Foreign exchange differences			6,492	69,933

Notes to the financial statements

at 31 December 2012

4. Directors' remuneration

	2012	*2011*
	£	*£*
Remuneration	253,710	248,000
Company contributions paid to defined contribution pension schemes	12,270	13,080
	No	*No*
Members of defined contribution pension schemes	3	3

The aggregate remuneration of the highest paid director was £150,000 (2011 – £150,000) and company pension contributions of £7,200 (2011 – £7,200) were made to a money purchase scheme on his behalf None of the directors received or exercised share options for qualifying services in the current or prior year

The above remuneration is paid by RealVNC Limited

5. Staff costs

	2012	*2011*
	£	*£*
Wages and salaries	3,439,276	3,140,134
Social security costs	412,249	326,886
Other pension costs	147,109	120,217
	3,998,634	3,587,237

The average monthly number of employees during the year was made up as follows

	No	*No*
Research and development	50	47
Administrative staff	30	22
	80	69

6. Interest receivable and similar income

	2012	*2011*
	£	*£*
Interest receivable on monies places on deposit	193,493	97,444

Notes to the financial statements

at 31 December 2012

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows.

	2012	*2011*
	£	*£*
Current Tax		
UK Corporation Tax on profits of the period	(698,337)	1,078,055
Adjustments in respect of prior periods	(34,382)	-
Foreign Tax	1,354	-
	(731,365)	1,078,055
Deferred Tax		
Originating and reversal of timing differences (Note 14)	1,825	9,494
Effect of changes in tax rate on opening liability	(334)	-
Tax on profit on ordinary activities	(729,874)	1,087,549

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period differs from the standard rate of corporation tax in the UK of 24 50% (2011 – 26 50%) The differences are reconciled below

	2012	*2011*
	£	*£*
Profit on ordinary activities before tax	908,919	7,529,234
Profit on ordinary activities multiplied by standard rate of Corporation tax in the UK of 24 50% (2011 – 26 50%)	222,685	1,995,247
Effect of		
Expenses not deductible for tax purposes	6,811	1,612
Capital Allowances in excess of depreciation	4,010	(12,218)
Other timing differences	648	(72)
Adjustments in respect of prior periods	(34,382)	–
Higher taxes on overseas earnings	1,354	–
Utilisation of brought forward tax losses	–	(125,027)
Difference in tax rates on losses carried back	(52,534)	–
R&D enhanced deduction	(879,957)	(781,487)
Total Current Tax	(731,365)	1,078,055

Notes to the financial statements

at 31 December 2012

7. Tax (continued)

(c) Factors that may affect future tax charges

The main rate of UK corporation tax was reduced from 26% to 24% from 1 April 2012 The Finance Act 2012, enacted in July 2012, reduced further the UK main rate of corporation tax to 23% from 1 April 2013 Deferred tax has been restated accordingly in these financial statements

Additional changes to the main rate of UK Corporation Tax announced in the budget will reduce the main rate to 20% by 1 April 2015 These changes had not been substantively enacted at the balance sheet date and consequently their effects are not included in these financial statements

The above changes to the rate of corporation tax may impact the amount of future cash tax payments to be made by the company

8. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent undertaking is £nil (2011 – £nil)

9. Intangible fixed assets

Group	*Domain name* *£*
Cost	
At 1 January 2012 and 31 December 2012	8,240
Net book value	
At 1 January 2012 and 31 December 2012	8,240

The parent undertaking held no intangible fixed assets in the year (2011 – £nil)

Notes to the financial statements

at 31 December 2012

10. Tangible fixed assets

Group	*Plant and machinery*	*Office and computer equipment*	*Total*
	£	£	£
Cost or valuation			
At 1 January 2012	10,156	166,614	176,770
Additions	-	145,700	145,700
At 31 December 2012	10,156	312,314	322,470
Depreciation			
At 1 January 2012	10,156	53,821	63,977
Provided during the year	-	68,938	68,938
At 31 December 2012	10,156	122,759	132,915
Net Book Value			
At 31 December 2012	-	189,555	189,555
At 1 January 2012	-	112,793	112,793

The parent undertaking held no tangible fixed assets in the year (2011 – £nil)

11. Investments

Group	*Associated undertakings*
	£
Cost	
At 1 January 2012 and 31 December 2012	200,000
Provisions	
At 1 January 2012 and 31 December 2012	42,307
Net book value	
At 1 January 2012 and 31 December 2012	157,693

The group's investments at the balance sheet date in the share capital of investee companies include the following

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*	*Country of incorporation*
Adventiq Limited	Ordinary shares	20 72%	High technology	England and Wales

Notes to the financial statements

at 31 December 2012

11. Investments (continued)

Parent company	*Subsidiary undertakings*
	£
Cost	
At 1 January 2012 and 31 December 2012	5,334

The company's investments at the balance sheet date in the share capital of companies include the following

Name of company	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*
VNC Limited	Ordinary shares	100%	Dormant
RealVNC Limited	Ordinary shares	100%	Software publishing and research

12. Debtors

		Group		*Parent Company*
	2012	*2011*	*2012*	*2011*
	£	£	£	£
Trade debtors	1,382,405	1,076,011	-	-
Amounts owed by subsidiary undertakings	-	-	4,185	3,689
Other debtors	13,871	6,474	-	-
Prepayments and accrued income	153,009	109,522	-	-
Corporation tax recoverable	246,150	-	-	-
	1,795,435	1,192,007	4,185	3,689
Amounts falling due after more than one year				
Associated company loan	100,000	100,000	-	-
	1,895,435	1,292,007	4,185	3,689

Notes to the financial statements

at 31 December 2012

13. Creditors: amounts falling due within one year

Group	*2012*	*2011*
	£	*£*
Trade creditors	66,218	95,434
Current corporation tax	-	1,043,055
Other taxes and social security costs	106,808	101,992
Other creditors	1,510	7,103
Accruals and deferred income	803,213	459,786
Pension creditor	2,811	162
	980,560	1,707,532

The parent undertaking had no creditors in the period (2011 – £nil)

14. Creditors: amounts falling due after more than one year

Group	*2012*	*2011*
	£	*£*
Accruals and deferred income	20,962	263,986

15. Deferred tax

	Deferred Tax
	£
At 1 January 2012	9,494
Profit and Loss account	(5,709)
Adjustment in respect of prior years	7,200
At 31 December 2012	10,985

The provision for deferred tax consists of

	2012	*2011*
	£	*£*
Accelerated Capital Allowances	11,632	9,535
Other timing differences	(647)	(41)
Provision for deferred tax	10,985	9,494

16. Issued share capital

Group and Parent company		*2012*		*2011*
Allotted, called up and fully paid	*No*	*£*	*No*	*£*
Ordinary shares of £0 01 each	546,404	5,464	545,777	5,458

Notes to the financial statements

at 31 December 2012

17. Movements on reserves

Group	*Share capital*	*Share premium*	*Profit and loss account*
	£	*£*	*£*
At 1 January 2011	5,364	1,807	4,058,234
Share purchase	94	1,758	–
Profit for the financial year	–	–	6,441,685
At 1 January 2012	5,458	3,565	10,499,919
Share purchase	6	490	-
Profit for the financial year	-	-	1,638,793
At 31 December 2012	5,464	4,055	12,138,712

Parent company

The change in the parent company share capital and share premium accounts is the same as the group changes above The increase in ordinary shares relates to the exercise of share options as disclosed in Note 21

18. Events since the balance sheet date

There have been no material events since the balance sheet

19. Pensions

During the year under review the group operated a small self administered pension scheme in respect of the staff and directors The assets of the scheme are held and managed by an independent pension fund The pension cost represents contributions payable by the group and amounted to £159,379 (2011 – £120,217) Contributions totalling £2,811 (2011 – £162) were payable to fund at the end of the year and are shown within other creditors

	2012	*2011*
	No	*No*
Members of defined contribution pension schemes	48	47

20. Other financial commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below

Land and buildings	*2012*	*2011*
	£	*£*
Operating leases which expire		
Within one year	72,094	72,220

Notes to the financial statements

at 31 December 2012

21. Share-based payments

Share options have been granted in respect of the Ordinary shares issued by the company

The fair value of share-based payments in respect of employee services received during the year to 31 December 2012 is £1,585 (2011 – £3,517) As it is unlikely that the options will vest in the near future no charge has been made in the financial statements

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows

		2012		2011
	Weighted average exercise price £	*Number of options*	*Weighted average exercise price* £	*Number of options*
Outstanding at the beginning of the year	0 71	33,052	0 61	43,706
Granted		-		-
Forfeited	0 79	(2,508)	0 79	(1,254)
Exercised	0 79	(627)	0 197	(9,400)
Lapsed		-		-
Outstanding at the end of the year	0 71	29,917	0 71	33,052
Exercisable at the end of the year		28,310		18,626

Share options outstanding at the end of the year have the following expiry date and exercise prices

	Number of options			
Date granted	*2012*	*2011*	*Period of options*	*Price per share*
24 November 2006	4,200	4,200	10 years	£0 197
28 November 2009	25,717	28,852	10 years	£0 79
	29,917	33,052		

The options are held by 20 (2011 – 25) directors and employees of the company An exit event, defined as a share sale, an asset sale or a listing will trigger the options

The fair value of options granted is estimated as at the date of grant using a Black-Scholes valuation model, taking into account the terms and conditions upon which the options were granted

Notes to the financial statements

at 31 December 2012

21. Share-based payments (continued)

The followıng table lısts the ınputs to the model used for the optıons granted on 24 November 2006 and 28 November 2009

Date granted	*24 November 2006*	*28 November 2009*
Dıvıdend yıeld (%)	0	0
Expected share prıce volatılıty (%)	40	40
Rısk-free ınterest rate	5 5	1 0
Expected lıfe of optıons (years)	10	10
Weıghted average share prıce (£)	0 197	0 79

The volatılıty measured at the standard devıatıon of contınuously compounded share returns ıs based on sımılar valuatıons for entıtıes of a sımılar sıze and nature

22. Related party transactions

There has been no tradıng actıvıty between VNC Group and ıts subsıdıary Real VNC Lımıted ın the perıod

Wıthın debtors ıs a loan due from Adventıq Lımıted, a company ın whıch RealVNC Lımıted holds 20 72% of the ıssued share capıtal The total amount of ınterest charged to the fınancıal statements ın the year under revıew amounted to £nıl (2011 – £nıl)

Real VNC Lımıted also ınvoıced Adventıq Ltd on normal commercıal terms of £34,483 (2011 – £45,675) ın respect of royaltıes and £44,549 (2011 - £46,169) ın respect of subcontracted work The amount due to RealVNC Lımıted at the end of the year ıs £25,957 (2011 – £33,158) and ıs shown as part of trade debtors