

Criterion Software Group Limited

**Directors' report and financial
statements**

Registered number 2464484

31 March 2009

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2009.

Principal activities and business review

The company operated throughout the year as a holding company for the Electronic Arts (UK) Limited group, a company owned by Electronic Arts Inc, a company incorporated in USA. The principal activity of its subsidiary undertakings was the development and sale of the group's RenderWare software product and related support.

The company did not trade during the year; any expenses of the company were borne by other group companies.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend (2008: *£nil*). The profit after tax for the year retained in the company is *£nil* (8 months ended 31 March 2008: *£7,000*).

Directors and directors' interests

The directors who held office during the year were as follows:

M B Westerlund	(appointed 4 June 2008)
M R King	(resigned 9 February 2009)
S G Bene	
G A Kohl	
V P Lee	(resigned 30 April 2008)
D J Byrne	(resigned 4 June 2008)

The directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Political and charitable contributions

The company made no political or charitable contributions and incurred no political expenditure during the year (2008: *£nil*).

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG LLP will therefore continue in the office.

On behalf of the board



M B Westerlund
Director

Onslow House
Onslow Street
Guildford
Surrey
GU1 4TN

Statement of directors' responsibilities in respect of the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law 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 year.

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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

Arlington Business Park
Theale
Reading RG7 4SD
United Kingdom

Independent auditors' report to the members of Criterion Software Group Limited

We have audited the financial statements of Criterion Software Group Limited for the year ended 31 March 2009, which comprise the Profit and Loss Account, the Balance Sheet, Reconciliation of movements in shareholders' funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the 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 financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the 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.

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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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 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 financial statements.

Independent auditors' report to the members of Criterion Software Group Limited
(continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

5 October 2009

KPMG LLP
Chartered Accountants
Registered Auditor

Profit and Loss Account
for the year ended 31 March 2009

	<i>Notes</i>	Year ended 31 March 2009 £000	8 month period ended 31 March 2008 £000
Other interest receivable and similar income	5	-	86
Interest payable and similar charges	6	-	(86)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	7	-	7
		<hr/>	<hr/>
Profit for the financial year and retained for the year		-	7
		<hr/>	<hr/>

The company has no other recognised gains and losses other than those recognised in the result for the year.

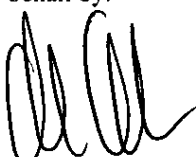
There were no material differences between reported profits and losses and historical cost profits and losses.

All activities relate to continuing operations.

Balance Sheet
at 31 March 2009

	<i>Notes</i>	2009		2008	
		£000	£000	£000	£000
Fixed assets					
Investments	8		4,127		4,127
Current assets					
Debtors	9	6,681		6,681	
Cash at bank and in hand		5		5	
		<hr/>		<hr/>	
Creditors: amounts falling due within one year	10	6,686 (2,025)		6,686 (2,025)	
		<hr/>		<hr/>	
Net current assets			4,661		4,661
			<hr/>		<hr/>
Net assets			8,788		8,788
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	11		3,690		3,690
Share premium account	12		4,127		4,127
Profit and loss account	12		971		971
			<hr/>		<hr/>
Shareholders' funds			8,788		8,788
			<hr/>		<hr/>

These financial statements were approved by the board of directors on 1 October 2009 and were signed on its behalf by:



M B Westerlund
 Director

Reconciliation of movements in shareholders' funds
for the year ended 31 March 2009

	Year ended 31 March 2009	8 month period ended 31 March 2008
	£000	£000
Profit for the financial year	-	7
Opening shareholders' funds	8,788	8,781
	<hr/>	<hr/>
Closing shareholders' funds	8,788	8,788
	<hr/>	<hr/>

Notes

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As 100% of the company's voting rights are controlled within the group headed by Electronic Arts Inc. the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Electronic Arts Inc. can be obtained from the address given in note 13.

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Investments

Investments of the company are valued at cost less provisions for diminutions in value.

Taxation and deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Notes (continued)

2 Operating costs

Amounts receivable by the company's auditor in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed, as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's intermediate parent, Electronic Arts (UK) Limited. The fees for the audit of these financial statements were £2,000 (2008: £2,000) and were borne by the subsidiary company, Criterion Software Limited.

3 Remuneration of directors

None of the directors received any remuneration in respect of qualifying services to the company.

Messrs V P Lee, G A Kohl, S G Bene, D J Byrne, M King and Madam M B Westerlund were remunerated by other group companies.

4 Staff numbers and costs

The company did not have any employees during the year (2008: *£nil*).

5 Other interest receivable

	Year ended 31 March 2009 £000	8 month period ended 31 March 2008 £000
Interest receivable from subsidiary undertakings	-	86

6 Interest payable and similar charges

	Year ended 31 March 2009 £000	8 month period ended 31 March 2008 £000
Interest payable to subsidiary undertakings	-	86

7 Taxation

(a) Analysis of charge / (credit) in year

	Year ended 31 March 2009 £000	8 month period ended 31 March 2008 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Adjustments in respect of prior years	-	(7)
Current tax charge / (credit) on profit on ordinary activities	-	(7)

Notes (continued)

7 Taxation (continued)

(b) Factors affecting the tax charge / (credit) for the current year

The current tax charge / (credit) for the year is equal to (2008: lower than) the standard rate of corporation tax in the UK of 28% (2008: 30%), reconciliation is as follows:

	Year ended 31 March 2009 £000	8 month period ended 31 March 2008 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 30%):	-	-
<i>Add/(deduct) the effect of:</i>		
Adjustments in respect of prior years	-	(7)
Total current tax charge (see above (a))	-	(7)

8 Fixed asset investments

	2009 £000	2008 £000
<i>Investment at cost:</i>		
At beginning and end of year	4,127	4,127

The company holds directly and indirectly (denoted by *) 100% of the ordinary share capital in the following companies:

	Incorporated in	Nature of business
Criterion Software Limited	UK	Development and sale of software
Criterion Software International Limited	UK	Holding company
Criterion Software Inc*	US	Non-trading
KK Criterion Software*	Japan	Non-trading

9 Debtors

	2009 £000	2008 £000
Amounts owed by group undertakings	6,681	6,674
Corporation tax	-	7
	6,681	6,681

Notes (continued)

10 Creditors: amounts falling due within one year

	2009 £000	2008 £000
Amounts owed to group undertakings	2,025	2,025

11 Called up share capital

	2009 £000	2008 £000
<i>Authorised</i> 150,000,000 ordinary shares of £0.10 each	15,000	15,000
<i>Allotted, called up and fully paid</i> 36,898,245 ordinary shares of £0.10 each	3,690	3,690

12 Reserves

	Share premium account £000	Profit and loss account £000
At beginning of year	4,127	971
Profit for the year	-	-
At end of year	4,127	971

13 Ultimate parent company and parent undertaking of larger group

At the date of these financial statements, the company's ultimate holding company, and the largest group of undertakings for which group accounts are drawn up and in which the results for the year are consolidated, was Electronic Arts Inc.: 209 Redwood Shores Parkway, Redwood City, CA 94065, which is incorporated in USA.

The smallest group of undertakings for which group accounts are drawn up, and in which the results of the company are included, is that of Electronic Arts (UK) Limited, Onslow House, Onslow Street, Guildford, Surrey, GU1 4TN.

The accounts of these companies are available to the public and may be obtained from their registered offices as stated above.