

AMBERFIN LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

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AMBERFIN LIMITED
FOR THE YEAR ENDED 31 MARCH 2011

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**AMBERFIN LIMITED
DIRECTORS AND ADVISORS**

Registered Number:	06518321
Directors:	P A Baines J M H Deaner
Auditors:	Ernst & Young LLP Wessex House 19 Threefield Lane Southampton SO14 3QB
Registered Office:	Belvedere Basing View Basingstoke Hampshire RG21 4HG

**AMBERFIN LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2011**

The Directors present their report and financial statements for the year ended 31 March 2011

RESULTS AND DIVIDENDS

The Company's profit for the financial year was £6,320,352 (2010 loss £2,653,208) will be transferred to reserves. The Directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is the sales and development of software tools that transform film, video and audio content into file-based formats required by professional broadcast and media distribution companies.

The profit for the year of £6,320,352 included a gain of £8,000,000 on the Company being released and discharged from loan obligations. Excluding this gain the Company made a loss of £1,679,648, which was substantially lower than the corresponding year and reflects an increase in sales of 60% whilst costs were maintained at prior year levels. Despite sales increasing to £3,083,247 they were lower than expected, and excluded product shipped prior to year end amounting to £186,709 under FOB destination terms which the Company was unable to recognise. The Directors note that trading in the current year is in line with budget and stronger than at this time last year.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors continue to consider the principal risks facing the Company result from both technology and market changes. The broadcast market is changing rapidly in terms of digital, high definition and file based workflows. However they believe that the Company is positioned to convert these changes into opportunities. The Company seeks to minimise the risk inherent in technology through constant dialogue with major global organisations.

- Financial Risk

The Company is exposed to profit and loss foreign currency risk on sales and purchases in a currency other than the functional currency of the Company (Sterling).

The exposure to foreign currency risk is managed by holding deposits in foreign currencies to settle monthly trading transactions.

- Credit Risk

The Company is dependent on a relatively small number of customers. As such there is a concentration of credit risk which could materially and adversely affect the Company's financial results. The credit worthiness of the customers is continually monitored by management.

- Cash Flow and Liquidity Risk

Until the completion of the new funding round on 2 November 2010, refer Notes 13 and 16, the Company met its spending commitments from trading activities and funding from its former immediate parent undertaking. The Company monitors cash flow as part of its day to day control procedures and the Board considers cash flow projections regularly.

**AMBERFIN LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011**

RESEARCH AND DEVELOPMENT

Research and development is concentrated on software tools that transform film, video and audio content into file-based formats. During the year the average number of staff employed on research and development was 16.

FUTURE DEVELOPMENTS

The Directors consider that the Company is well placed and remain confident about the Company's prospects for the next year and beyond.

DIRECTORS OF THE COMPANY

The Directors who held office during the year and up to the date of signing the financial statements were as follows:

Mr Peter A Baines
Mr Jeremy M H Deaner

DIRECTORS' LIABILITIES

The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in s 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

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 Company'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.

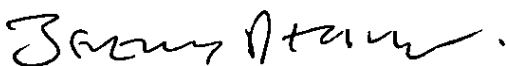
RE-APPOINTMENT OF THE AUDITORS

In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for the reappointment of Ernst and Young LLP as auditor of the Company.

SMALL COMPANIES PROVISION

The Directors report has been prepared in accordance with the special provisions of the Companies Act 2006 relating to small companies.

On behalf of the Board



Jeremy M H Deaner
Director

23rd August 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and 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 Company and of the profit or loss of the Company for that period.

In preparing those 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.

Independent auditor's report to the members of Amberfin Limited

We have audited the financial statements of Amberfin Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 19. 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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 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 of 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 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.

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.



Julian Gray (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton, United Kingdom

24 August 2011

AMBERFIN LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2011

	Notes	Year Ending 31 March 2011 £	Year Ending 31 March 2010 £
TURNOVER	2	3,083,247	1,927,522
External cost of sales		<u>(582,991)</u>	<u>(436,187)</u>
GROSS PROFIT		2,500,256	1,491,335
Staff costs	5	(2,681,564)	(2,588,894)
Depreciation	9	(141,507)	(123,544)
Other operating expenses	4	<u>(1,510,361)</u>	<u>(1,775,167)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,833,176)	(2,996,270)
Release and discharge from loan obligations	4	<u>8,000,000</u>	-
PROFIT/(LOSS) BEFORE INTEREST AND TAXATION		6,166,824	(2,996,270)
Interest receivable and similar income		88	-
Interest payable and similar charges	7	<u>(17,465)</u>	-
PROFIT/(LOSS) BEFORE TAXATION		6,149,447	(2,996,270)
Tax credit on profit/(loss)	8	<u>170,905</u>	<u>343,062</u>
RETAINED GAIN/(LOSS) FOR THE FINANCIAL YEAR	15	<u>6,320,352</u>	<u>(2,653,208)</u>

The Company has no recognised gains and losses other than the gain stated above and therefore no separate statement of total recognised gains and losses has been presented

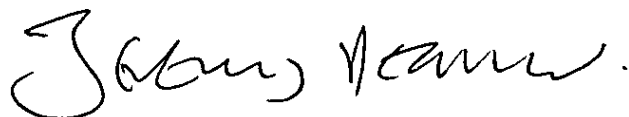
All of the Company's activities derive from continuing activities

The notes on pages 9 to 18 form part of these financial statements

AMBERFIN LIMITED
BALANCE SHEET
AS AT 31 MARCH 2011

	Notes	At 31 March 2011 £	At 31 March 2010 £
FIXED ASSETS			
Tangible assets	9	143,966	219,765
Investments	10	1	1
		<u>143,967</u>	<u>219,766</u>
CURRENT ASSETS			
Stock	11	59,020	18,791
Debtors	12		
Amounts falling due within one year		1,116,047	1,096,343
Amounts falling due after one year		211,649	55,580
		<u>1,327,696</u>	<u>1,151,923</u>
Cash at bank and in hand		269,409	77,123
		<u>1,656,125</u>	<u>1,247,837</u>
CREDITORS: amounts falling due within one year	13	<u>(1,243,253)</u>	<u>(8,872,103)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>412,872</u>	<u>(7,624,266)</u>
NET ASSETS/(LIABILITIES)		<u>556,839</u>	<u>(7,404,500)</u>
CAPITAL AND RESERVES			
Called up share capital	16	1,640,988	1
Profit and loss account	15	(1,084,149)	(7,404,501)
TOTAL SHAREHOLDERS EQUITY/(DEFICIT)	15	<u>556,839</u>	<u>(7,404,500)</u>

The financial statements on pages 7 to 18 were approved by the Board of Directors on 23rd August 2011 and signed on its behalf by



Jeremy M H Deaner
Director

AMBERFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently throughout the year are summarised below

a) Basis of Preparation

The financial statements of AmberFin Limited were approved for issue by the Board of Directors on 23 August 2011

The financial statements have been prepared on the going concern basis under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards

The Directors have taken advantage of the exemption in FRS1 from including a cash flow statement in the financial statements on the grounds that the Company meets the small company criteria (as dictated in the Companies Act)

b) Going Concern

The directors are confident that the Company has available adequate funding to support the working capital needs of the business. Based on the level of current trading (growth in sales over the year ending 31 March 2011) and the forecast continued growth in sales the directors believe therefore that it is correct to adopt the going concern basis in preparing these financial statements

c) Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation. Such costs include costs directly attributable to making the asset capable of operating as intended

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of the asset evenly over its expected useful life as follows

Leasehold property	- over shorter of lease term and 5 years
Demonstration equipment	- 3 years straight line
Office and computer equipment	- 3 years straight line
Fixtures and fittings	- 3 years straight line

The carrying values of tangible fixed assets are reviewed for impairment in the year if event or changes in circumstances indicate the carrying value may not be recoverable

AMBERFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES (CONTINUED)

e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes

The Company reports revenue under two revenue categories

- Software and software-related service revenues, which includes software licences, sale of professional services, hardware and training, and
- Maintenance and support revenues, which are recurring in nature

Software licences – the Company recognises the revenue allocable to software licences when all the following conditions have been satisfied

- The Company has transferred to the buyer the significant risks and rewards of ownership of the licence,
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold,
- The amount of revenue can be measured reliably,
- It is probable that the economic benefits associated with the transaction will flow, and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably

Hardware revenue is recognised as the products are shipped

Other services (which include the sale of professional services and training) – revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied

- The amount of revenue can be measure reliably,
- It is probable that the economic benefits associated with the transaction will flow to the Company,
- The state of completion of the transaction at the balance sheet date can be measured reliably, and
- The cost incurred for the transaction and the costs to complete the transaction can be measured reliably

Maintenance and support – revenue is recognised on a straight-line basis over the term of the contract. Revenue not recognised in the income statement under this policy is classified as deferred revenue in the balance sheet

f) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition and includes materials, direct labour and production overheads. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate

AMBERFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES (CONTINUED)

g) Research and Development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised when its future recoverability can be reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

h) Provisions for Liabilities

Provisions are recognised when the Company has a present obligation as a result of a past event. It is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

i) Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events result in an obligation to pay more tax in the future, or where a right to pay less tax in the future has occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover the carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

j) Foreign Currencies

Transactions in foreign currencies are translated into sterling at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

k) Operating Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

l) Pensions

The Company operates two externally administered defined contribution pension schemes. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the schemes. The assets of the schemes are held separately from those of the Company in an independently administered fund. In addition, contributions to personal defined contribution pension scheme are made on behalf of several employees.

AMBERFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011

2. TURNOVER

Turnover represents amounts derived from the principle activities of the business and the geographical segments analysed as follows

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Europe	1,119,016	690,450
Americas	1,690,715	1,116,593
Asia	273,516	120,479
	3,083,247	1,927,522

3. OPERATING LOSS

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
This is stated after charging/(crediting)		
Research and development expenditure written off	1,363,267	1,384,779
Depreciation – owned tangible fixed assets (note 9)	141,507	123,544
Foreign exchange losses	40,025	29,979
Operating lease rentals – premises	101,296	87,532
Operating lease rentals – plant and equipment	-	13,235
Bad debts	-	52,944
Auditor remuneration		
- Audit of the financial statements	15,000	22,000
- Non-audit services – tax advice	950	6,225

4. EXCEPTIONAL ITEMS

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Recognised in arriving at operating loss		
Restructure of operations	55,926	15,906

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Release and discharge from loan obligation	8,000,000	-

On 2 November 2010, SWRG (UK) Ltd the former immediate and ultimate parent undertaking, agreed to release the Company from its loans amounting to £8,000,000. In consideration for the release the Company issued warrants to subscribe for 50,582 ordinary shares at a subscription price of £1.00 per share, see note 16.

AMBERFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011

5. STAFF COSTS

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Wages and salaries	2,326,607	2,255,708
Social security costs	230,055	210,600
Pension costs (note 17)	124,902	122,586
	<u>2,681,564</u>	<u>2,588,894</u>

The average monthly number of persons (including Directors) employed by the Company during the year was

	Year ended 31 March 2011 Number	Year ended 31 March 2010 Number
Sales, marketing and customer services	12	13
Administration	6	6
Research and development	16	17
	<u>34</u>	<u>36</u>

6. DIRECTORS' EMOLUMENTS

	Year ended 31 March 2011	Year ended 31 March 2010
Number of directors remunerated		
Number of directors remunerated	<u>1</u>	<u>1</u>
	£	£
Directors' remuneration		
Aggregate emoluments and benefits in respect of qualifying services	217,343	171,519
Aggregate value of contributions in respect of defined contribution pension schemes	<u>16,000</u>	<u>16,000</u>

The pension contributions were made to a money purchase scheme for the one director during the financial year

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 March 2011	Year ended 31 March 2010
Interest payable on other loans	16,862	-
Other	603	-
	<u>17,465</u>	<u>-</u>

Interest payable on other loans is in relation to loans from former group undertakings, see note 13

AMBERFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011

8. TAX

(a) Analysis of credit in year

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
R&D Tax Claim in respect of current period	(170,905)	(170,558)
R&D Tax Claim in respect of prior period	-	(172,504)
UK corporation tax credit on loss for the year	<u>(170,905)</u>	<u>(343,062)</u>

(b) Factors affecting the tax credit for the year

The tax for the year is lower than the standard rate of tax in the UK of 28%. The differences are explained below

	Year ended 31 March 2011 £	Year ended 31 March 2010 £
Profit/(loss) before tax	6,149,447	(2,996,270)
Profit/(loss) multiplied by standard rate in the UK 28%	<u>1,721,845</u>	<u>(838,955)</u>
Effect of :		
Permanent differences	4,234	37,310
Capital allowances in excess of depreciation	6,323	16,450
Other short term timing differences	891	(10,401)
Release and discharge of loan obligation not taxable for tax purposes	(2,231,217)	-
Additional deduction for R&D expenditure	(146,490)	(146,175)
Surrender of tax losses for current year R&D tax credit refund	170,905	170,538
Adjustment to tax charge in respect of previous years R&D tax credit	-	(172,504)
Tax losses carried forward	302,604	600,675
Tax credit for the financial year	<u>(170,905)</u>	<u>(343,062)</u>

Reconciliation of deferred tax liability / (asset) unprovided

This reconciliation assumes a UK corporation tax rate of 26% (2010 28%)

	At 31 March 2011 £	At 31 March 2010 £
Accelerated capital allowances	(13,983)	(15,254)
Other short term timing differences	(5,590)	(5,128)
Losses carried forward	(2,775,735)	(2,688,668)
	<u>(2,795,308)</u>	<u>(2,709,050)</u>

AMBERFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011

8. TAX (CONTINUED)

(c) Factors that may affect future tax charges

In his budget of 23 March 2011, the Chancellor of the Exchequer announced Budget tax changes, which, if enacted in the proposed manner, will have a significant effect on the Company's future tax position. As at the balance sheet date, the tax changes announced in the Budget were not 'substantively enacted'.

The budget proposed a decrease in the rate of UK corporation tax from 28% to 26% with effect from 1 April 2011 and a further decrease of 1% each year to 23%, to be enacted annually. The deferred tax asset of £2,975,300 has been calculated using a corporation tax rate of 26%. The potential impact on the unrecognised deferred tax asset when the rate reduces from 26% to 23% is a decrease of £322,535. The rate change will also impact the amount of the future cash tax payment to be made by the Company. The effect on the Company of these proposed changes to the UK tax system will be reflected in the Company's financial statements in future years, as appropriate, once the proposals have been substantively enacted.

9. TANGIBLE FIXED ASSETS

	Leasehold improvements	Office and computer equipment	Demonstration equipment	Total
	£	£	£	£
Cost				
At 1 April 2010	150,284	162,277	137,355	449,916
Additions	-	17,184	48,524	65,708
Disposals	-	-	(60,136)	(60,136)
31 March 2011	150,284	179,461	125,743	455,488
Depreciation				
At 1 April 2010	59,871	87,025	83,255	230,151
Charge for year	30,057	56,695	54,755	141,507
Disposals	-	-	(60,136)	(60,136)
31 March 2011	89,928	143,720	77,874	311,522
Net book value				
31 March 2011	60,356	35,741	47,869	143,966
31 March 2010	90,413	75,252	54,100	219,765

AMBERFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011

10. INVESTMENTS

Shares in group undertakings at cost and net book value

	Subsidiary undertakings £
Cost	
At 1 April 2010	50,001
Write off subsidiary	(50,000)
At 31 March 2011	1
Amount provided for	
At 1 April 2010	50,000
Utilised during the year	(50,000)
At 31 March 2011	-
Net book value	
31 March 2011	1
31 March 2010	1

Details of investments held in subsidiary undertakings are as follows

Name	Holding	Country of incorporation	Proportion of voting rights and share held	Nature of business
Amberfin Canada, Inc (1)	Common stock	Canada	100%	Research and development
Amberfin Hong Kong Limited	Ordinary shares	Hong Kong	100%	Sales and Marketing

(1) On 25 January 2011 Amberfin Canada, Inc was officially dissolved

11. STOCKS

	At 31 March 2011 £	At 31 March 2010 £
Finished goods and components for resale	59,020	18,791

There is no material difference between the balance sheet value of stocks and their replacement costs

AMBERFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011

12. DEBTORS

	At 31 March 2011 £	At 31 March 2010 £
Trade debtors	730,957	594,096
Other debtors	263,900	56,404
R&D tax claim	170,905	343,062
Prepayments and accrued income	161,934	158,361
	1,327,696	1,151,923

Amounts falling due after one year included above are

	At 31 March 2011 £	At 31 March 2010 £
Other Debtors	211,649	55,580

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 31 March 2011 £	At 31 March 2010 £
Trade creditors	261,194	361,086
Shareholder loan (1)	286,447	-
Amounts due to former group undertakings (2)	-	7,890,304
Taxation and social security	58,450	113,037
Deferred revenue	307,117	209,111
Accruals	330,045	298,565
	1,243,253	8,872,103

(1) The Shareholders have agreed to provide a loan facility for £1.5m. As at 31 March 2011, £286,447 had been drawn down under the facility. The loan is unsecured. The interest rate on the first £750,000 drawn down is zero per cent. Draw downs in excess of this amount will attract interest at a rate to be determined.

(2) See Note 4

14. FINANCIAL COMMITMENTS

At 31 March 2011 the Company had annual commitments under non-cancellable operating leases expiring as follows

	At 31 March 2011 £	At 31 March 2010 £
Land and buildings - expiring within 1 year	10,611	10,918
- expiring within 2 to 5 years	77,910	94,605

AMBERFIN LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2011

15. RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital	Profit and Loss	Total shareholders funds
	£	£	£
At 1 April 2010	1	(7,404,501)	(7,404,500)
Profit for the financial year	-	6,320,352	6,320,352
Net proceeds of issue of ordinary shares	1,640,987	-	1,640,987
At 31 March 2011	1,640,988	(1,084,149)	556,839

16. ISSUED SHARE CAPITAL

	No of shares	At 31 March 2011 £	At 31 March 2010 £
Ordinary shares of £1.00 each			
At 1 April 2010	1	1	1
Allotted on 2 November 2010	1,500,000	1,484,918	-
Allotted on 29 November 2010	156,069	156,069	-
At 31 March 2011	1,656,070	1,640,988	1

On 2 November 2010 1,500,000 ordinary shares were issued for cash at their nominal value of £1 00 per share. The consideration received was £1,500,000. Expenses in relation to the issue totalled £15,082.

On 29 November 2010 the Company issued 156,069 ordinary shares at their nominal value of £1 00 per share on a "nil-paid" basis. See note 12 for corresponding receivable included in Other Debtors.

On 2 November 2010 the Company issued warrants to subscribe for 50,582 ordinary shares at a subscription price of £1 00 per share. The warrants lapse if not exercised by 2 May 2011. No warrants were exercised by this date. See Note 4.

17. PENSIONS

The total pension cost for the year was £124,902 (2010: £122,586). The pension cost was in respect of contributions made to defined contribution pension schemes. There was a £2,427 pension accrual at the year end (2010: £8,800).

18. Related Party Transactions

In respect of the nil-paid shares, as described in Note 16, J Deaner subscribed for 96,151 of these shares. The amount receivable from J Deaner of £96,151 is included in Other Debtors.

19. CONTROLLING PARTY

Since 2 November 2010 the Company has been controlled by funds managed by Advent Venture Partners. Until this date the Company was a subsidiary undertaking of SWRG (UK) Limited, a Company registered in England. SWRG (UK) Limited was both the immediate and ultimate parent undertaking to 2 November 2010.