Registered No 04376677

SWRG (UK) Limited

Report and Financial Statements

31 March 2010

Directors
J W Poulter (Chairman)
P A Baines
L I Gabb

Auditor
Ernst & Young LLP
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Directors' report

The directors present their report and financial statements for the year ended 31 March 2010

Results and dividends

The consolidated loss for the period, after taxation, amounted to £2,705,000 (2009 – profit of £47,782,000) The directors do not recommend the payment of a final dividend (2009 – nil)

Principal activities and review of the business

SWRG (UK) Limited is the holding company of a group whose principal activity during the year was 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 group's key financial and other performance indicators during the year were as follows

	2010 £'000	2009 £'000
Group turnover	1,928	41,188
Operating (loss)/profit	(3,062)	709
(Loss)/profit after tax	(2,705)	47,782
Shareholders' funds	3,101	5,803

Group turnover derived wholly from sales of software tools in Amberfin Limited and its subsidiary The total of £1,928,000 was a like-for-like increase of 8% over the prior year and this growth has been maintained post year-end

Research and development is undertaken in Amberfin Limited where it is concentrated on software tools that transform film, video and audio content into file-based formats The average number of staff in the period employed on research and development was 17

Principal risks and uncertainties

The business of Amberfin Limited is subject to risk in the form of technology and market changes Amberfin Limited seeks to minimise the risks inherent in the technology through constant dialogue with major global organisations to obtain a full understanding of the changing environment This approach allows the company to convert technology risks into opportunities

Financial risk

Amberfin Limited is exposed to profit and loss foreign currency risk on sales and purchases in currencies other than the functional currency of the company This exposure 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

During the period Amberfin Limited met its spending commitments from trading activities and funding from the company

Future developments and going concern

SWRG (UK) Limited sold its shareholding in Amberfin Limited on 2 November 2010 The company will be maintained to collect all receivables due in connection with the sale of Snell & Wilcox Limited in February 2009 Once this is completed the company will be placed into liquidation No assets will remain in the company prior to liquidation with all remaining retained profits being distributed via cash dividends before liquidation Therefore no provisions in respect of the future liquidation are necessary at 31 March 2010

Directors' report

Events since the balance sheet date

On 2 November 2010 the company sold its shareholding in Amberfin Limited As part of the transaction the company waived the outstanding intercompany loan due from Amberfin Limited At 31 March 2010 the balance outstanding on the intercompany loan was £7,890,302 against which a full provision was made

Directors of the company

The current directors are shown on page 1

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

J W Poulter (Chairman)
P A Baines
L I Gabb

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 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 made himself aware of any relevant audit information and to establish that the auditor is aware of that information

Re-appointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company

On behalf of the board

L I Gabb
Director

30 March 2011

Registered No 04376677

Statement of directors' responsibilities in respect of 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 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 by law to give a true and fair view of the state of affairs of the group and parent company and of the profit and loss of the group and parent company for that period In preparing these financial

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom 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 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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Independent auditor's report
to the members of SWRG (UK) Limited

We have audited the group and parent company financial statements (the "financial statements") of SWRG (UK) Limited for the year ended 31 March 2010 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Group Cash Flow Statement 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 sections 495 and 496 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 Statement of directors' responsibilities 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 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

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the group and company's affairs as at 31 March 2010 and of its loss 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

Ernst & Young LLP

Julian Gray (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Southampton
30 March 2011

Group profit and loss account

for the year ended 31 March 2010

	Notes	2010 £000	2009 £000
Turnover:	2		
Continuing operations		1,928	1,788
Discontinued operations		-	39,400
		1,928	41,188
Cost of sales		(436)	(16,929)
Gross profit		1,492	24,259
Administrative expenses	3	(4,554)	(23,914)
Other operating income	4	-	364
Group operating (loss)/profit	5		
Continuing operations		(3,062)	(4,923)
Discontinued operations		-	5,632
Total operating (loss)/profit		(3,062)	709
Exceptional items	6	-	50,720
Interest payable and similar charges	9	(1)	(3,780)
Bank interest receivable		7	84
		6	47,024
(Loss)/profit on ordinary activities before taxation		(3,056)	47,733
Tax on (loss)/profit on ordinary activities	10	351	49
(Loss)/profit for the financial period transferred (from)/to reserves	20	(2,705)	47,782

Group statement of total recognised gains and losses
for the year ended 31 March 2010

	2010 *£000*	*2009* *£000*
(Loss)/profit for the financial year	(2,705)	47,782
Currency translation differences on foreign currency net investments	3	67
Total recognised gains and losses for the year	(2,702)	47,849

Note of historical cost profits and losses
for the year ended 31 March 2010

	2010 *£000*	*2009* *£000*
Reported (loss)/profit on ordinary activities before taxation	(3,056)	47,733
Difference between historical cost depreciation and depreciation charged in the year on the revalued assets	-	4
Historical cost (loss)/profit on ordinary activities before taxation	(3,056)	47,737
Historical cost (loss)/profit on ordinary activities after taxation	(2,705)	47,786

Group balance sheet
at 31 March 2010

	Notes	*2010* *£000*	*2009* *£000*
Fixed assets			
Tangible fixed assets	12	219	318
		219	318
Current assets			
Stocks	14	19	75
Debtors	15	3,503	3,288
Cash at bank		386	4,222
		3,908	7,585
Creditors amounts falling due within one year	16	1,026	2,100
Net current assets		2,882	5,485
Total assets less current liabilities		3,101	5,803
Capital and reserves			
Share capital	18	40	40
Other reserves	20	8	8
Profit and loss account	20	3,053	5,755
Shareholders' funds	20	3,101	5,803

L I Gabb
Director

30 March 2011

Company balance sheet
at 31 March 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Investments	13	-	-
Current assets			
Debtors	15	2,350	2,300
Cash at bank		307	3,661
		2,657	5,961
Creditors: amounts falling due within one year	16	38	892
Net current assets		2,619	5,069
Total assets less current liabilities		2,619	5,069
Capital and reserves			
Share capital	18	40	40
Profit and loss account	20	2,579	5,029
Shareholders' funds	20	2,619	5,069

L I Gabb
Director

30 March 2011

Group cash flow statement
for the year ended 31 March 2010

	Notes	2010 £000	*2009 £000*
Net cash (outflow)/inflow from operating activities	21a	(3,873)	4,246
Returns on investments and servicing of finance			
Interest received		7	84
Interest paid		(1)	(1,576)
		6	(1,492)
Taxation			
Corporation tax paid		63	(35)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(32)	(627)
Receipts from sales of tangible fixed assets		-	476
		(32)	(151)
Acquisitions and disposals			
Sale of subsidiary undertakings		-	39,990
Cash disposed of with subsidiary undertakings		-	(2,702)
		-	37,288
Equity dividends paid		-	(25,000)
(Decrease)/increase in cash	21b	(3,836)	14,856

Notes to the financial statements
at 31 March 2010

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards

The financial statements of SWRG (UK) Limited were approved for issue by the Board of Directors on the date shown on the balance sheet

Basis of consolidation

The group financial statements consolidate the financial statements of SWRG (UK) Limited and its subsidiary undertaking for the year

No company profit and loss account is presented as permitted by section 408 of the Companies Act 2006

Going concern

SWRG (UK) Limited sold its shareholding in Amberfin Limited on 2 November 2010 The company will be maintained to collect all receivables due in connection with the sale of Snell & Wilcox Limited in February 2009 Once this is completed the company will be placed into liquidation No assets will remain in the company prior to liquidation with all remaining retained profits being distributed via cash dividends before liquidation Therefore no provisions in respect of the future liquidation are necessary at 31 March 2010

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 being recoverable

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 Group 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

Notes to the financial statements

at 31 March 2010

1. Accounting policies (continued)

Revenue recognition (continued)

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

- The Group has transferred to the buyer the significant risks and rewards of ownership of the licence,
- The Group 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

Stock

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

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward 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

Provisions for liabilities

Provisions are recognised when the Group 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

Notes to the financial statements
at 31 March 2010

1. Accounting policies (continued)

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

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

Operating leases

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

Pensions

The Group 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 Group in an independently administered fund In addition, contributions to personal defined contribution pension scheme are made on behalf of several employees

Related party transactions

The Group has taken advantage of the exemption included in Financial Reporting Standard No 8 'Related Party Disclosures' (para 3) for wholly owned subsidiaries not to disclose transactions with entities that are part of the Group qualifying as related parties

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties Turnover is attributable to one continuing activity, the sale of software tools that transform film, video and audio content into file-based formats An analysis of turnover for continuing operations is as follows

	2010	*2009*
	£000	*£000*
Europe	691	492
Americas	1,117	704
Asia	120	592
	1,928	1,788

An analysis of turnover by geographical market has not been provided for discontinued operations in the prior year because the directors believe it would be seriously prejudicial to the interests of the group

Notes to the financial statements
at 31 March 2010

3. Discontinued operations

	2010 £000	2009 £000
Administrative expenses		
Continuing operations	4,554	6,134
Discontinued operations	-	17,780
	4,554	23,914

Discontinued operations in the prior year relate to Snell Limited and its subsidiaries SWRG (UK) Limited sold its holding in Snell Limited on 26 February 2009

4. Other operating income

	2010 £000	2009 £000
Grants receivable	-	30
Other income	-	334
	-	364

Other operating income for 2009 related solely to discontinued operations

5. Operating (loss)/profit
This is stated after charging/(crediting)

	2010 £000	2009 £000
Auditor's remuneration – audit of the consolidated financial statements [1]	68	120
Auditor's remuneration – audit of subsidiary financial statements	22	11
Research and development expenditure incurred	1,385	2,737
Depreciation of owned fixed assets	124	861
Loss on disposal of fixed assets	-	3
Operating lease rentals – land and buildings	88	903
Operating lease rentals – plant and machinery	13	100
(Gain)/loss on foreign currency translation	(30)	739

[1] Auditor's remuneration includes £53,000 relating to an under accrual in respect of the prior year fees

Notes to the financial statements
at 31 March 2010

6. Exceptional items

Recognised before operating (loss)/profit	*2010* *£000*	*2009* *£000*
Costs associated with restructuring	16	-
Bad debts	53	-
	69	-

Recognised after operating (loss)/profit	*2010* *£000*	*2009* *£000*
Profit on sale of subsidiary undertakings	-	38,810
Waiver of preference dividends	-	11,910
	-	50,720

On 26 February 2009 the company's holding in Snell Limited (formerly Snell & Wilcox Limited) was sold to Snell Corporation Limited (formerly Oval (2194) Limited) In anticipation of the transaction on 11 February 2009, the Preference share holders waived their rights to outstanding dividends on the Preference shares and agreed to the redesignation of the 'A' and 'B' Preferences shares as 'A' and 'B' Ordinary shares respectively Under the terms of the sale agreement £2,300,000 was retained in an escrow account and will be released in two equal amounts 12 and 24 months respectively after the date of sale assuming that the purchaser makes no claims under the warranties given by the company

7. Staff costs

	2010 *£000*	*2009* *£000*
Wages and salaries	2,330	14,728
Social security costs	211	1,541
Other pension costs	123	509
	2,664	16,778

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

	2010 *No*	*2009* *No*
Research and development and production	17	172
Sales, marketing and administration	19	111
	36	283

Notes to the financial statements
at 31 March 2010

8. Directors' emoluments

	2010 £000	2009 £000
Aggregate emoluments in respect of qualifying services	-	536
Value of group pension contributions to money purchase schemes	-	33

	2010 No	2009 No
Members of money purchase pension schemes	-	2

The amounts in respect of the highest paid director are as follows	2010 £000	2009 £000
Aggregate emoluments in respect of qualifying services	-	300

The directors of SWRG (UK) Limited received no emoluments in the year ended 31 March 2010

9. Interest payable and similar charges

	2010 £000	2009 £000
Bank loans and overdraft	1	464
Other interest and guarantee and commitment fees payable	-	1,112
Preference share dividend	-	2,204
	1	3,780

10. Taxation

(a) Tax on (loss)/profit on ordinary activities

The tax credit is made up as follows

	2010 £000	2009 £000
Current tax		
UK corporation tax	343	(11)
Foreign tax	8	60
Total current tax (note 10(b))	351	49
Tax on (loss)/profit on ordinary activities	351	49

Notes to the financial statements

at 31 March 2010

10. Taxation (continued)

(b) Factors affecting current tax credit

The tax assessed on the (loss)/profit on ordinary activities for the period is different to the standard rate of corporation tax in the UK of 28% (2009 – 28%) The differences are reconciled below

	2010 *£000*	*2009* *£000*
(Loss)/profit on ordinary activities before tax	(3,056)	47,810
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax	(856)	13,387
Non taxable income and non deductable expenses	54	(14,650)
Decelerated capital allowances	16	195
Other short term timing differences	(10)	1,285
UK tax losses not utilised/(utilised)	765	(596)
Net effect of overseas business	-	308
Group relief surrendered	-	22
Adjustment for research and development tax credits	(320)	-
Total current tax (note 10(a))	(351)	(49)

(c) Deferred tax

The group has tax losses arising in the UK with a value in excess of £8m (2009 - £8m) that are available indefinitely for offset against future taxable profits of the companies in which the losses arose

Deferred tax assets have not been recognised in respect of the group's UK tax losses as there may not be sufficient future taxable profits against which to offset the losses

11. Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company for the year ended 31 March 2010 is £2,450,000 (2009 –profit of £28,961,000)

Notes to the financial statements
at 31 March 2010

12. Tangible fixed assets
Group

	Leasehold property £000	*Plant and equipment £000*	*Total £000*
Cost			
At 1 April 2009	150	275	425
Additions	-	32	32
At 31 March 2010	150	307	457
Depreciation			
At 1 April 2009	30	77	107
Provided during the year	30	101	131
At 31 March 2010	60	178	238
Net book value			
At 31 March 2010	90	129	219
At 1 April 2009	120	198	318

13. Fixed asset investments
Company

	Subsidiary undertakings £000
Cost and net book value	
At 1 April 2009 and 31 March 2010	-

Details of the investments which contribute to the group performance and in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Name of company	*Country of incorporation*	*Proportion of voting rights and shares held*	*Nature of business*
Amberfin Limited	United Kingdom	100%	Design, manufacture and sales of broadcast and related systems
Amberfin Canada Inc	Canada	100% *	Research & development of broadcast and related systems
Amberfin Hong Kong Limited	Hong Kong	100% *	Sales and marketing

* investment held by Amberfin Limited

Notes to the financial statements

at 31 March 2010

14. Stocks

Group

	2010 *£000*	*2009* *£000*
Finished goods	19	75

15. Debtors

Group

	2010 *£000*	*2009* *£000*
Trade debtors	594	679
Corporation tax debtor	343	55
Other debtors	2,408	2,400
Prepayments and accrued income	158	154
	3,503	3,288

Company

	2010 *£000*	*2009* *£000*
Other debtors	2,350	2,300

16. Creditors: amounts falling due within one year

Group

	2010 *£000*	*2009* *£000*
Trade creditors	365	322
Other taxes and social security	113	57
Other creditors	-	104
Accruals and deferred income	548	1,617
	1,026	2,100

Company

	2010 *£000*	*2009* *£000*
Other creditors	-	30
Accruals and deferred income	38	862
	38	892

17. Commitments under operating leases

At 31 March 2010 the group had annual commitments under non-cancellable operating leases as set out below

		2010		*2009*
	Land and buildings *£000*	*Other* *£000*	*Land and buildings* *£000*	*Other* *£000*
Operating leases which expire				
Within one year	11	-	13	5
In two to five years	95	-	98	-
In over five years	-	-	-	-
	106	-	111	5

Notes to the financial statements
at 31 March 2010

18. Share capital
Group and company

		Authorised
	2010	*2009*
	£000	*£000*
'A' Ordınary shares of £0 00001 each	5,916	5,916
'B' Ordınary shares of £0 00001 each	90	90
	6,006	6,006

	Allotted, called up and fully paıd			
		2010		*2009*
	No	*£000*	*No*	*£*
'A' Ordınary shares of £0 00001 each	3,899,011,195	39	3,899,011,195	39
'B' Ordınary shares of £0 00001 each	59,375,805	1	59,375,805	1
		40		40

19. Dividends

Declared and paıd durıng the year	*2010*	*2009*
	£000	*£000*
Equıty dıvıdends on ordınary shares	-	25,000

Notes to the financial statements
at 31 March 2010

20. Reconciliation of shareholders' funds and movement on reserves

Group

	Share capital £000	*Share premium £000*	*Other reserves £000*	*Capital redemption reserve £000*	*Profit and loss account £000*	*Total share-holders' funds £000*
At 1 April 2008	13	-	70,128	8	(99,688)	(29,539)
Issue of shares	27	12,466	-	-	-	12,493
Profit for the year	-	-	-	-	47,782	47,782
Reserve transfer	-	(12,466)	(70,128)	-	82,594	-
Exchange differences	-	-	-	-	67	67
Dividends	-	-	-	-	(25,000)	(25,000)
At 31 March 2009	40	-	-	8	5,755	5,803
Loss for the year	-	-	-	-	(2,705)	(2,705)
Exchange differences	-	-	-	-	3	3
At 31 March 2010	40	-	-	8	3,053	3,101

Company	*Share capital*	*Share premium £000*	*Profit and loss account £000*	*Total share-holders' funds £000*
At 1 April 2008	13	-	(11,398)	(11,385)
Issue of shares	27	12,466	-	12,493
Reserve transfer	-	(12,466)	12,466	-
Profit for the year	-	-	28,961	28,961
Dividends	-	-	(25,000)	(25,000)
At 31 March 2009	40	-	5,029	5,069
Loss for the year	-	-	(2,450)	(2,450)
At 31 March 2010	40	-	2,579	2,619

Notes to the financial statements
at 31 March 2010

21. Notes to the group statement of cash flows

(a) Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	2010	*2009*
	£000	*£000*
Operating (loss)/profit	(3,062)	709
Depreciation	131	899
Loss on disposal of fixed assets	-	3
Decrease/(increase) in stocks	56	(376)
Decrease in debtors	73	2,802
(Decrease)/increase in creditors	(1,074)	60
Exchange differences	3	149
Net cash (outflow)/inflow from operating activities	(3,873)	4,246

(b) Reconciliation of net cash flow to movement in net funds/(debt)

	2010	*2009*
	£000	*£000*
(Decrease)/increase in cash	(3,836)	14,856
Cash outflow from decrease in borrowings	-	(6,500)
Change in net debt resulting from cash flows	(3,836)	8,356
Debt eliminated on disposal of subsidiary	-	28,699
Change in net debt	(3,836)	37,055
Net funds/(debt) at 1 April	4,222	(32,833)
Net funds at 31 March	386	4,222

(c) Analysis of net funds

	At 1 April 2009	*Cash flows*	*At 31 March 2010*
	£000	*£000*	*£000*
Cash at bank and in hand	4,222	(3,836)	386

22. Post balance sheet events

On 2 November 2010 the company sold its shareholding in Amberfin Limited as part of a transaction in which funds managed by Advent Venture Partners invested £1 5m into Amberfin Limited The investment by the Advent funds and the acquisition of the Company's shareholding was conditional on the waiver of the outstanding intercompany loan of £8 0m from the Company to Amberfin Limited, which included an amount of £7 89m owed by Amberfin Limited to the Company at 31 March 2010 In consideration for the release of the loan, the Company received warrants from Amberfin Limited to subscribe for 50,582 ordinary shares at a subscription price of £1 00 per share