Company Registration No. SC245312 (Scotland)

OUTERLIGHT LIMITED

UNAUDITED DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2009

OUTERLIGHT LIMITED

COMPANY INFORMATION

Directors	Ailsa Bates (resigned 9 June 2009) Chris Peck John Breslin Joe Scott Plummer
Company Secretary	Sarah Munro (resigned 20 April 2010)
Company number	SC245312
Registered office	2nd Floor Coburg House Edinburgh EH6 6ET
Accountants	Russell Bisset 8 Ross Road Edinburgh EH16 5QN
Bankers	Bank of Scotland Corporate Relationship Banking 47 High Street Dalkeith EH22 1JA

OUTERLIGHT LIMITED

CONTENTS

OUTERLIGHT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2009

The directors present their report and financial statements for the year ended 30 April 2009.

Principal activities
The principal activity of the company in the year was the design and development of computer games.

Directors
The following directors have held office since 1 May 2008:

Ailsa Bates (resigned 9 June 2009)
Chris Peck
John Breslin
Joe Scott Plummer

Directors' responsibilities
The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.
The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Company law requires the directors to prepare financial statements for each financial year which 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 estimates that are reasonable and prudent;
-prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the board

Chris Peck
Director
20 April 2010

OUTERLIGHT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2009

	Notes	Year ended 30 April 2009 £	Year ended 30 April 2008 £
Turnover		716,023	627,304
Direct expenses		597,760	475,189
Gross profit/(loss)		118,263	152,115
Administrative expenses		(103,139)	(125,134)
Other operating income			184
Operating profit	2	15,124	27,165
Other interest receivable and similar income	3	257	280
Interest payable and similar charges	4	(35,402)	(52,749)
Loss on ordinary activities before taxation		(20,021)	(25,304)
Tax on loss on ordinary activities	5	110	-
Loss for the year	11	(20,131)	(25,304)

OUTERLIGHT LIMITED

BALANCE SHEET

AS AT 30 APRIL 2009

	Notes	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	6		21,515		18,969
Current assets					
Debtors	7	16,304		13,371	
Cash at bank and in hand		229		33,715	
		16,533		47,086	
Creditors: amounts falling due within one year	8	(206,929)		(249,453)	
Net current liabilities			(190,396)		(202,367)
Total assets less current liabilities			(168,881)		(183,398)
Creditors: amounts falling due after more than one year	9		(364,700)		(330,052)
			(533,581)		(513,450)
Capital and reserves					
Called up share capital	10		13,720		13,720
Share premium account	11		718,435		718,435
Profit and loss account	11		(1,265,736)		(1,245,605)
Shareholders' funds			(533,581)		(513,450)

OUTERLIGHT LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2009

In preparing these financial statements for the year ending 30th April 2009:

a) For the year ending 30th April 2009 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

(b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and

(c) The directors acknowledge their responsibilities for:

(i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board for issue on 20 April 2010

Chris Peck
Director

OUTERLIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities (effective January 2007).

The company has net current liabilities of £190,343 as at 30 April 2009.

The Directors have considered the potential cash flow of the Company going forward. In the light of the royalty income arising from their previous game, very significantly reduced costs and the retained future rights in relation to a new game under development by a major publisher, the Directors remain satisfied that the Company will generate significant cash flows. They therefore consider the going concern basis as appropriate

1.2 Turnover

Turnover consists of the sales value (excluding VAT) of all work done in the period under contracts to supply goods and services to third parties. It includes the relevant proportion of contract values where work is partially performed in the period.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	33% Straight Line
Fixtures, fittings & equipment	15% Reducing Balance

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007). Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.6 Work in progress

Work in progress is stated at the lower of cost and net realisable value. Cost comprises direct salaries and materials plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated sales value less any further costs expected to be incurred to completion.

1.7 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Full provision is made for losses on all contracts in the year in which they are first foreseen.

OUTERLIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2009

2	**Operating profit/(loss)**	**2009**	**2008**
		£	**£**
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	11,350	7,020
	Directors' emoluments	69,500	65,744

3	**Investment income**	**2009**	**2008**
		£	**£**
	Bank interest	257	280

4	**Interest payable and similar charges**	**2009**	**2008**
		£	**£**
	Bank interest	669	2,205
	Loan interest	85	3,024
	Other interest	-	7,000
	Preference share premium	34,648	40,520
		35,402	52,749

5 Taxation

Current tax charge	110	-

The company has estimated losses of £878,560 (2008: £ 885,263) available for carry forward against future trading profits.

6	**Tangible fixed assets**	**Plant and machinery**	**Fixtures, fittings & equipment**	**Total**
	Cost	£	£	£
	At 1 May 2008	35,649	2,370	38,019
	Additions	13,896	-	13,896
	At 30 April 2009	49,545	2,370	51,915
	Depreciation			
	At 1 May 2008	17,920	1,130	19,050
	Charge for the year	11,164	186	11,350
	At 30 April 2009	29,084	1,316	30,400
	Net book value			
	At 30 April 2009	20,461	1,054	21,515
	At 30 April 2008	17,729	1,240	18,969

OUTERLIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2009

7	**Debtors**	**2009**	**2008**
		£	**£**
	Accrued income	2,000	3,000
	Trade debtors	-	-
	Other debtors	14,304	10,371
		16,304	13,371

8	**Creditors: amounts falling due within one year**	**2009**	**2008**
		£	**£**
	Deferred income	56,651	171,281
	Bank loans and overdrafts	51,814	8,333
	Trade creditors	31,395	4,024
	Taxation and social security	62,715	46,735
	Other creditors	4,354	19,080
		206,929	249,453

The bank has security in the form of a charge over a cash deposit in the name of Chris Peck.

9	**Creditors: amounts falling due after more than one year**	**2009**	**2008**
		£	**£**
	Other creditors	105,116	105,116
	Preference shares classed as a financial liability	259,584	224,936
		364,700	330,052
	Preference shares classified as financial liabilities		
	In more than two years but not more than five years	259,584	224,936

The above liability consists of 100,000 £1 cumulative convertible preference shares with a nominal value of £100,000. In addition a preference share redemption reserve has been provided of £159,584 (2008 - £124,936).

10	**Share capital**	**2009**	**2008**
		£	**£**
	Authorised		
	1,396,000 Ordinary shares of 1p each	13,960	13,960
	Allotted, called up and fully paid		
	1,372,000 Ordinary shares of 1p each	13,720	13,720

OUTERLIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2009

11 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 May 2008	718,435	(1,245,605)
Loss for the period	-	(20,131)
Balance at 30 April 2009	718,435	(1,265,736)

12 Contingent liabilities

There were no contingent liabilities at 30 April 2009 (2008 - £Nil).

13 Transactions with directors

At 30 April 2009, the company owed C Peck £97,937.

The bank overdraft is secured by a charge over a cash deposit of £30,000 in the name of Chris Peck.

14 Control

No one person has ultimate control of the company.

15 Related party transactions

There were no related party transactions during the year to 30 April 2009.

OUTERLIGHT LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 30 APRIL 2009

OUTERLIGHT LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2009

		Year ended 30 April 2009		Year ended 30 April 2008
	£	£	£	£
Turnover				
Sales		716,023		627,304
Direct expenses		597,760		475,189
Gross profit		118,263		152,115
Administrative expenses		(103,620)		(125,134)
		14,643		26,981
Other operating income				
Sundry income		-		184
Operating profit		14,643		27,165
Other interest receivable and similar income				
Bank interest		257		280
Interest payable				
Bank interest on loans < 5 yrs - paid	85		3,024	
Premium on preference share redemption	34,648		40,520	
Bank overdraft interest	669		2,205	
Other interest	-		7,000	
		(35,402)		(52,749)
Loss before taxation	2.86%	(20,502)	4.03%	(25,304)

OUTERLIGHT LIMITED

SCHEDULE OF DIRECT AND ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 30 APRIL 2009

	Year Ended 30 April 2009 £	Year ended 30 April 2008 £
Direct expenses		
Wages and salaries (excl. N.I.)	404,849	334,917
Directors' remuneration	69,500	65,744
Employer's NI contributions	47,885	40,913
Sub-Contractors	74,576	33,291
Sundry expenses	950	324
	597,760	475,189
Administrative expenses		
Wages and salaries (excl. N.I.)	33,808	26,236
Employer's NI contributions	2,807	2,518
Redundancy pay	-	481
Recruitment expenses	21	18,271
Staff training	569	-
Rent	15,000	13,750
Rates	4,720	4,980
Insurance	2,034	2,489
Light and heat	4,963	5,361
Repairs and maintenance	2,154	1,881
Printing, postage and stationery	1,192	1,705
Advertising	-	1,500
Computer running costs	5,154	7,130
Telephone	1,232	1,307
Convention expenses	6,831	2,260
Motor running expenses	156	-
Travelling expenses	2,151	4,808
Entertaining	204	65
Legal and professional fees	-	7,162
Consultancy fees	1,350	4,220
Accountancy	3,852	6,237
Bank charges	1,419	3,083
Sundry expenses	1,996	2,626
Subscriptions	176	44
Depreciation	11,350	7,020
	103,139	125,134

OUTERLIGHT LIMITED

ANALYSIS OF OTHER DEBTORS AND OTHER CREDITORS
FOR THE YEAR ENDED 30 APRIL 2009

	Year ended 30 April 2009 £	Year ended 30 April 2008 £
Other debtors (note 7)		
Other debtors	13,400	9,169
V.A.T. control account	904	1,202
	14,304	10,371
Other creditors (note 8)		
Accruals	4,220	18,485
Credit card liability	-	595
Net salaries	134	-
	4,354	19,080

OUTERLIGHT LIMITED

ANALYSIS OF OTHER DEBTORS AND OTHER CREDITORS
FOR THE YEAR ENDED 30 APRIL 2009

	Year ended 30 April 2009 £	Year ended 30 April 2008 £
Other debtors (note 7)		
Other debtors	4,001	4,036
Prepayments	9,399	5,133
V.A.T. control account	904	1,202
	14,304	10,371