

# Financial Statements Rebellion Holdings Limited

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**For the year ended 30 June 2014**



**Registered number: 2771597**

**Rebellion Holdings Limited**

## Company Information

|                            |   |
|----------------------------|---|
| <b>Directors</b>           | C R Kingsley<br>J J Kingsley<br>Dr P J Kingsley   |
| <b>Company secretary</b>   | C R Kingsley  |
| <b>Registered number</b>   | 2771597   |
| <b>Registered office</b>   | Riverside House<br>Osney Mead<br>OXFORD<br>OX2 0ES  |
| <b>Independent auditor</b> | Grant Thornton UK LLP<br>Chartered Accountants & Statutory Auditor<br>3140 Rowan Place<br>John Smith Drive<br>Oxford Business Park South<br>OXFORD<br>OX4 2WB |

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# Directors' Report

For the year ended 30 June 2014

The directors present their report and the financial statements for the year ended 30 June 2014.

## **Results**

The loss for the year, after taxation and minority interests, amounted to £555,549 (2013 - profit £190,186).

## **Directors**

The directors who served during the year were:

C R Kingsley  
J J Kingsley  
Dr P J Kingsley

## **Directors' responsibilities statement**

The directors are responsible for preparing the Group strategic report, 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). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Directors' Report

For the year ended 30 June 2014

## Disclosure of information to auditor

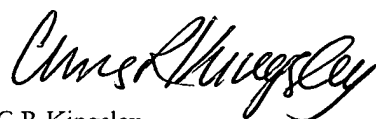
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

## Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf.



C R Kingsley  
Director

Date: 18 DEC 2014

# **Group Strategic Report**

**For the year ended 30 June 2014**

## **Financial overview**

The year to 30 June 2014 was disappointing for the group with turnover of £11.2 million - a decrease of 23% from the previous year (2013: £14.5 million). Loss before tax was £528k, a swing from being profit making in the previous year (2013: £691k).

The directors are not satisfied with the performance for the year, and will aim to improve this over the next twelve months.

## **Financial performance**

Financial performance for the year has been analysed as follows:

|                   | <b>Year to<br/>June 2014<br/>£'000</b> | <b>Year to<br/>June 2013<br/>£'000</b> |
|-------------------|--|--|
| Turnover          | 11,244                                 | 14,522                                 |
| Gross profit      | 243                                    | 1,364                                  |
| Profit before tax | (528)                                  | 691                                    |

## **Strategy**

The group's strategy is to continue to offer its products and services in both physical and digital formats, with greater emphasis on the digital market as the significant growth seen in recent years is anticipated to continue.

### **Turnover**

Overall turnover decreased by 23% from the previous year as the group saw last year's growth in book publishing and motion capture services reverse.

### **Gross profit**

Gross profit has decreased by 82% from the previous year due to reduced performance of both book publishing and motion capture services. Computer games publishing continues to be profitable although during the year the purchasing of intellectual property yet to be exploited has reduced the margins.

### **Capital expenditure**

The majority of the capital expenditure during the year related to the purchase of intellectual property (£548k).

### **Research and development**

The group's strategy is to continue to offer its products and services in both physical and digital formats, with greater emphasis on the digital market as the significant growth seen in recent years is anticipated to continue.

## **Principal risk and uncertainties**

The group is exposed to a variety of financial risks which result from both its operating and investment activities. The board is responsible for coordinating the group's risk management and focuses on actively securing the group's short to medium term cash flows.

The group does not actively engage in the trading of financial assets and has no financial derivatives. The most significant financial risks to which the group is exposed are described below:

## **Group Strategic Report (continued)**

**For the year ended 30 June 2014**

### **Credit risk**

The group's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of any allowance for doubtful debts, estimated by the directors. The group normally deals with large highly rated international companies who have a strong record for the prompt payment of liabilities.

### **Cash flow risk**

The group seeks to manage risks to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

This report was approved by the board and signed on its behalf.



C R Kingsley  
Director

Date: 18 DEC 2014

## Independent Auditor's Report to the Members of Rebellion Holdings Limited

We have audited the financial statements of Rebellion Holdings Limited for the year ended 30 June 2014, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Cash flow statement and reconciliation of net cash flow to movement in net funds/debt, the consolidated Statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' responsibilities statement, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2014 and of the group's 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## Independent Auditor's Report to the Members of Rebellion Holdings Limited

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

A handwritten signature in black ink, appearing to read "Amrish Shah".

Amrish Shah FCA (Senior statutory auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
OXFORD

Date: 18 December 2014

## Consolidated Profit and Loss Account

For the year ended 30 June 2014

|   | Note | 2014<br>£    | 2013<br>£    |
|---|------|--------------|--------------|
| <b>Turnover</b>   | 1,2  | 11,244,216   | 14,521,753   |
| Cost of sales   |      | (11,001,576) | (13,158,157) |
| <b>Gross profit</b>   |      | 242,640      | 1,363,596    |
| Administrative expenses                                     |      | (751,421)    | (658,998)    |
| <b>Operating (loss)/profit</b>                              | 3    | (508,781)    | 704,598      |
| Interest payable and similar charges                        | 6    | (18,766)     | (13,528)     |
| <b>(Loss)/profit on ordinary activities before taxation</b> |      | (527,547)    | 691,070      |
| Tax on (loss)/profit on ordinary activities                 | 7    | (113,966)    | (381,974)    |
| <b>(Loss)/profit on ordinary activities after taxation</b>  |      | (641,513)    | 309,096      |
| Minority interests  |      | 85,964       | (118,910)    |
| <b>(Loss)/profit for the financial year</b>                 | 18   | (555,549)    | 190,186      |

All amounts relate to continuing operations.

The notes on pages 12 to 28 form part of these financial statements.

## Consolidated Statement of Total Recognised Gains and Losses

For the year ended 30 June 2014

|   | 2014<br>£        | 2013<br>£      |
|---|------------------|----------------|
| (Loss)/profit for the financial year                              | (555,549)        | 190,186        |
| Foreign exchange difference on translation of overseas subsidiary | (14)             | -              |
| <b>Total recognised gains and losses relating to the year</b>     | <b>(555,563)</b> | <b>190,186</b> |

The notes on pages 12 to 28 form part of these financial statements.

## Consolidated Balance Sheet

As at 30 June 2014

|  | Note | £           | 2014<br>£          | £                | 2013<br>£        |
|--|------|-------------|--------------------|------------------|------------------|
| <b>Fixed assets</b>  |      |             |                    |                  |                  |
| Intangible assets  | 8    |             | 411,403            |                  | 122,900          |
| Tangible assets  | 9    |             | 1,204,631          |                  | 1,327,812        |
|  |      |             | <u>1,616,034</u>   |                  | <u>1,450,712</u> |
| <b>Current assets</b>  |      |             |                    |                  |                  |
| Stocks   | 12   | 388,323     |                    | 335,116          |                  |
| Debtors  | 13   | 2,890,492   |                    | 2,792,744        |                  |
| Cash at bank   |      | 90,189      |                    | 264,532          |                  |
|  |      |             | <u>3,369,004</u>   | <u>3,392,392</u> |                  |
| <b>Creditors: amounts falling due within one year</b>          | 14   | (5,091,609) |                    | (4,265,997)      |                  |
| <b>Net current liabilities</b>                                 |      |             | <u>(1,722,605)</u> |                  | <u>(873,605)</u> |
| <b>Total assets less current liabilities</b>                   |      |             | <u>(106,571)</u>   |                  | <u>577,107</u>   |
| <b>Creditors: amounts falling due after more than one year</b> | 15   |             | (618,730)          |                  | (660,881)        |
| <b>Net liabilities</b>   |      |             | <u>(725,301)</u>   |                  | <u>(83,774)</u>  |
| <b>Capital and reserves</b>                                    |      |             |                    |                  |                  |
| Called up share capital  | 17   |             | 86                 |                  | 86               |
| Foreign exchange reserve                                       | 18   |             | (14)               |                  | -                |
| Profit and loss account  | 18   |             | (904,033)          |                  | (348,484)        |
| <b>Shareholders' deficit</b>                                   | 19   |             | <u>(903,961)</u>   |                  | <u>(348,398)</u> |
| <b>Minority interests</b>                                      | 25   |             | 178,660            |                  | 264,624          |
|  |      |             | <u>(725,301)</u>   |                  | <u>(83,774)</u>  |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
C R Kingsley  
Director

Date: 18 DEC 2014

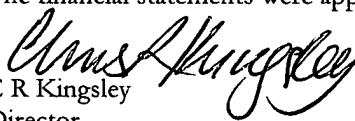
The notes on pages 12 to 28 form part of these financial statements.

# Company Balance Sheet

As at 30 June 2014

|   | Note | £ | 2014<br>£      | £ | 2013<br>£      |
|---|------|---|----------------|---|----------------|
| <b>Fixed assets</b>                                   |      |   |                |   |                |
| Investments   | 10   |   | 190            |   | 190            |
| <b>Creditors: amounts falling due within one year</b> | 14   |   | (4,109)        |   | (4,109)        |
| <b>Net liabilities</b>                                |      |   | <u>(3,919)</u> |   | <u>(3,919)</u> |
| <b>Capital and Reserves</b>                           |      |   |                |   |                |
| Called up share capital                               | 17   |   | 86             |   | 86             |
| Profit and loss account                               | 18   |   | <u>(4,005)</u> |   | <u>(4,005)</u> |
| <b>Shareholders' deficit</b>                          | 19   |   | <u>(3,919)</u> |   | <u>(3,919)</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
C R Kingsley  
Director

Date: 18 DEC 2014

The notes on pages 12 to 28 form part of these financial statements.

## Consolidated Cash Flow Statement

For the year ended 30 June 2014

|   | Note | 2014<br>£        | 2013<br>£        |
|---|------|------------------|------------------|
| Net cash flow from operating activities         | 26   | 599,649          | 767,903          |
| Returns on investments and servicing of finance | 27   | (18,766)         | 10,472           |
| Taxation  |      | (162,090)        | (417,323)        |
| Capital expenditure and financial investment    | 27   | (536,247)        | (1,143,089)      |
| <b>Cash outflow before financing</b>            |      | <b>(117,454)</b> | <b>(782,037)</b> |
| Financing                                       | 27   | (56,889)         | 676,803          |
| <b>Decrease in cash in the year</b>             |      | <b>(174,343)</b> | <b>(105,234)</b> |

## Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the year ended 30 June 2014

|  |    | 2014<br>£        | 2013<br>£        |
|--|----|------------------|------------------|
| Decrease in cash in the year                           |    | (174,343)        | (105,234)        |
| Cash outflow from decrease in debt and lease financing |    | 56,889           | (676,803)        |
| <b>Movement in net debt in the year</b>                | 28 | <b>(117,454)</b> | <b>(782,037)</b> |
| Net (debt)/funds at 1 July 2013                        |    | (452,845)        | 329,192          |
| <b>Net debt at 30 June 2014</b>                        |    | <b>(570,299)</b> | <b>(452,845)</b> |

The notes on pages 12 to 28 form part of these financial statements.

# Notes to the Financial Statements

For the year ended 30 June 2014

## 1. Accounting Policies

### 1.1 Basis of preparation of financial statements

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

### 1.2 Going concern

The directors consider that it is appropriate to prepare the financial statements on the going concern basis due to the commitment by a connected company, Rebellion Developments Limited, to provide any necessary financial support required to enable the group to discharge its liabilities, and therefore continue to trade, for a period of at least 12 months from the date of approving the financial statements. The directors consider that Rebellion Developments Limited has the means to provide such financial support.

### 1.3 Basis of consolidation

The financial statements consolidate the accounts of Rebellion Holdings Limited and all of its subsidiary undertakings ('subsidiaries') drawn up to 30 June 2014. Acquisitions of subsidiaries are dealt with under the acquisition method of accounting.

The results of subsidiaries sold are included up to the effective date of disposal.

### 1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts, less adjustments for estimated returns where appropriate.

Income from motion capture, publishing and distribution is recognised on the delivery of the product to the customer.

Turnover arising from designing and publishing computer games is recognised in respect of the group's performance when, and to the extent that, it obtains the right to the consideration. The guiding principle in this assessment is to consider the stage of completion of the contractual obligations and to the extent to which the company has obtained the right to the consideration. When the group is exposed to the significant risks and rewards associated with the selling price it accounts for revenue as a principal and associated commission payable is accounted for as a direct cost within cost of sales.

Turnover also includes amounts receivable for licensing income, which is recognised upon signature of a licence agreement.

### 1.5 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Dividends and distributions relating to equity instruments are debited direct to equity.

# Notes to the Financial Statements

For the year ended 30 June 2014

## 1. Accounting Policies (continued)

### 1.6 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

|                                  |   |                   |
|----------------------------------|---|-------------------|
| Intellectual property (see 1.15) | - | 33% straight line |
| Goodwill                         | - | 10% Straight line |

### 1.7 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

|                        |   |   |
|------------------------|---|---|
| Leased equipment       | - | Lower of useful economic life and period of the lease |
| Freehold property      | - | Not depreciated, see note below                       |
| Leasehold improvements | - | 33% straight line                                     |
| Plant & machinery      | - | 25 - 50% straight line                                |
| Software and licences  | - | 50% straight line                                     |

The buildings included within fixed assets have not been depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial performance of the company.

### 1.8 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

### 1.9 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

# Notes to the Financial Statements

For the year ended 30 June 2014

## 1. Accounting Policies (continued)

### 1.10 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### 1.11 Operating leases

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

### 1.12 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

Work in progress includes recoverable costs incurred on projects and is transferred to cost of sales when sales are recognised.

### 1.13 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

# Notes to the Financial Statements

For the year ended 30 June 2014

## 1. Accounting Policies (continued)

### 1.14 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

### 1.15 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the profit and loss account.

### 1.16 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

## 2. Turnover

A geographical analysis of turnover is as follows:

|                | 2014<br>£         | 2013<br>£         |
|----------------|-------------------|-------------------|
| United Kingdom | 1,481,625         | 2,912,966         |
| Rest of world  | 9,762,591         | 11,608,787        |
|                | <u>11,244,216</u> | <u>14,521,753</u> |

# Notes to the Financial Statements

For the year ended 30 June 2014

## 3. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

|  | 2014     | 2013     |
|--|----------|----------|
|  | £        | £        |
| Amortisation - intangible fixed assets           | 259,782  | 156,905  |
| Depreciation of tangible fixed assets:           |          |          |
| - owned by the group                             | 152,812  | 190,440  |
| - held under finance leases                      | 16,010   | 33,585   |
| Auditor's remuneration                           | 21,200   | 21,820   |
| Auditor's remuneration - non-audit               | 11,595   | 12,615   |
| Operating lease rentals:                         |          |          |
| - other operating leases                         | 102,000  | 67,361   |
| Research and development expenditure written off | 49,761   | 84,957   |
| Profit on sale of tangible assets                | (57,679) | (24,000) |

Of the above audit fees, £3,150 (2013 - £8,570) was paid for by a connected company through common directorship, Rebellion Developments Limited.

The audit fee in respect of the company was £3,150 (2013 - £3,040).

## 4. Staff costs

Staff costs were as follows:

|                       | 2014           | 2013           |
|-----------------------|----------------|----------------|
|                       | £              | £              |
| Wages and salaries    | 382,720        | 522,355        |
| Social security costs | 38,870         | 55,347         |
| Other pension costs   | 9,792          | 11,084         |
|                       | <u>431,382</u> | <u>588,786</u> |

The average monthly number of employees, including the directors, during the year was as follows:

| 2014      | 2013      |
|-----------|-----------|
| No.       | No.       |
| <u>13</u> | <u>16</u> |

## 5. Directors' remuneration

|              | 2014          | 2013          |
|--------------|---------------|---------------|
|              | £             | £             |
| Remuneration | <u>29,014</u> | <u>22,056</u> |

# Notes to the Financial Statements

For the year ended 30 June 2014

## 6. Interest payable

|   | 2014          | 2013          |
|---|---------------|---------------|
|   | £             | £             |
| Mortgage interest                             | 18,766        | 11,854        |
| On finance leases and hire purchase contracts | -             | 1,674         |
|   | <u>18,766</u> | <u>13,528</u> |

## 7. Taxation

|  | 2014            | 2013           |
|--|-----------------|----------------|
|  | £               | £              |
| <b>Analysis of tax charge in the year</b>                        |                 |                |
| <b>Current tax</b> (see note below)                              |                 |                |
| UK corporation tax (credit)/charge on (loss)/profit for the year | (61,268)        | -              |
| Adjustments in respect of prior periods                          | (24,595)        | -              |
|  | <u>(85,863)</u> | <u>-</u>       |
| Withholding tax  | 186,685         | 417,323        |
| <b>Total current tax</b>   | <u>100,822</u>  | <u>417,323</u> |
| <b>Deferred tax</b> (see note 16)                                |                 |                |
| Origination and reversal of timing differences                   | 13,144          | (35,349)       |
| <b>Tax on (loss)/profit on ordinary activities</b>               | <u>113,966</u>  | <u>381,974</u> |

# Notes to the Financial Statements

For the year ended 30 June 2014

## 7. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 22.50% (2013 - 23.75%). The differences are explained below:

|   | 2014<br>£             | 2013<br>£             |
|---|-----------------------|-----------------------|
| (Loss)/profit on ordinary activities before tax   | <u>(527,547)</u>      | <u>691,070</u>        |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.50% (2013 - 23.7520%) | <u>(118,698)</u>      | <u>164,129</u>        |
| <b>Effects of:</b>  |                       |                       |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                                 | 5,806                 | 8,217                 |
| Depreciation for year in excess of capital allowances   | 17,602                | 226,491               |
| Unrelieved tax losses carried forward   | 101,286               | 20,691                |
| Adjustments to tax charge in respect of prior periods   | (24,595)              | -                     |
| Research and development enhanced loss  | (9,440)               | (98,175)              |
| Short term timing difference leading to an increase/(decrease) in taxation  | -                     | (4,000)               |
| Non-taxable income  | (39,456)              | (11,559)              |
| Fixed asset differences   | 33,525                | (210,849)             |
| Overseas withholding tax  | 186,684               | 417,323               |
| Other differences leading to an decrease in the tax charge  | (51,892)              | (94,945)              |
| <b>Current tax charge for the year (see note above)</b>   | <u><u>100,822</u></u> | <u><u>417,323</u></u> |

# Notes to the Financial Statements

For the year ended 30 June 2014

## 8. Intangible fixed assets

| Group                 | Intellectual property<br>£ | Goodwill<br>£ | Total<br>£ |
|-----------------------|----------------------------|---------------|------------|
| <b>Cost</b>           |                            |               |            |
| At 1 July 2013        | 426,214                    | 112,248       | 538,462    |
| Additions             | 548,285                    | -             | 548,285    |
| At 30 June 2014       | 974,499                    | 112,248       | 1,086,747  |
| <b>Amortisation</b>   |                            |               |            |
| At 1 July 2013        | 360,210                    | 55,352        | 415,562    |
| Charge for the year   | 248,882                    | 10,900        | 259,782    |
| At 30 June 2014       | 609,092                    | 66,252        | 675,344    |
| <b>Net book value</b> |                            |               |            |
| At 30 June 2014       | 365,407                    | 45,996        | 411,403    |
| At 30 June 2013       | 66,004                     | 56,896        | 122,900    |

## 9. Tangible fixed assets

| Group                 | Freehold property<br>£ | Leasehold improvements<br>£ | Plant & machinery<br>£ | Software and licences<br>£ | Total<br>£ |
|-----------------------|------------------------|-----------------------------|------------------------|----------------------------|------------|
| <b>Cost</b>           |                        |                             |                        |                            |            |
| At 1 July 2013        | 1,131,581              | 71,031                      | 978,931                | 12,860                     | 2,194,403  |
| Additions             | -                      | 58,624                      | 3,694                  | -                          | 62,318     |
| Disposals             | -                      | (39,945)                    | (67,159)               | -                          | (107,104)  |
| At 30 June 2014       | 1,131,581              | 89,710                      | 915,466                | 12,860                     | 2,149,617  |
| <b>Depreciation</b>   |                        |                             |                        |                            |            |
| At 1 July 2013        | -                      | 39,370                      | 814,361                | 12,860                     | 866,591    |
| Charge for the year   | -                      | 20,614                      | 148,208                | -                          | 168,822    |
| On disposals          | -                      | (39,514)                    | (50,913)               | -                          | (90,427)   |
| At 30 June 2014       | -                      | 20,470                      | 911,656                | 12,860                     | 944,986    |
| <b>Net book value</b> |                        |                             |                        |                            |            |
| At 30 June 2014       | 1,131,581              | 69,240                      | 3,810                  | -                          | 1,204,631  |
| At 30 June 2013       | 1,131,581              | 31,661                      | 164,570                | -                          | 1,327,812  |

# Notes to the Financial Statements

For the year ended 30 June 2014

## 9. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

|                     | 2014 | 2013   |
|---------------------|------|--------|
| Group               | £    | £      |
| Plant and machinery | -    | 16,010 |

## 10. Fixed asset investments

| Company                         | Investments<br>in subsidiary<br>companies |
|---------------------------------|---|
| Cost or valuation               | £   |
| At 1 July 2013 and 30 June 2014 | 190                                       |
| Net book value                  |   |
| At 30 June 2014                 | 190                                       |
| At 30 June 2013                 | 190                                       |

## 11. Principal subsidiaries

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The principal subsidiaries included within the consolidated financial statements are outlined below.

| Company name                               | Country of<br>registration | Percentage<br>Shareholding | Class of share                         |
|--|----------------------------|----------------------------|--|
| Audiomotion Studios Limited                | England & Wales            | 60                         | Ordinary                               |
| Saturna LLP*                               | England & Wales            | 4                          | N/A - Limited Liability<br>Partnership |
| Rebellion Limited                          | Scotland                   | 100                        | Ordinary                               |
| Rebellion Intellectual Property<br>Limited | England & Wales            | 100                        | Ordinary                               |
| Rebellion Interactive Limited              | England & Wales            | 100                        | Ordinary                               |
| Rebellion Interactive Games<br>Limited     | England & Wales            | 100                        | Ordinary                               |
| Rebellion Publishing Limited               | England & Wales            | 100                        | Ordinary                               |
| Rebellion Software Limited*                | England & Wales            | 100                        | Ordinary                               |
| Rebellion Games Inc                        | USA                        | 100                        | Ordinary                               |

# Notes to the Financial Statements

For the year ended 30 June 2014

## Principal subsidiaries (continued)

\* = Interest held via a subsidiary undertaking.

The principal activity of Audiomotion Studios limited is that of motion capture and related services.

The principal activity of Saturna LLP is the rental of the property owned by the LLP.

Rebellion Limited was dormant and has not traded during the course of either the current or prior period.

Rebellion Intellectual Property Limited was dormant and has not traded during the course of either the current or prior period.

The principal activity of Rebellion Interactive Limited is that of designing and publishing computer games.

The principal activity of Rebellion Interactive Games Limited is that of designing and publishing computer games.

The principal activity of Rebellion Publishing Limited during the year was publishing and distribution.

Rebellion Software Limited was dormant and has not traded during the course of either the current or prior period.

Rebellion Games Inc was incorporated on 13 August 2013 and has not traded to date.

On 1 October 2012, Audiomotion Studios Limited invested £1,000 capital into Saturna LLP, a Limited Liability Partnership which was incorporated on that date. Audiomotion Studios Limited is one of 6 members and is entitled to 4% of the LLP's profits.

As the other members of Saturna LLP are the shareholders and directors of Audiomotion Studios Limited, and the entities are managed on a unified basis, the directors have concluded that Audiomotion Studios Limited controls Saturna LLP and therefore Saturna LLP is classified as a subsidiary of Audiomotion Studios Limited.

## 12. Stocks

|                                     | <b>Group</b>   |                | <b>Company</b> |             |
|-------------------------------------|----------------|----------------|----------------|-------------|
|                                     | <b>2014</b>    | <b>2013</b>    | <b>2014</b>    | <b>2013</b> |
|                                     | <b>£</b>       | <b>£</b>       | <b>£</b>       | <b>£</b>    |
| Work in progress                    | 34,028         | 24,117         | -              | -           |
| Finished goods and goods for resale | 354,295        | 310,999        | -              | -           |
|                                     | <b>388,323</b> | <b>335,116</b> | <b>-</b>       | <b>-</b>    |

# Notes to the Financial Statements

For the year ended 30 June 2014

## 13. Debtors

|                                   | Group            |                  | Company  |          |
|-----------------------------------|------------------|------------------|----------|----------|
|                                   | 2014             | 2013             | 2014     | 2013     |
|                                   | £                | £                | £        | £        |
| Trade debtors                     | 1,022,495        | 1,676,504        | -        | -        |
| Amounts owed from related parties | 4,047            | 67,096           | -        | -        |
| Other debtors                     | 1,790,059        | 962,109          | -        | -        |
| Deferred tax asset (see note 16)  | 73,891           | 87,035           | -        | -        |
|                                   | <u>2,890,492</u> | <u>2,792,744</u> | <u>-</u> | <u>-</u> |

## 14. Creditors: Amounts falling due within one year

|  | Group            |                  | Company      |              |
|--|------------------|------------------|--------------|--------------|
|  | 2014             | 2013             | 2014         | 2013         |
|  | £                | £                | £            | £            |
| Mortgage   | 41,758           | 39,119           | -            | -            |
| Net obligations under finance leases and hire purchase contracts | -                | 17,377           | -            | -            |
| Trade creditors  | 239,980          | 323,653          | -            | -            |
| Amounts owed to related parties                                  | 3,110,385        | 2,918,750        | -            | -            |
| Other taxation and social security                               | 38,241           | 20,582           | -            | -            |
| Other creditors  | 148,692          | 54,849           | 4,109        | 4,109        |
| Accruals and deferred income                                     | 1,512,553        | 891,667          | -            | -            |
|  | <u>5,091,609</u> | <u>4,265,997</u> | <u>4,109</u> | <u>4,109</u> |

# Notes to the Financial Statements

For the year ended 30 June 2014

## 15. Creditors: Amounts falling due after more than one year

|          | <u>Group</u> |         | <u>Company</u> |      |
|----------|--------------|---------|----------------|------|
|          | 2014         | 2013    | 2014           | 2013 |
|          | £            | £       | £              | £    |
| Mortgage | 618,730      | 660,881 | -              | -    |

Included within the above are amounts falling due as follows:

|                                   | <u>Group</u> |         | <u>Company</u> |      |
|-----------------------------------|--------------|---------|----------------|------|
|                                   | 2014         | 2013    | 2014           | 2013 |
|                                   | £            | £       | £              | £    |
| <b>Between one and two years</b>  |              |         |                |      |
| Mortgage                          | 42,782       | 40,310  | -              | -    |
| <b>Between two and five years</b> |              |         |                |      |
| Mortgage                          | 134,737      | 128,447 | -              | -    |
| <b>Over five years</b>            |              |         |                |      |
| Mortgage                          | 441,211      | 492,124 | -              | -    |

Creditors include amounts not wholly repayable within 5 years as follows:

|                          | <u>Group</u> |         | <u>Company</u> |      |
|--------------------------|--------------|---------|----------------|------|
|                          | 2014         | 2013    | 2014           | 2013 |
|                          | £            | £       | £              | £    |
| Repayable by instalments | 441,211      | 492,124 | -              | -    |

The mortgage is secured by a first charge on the property held by Saturna LLP, and attracts interest at a rate of 2.5% per annum above the base rate of Bank of England.

## 16. Deferred taxation

|   | <u>Group</u> |        | <u>Company</u> |      |
|---|--------------|--------|----------------|------|
|   | 2014         | 2013   | 2014           | 2013 |
|   | £            | £      | £              | £    |
| At beginning of year                        | 87,035       | 51,686 | -              | -    |
| (Charge for)/released during the year (P&L) | (13,144)     | 35,349 | -              | -    |
| At end of year                              | 73,891       | 87,035 | -              | -    |

# Notes to the Financial Statements

For the year ended 30 June 2014

## 16. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

|                                | <b>Group</b>  |               | <b>Company</b> |             |
|--------------------------------|---------------|---------------|----------------|-------------|
|                                | <b>2014</b>   | <b>2013</b>   | <b>2014</b>    | <b>2013</b> |
|                                | <b>£</b>      | <b>£</b>      | <b>£</b>       | <b>£</b>    |
| Accelerated capital allowances | 16,805        | 9,493         | -              | -           |
| Tax losses brought forward     | 57,086        | 77,542        | -              | -           |
|                                | <b>73,891</b> | <b>87,035</b> | <b>-</b>       | <b>-</b>    |

## 17. Share capital

|                                    | <b>2014</b> | <b>2013</b> |
|------------------------------------|-------------|-------------|
|                                    | <b>£</b>    | <b>£</b>    |
| Allotted, called up and fully paid |             |             |
| 86 Ordinary shares of £1 each      | 86          | 86          |

## 18. Reserves

| <b>Group</b>                 | <b>Foreign<br/>exchange<br/>reserve<br/>£</b> | <b>Profit and<br/>loss account<br/>£</b> |
|------------------------------|---|--|
| At 1 July 2013               | -   | (348,484)                                |
| Loss for the financial year  | -   | (555,549)                                |
| Movement on foreign exchange | (14)  | -  |
| At 30 June 2014              | <b>(14)</b>                                   | <b>(904,033)</b>                         |

| <b>Company</b>                  | <b>Profit and<br/>loss account<br/>£</b> |
|---------------------------------|--|
| At 1 July 2013 and 30 June 2014 | <b>(4,005)</b>                           |

# Notes to the Financial Statements

For the year ended 30 June 2014

## 19. Reconciliation of movement in shareholders' deficit

|   | 2014             | 2013             |
|---|------------------|------------------|
| Group   | £                | £                |
| Opening shareholders' deficit                     | (348,398)        | (538,584)        |
| (Loss)/profit for the financial year              | (555,549)        | 190,186          |
| Other recognised gains and losses during the year | (14)             | -                |
| Closing shareholders' deficit                     | <u>(903,961)</u> | <u>(348,398)</u> |

|   | 2014           | 2013           |
|---|----------------|----------------|
| Company   | £              | £              |
| Shareholders' deficit at 1 July 2013 and 30 June 2014 | <u>(3,919)</u> | <u>(3,919)</u> |

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The profit for the year dealt with in the accounts of the company was £nil (2013 - £nil).

## 20. Contingent liabilities

Rebellion Holdings Limited has signed a composite guarantee arrangement with five companies controlled by the directors; Rebellion Developments Limited, Rebellion Interactive Limited, Rebellion Publishing Limited, Rebellion Interactive Games Limited and Splash Bubble Limited. These companies have jointly and severally agreed to satisfy the bank on demand of all amounts owed by any of the companies, amounting to £nil at 30 June 2014 (2013 - £nil).

## 21. Pension commitments

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension costs represents contributions payable by the company to the fund and amounted to £9,792 (2013 - £11,084) during the year. Contributions totalling £1,311 (2013 - £2,186) were payable to the fund at the year end and are included within creditors.

# Notes to the Financial Statements

For the year ended 30 June 2014

## 22. Operating lease commitments

At 30 June 2014 the group had annual commitments under non-cancellable operating leases as follows:

|                       | Land and buildings |         |
|-----------------------|--------------------|---------|
|                       | 2014               | 2013    |
| Group                 | £                  | £       |
| Expiry date:          |                    |         |
| Within 1 year         | -                  | 76,400  |
| Between 2 and 5 years | 102,000            | 176,900 |

The company had no commitments under non-cancellable operating leases.

## 23. Related party transactions

CR Kingsley and J J Kingsley are members of Saturna LLP and under the terms of the partnership agreement each is entitled to £15,039 (2013: £7,075) of that entity's profit for the year ended 30 June 2014.

The following are companies related by virtue of common ownership.

All sales and purchases are exclusive of VAT

Related party transactions during the year ended 30 June 2014:

|                                    | Sales<br>£ | Purchases<br>£ | (Paid<br>to)/received<br>from<br>£ | Debtor<br>£ | Creditor<br>£ |
|------------------------------------|------------|----------------|------------------------------------|-------------|---------------|
| Cubicle 7 Entertainment<br>Limited | 1,175      | -              | 856                                | -           | -             |
| Gazoob Limited                     | 2,295      | -              | 19,408                             | -           | -             |
| Rebellion Developments<br>Limited  | 213,256    | 6,902,641      | 6,445,613                          | 3,105,995   | 4,047         |

Related party transactions during the year ended 30 June 2013:

|                                    | Sales<br>£ | Purchases<br>£ | (Paid<br>to)/received<br>from<br>£ | Debtor<br>£ | Creditor<br>£ |
|------------------------------------|------------|----------------|------------------------------------|-------------|---------------|
| Cubicle 7 Entertainment<br>Limited | -          | 13             | -                                  | -           | 554           |
| Gazoob Limited                     | 154,565    | -              | 377,273                            | 16,654      | -             |
| Rebellion Developments<br>Limited  | 447,052    | 9,174,255      | (9,485,358)                        | 2,904,006   | 50,442        |

# Notes to the Financial Statements

For the year ended 30 June 2014

## 24. Controlling party

The controlling parties are the directors C R Kingsley and J J Kingsley.

## 25. Minority interests

### Equity

At 1 July 2013

£  
264,624

Proportion of profit/(loss) after taxation for the year

(85,964)

At 30 June 2014

178,660

## 26. Net cash flow from operating activities

|   | 2014           | 2013           |
|---|----------------|----------------|
|   | £              | £              |
| Operating (loss)/profit                             | (508,781)      | 704,598        |
| Amortisation of intangible fixed assets             | 259,782        | 156,905        |
| Depreciation of tangible fixed assets               | 168,822        | 224,025        |
| Profit on disposal of tangible fixed assets         | (57,679)       | (24,000)       |
| Increase in stocks                                  | (53,207)       | (8,758)        |
| Decrease/(increase) in debtors                      | 110,892        | (889,595)      |
| Decrease in amounts owed by participating interests | 63,049         | 141,353        |
| Increase in creditors                               | 425,136        | 379,158        |
| Increase in amounts owed to participating interests | 191,635        | 84,217         |
| <b>Net cash inflow from operating activities</b>    | <b>599,649</b> | <b>767,903</b> |

## 27. Analysis of cash flows for headings netted in cash flow statement

|   | 2014            | 2013          |
|---|-----------------|---------------|
|   | £               | £             |
| <b>Returns on investments and servicing of finance</b>                                |                 |               |
| Interest paid   | (18,766)        | (11,854)      |
| Hire purchase interest  | -               | (1,674)       |
| Capital introduced by new minority interest   | -               | 24,000        |
| <b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b> | <b>(18,766)</b> | <b>10,472</b> |

# Notes to the Financial Statements

For the year ended 30 June 2014

## 27. Analysis of cash flows for headings netted in cash flow statement (continued)

|   | 2014<br>£        | 2013<br>£          |
|---|------------------|--------------------|
| <b>Capital expenditure and financial investment</b> |                  |                    |
| Purchase of intangible fixed assets                 | (548,285)        | -                  |
| Purchase of tangible fixed assets                   | (62,318)         | (1,167,089)        |
| Sale of tangible fixed assets                       | 74,356           | 24,000             |
| <b>Net cash outflow from capital expenditure</b>    | <b>(536,247)</b> | <b>(1,143,089)</b> |
|   | 2014<br>£        | 2013<br>£          |
| <b>Financing</b>                                    |                  |                    |
| Other new loans                                     | -                | 700,000            |
| Repayment of other loans                            | (39,512)         | -                  |
| Repayment of finance leases                         | (17,377)         | (23,197)           |
| <b>Net cash (outflow)/inflow from financing</b>     | <b>(56,889)</b>  | <b>676,803</b>     |

## 28. Analysis of changes in net debt

|   | 1 July<br>2013<br>£ | Cash flow<br>£   | Other<br>non-cash<br>changes<br>£ | 30 June<br>2014<br>£ |
|---|---------------------|------------------|-----------------------------------|----------------------|
| Cash at bank and in hand                      | 264,532             | (174,343)        | -                                 | 90,189               |
| <b>Debt:</b>                                  |                     |                  |                                   |                      |
| Debts due within one year                     | (56,496)            | 56,889           | (42,151)                          | (41,758)             |
| Debts falling due after more than<br>one year | (660,881)           | -                | 42,151                            | (618,730)            |
| <b>Net debt</b>                               | <b>(452,845)</b>    | <b>(117,454)</b> | <b>-</b>                          | <b>(570,299)</b>     |