

Company Registration No 04646508 (England and Wales)

**VIRTALIS LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2013**



# VIRTUALIS LIMITED

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# VIRTALIS LIMITED

## INDEPENDENT AUDITORS' REPORT TO VIRTALIS LIMITED

### UNDER SECTION 449 OF THE COMPANIES ACT 2006

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We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of Virtalis Limited for the year ended 28 February 2013 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' 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, for our work, for this report, or for the opinions we have formed.

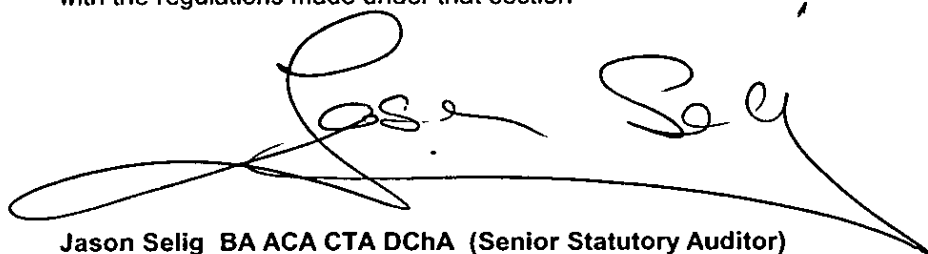
#### Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

#### Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



**Jason Selig BA ACA CTA DChA (Senior Statutory Auditor)**

for and on behalf of Lopian Gross Barnett & Co.

19 November 2013

Chartered Accountants  
Statutory Auditor

Chartered Accountants  
6th Floor Cardinal House  
20 St Mary's Parsonage  
Manchester  
M3 2LG

# VIRTALIS LIMITED

## ABBREVIATED BALANCE SHEET

AS AT 28 FEBRUARY 2013

	Notes	2013		2012	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	2		115,336		115,977
Investments	2		20,647		1,006
			<u>135,983</u>		<u>116,983</u>
<b>Current assets</b>					
Stocks		110,799		95,186	
Debtors		1,355,441		2,373,381	
Cash at bank and in hand		413,877		338,729	
		<u>1,880,117</u>		<u>2,807,296</u>	
<b>Creditors: amounts falling due within one year</b>	3	<u>(1,061,977)</u>		<u>(2,114,877)</u>	
<b>Net current assets</b>			<u>818,140</u>		<u>692,419</u>
<b>Total assets less current liabilities</b>			<u>954,123</u>		<u>809,402</u>
<b>Creditors amounts falling due after more than one year</b>			(18,355)		(18,355)
<b>Provisions for liabilities</b>			(19,000)		(20,000)
			<u>916,768</u>		<u>771,047</u>
<b>Capital and reserves</b>					
Called up share capital	4		80,329		80,329
Share premium account			26,868		26,868
Profit and loss account			809,571		663,850
<b>Shareholders' funds</b>			<u>916,768</u>		<u>771,047</u>

These abbreviated financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

Approved by the Board and authorised for issue on 19 November 2013



David Cockburn-Price  
Director

Company Registration No 04646508

# VIRTALIS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

### FOR THE YEAR ENDED 28 FEBRUARY 2013

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#### 1 Accounting policies

##### 1.1 Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand

The nature of the company's business is such that there can be considerable unpredictable variations in the timing of cash inflows. The directors have prepared projected cash flow information for the period ending 12 months from the date of their approval of these financial statements. On the basis of this cash flow information and discussions with the company's bankers, the directors consider that the company will continue to operate within the facility currently agreed and within that which they expect will be agreed in February 2014, when the company's bankers are due to consider renewing the facility for a further year.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers.

The company has taken advantage of the exemption in FRS 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

##### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue and profits are recognised at the date of despatch of goods or provision of services.

Developments of applications and installations of systems are not normally treated as long-term contracts as they are relatively short in duration and consist of a mixture of supplying goods and providing installation and consultancy services. Revenue and profits are recognised at the date of achieving contractually agreed milestones with customers.

When developments are of sufficient duration or materiality to be accounted for as long term contracts, revenue is recognised when contractually agreed milestones are achieved with attributable costs in line with the total anticipated profit. Costs include all goods and labour costs incurred in bringing a contract to its state of completion at the period end, including an appropriate portion of indirect expenses. Any provisions required for estimated losses on contracts are made in the period in which such losses are foreseen. Long-term work in progress is stated net of payments received on account.

In the case of maintenance and support contracts, revenue is included in turnover by matching to external warranties from original manufacturers and in equal monthly amounts over the support period of each contract with costs being charged as incurred.

Deferred income represents the portion of contract income invoiced relating to future accounting periods.

# VIRTALIS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

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### 1 Accounting policies

(continued)

#### 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

Land and buildings Leasehold	Straight line over 5 years
Computer equipment	Straight line over 3 years
Motor vehicles	Straight line over 3 years

#### 1.4 Leasing

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

#### 1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value

#### 1.6 Stock and work in progress

Stock is valued at the lower of cost and net realisable value

#### 1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

#### 1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

#### 1.9 Foreign currency translation

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

#### 1.10 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts

#### 1.11 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit

# VIRTALIS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 28 FEBRUARY 2013

#### 2 Fixed assets

	Tangible assets	Investments	Total
	£	£	£
<b>Cost</b>			
At 29 February 2012	283,213	1,006	284,219
Additions	36,475	19,641	56,116
Disposals	(9,350)	-	(9,350)
At 28 February 2013	<u>310,338</u>	<u>20,647</u>	<u>330,985</u>
<b>Depreciation</b>			
At 29 February 2012	167,236	-	167,236
On disposals	(8,662)	-	(8,662)
Charge for the year	36,428	-	36,428
At 28 February 2013	<u>195,002</u>	<u>-</u>	<u>195,002</u>
<b>Net book value</b>			
At 28 February 2013	<u>115,336</u>	<u>20,647</u>	<u>135,983</u>
At 28 February 2012	<u>115,977</u>	<u>1,006</u>	<u>116,983</u>

The company holds 100% of the issued share capital of Virtalis Inc, being \$1,000, a company incorporated in the United States. During the year, the company set up Virtalis GmbH, incorporated in Germany, and holds 100% of the issued share capital, being €25,000.

The company also holds 33.5% of the £1,000 issued share capital of Touch and Discover Systems Limited, a business incorporated in the U.K. and involved in producing haptic (virtual touch) solutions for museums and special interest groups.

At 28th February 2013, Virtalis Inc had an aggregate amount of capital and reserves of £2,083 and a retained loss for the year of £40,982. Virtalis GmbH had an aggregate amount of capital and reserves of (£47,356) and a retained loss for the year of £66,997.

#### 3 Creditors amounts falling due within one year

The aggregate amount of creditors for which security has been given amounted to £60,000 (2012 - £245,000).

# VIRTALIS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

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4 Share capital	2013	2012
	£	£
<b>Allotted, called up and fully paid</b>		
60,000 Ordinary shares of £1 each	60,000	60,000
20,329 Ordinary 'A' shares of £1 each	20,329	20,329
	<u>80,329</u>	<u>80,329</u>

7,906 ordinary 'A' shares have been presented as debt as required under GAAP. The premium allocated to those shares is £14,494 and associated issue costs totalled £4,045.

The ordinary shares and ordinary 'A' shares carry identical voting rights of one vote each.

The rights to dividends are as follows -

#### Ordinary 'A' Shares

A fixed dividend 7% of subscription price each year cumulative from date of subscription payable half yearly commencing 31 August 2004.

A participating dividend of 7% of group profit each year cumulative from date of subscription.

A compensatory dividend equal to any amount the managers draw in excess benefit over and above the agreed limits.

#### Ordinary Shares

Any amounts approved by the members but not exceeding the total amount of fixed plus participating dividends payable on ordinary 'A' shares providing -

- a) All dividends are up to date
- b) Retained profits in the company remain in excess of £200,000
- c) The total of all dividends and excess benefits paid in the year are less than 1/3 of the profit after tax.

#### Ordinary 'A' Shares and Ordinary Shares

Any further dividends on both shares as though the same class with the consent of the 'A' shareholders.

For capital repayment, the shares, providing all dividends have first been paid, rank as follows -

- 1) Ordinary 'A' shares at subscription price paid
- 2) Ordinary shares at subscription price paid
- 3) Ordinary 'A' shares and ordinary shares as though same class