

Company Registration No. 04646508 (England and Wales)

VIRTALIS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2015

SATURDAY



A4L3E8AZ

A26

28/11/2015

#306

COMPANIES HOUSE

VIRTALIS LIMITED

CONTENTS

	Page
Independent auditors' report	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3 - 6

VIRTALIS LIMITED

INDEPENDENT AUDITORS' REPORT TO VIRTALIS LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of Virtualis Limited for the year ended 28 February 2015 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.



Mr Jason Selig (Senior Statutory Auditor)
for and on behalf of Lopian Gross Barnett & Co

27/11/15

Chartered Accountants
Statutory Auditor

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

VIRTALIS LIMITED

ABBREVIATED BALANCE SHEET

AS AT 28 FEBRUARY 2015

	Notes	2015		2014	
		£	£	£	£
Fixed assets					
Intangible assets	2	1,258,446		899,966	
Tangible assets	2	142,917		134,915	
Investments	2	20,661		20,647	
		<u>1,422,024</u>		<u>1,055,528</u>	
Current assets					
Stocks		93,513		148,210	
Debtors		1,697,113		1,738,119	
Cash at bank and in hand		384,381		214,854	
		<u>2,175,007</u>		<u>2,101,183</u>	
Creditors: amounts falling due within one year		<u>(1,040,870)</u>		<u>(1,045,843)</u>	
Net current assets		1,134,137		1,055,340	
Total assets less current liabilities		<u>2,556,161</u>		<u>2,110,868</u>	
Creditors: amounts falling due after more than one year		(18,355)		(18,355)	
		<u>2,537,806</u>		<u>2,092,513</u>	
Capital and reserves					
Called up share capital	3	80,329		80,329	
Share premium account		26,868		26,868	
Profit and loss account		2,430,609		1,985,316	
Shareholders' funds		<u>2,537,806</u>		<u>2,092,513</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 24th March 2015



Mr D Cockburn-Price
Director

Company Registration No. 04646508

VIRTALIS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 28 FEBRUARY 2015

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 2016, when the company's bankers are due to consider renewing the facility for a further year. Hence, the directors consider it appropriate to prepare the financial statements on the going concern basis.

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 software licences or 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 recognised at the commencement of the contract, but is deferred to match any future costs of external warranties from original manufacturers and any labour costs for contractually committed maintenance tasks.

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

1.3 Research and development

Research expenditure is charged to the profit and loss account in the year in which it is incurred. Development expenditure is charged to the profit and loss account 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 relating to relevant staff costs, on-costs and benefits as well as materials and services consumed is capitalised and amortised over the period during which the company is expected to benefit, matched to the levels of turnover generated and commencing when sales of the product are first made, but not exceeding five years.

VIRTALIS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2015

1 Accounting policies

(Continued)

1.4 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

1.5 Leasing

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

1.6 Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

1.7 Stock

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

1.8 Pensions

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

1.9 Deferred taxation

Deferred tax is provided on all timing differences that result in an obligation at the balance sheet date to pay more tax in the future or a right to pay less tax in the future at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.10 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.

1.11 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.

1.12 Financial liabilities

Financial liabilities with no maturity date are initially recognised, and subsequently measured, at fair value less transaction costs. Fair value is calculated at the present value of discounted cash flows.

VIRTALIS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2015

2 Fixed assets

	Intangible assets £	Tangible assets £	Investments £	Total £
Cost				
At 1 March 2014	899,966	360,877	20,647	1,281,490
Additions	598,480	51,759	14	650,253
Disposals	-	(7,416)	-	(7,416)
At 28 February 2015	1,498,446	405,220	20,661	1,924,327
Depreciation				
At 1 March 2014	-	225,962	-	225,962
On disposals	-	(3,296)	-	(3,296)
Charge for the year	240,000	39,637	-	279,637
At 28 February 2015	240,000	262,303	-	502,303
Net book value				
At 28 February 2015	1,258,446	142,917	20,661	1,422,024
At 28 February 2014	899,966	134,915	20,647	1,055,528

The company holds 100% of the issued share capital of Virtalis Inc, being \$1,000, a company incorporated in the United States and 100% of the issued share capital of Virtalis GmbH, incorporated in Germany, being €25,000. During the year, the company invested in 80% of the issued share capital of Virtalis Sdn Bhd, incorporated in Malaysia, being RM80.

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 2015, Virtalis Inc had an aggregate amount of capital and reserves of £(59,556) and a retained profit for the year of £131,298. Virtalis GmbH had an aggregate amount of capital and reserves of (£231,683) and a retained loss for the year of £(43,950) and Virtalis Sdn Bhd had an aggregate amount of capital and reserves of £(6,892) and a retained loss for the year off £(6,892).

VIRTALIS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2015

3 Share capital	2015	2014
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
30,000 Ordinary 'A' shares of £1 each	30,000	30,000
	<u>130,000</u>	<u>130,000</u>
Allotted, called up and fully paid		
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.

4 Related party relationships and transactions

Guarantees

David Cockburn-Price and Andrew Connell have given personal guarantees of £20,000 each for the overdraft facility with HSBC. Andrew Connell has given a personal guarantee to Audi Group in respect of a car lease.