



Grant Thornton

REGISTRAR'S
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Abbreviated Accounts Linguamatics Limited

For the Year Ended 31 December 2007

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COMPANIES HOUSE

Company No. 4248841

Company information

Registered office

St Johns Innovation Centre
Cowley Road
Cambridge
CB4 0WS

Directors

Dr R W S Hale
Dr J R Thomas
Dr D R Milward
Dr P J Hastings
J M Brimacombe

Secretary

Dr R W S Hale

Accountants

Grant Thornton UK LLP
Chartered Accountants
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Kettering Parkway
KETTERING
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Index to the abbreviated accounts

Chartered accountants' report to the directors	4
Principal accounting policies	5 - 6
Abbreviated balance sheet	7
Notes to the abbreviated accounts	8 - 9



Chartered accountants' report to the board of directors on the abbreviated accounts of Linguamatics Limited

In accordance with the engagement letter dated 1 July 2004, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the abbreviated accounts of the company for the year ended 31 December 2007 which comprise the principal accounting policies, abbreviated balance sheet and the related notes from the unaudited statutory financial statements

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the abbreviated accounts that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the abbreviated balance sheet your duty to ensure that the company has kept proper accounting records and to prepare accounts that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the abbreviated accounts. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the abbreviated accounts.

A handwritten signature in black ink, appearing to read "Grant Thornton UK LLP", written over a horizontal line.

GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS

Kettering
30 May 2008

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done and services provided in the year. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	- 4 years straight line
Office Equipment	- 4 years straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

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.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Abbreviated balance sheet

	Note	£	2007 £	£	2006 £
Fixed assets	1				
Tangible assets			16,783		7,763
Current assets					
Debtors		307,938		319,991	
Cash at bank and in hand		1,323,203		188,803	
		1,631,141		508,794	
Creditors: amounts falling due within one year		1,546,026		426,503	
Net current assets			85,115		82,291
Total assets less current liabilities			101,898		90,054
Capital and reserves					
Called-up equity share capital	2		559		527
Share premium account			2,234		1,393
Profit and loss account			99,105		88,134
Shareholders' funds			101,898		90,054

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements 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 the Act relating to financial statements, so far as applicable to the company

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

These abbreviated accounts were approved by the directors and authorised for issue on 30 May 2008, and are signed on their behalf by



R W S Hale
Director

The accompanying accounting policies and notes form part of these abbreviated accounts.

Notes to the abbreviated accounts

1 Fixed assets

	Tangible Assets £
Cost	
At 1 January 2007	21,213
Additions	16,494
At 31 December 2007	<u>37,707</u>
Depreciation	
At 1 January 2007	13,450
Charge for year	7,474
At 31 December 2007	<u>20,924</u>
Net book value	
At 31 December 2007	<u>16,783</u>
At 31 December 2006	<u>7,763</u>

2 Share capital

Authorised share capital

	2007 £	2006 £
10,000,000 Ordinary shares of 0.01p each	<u>1,000</u>	<u>1,000</u>

Allotted and called up

	2007 No	£	2006 No	£
Ordinary shares of 0.01p each	<u>5,592,250</u>	<u>559</u>	<u>5,270,000</u>	<u>527</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows

	2007 £	2006 £
Ordinary shares	<u>200</u>	<u>-</u>

2 Share capital (continued)

On 9 January 2007, the company made an allotment of 10,000 ordinary shares of 0.01p at 2p per share. The difference between the total consideration of £200 and the total nominal value of £1 has been credited to the share premium account

On 11 May 2007, the company made a further allotment of 10,000 ordinary shares of 0.01p at 2p per share. The difference between the total consideration of £200 and the total nominal value of £1 has been credited to the share premium account

On 6 July 2007, the company made a further allotment of 12,250 ordinary shares of 0.01p at 2p per share. The difference between the total consideration of £245 and the total nominal value of £1.23 has been credited to the share premium account

On 10 July 2007, the company made a further allotment of 280,000 ordinary shares of 0.01p at 0.01p per share

On 5 October 2007, the company made a final allotment of 10,000 ordinary shares of 0.01p at 2p per share. The difference between the total consideration of £200 and the total nominal value of £1 has been credited to the share premium account. This share capital had not been paid at 31 December 2007