

REGISTRAR'S
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Abbreviated Accounts Linguamatics Limited

For the year ended 31 December 2014

Registered number: 04248841

Abbreviated Accounts

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COMPANIES HOUSE

Company Information

Directors

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

Company secretary

Dr R W S Hale

Registered number

04248841

Registered office

324 Science Park
Milton Road
Cambridge
CB4 0WG

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
101 Cambridge Science Park
Milton Road
Cambridge
Cambridgeshire
CB4 0FY

Bankers

HSBC Bank Plc
32 Market Hill
Cambridge
CB2 3HZ



Independent Auditor's Report to Linguamatics Limited

Under section 449 of the Companies Act 2006

We have examined the abbreviated accounts, which comprise the Balance sheet and the related notes, together with the financial statements of Linguamatics Limited for the year ended 31 December 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 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 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 are properly prepared.

Opinion on financial statements

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 which comprise the Balance sheet and the related notes have been properly prepared in accordance with the regulations made under that section.

A handwritten signature in black ink, appearing to read "Paul Brown".

Paul Brown (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Cambridge

13 March 2015

Abbreviated Balance Sheet

As at 31 December 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	2		112,979		153,797
Investments	3		5,136		5,136
			<u>118,115</u>		<u>158,933</u>
Current assets					
Debtors		3,084,232		2,518,881	
Cash at bank and in hand		2,337,626		2,073,137	
		<u>5,421,858</u>		<u>4,592,018</u>	
Creditors: amounts falling due within one year		<u>(4,380,050)</u>		<u>(3,646,348)</u>	
Net current assets			<u>1,041,808</u>		<u>945,670</u>
Total assets less current liabilities			<u>1,159,923</u>		<u>1,104,603</u>
Provisions for liabilities					
Deferred tax			-		(935)
Net assets			<u><u>1,159,923</u></u>		<u><u>1,103,668</u></u>
Capital and reserves					
Called up share capital	4		576		576
Share premium account			8,779		8,715
Profit and loss account			<u>1,150,568</u>		<u>1,094,377</u>
Shareholders' funds			<u><u>1,159,923</u></u>		<u><u>1,103,668</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 13 March 2015.



Dr R W S Hale
Director

The notes on pages 3 to 6 form part of these financial statements.

Notes to the Abbreviated Accounts

For the year ended 31 December 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

1.2 Going concern

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company can meet its liabilities as they fall due.

On this basis, the directors consider that the company will continue in operational existence for the foreseeable future and accordingly 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 its support.

1.3 Turnover

Turnover comprises revenue recognised by the company during the year, exclusive of Value Added Tax and trade discounts.

Licence revenues and consultancy income under the rental model are recognised over the period to which the rental fee relates but only after practical acceptance of the software has been received.

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

Fixtures & fittings	-	4 years straight line
Office equipment	-	4 years straight line

1.5 Investments

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

1.6 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Notes to the Abbreviated Accounts

For the year ended 31 December 2014

1. Accounting Policies (continued)

1.7 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.

1.8 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.

1.9 Government grants

Grants are credited to the Profit and loss account as the related expenditure is incurred.

1.10 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.

1.11 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.

Notes to the Abbreviated Accounts

For the year ended 31 December 2014

2. Tangible fixed assets

	£
Cost	
At 1 January 2014	385,582
Additions	48,920
Disposals	(48,514)
At 31 December 2014	385,988
Depreciation	
At 1 January 2014	231,785
Charge for the year	89,738
On disposals	(48,514)
At 31 December 2014	273,009
Net book value	
At 31 December 2014	112,979
At 31 December 2013	153,797

3. Fixed asset investments

	£
Cost or valuation	
At 1 January 2014 and 31 December 2014	5,136
Net book value	
At 31 December 2014	5,136
At 31 December 2013	5,136

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Linguamatics Solutions Limited	Ordinary £1	100%
Linguamatics Solutions Incorporated	Common \$1	100%

Name	Country of incorporation
Linguamatics Solutions Limited	United Kingdom
Linguamatics Solutions Incorporated	United States of America

Notes to the Abbreviated Accounts

For the year ended 31 December 2014

3. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 December 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit £
Linguamatics Solutions Limited	103,673	5,965
Linguamatics Solutions Incorporated	439,816	93,917
	<u> </u>	<u> </u>

4. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
5,762,250 (2013 - 5,759,750) Ordinary shares of £0.0001 each	576	576
	<u> </u>	<u> </u>

On 14 March 2014, the company made an allotment of 2,500 ordinary £0.0001 shares at £0.0258 per share by way of an exercise of options. The difference between the total consideration of £64.50 and the total nominal value of £0.645 has been credited to the share premium account (£63.855).

5. Contingent liabilities

There were no contingent liabilities at 31 December 2014 or 31 December 2013.

6. Capital commitments

The company had no capital commitments at 31 December 2014 or 31 December 2013.

7. Related party transactions

During the year the company received rental income of £23,642 (2013: £23,622) from Endomagnetics Ltd, a company in which J M Brimacombe is also a director. There were no amounts outstanding at the year end (2013: £nil).

The company has taken advantage of the FRSSE exemption not to disclose transactions with its wholly owned subsidiaries, Linguamatics Solutions Limited and Linguamatics Solutions Incorporated.

8. Controlling party

The directors are the company's controlling related party by virtue of their office and their majority interest in the shares of the company.