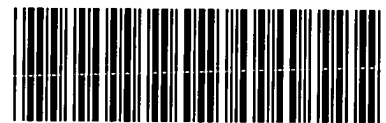


VIRTUAL IT LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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VIRTUAL IT LIMITED
REGISTERED NUMBER: 04252845

BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	910,614	937,181
Tangible assets	5	379,077	445,259
Investments	6	1,613,357	122
		<u>2,903,048</u>	<u>1,382,562</u>
Current assets			
Stocks	7	75,555	55,497
Debtors: amounts falling due within one year	8	818,645	427,487
Cash at bank and in hand	9	396,461	934,483
		<u>1,290,661</u>	<u>1,417,467</u>
Creditors: amounts falling due within one year	10	<u>(2,366,912)</u>	<u>(1,625,593)</u>
Net current liabilities		<u>(1,076,251)</u>	<u>(208,126)</u>
Total assets less current liabilities		<u>1,826,797</u>	<u>1,174,436</u>
Creditors: amounts falling due after more than one year	11	(853,496)	(260,917)
Provisions for liabilities			
Other provisions	14	(200,000)	-
		<u>(200,000)</u>	<u>-</u>
Net assets		<u>773,301</u>	<u>913,519</u>
Capital and reserves			
Called up share capital		14,454	14,454
Share premium account		177,500	177,500
Profit and loss account		581,347	721,565
		<u>773,301</u>	<u>913,519</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

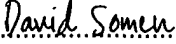
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

VIRTUAL IT LIMITED
REGISTERED NUMBER: 04252845

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2019

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

DocuSigned by:

.....
D Somen
Director
Date: 25-06-20

The notes on pages 3 to 13 form part of these financial statements.

VIRTUAL IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

The company is a private limited company which is created and domiciled in the UK. The registered office and address of its principal place of business is The Lime House, 12-15 Quadrant Business Centre, 135 Salusbury Road, London, NW6 6RJ. The principal activity of the company in the year under review was that of providing a fully managed IT service encompassing provision of hardware, software, email, remote access, disaster recovery and support as well as providing related consultancy services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

VIRTUAL IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of income and retained earnings over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 20% on cost
Motor vehicles	- 33.3% on cost
Fixtures & fittings	- 12.5% on cost
Computer equipment	- 20% - 25% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

VIRTUAL IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

VIRTUAL IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.15 Pensions

Defined contribution pension plan

The Company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

VIRTUAL IT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

2. Accounting policies (continued)

2.19 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Employees

The average monthly number of employees, including directors, during the year was 70 (2018 - 68).

VIRTUAL IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

4. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 October 2018	132,416	1,003,500	1,135,916
Additions	11,000	87,912	98,912
At 30 September 2019	<u>143,416</u>	<u>1,091,412</u>	<u>1,234,828</u>
Amortisation			
At 1 October 2018	49,559	149,176	198,735
Charge for the year	20,252	105,227	125,479
At 30 September 2019	<u>69,811</u>	<u>254,403</u>	<u>324,214</u>
Net book value			
At 30 September 2019	<u>73,605</u>	<u>837,009</u>	<u>910,614</u>
At 30 September 2018	<u>82,857</u>	<u>854,324</u>	<u>937,181</u>

VIRTUAL IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5. Tangible fixed assets

	Office equipment £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 October 2018	229,704	3,502	116,690	593,182	943,078
Additions	5,713	-	14,632	105,545	125,890
Disposals	-	-	-	(21,398)	(21,398)
At 30 September 2019	235,417	3,502	131,322	677,329	1,047,570
Depreciation					
At 1 October 2018	158,317	3,502	67,150	268,849	497,818
Charge for the year on owned assets	26,595	-	24,407	141,071	192,073
Disposals	-	-	-	(21,398)	(21,398)
At 30 September 2019	184,912	3,502	91,557	388,522	668,493
Net book value					
At 30 September 2019	50,505	-	39,765	288,807	379,077
At 30 September 2018	71,386	-	49,540	324,333	445,259

6. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 October 2018	100	22	122
Additions	1,613,235	-	1,613,235
At 30 September 2019	1,613,335	22	1,613,357

VIRTUAL IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

7. Stocks

	2019 £	2018 £
Stock	75,555	55,497
	<u>75,555</u>	<u>55,497</u>

8. Debtors

	2019 £	2018 £
Trade debtors	217,389	248,723
Amounts owed by group undertakings	436,700	-
Other debtors	64,802	6,464
Prepayments and accrued income	99,754	172,300
	<u>818,645</u>	<u>427,487</u>

9. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	396,461	934,483
	<u>396,461</u>	<u>934,483</u>

VIRTUAL IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	316,421	134,333
Other loans	600,000	-
Trade creditors	477,440	407,000
Amounts owed to group undertakings	382	382
Corporation tax	95,933	166,598
Other taxation and social security	302,413	319,392
Obligations under finance lease and hire purchase contracts	-	16,935
Other creditors	29,313	17,882
Accruals and deferred income	545,010	563,071
	<u>2,366,912</u>	<u>1,625,593</u>

The bank loan undertaken by Virtual IT Limited is secured against a fixed charge on the company assets.

11. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	853,496	260,917
	<u>853,496</u>	<u>260,917</u>

VIRTUAL IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

12. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	316,421	134,333
Other loans	600,000	-
	<u>916,421</u>	<u>134,333</u>
Amounts falling due 1-2 years		
Bank loans	316,421	101,000
	<u>316,421</u>	<u>101,000</u>
Amounts falling due 2-5 years		
Bank loans	537,075	159,917
	<u>537,075</u>	<u>159,917</u>
	<u><u>1,769,917</u></u>	<u><u>395,250</u></u>

13. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u><u>396,461</u></u>	<u><u>934,483</u></u>

Financial assets measured at fair value through profit or loss comprise of cash and cash equivalents.

VIRTUAL IT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

14. Provisions

	Deferred consideration £
Arising on business combinations	200,000
At 30 September 2019	200,000

15. Contingent liabilities

The company has a contingent liability of £300,000 payable in respect of the purchase of a subsidiary. The deferred consideration has conditions around retaining contracts within the subsidiary. Due to the uncertainty around being able to accurately measure this, no provision has been provided in the accounts.

16. Pension commitments

The Company contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered funds. The pension cost charge represents contributions payable by the Company to the fund and amounted to £54,938 (2018 - £43,459). Contributions totaling £13,854 (2018 - £8,766) were payable to the fund at the balance sheet date

17. Related party transactions

During the period the company exchanged goods and services with Maya Solutions Limited, an associated company. Sales were made to Maya Solutions Limited to the total value of £641 (2018: £28,371) and purchases of £188,294 (2018: £223,322). At the balance sheet date, the company owed £29,411 (2018: £1,530).

As at the balance sheet date the company owed Flint IT Limited a 100% owned subsidiary £381 (2018: £381).

The company also made sales to Eldama Investment Ltd totalling £1,686. At the balance sheet date £1,686 (2018: £nil) was outstanding.

As at the balance sheet date the company was owed from Yellowspring Limited a 100% owned subsidiary £436,700 (2018: £nil).

18. Auditors' information

The financial statements have been audited by Wellers Accountants, and an unqualified audit report was signed on 24 June 2020 by the Statutory Auditor, Kathleen Parker.