

TouchType Limited

Abbreviated Accounts

Year Ended

31 December 2013

Company Number 06671487

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TouchType Limited

**Abbreviated accounts
for the year ended 31 December 2013**

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Directors

Dr B W Medlock
J P Reynolds
A J Thornton
M Paterson
R S Gibson
N A Hynes
M B A Mignot
J A J Oliver

Secretary and registered office

R L Smith, 91-95 Southwark Bridge Road, London, SE1 0AX

Company number

06671487

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

TouchType Limited

Independent auditor's report

To TouchType 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 TouchType Limited for the year ended 31 December 2013 prepared under section 396 of the Companies Act 2006

Our report has been prepared pursuant to the requirements of section 449 of the Companies Act 2006 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of section 449 of the Companies Act 2006 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

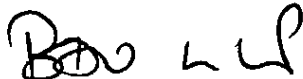
Respective responsibilities of directors and auditors

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 "The special auditor's report on abbreviated accounts in the United Kingdom" 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

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



Gary Hanson (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

20 June 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

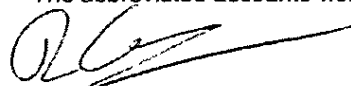
TouchType Limited

Balance sheet at 31 December 2013

<i>Company number 06671487</i>	Note	2013 £	2013 £	2012 £	2012 £
Fixed assets					
Intangible assets	2		19,451		22,739
Tangible assets	3		204,223		95,056
Fixed asset investments	4		64		64
			223,738		117,859
Current assets					
Debtors		1,407,354		979,732	
Cash at bank and in hand		9,230,319		522,372	
		10,637,673		1,502,104	
Creditors: amounts falling due within one year		7,138,313		2,255,756	
Net current assets/(liabilities)			3,499,360		(753,652)
Total assets less current liabilities			3,723,098		(635,793)
Capital and reserves					
Called up share capital	5		237		189
Share premium account	6		9,786,057		2,476,912
Profit and loss account	6		(6,063,196)		(3,112,894)
Shareholders' funds/(deficit)			3,723,098		(635,793)

These abbreviated accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008)

The abbreviated accounts were approved by the board of directors and authorised for issue on 18th June 2014


R S Gibson
Director

The notes on pages 3 to 9 form part of these abbreviated accounts

TouchType Limited

Notes forming part of the abbreviated accounts for the year ended 31 December 2013

1 Accounting policies

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective April 2008) and have been prepared under the historical cost convention

The following principal accounting policies have been applied:

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

The company earns revenue from the sale of software licences and end-user applications and the provision of professional services, support, maintenance and related services.

Licence and application fee revenue is recognised as the software is delivered, notwithstanding, arrangements with customers are assessed to determine whether a single contract includes separate deliverables. Where this is the case and values can be reliably estimated revenue is recognised for each deliverable in line with the delivery of the service. If no reliable estimate of the relative values of separate deliverables can be made, revenue is recognised evenly over the term of the arrangement.

Revenue arising from service, support and maintenance is recognised as the service is performed.

Royalty income is recognised in the financial statements when information to determine the level of royalty receivable is available to the Company.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Fixtures and fittings	- 33% straight line per annum
Computer equipment	- 50% straight line per annum

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Research and development

Development costs are charged to the profit and loss account in the year of expenditure.

TouchType Limited

Notes forming part of the abbreviated accounts
for the year ended 31 December 2013 (*continued*)

1 Accounting policies (*continued*)

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Leased assets

All existing leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Investments

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

Government grants

Grants of a revenue nature are credited to the profit and loss account in the period to which they relate.

Going concern

The directors have considered it appropriate to prepare the financial statements on the going concern basis, given the performance of the company and group, the recurring nature of existing contracts and the significant cash at bank balance presented on the balance sheet £9,230,319.

TouchType Limited

Notes forming part of the abbreviated accounts
for the year ended 31 December 2013 (*continued*)

2 Intangible fixed assets

	Other intangible fixed assets £
<i>Cost</i>	
At 1 January 2013 and 31 December 2013	32,875
	<hr/>
<i>Amortisation</i>	
At 1 January 2013	10,136
Provided for the year	3,288
	<hr/>
At 31 December 2013	13,424
	<hr/>
<i>Net book value</i>	
At 31 December 2013	19,451
	<hr/>
At 31 December 2012	22,739
	<hr/>

TouchType Limited

Notes forming part of the abbreviated accounts
for the year ended 31 December 2013 (*continued*)

3 Tangible fixed assets

	Plant and machinery etc £
<i>Cost</i>	
At 1 January 2013	136,886
Additions	202,462
Disposals	(20,439)
	<hr/>
At 31 December 2013	318,909
	<hr/>
<i>Depreciation</i>	
At 1 January 2013	41,830
Provided for the year	90,530
Disposals	(17,674)
	<hr/>
At 31 December 2013	114,686
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<i>Net book value</i>	
At 31 December 2013	204,223
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At 31 December 2012	95,056
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TouchType Limited

Notes forming part of the abbreviated accounts
for the year ended 31 December 2013 (*continued*)

4 Fixed asset investments

	Shares in group undertakings £
<i>Cost</i>	
At 1 January 2013 and 31 December 2013	64

Subsidiary undertakings

The principal undertakings in which the company's interest at the year end is 20% or more are as follows

	Country of incorporation or registration	Proportion of ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>			
TouchType Mobile Limited	UK	100%	Software development
TouchType Inc	USA	100%	Sales & Marketing
Fluency Meaning Limited	UK	100%	Dormant

Unless otherwise stated, the following figures have been extracted from audited financial statements for the year ended 31 December 2013

	Aggregate share capital and reserves		Profit for the year	
	2013	2012	2013	2012
<i>Subsidiary undertakings</i>				
TouchType Mobile Limited	4,786,212	1,693,896	3,092,316	1,693,895
TouchType Inc	62	62	-	-
Fluency Meaning Limited	1	1	-	-

TouchType Limited

**Notes forming part of the abbreviated accounts
for the year ended 31 December 2013 (continued)**

5 Share capital

	2013 £	2012 £
<i>Allotted, called up and fully paid</i>		
2,370,164 (2012 - 1,894,014) Shares of 0.01 pence each	<u>237</u>	<u>189</u>
1,622,344 Ordinary shares of 0.01 pence each	<u>162</u>	<u>189</u>
747,820 Ordinary A shares of 0.01 pence each	<u>75</u>	<u>-</u>
	<u><u>237</u></u>	<u><u>189</u></u>

During the year 271,670 Ordinary shares were converted into Ordinary A shares. A further 476,150 Ordinary A shares were issued for a consideration of £7,512,348. During the prior year 16,000 Ordinary shares were issued at par.

The shares rank *pari passu* in all respects except in a distribution of capital.

TouchType Limited

Notes forming part of the abbreviated accounts
for the year ended 31 December 2013 (*continued*)

6 Reserves

	Share premium account £	Profit and loss account £
At 1 January 2013	2,476,912	(3,112,894)
Premium on shares issued during the year	7,309,145	-
Loss for the year	-	(2,950,302)
	<hr/>	<hr/>
At 31 December 2013	9,786,057	(6,063,196)
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7 Loans and transactions concerning directors and officers of the company

Loans and transactions concerning directors and officers of the company

	Consultancy costs £
2013	
M Paterson	41,275
	<hr/>
2012	
M Paterson	43,610
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During the year 18,261 shares were issued to directors for a total consideration of £224,552 No shares were issued to directors during the prior year