

**Registration Number: 3108063**

**Visual Numerics Europe Limited**  
**Directors' Report and Financial Statements**  
**for the year ended 31 December 2006**

WEDNESDAY



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# **Visual Numerics Europe Limited**

## **Company Information**

Directors	C Johnson P Fraher
Secretary	Nair Commercial Services Limited
Company Number	3108063
Registered Office	Whitefriars Lewins Mead Bristol BS1 2NT
Auditors	Broomfield and Alexander Limited Pendragon House Caxton Place Pentwyn Cardiff CF23 8XE
Bankers	National Westminster Bank 199 High Street Berkhampstead Hertfordshire HP4 1BH
Solicitors	Baker and McKenzie 100 New Bridge Street London EC4V 6JA

# **Visual Numerics Europe Limited**

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# **Visual Numerics Europe Limited**

## **Directors' Report for the year ended 31 December 2006**

The directors present their report and the financial statements for the year ended 31 December 2006

### **Principal activities**

The company was principally engaged in the distribution and support of computer software

### **Directors and their interests**

The directors who served the company during the year were as follows

C Johnson

P Fraher

The directors have no interests in the share capital of the company and have no rights granted to or exercised to subscribe to or for shares

### **Directors' responsibilities**

UK Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company as at the end of the financial period and of the profit or loss of the company as at the end of the financial period

In preparing these the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal controls, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

**Visual Numerics Europe Limited**  
**Directors' Report**  
**for the year ended 31 December 2006 (continued)**

**Auditors**

The auditors, Broomfield and Alexander Limited, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

**Statement as to disclosure of information to the auditor**

So far as the director are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the necessary steps that he or she ought to have taken as director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This report was approved by the Board on 30 April 2008 and signed on its behalf by



**Nair Commercial Services Limited**  
**Secretary**

*Secretary - Nair Commercial Services Limited*

**Visual Numerics Europe Limited**  
**Independent Auditors' Report**  
**to the Shareholders of Visual Numerics Europe Limited**

We have audited the financial statements of Visual Numerics Europe Limited for the year ended 31 December 2006 on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluate the overall adequacy of the presentation of information in the financial statements.

**Visual Numerics Europe Limited**  
**Independent auditors' report**  
**to the Shareholders of Visual Numerics Europe Limited (continued)**

**Opinion**

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practise applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

*Broomfield & Alexander*

**Broomfield and Alexander Limited**  
**Chartered Accountants**  
**& Registered Auditors**  
**Pendragon House**  
**Caxton Place**  
**Pentwyn**  
**Cardiff**  
**CF23 8XE**

Date: *30<sup>th</sup> April 2008*

**Visual Numerics Europe Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2006**

	Notes	31 December 2006 £	31 December 2005 £
<b>Turnover</b>		70,088	104,197
Cost of sales		(15,823)	(34,269)
<b>Gross profit</b>		<u>54,265</u>	<u>69,928</u>
Administrative expenses	2	<u>(52,487)</u>	<u>(121,391)</u>
<b>Operating profit/(loss)</b>	3	1,778	(51,463)
Interest receivable and similar income	4	<u>110</u>	<u>47</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		1,888	(51,416)
Tax on profit on ordinary activities	6	<u>14,712</u>	<u>-</u>
<b>Profit/(loss) for the year</b>	11	<u>16,600</u>	<u>(51,416)</u>

There are no recognised gains or losses other than the profit for the year

All operations of the company continued throughout the year and no operations were acquired or discontinued

**The notes on pages 7 to 11 form an integral part of these financial statements.**



# Visual Numerics Europe Limited

## Balance Sheet as at 31 December 2006

	Notes	31 December 2006		31 December 2005	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		2,052		-
<b>Current assets</b>					
Debtors	7	174,094		278,563	
Cash at bank and in hand		<u>16,233</u>		<u>18,399</u>	
		190,327		296,962	
<b>Creditors: amount falling due within one year</b>	8	<u>(261,471)</u>		<u>(382,654)</u>	
<b>Net current assets</b>			<u>(71,144)</u>		<u>(85,692)</u>
<b>Total assets less current liabilities</b>			<u>(69,092)</u>		<u>(85,692)</u>
<b>Capital and reserves</b>					
Called up share capital	10		2		2
Profit and loss account	11		<u>(69,094)</u>		<u>(85,694)</u>
<b>Equity shareholders' funds</b>	11		<u>(69,092)</u>		<u>(85,692)</u>

The financial statements were approved by the Board on *April 28, 2008* and signed on its behalf by

Director



The notes on pages 7 to 11 form an integral part of these financial statements.

**Visual Numerics Europe Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2006**

**1. Accounting convention**

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)

**1.1 Basis of preparation**

The financial statements are prepared under the historical cost accounting rules and in accordance with the Financial Reporting Standard for Small Entities

The financial statements are prepared on a going concern basis, which the directors believe to be appropriate for the following reasons. The company ended the year with a deficiency of net assets of £69,092 (2005 £85,692). In order to meet its liabilities as they fall due, the company is dependent on the continued support of its ultimate holding company, Visual Numerics Inc, which has indicated that it intends to provide such funds as are necessary to enable the company to meet its liabilities. Visual Numerics Inc's ability to provide such support will be dependant on its ability to develop and market new products successfully.

The financial statements do not include any adjustments that ultimately result from any inability of Visual Numerics Inc to provide support to the company.

The directors have reviewed the principal accounting policies of the company and consider they remain the most appropriate for the company. The principal accounting policies have remained unchanged from the previous year.

**1.2 Turnover**

Turnover is the total amount receivable by the company in ordinary course of business with outside customers for goods supplied as a principal and for services provided, excluding VAT and trade discounts.

**1.3 Foreign currencies**

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

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost less residual value over its expected useful life of that asset as follows:

Computer equipment	- 33.33 % straight line
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**Visual Numerics Europe Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2006 (continued)**

**1.5 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 obligation 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.

**2. Other operating charges**

	31 December 2006 £	31 December 2005 £
Administrative expenses	<u>52,487</u>	<u>121,391</u>

**3. Operating loss on ordinary activities before taxation**

	31 December 2006 £	31 December 2005 £
Operating loss is stated after charging		
Auditor's fees	3,000	3,760
Depreciation	51	-
Transaction gain/loss	<u>7,257</u>	<u>6,066</u>

**4. Interest receivable and similar income**

	31 December 2006 £	31 December 2005 £
Interest receivable	<u>110</u>	<u>47</u>

**Visual Numerics Europe Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2006 (continued)**

**5. Fixed assets**

**Computer  
Equipment**

£

**Cost as at 1 January 2006**

Additions

2,103

**As at 31 December 2006**

2,103

**Depreciation as at 1 January 2006**

Charge for the year

(51)

**As at 31 December 2006**

(51)

**Net book value as at 31 December 2006**

2,052

**Net book value as at 31 December 2005**

-

**6. Taxation**

**a. UK current year taxation**

	<b>31 December 2006</b>	<b>31 December 2005</b>
	£	£
<b>Current tax:</b>		
UK corporation tax for the year	-	-
Movement in deferred tax	(14,712)	-
<b>Tax on profit on ordinary activity</b>	(14,712)	-

**b. Factors affecting tax charge for the current year**

The current tax charge for the year is higher than the standard rate of corporation tax in the UK of 19% (2005 19%). The differences are explained below

	<b>31 December 2006</b>	<b>31 December 2005</b>
	£	£
<b>Current tax reconciliation:</b>		
Profit on ordinary activities before tax	1,888	-
Current tax at 19% (2005 19%)	359	-
Effects of		
Disallowed expenses and non-taxable income	92	-
Depreciation in excess of capital allowances	9	-
Utilisation of tax losses	(439)	-
Tax on bank interest	5	-
Other timing differences	(26)	-
<b>Total current tax charges</b>	-	-

**Visual Numerics Europe Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2006 (continued)**

**7. Debtors**

	<b>31 December 2006</b>	<b>31 December 2005</b>
	<b>£</b>	<b>£</b>
Amount due from group undertaking	144,469	213,684
Trade debtors	29,625	64,762
Other debtors	-	117
	<u>174,094</u>	<u>278,563</u>

Other debtors include an amount of £14,712 (2005 Nil) recoverable after more than one year (refer to note 9)

**8. Creditors: amounts falling due within one year**

	<b>31 December 2006</b>	<b>31 December 2005</b>
	<b>£</b>	<b>£</b>
Trade creditors	3,519	514
Amounts owed to group undertaking	212,245	323,728
Other Taxation and social security	5,726	-
Other creditors	39,981	58,412
	<u>261,471</u>	<u>382,654</u>

**9. Long term debtors**

This balance relates wholly to deferred taxation. The movement in deferred taxation during the current year was as follows

**Deferred taxation asset**

	<b>31 December 2006</b>	<b>31 December 2005</b>
	<b>Provided</b>	<b>Provided</b>
	<b>£</b>	<b>£</b>
Balance at 1 January	-	-
Profit and loss account	14,712	-
Balance at 31 December	<u>14,712</u>	<u>-</u>

**Visual Numerics Europe Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2006 (continued)**

**10. Share capital**

	31 December 2006 £	31 December 2005 £
<b>Authorised equity</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid :</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**11. Reconciliation of movement in shareholders' funds**

	31 December 2006 £	31 December 2006 £	31 December 2006 £	31 December 2005 £
	Share Capital	Profit & loss account	Total	Total
Profit/(loss) for the year	<u>-</u>	<u>16,600</u>	<u>16,600</u>	<u>(51,416)</u>
Net addition/reduction to shareholders' funds	-	16,600	16,600	(51,416)
Opening shareholders' funds	<u>2</u>	<u>(85,694)</u>	<u>(85,692)</u>	<u>(34,278)</u>
Closing shareholders' funds	<u>2</u>	<u>(69,094)</u>	<u>(69,092)</u>	<u>(85,694)</u>

**12. Related party disclosures**

As a wholly-owned subsidiary of Visual Numerics, Inc the company is exempt from the requirements by Financial Reporting Standard 8 to disclose transactions with other members of the group headed by Visual Numerics, Inc

**13. Ultimate parent company**

The company is a subsidiary undertaking of Visual Numerics, Inc a company incorporated in the United States of America

The largest and smallest group in which the results of the company are consolidated is that headed by Visual Numerics, Inc incorporated in the United States of America The consolidated accounts of this company are available to the public and may be obtained from 2500 Wilcrest Drive, Suite 200, Houston, Texas, 77042, USA