

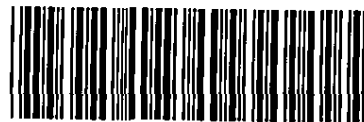
LimitState Limited

Abbreviated financial statements

Registered number 5930939

31 July 2008

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COMPANIES HOUSE

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KPMG LLP

St James' Square
Manchester
M2 6DS
United Kingdom

Independent auditors' report to the Directors of LimitState Limited pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 4 to 6 together with the financial statements of LimitState Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 July 2008.

This report is made solely to the company's Director's, as a body, in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company's Director's those matters we are required to state to them in such a 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 auditors

The Directors, who are also the directors of LimitState Limited for the purposes of company law, are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 (5) and (6) of the Act to the Register of Companies and whether the abbreviated accounts have been properly prepared in accordance with that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 *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 considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 (5) and (6) of the Companies Act 1985 and the abbreviated financial statements have been properly prepared in accordance with that section.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditors

13 January 2009

St James' Square
Manchester
M2 6DS

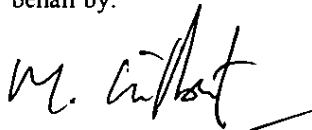
Balance sheet

As at 31 July 2008

	<i>Note</i>	2008 £	2008 £	2007 £	2007 £
Fixed assets					
Tangible assets	2		3,535		-
Intangible assets	3		9,844		-
			<hr/>		<hr/>
			13,379		-
Current assets					
Debtors		10,357		1,648	
Cash at bank and in hand		36,612		13,973	
		<hr/>		<hr/>	
		46,979		15,621	
Creditors: amounts falling due within one year	4	<hr/> (41,880) <hr/>		<hr/> (5,604) <hr/>	
Net current assets			5,089		10,017
Total assets less current liabilities			<hr/> 18,468 <hr/>		<hr/> 10,017 <hr/>
Creditors: amounts falling due after more than one year	5		<hr/> (14,955) <hr/>		<hr/> - <hr/>
Net Assets			<hr/> 3,513 <hr/>		<hr/> 10,017 <hr/>
Capital and reserves					
Called up share capital	6		10,000		8,000
Share premium			146,024		48,024
Profit and loss account			<hr/> (152,511) <hr/>		<hr/> (46,007) <hr/>
Shareholders' funds			<hr/> 3,513 <hr/>		<hr/> 10,017 <hr/>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. In preparing these accounts the directors have taken advantage of exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

These financial statements were approved by the board of directors on 13th January 2009 and were signed on its behalf by:



M Gilbert
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that the company is small.

The company was incorporated on 11 September 2006 and commenced trading on 16 November 2006. Consequently the comparatives are for the 11 month period ending 31 July 2007.

Turnover

Turnover represents the invoiced value of goods and services supplied by the company net of value added tax.

Going concern

The accounts have been prepared on a going concern basis which assumes the ongoing support of the holding company.

Intangible assets

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Concessions, patents, licences and trademarks purchased by the Company are amortised to nil by equal annual instalments over their useful economic lives of 3 years.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office Equipment	-	33% per annum
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Deferred taxation

Provision is made in full for deferred tax liabilities that arise from timing differences where the transactions or events, that result in an obligation to pay more tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised to the extent that it is considered more likely than not that they will be recoverable. Deferred tax is measured at the average tax rates that are expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

Notes (continued)

2 Tangible assets

	Office Equipment £
<i>Cost</i>	
At 1 August 2007	-
Additions	4,388
	<hr/>
At 31 July 2008	4,388
	<hr/>
<i>Depreciation</i>	
At 1 August 2007	-
Charge for year	853
	<hr/>
At 31 July 2008	853
	<hr/>
<i>Net book value</i>	
At 31 July 2008	3,535
	<hr/>
At 31 July 2007	-
	<hr/>

3 Intangible assets

	Patents and Licences £
<i>Cost</i>	
At 1 August 2007	-
Additions	12,220
	<hr/>
At 31 July 2008	12,220
	<hr/>
<i>Amortisation</i>	
At 1 August 2007	-
Charge for year	2,376
	<hr/>
At 31 July 2008	2,376
	<hr/>
<i>Net book value</i>	
At 31 July 2008	9,844
	<hr/>
At 31 July 2007	-
	<hr/>

Notes *(continued)*

4 Creditors: amounts falling due within one year

	2008	2007
	£	£
Trade creditors	2,168	2,644
Amounts owed to related parties	5,904	2,119
Accruals and deferred income	31,300	460
Other creditors	347	125
Taxation and social security	2,161	256
	<hr/>	<hr/>
	41,880	5,604
	<hr/>	<hr/>

5 Creditors: amounts falling after one year

	2008	2007
	£	£
Amounts owed to related parties	14,955	-
	<hr/>	<hr/>
	14,955	-
	<hr/>	<hr/>

Notes (continued)

6 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
Equity: 100,000 Ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
	100,000	100,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Equity: 10,000 Ordinary shares of £1 each	10,000	8,000
	<hr/>	<hr/>
	10,000	8,000
	<hr/>	<hr/>

On 10 December 2007, 1,500 Ordinary shares of £1 each were issued for consideration totalling £75,000.

On 16 May 2008, 500 Ordinary shares of £1 each were issued for consideration totalling £25,000.

7 Related party transactions

During the period ended 31 July 2008 the company purchased services totalling £436 (2007: £5,000) from the University of Sheffield, a shareholder in the company. No monies were owed to the University of Sheffield at the year end (2007 £Nil).

In addition, the company purchased management and other services totalling £6,912 (2007: £5,321) from Sheffield University Enterprise Limited, a wholly owned subsidiary of the University of Sheffield. The company also purchased from Sheffield University Enterprises Limited intellectual property totalling £14,358 which was subsequently held as a loan. Interest accrued on this loan amounted to £597. At the year end the company owed £20,416 (2007: £2,119) to Sheffield University Enterprises Limited.

During the year ended 31 July 2008 the company reimbursed expenses to M Gilbert, a director and shareholder of the company, totalling £400. At the year end £442 was outstanding to M Gilbert.

During the year ended 31 July 2008 the company reimbursed expenses to C Smith, a director and shareholder of the company, totalling £140. At the year end no monies were outstanding to C Smith.

8 Post Balance Sheet Event

On 11th December 2008 the Company signed an agreement with South Yorkshire Investment Fund Limited, Sheffield University Enterprises Limited and Bestech Systems Limited which secured further investment in the Company. On the signing of this agreement, the Company received £37,500 for equity.