

VUZIX (EUROPE) LIMITED

COMPANY NUMBER 6561455

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2011

THURSDAY



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20/09/2012

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COMPANIES HOUSE

KING LOOSE & CO
ACCOUNTANTS
ST JOHN'S HOUSE
5 SOUTH PARADE
SUMMERTOWN
OXFORD OX2 7JL

VUZIX (EUROPE) LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER 2011

Directors	D R Lock Esq P Travers Esq
Secretary	S Ward Esq
Company number	6561455
Registered office	5 South Parade Summertown Oxford OX2 7JL
Accountants	King Loose & Co Accountants St John's House 5 South Parade Summertown Oxford OX2 7JL
Bankers	HSBC Bank plc Prima House Banbury Road Summertown Oxford OX2 7HY

VUZIX (EUROPE) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2011

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VUZIX (EUROPE) LIMITED

**ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE
UNAUDITED FINANCIAL STATEMENTS OF VUZIX (EUROPE) LIMITED**

In accordance with the engagement letter, and in order to assist you to fulfil your duties under the Companies Act 2006, we have compiled the financial statements of the company which comprise the Profit and Loss Account and Balance Sheet and related notes, from the accounting records and information you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permissible by law, we do not accept nor assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with the technical guidance issued by the Institute of Chartered Accountants in England and Wales, and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the Balance Sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements for the year ended 31st December 2011 that give a true and fair view under the Companies Act 2006. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

King, Loose & Co

14th September 2012

King Loose & Co
Accountants
St John's House
5 South Parade
Summertown
Oxford OX2 7JL

VUZIX (EUROPE) LIMITED

ABBREVIATED BALANCE SHEET (COMPANY NUMBER 6561455)

AS AT 31ST DECEMBER 2011

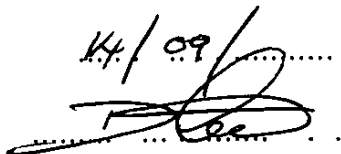
		<u>2011</u>		<u>2010</u>	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	2		2,595		-
Current Assets					
Stocks		146,325		133,264	
Debtors		72,943		244,761	
Cash at bank and in hand		58,078		65,032	
		<u>277,346</u>		<u>443,057</u>	
Creditors, amounts falling due within one year		<u>(385,008)</u>		<u>(515,884)</u>	
Net Current liabilities			<u>(107,662)</u>		<u>(72,827)</u>
Total Assets Less Current Liabilities			<u>(105,067)</u>		<u>(72,827)</u>
Capital and Reserves					
Called up share capital	3		100		100
Profit and loss account			<u>(105,167)</u>		<u>(72,927)</u>
Total Shareholders' Funds			<u>(105,067)</u>		<u>(72,827)</u>

The directors consider that for the year ended 31st December 2011 the company was entitled to exemption under the provisions of Section 477 of the Companies Act 2006. No member or members have deposited a notice requesting an audit for the current financial year under Section 476 of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 386 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Sections 393 and 394, and which otherwise comply with the requirements of the Act relating to the financial statements, so far as applicable to the company.

The abbreviated accounts are prepared in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime.

The abbreviated accounts were approved by the board of directors on

14/09/.....


2012

D. R. Lock Esq.
Director

The notes on pages 3 to 5 form an integral part of these financial statements.

VUZIX (EUROPE) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2011

1. Accounting policies

1.1. Accounting convention

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

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No 1 on the grounds that it qualifies for the small companies regime of the Companies Act 2006

1.2 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Computer equipment	-	33% reducing balance basis
Fixtures and fittings	-	15% reducing balance basis

1.3 Leasing

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred

1.4. Stock

Stock and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.5. Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider it 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 taxation is measured on a non-discounted basis at the rates that are expected to apply in the periods in which the timing differences reverse, based on the tax rates and the law enacted or substantively enacted at the balance sheet date

1.6. Foreign currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

VUZIX (EUROPE) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2011

2. Tangible fixed assets	<u>Computer</u>	<u>Fixtures</u>	<u>Total</u>
	<u>equipment</u>	<u>and</u>	
	<u>£</u>	<u>fittings</u>	<u>£</u>
Cost			
At 1st January 2011	-	-	-
Additions	2,732	899	3,631
At 31st December 2011	2,732	899	3,631
Depreciation			
At 1st January 2011	-	-	-
Charge for the year	901	135	1,036
At 31st December 2011	901	135	1,036
Net book value			
At 31st December 2011	1,831	764	2,595
At 31st December 2010	-	-	-
3. Share capital		<u>2011</u>	<u>2010</u>
		<u>£</u>	<u>£</u>
Authorised			
1,000 ordinary shares of £1 each		1,000	1,000
Issued and fully paid			
100 ordinary shares of £1 each		100	100

4. Operating lease commitments

The company has an ongoing commitment for premises rent, equivalent to one month's cost of £487

5 Controlling interest

Vuzix (Europe) Limited is a wholly owned subsidiary of Vuzix Corporation, which company is registered in New York State, United States of America

VUZIX (EUROPE) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2011

6. Related party transactions

During the year, the company undertook transactions with its holding company, Vuzix Corporation, as follows -

	£
Purchases from Vuzix Corporation	<u>463,177</u>
Cost recharges to Vuzix Corporation	<u>59,785</u>
Amounts owed to Vuzix Corporation at year end	<u>346,644</u>

All transactions with the holding company are on an arm's length basis