

Company Registration No. SC526878 (Scotland)

EXTERNAL REALITY LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2017
PAGES FOR FILING WITH REGISTRAR

EXTERNAL REALITY LIMITED

COMPANY INFORMATION

Director	Mr Richard Allan	(Appointed 15 February 2016)
Company number	SC526878	
Registered office	27 Evan Barron Road Inverness IV2 4JE	
Accountants	Johnston Carmichael LLP Clava House Cradlehall Business Park INVERNESS IV2 5GH	

EXTERNAL REALITY LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 7

EXTERNAL REALITY LIMITED**BALANCE SHEET****AS AT 31 MARCH 2017**

	Notes	2017	
		£	£
Fixed assets			
Tangible assets	3		33,576
Current assets			
Stocks		9,371	
Debtors	4	8,100	
		<u>17,471</u>	
Creditors: amounts falling due within one year	5	<u>(30,636)</u>	
Net current liabilities			<u>(13,165)</u>
Total assets less current liabilities			<u>20,411</u>
Creditors: amounts falling due after more than one year	6		<u>(36,577)</u>
Net liabilities			<u>(16,166)</u>
Capital and reserves			
Called up share capital	7		1
Profit and loss reserves			<u>(16,167)</u>
Total equity			<u>(16,166)</u>

EXTERNAL REALITY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2017

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial period ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 15 November 2017

Mr Richard Allan
Director

Company Registration No. SC526878

EXTERNAL REALITY LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 MARCH 2017****1 Accounting policies****Company information**

External Reality Limited (SC526878) is a private company limited by shares incorporated in Scotland. The registered office is 27 Evan Barron Road, Inverness, IV2 4JE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The director has prepared the financial statements on the going concern basis. Whilst the company net liabilities of £16,166, and has reported a loss for the period, this was anticipated given that it is the company's first period of trading. The director anticipates the company to trade profitably in future periods.

1.3 Turnover

Turnover represents the amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% reducing balance	
Computers	Equipment 25% reducing balance	Software 33% straight line
Motor vehicles	20% reducing balance	

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

EXTERNAL REALITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2017

1 Accounting policies **(Continued)**

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash at bank, cash in hand and bank overdrafts.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

EXTERNAL REALITY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 MARCH 2017****1 Accounting policies (Continued)****Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

1.11 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 1.

3 Tangible fixed assets**Plant and machinery etc****£****Cost**

At 15 February 2016	-
Additions	41,539
	<hr/>
At 31 March 2017	41,539
	<hr/>

Depreciation and impairment

At 15 February 2016	-
Depreciation charged in the period	7,963
	<hr/>
At 31 March 2017	7,963
	<hr/>

Carrying amount

At 31 March 2017	33,576
	<hr/> <hr/>

4 Debtors**2017**

Amounts falling due within one year:	£
Trade debtors	3,377
Other debtors	4,723
	<hr/>
	8,100
	<hr/> <hr/>

EXTERNAL REALITY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 MARCH 2017****5 Creditors: amounts falling due within one year**

	2017
	£
Bank loans and overdrafts	4,208
Trade creditors	10,990
Other creditors	15,438
	<u>30,636</u>

The bank overdraft is secured by a standard security.
Included within other creditors are hire purchase obligations of £3,590 secured over the assets that the agreements relate to.

6 Creditors: amounts falling due after more than one year

	2017
	£
Other creditors	36,577
	<u>36,577</u>

Included within other creditors are hire purchase obligations of £19,060 secured over the assets that the agreements relate to.

Amounts included above which fall due after five years are as follows:

Payable by instalments	(5,997)
	<u>(5,997)</u>

7 Called up share capital

	2017
	£
Ordinary share capital	
Issued and fully paid	
1 Ordinary share of £1 each	1
	<u>1</u>

During the period the company issued 1 Ordinary share at par value.

8 Events after the reporting date

Subsequent to the year end the company issued of 99 ordinary shares at a nominal value of £1 per share.

EXTERNAL REALITY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 MARCH 2017****9 Directors' transactions**

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
Richard Allan	-	-	4,472	4,472
		-	4,472	4,472

The loan is unsecured, interest free and has no fixed terms of repayment.

The director has provided a personal guarantee on behalf of the company in relation to third party loans of £20,397.

