

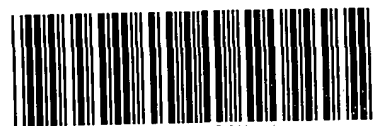
(aq) Limited

**Directors' report and abbreviated
financial statements**

Registered number 03663860

For the 17 month period ended
31 December 2014

TUESDAY



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Company information

Directors

Dr AJ Beaumont
LR Cowley

Secretary

SJ Neale

Registered office

13-15 Hunslet Road
Leeds
West Yorkshire
LS10 1JQ

Auditor

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Directors' report

The directors present their report with the financial statements of the company for the 17 month period ended 31 December 2014.

Principal activity

The principal activity of the company in the period under review was that of computer networking services.

Directors

The directors who served the company during the period, and to the date of signing, were as follows:

Dr AJ Beaumont
PJ Greaves (resigned 26 August 2015)
LR Cowley (appointed 20 October 2014)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and the directors have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

KPMG LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board



Dr AJ Beaumont
Director

23 / 11 / 2015

Statement of the Directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law he has elected to prepare the financial statements in accordance with the Financial Reporting Standard for Smaller Entities (Effective April 2008) and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing each of the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- state whether applicable UK 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to (aq) Limited under section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 5 to 10 together with the financial statements of (aq) Limited for the 17 month period ended 31 December 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it 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 auditor

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.

Basis of opinion

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 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.

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.

Ian Beaumont (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
West Yorkshire
LS1 4DA

23/11 / 2015

Balance sheet
at 31 December 2014

	<i>Note</i>	31 December 2014	31 July 2013
		£	£
Fixed assets			
Intangible assets	2	3,416	-
Tangible assets	3	551,370	627,124
		<hr/>	<hr/>
		554,786	627,124
Current assets			
Debtors (including £1,750,538 (2013: £376,120) due after more than one year)	4	4,369,715	2,013,315
Cash at bank		413,238	1,458,290
		<hr/>	<hr/>
		4,782,953	3,471,605
Creditors			
Amounts falling due within one year	5	(2,136,131)	(2,014,944)
		<hr/>	<hr/>
Net current assets		2,646,822	1,456,661
Total assets less current liabilities		3,201,608	2,083,785
Creditors			
Amounts falling due after more than year	6	(125,510)	-
		<hr/>	<hr/>
Net assets		3,076,098	2,083,785
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	12	12
Profit and loss account	9	3,076,086	2,083,773
		<hr/>	<hr/>
Shareholders' funds		3,076,098	2,083,785
		<hr/>	<hr/>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to the small companies regime.

These financial statements were approved by the board of directors on 23/11/2015 and were signed on its behalf by:

Dr AJ Beaumont
Director



Notes on pages 6 – 10 also form a part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

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 April 2008).

Going concern

These accounts are prepared on a going concern basis. The directors have reviewed the cash position and prepared performance forecasts which indicate that it expects to be able to meet its working capital requirements for the foreseeable future. On this basis the directors are satisfied that it is appropriate to prepare the accounts on a going concern basis.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2008, is being amortised evenly over its estimated useful life of one years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures & fittings	- between 10 & 25% on cost, depending on the estimated useful life
Motor vehicles	- 20% on cost
Computer equipment	- 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Income recognition

Revenue consists primarily of recurring monthly fees from hosting services which is recognised as the services are provided. Hosting service contracts range from one month to 5 years. Payments received and billings in advance of providing services are deferred until the services are provided. Unbilled revenues for services provided are accrued at the end of each period.

VoIP and Usage fees are recognised as the service is provided.

Notes (continued)

2 Intangible fixed assets

	Goodwill £	Other investments £	Total £
<i>Cost</i>			
At 1 August 2013	5,000	-	5,000
Additions	-	4,000	4,000
	<hr/>	<hr/>	<hr/>
At 31 December 2014	5,000	4,000	9,000
	<hr/>	<hr/>	<hr/>
<i>Amortisation</i>			
At 1 August 2013	5,000	-	5,000
Charge for the period	-	583	584
	<hr/>	<hr/>	<hr/>
At 31 December 2014	5,000	583	5,584
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2014	-	3,416	3,416
	<hr/>	<hr/>	<hr/>
At 31 July 2013	-	-	-
	<hr/>	<hr/>	<hr/>

3 Tangible fixed assets

	Fixtures and fittings £
<i>Cost</i>	
At 1 August 2013	1,424,178
Additions	232,871
Disposals	(3,354)
	<hr/>
At 31 December 2014	1,653,695
	<hr/>
<i>Depreciation</i>	
At 1 August 2013	797,054
Charge for period	306,992
On disposals	(1,721)
	<hr/>
At 31 December 2014	1,102,325
	<hr/>
<i>Net book value</i>	
At 31 December 2014	551,370
	<hr/>
At 31 July 2013	627,124
	<hr/>

Notes (continued)

4 Debtors

	31 December 2014 £	31 July 2013 £
Amounts falling due within one year:		
Trade debtors	1,060,867	464,847
Amounts owed from related parties	109,975	407,053
Other debtors	68,380	75,000
Prepayments and accrued income	644,579	568,696
Directors' loan accounts (see note 15)	566,906	78,264
Corporation tax	69,985	34,321
Deferred tax asset (see note 11)	82,950	9,014
Amounts falling due after more than one year:		
(aq) Networks Limited	-	376,120
AQL Leeds Limited	1,193,356	-
AQL (DC6) Limited	564,551	-
IDS Inter-Co Loan	8,166	-
Aggregate amounts	<u>4,369,715</u>	<u>2,013,315</u>

5 Creditors: amounts falling due within one year

	31 December 2014 £	31 July 2013 £
Trade creditors	615,509	351,228
Amounts owed to related parties	-	72,000
Social security and other taxes	34,104	576,752
VAT	237,736	84,995
Accruals and deferred income	1,207,866	768,369
Sundry creditors	40,916	161,600
	<u>2,136,131</u>	<u>2,014,944</u>

6 Creditors: amounts falling due after more than one year

	31 December 2014 £	31 July 2013 £
Amounts owed to related parties – aq Networks Limited	<u>125,510</u>	<u>-</u>

Notes (continued)

7 Deferred tax

	31 December 2014 £	31 July 2013 £
<i>Provision for deferred tax</i>		
Accelerated capital allowances	(12,616)	(9,014)
Short term timing differences	(16,718)	-
Tax losses carried forward and other deductions	(53,616)	-
	<hr/>	<hr/>
Total deferred tax asset	(82,950)	(9,014)
	<hr/>	<hr/>
<i>Movement in Asset:</i>		
Provision at start of period	(9,014)	
Deferred tax credit in the profit and loss account for the period	(73,936)	
	<hr/>	
Asset at end of period	(82,950)	
	<hr/>	

8 Called up share capital

Allotted, issued and fully paid:			31 December 2014 £	31 July 2013 £
Number:	Class:	Nominal value:		
12	Ordinary	£1	12	12
			<hr/>	<hr/>

9 Profit and loss account

	31 December 2014 £	31 July 2013 £
At beginning of the period	2,083,773	1,978,825
Profit for the period	992,313	104,948
	<hr/>	<hr/>
At the end of the period	3,076,086	2,083,773
	<hr/>	<hr/>

Notes (continued)

10 Related party disclosures

During the period (aq) Networks Limited charged the company with goods and services amounting to £1,470,000 (2013: £840,000). A J Beaumont is a Director and shareholder in this company. At 31 December 2014 the balances due to the company from (aq) Networks Limited by way of trade debtors was £109,022 (2013: £402,106) and owed AQ Networks £69,164 (2013: loan debtor £376,120) by way of loans and £168,000 (2013: £nil) by way of trade creditors.

During the period ended 31 December 2014 the Company made sales totalling £12,600 (2013: £90,884) to and purchased services totalling £223,250 (2013: £144,347) from AQL Wholesale Limited. AJ Beaumont is a Director and Shareholder in this company. At 31 December 2014 the balance due to the company was £3,360 (2013: £12,222) and the company owed AQL Wholesale Limited £nil (2013: £13,243).

P J Greaves is a Director in Teleology Limited and was paid £79,281 (2013: £32,877) for commission and services in the period ended 31 December 2014. No amounts were owed to Mr Greaves at the current or preceding period-end.