

Q Associates Services Limited
Financial statements
For the year ended 31 March 2007

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COMPANIES HOUSE

Company No. 3968475

Company information

Company registration number	3968475
Registered office	Langley Business Court Beedon NEWBURY Berkshire RG20 8RY
Directors	Mr D M Cue Mr N Hopkins
Secretary	Mr N Hopkins
Bankers	Lloyds TSB Bank plc 5 Bridge Street NEWBURY Berkshire RG14 5BQ
Solicitors	Blake Lapthorn Tarlo Lyons Seacourt Tower West Way OXFORD OX2 0FB
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors 1 Westminster Way OXFORD OX2 0PZ

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 March 2007.

Principal activities and business review

On 31 March 2007 the trade and assets of the company were hived up into Q Associates Limited, it's parent company. Following this transaction, the inter-company creditor of £47,352 was forgiven by the parent company. The directors have confirmed that the company will remain dormant going forward.

The company made a profit for the period after taxation amounting to £45,963 (2006: £2,649). The directors do not recommend payment of a dividend.

Directors

The directors who served the company during the year and up to the date of this report are listed on page 1.

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company. None of the directors held any shares in the company throughout the year.

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent,
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

BY ORDER OF THE BOARD



Mr N Hopkins
Secretary

Report of the independent auditor to the members of Q Associates Services Limited

We have audited the financial statements of Q Associates Services Limited for the year ended 31 March 2007 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 11. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and under the accounting policies set out therein.

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 auditor's 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 directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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 whether in our opinion the information given in the Report of the Directors is 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 directors' remuneration and other transactions is not disclosed.

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

Basis of 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 judgements 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.

Report of the independent auditor to the members of Q Associates Services Limited (continued)

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 evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from disagreement about accounting treatment

Included in the share capital and reserves shown on the balance sheet is an amount of £360,000 in respect of redeemable preference shares. In our opinion the substance of the financial instrument is that of a financial liability since the shares are redeemable at par on 31 October 2010, if not already redeemed earlier by the company. Accordingly share capital and reserves should be reduced by £360,000 to a deficit of £360,000 and creditors falling due in greater than one year should be increased by £360,000 to £360,000. This would have no effect on the profit and loss of the company.

Except for the financial effect of not reclassifying the preference shares referred to in the preceding paragraph, in our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements for the year ended 31 March 2007.

Grant Thornton UK LLP

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
OXFORD

29 June 2007

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005).

Included in the share capital and reserves shown in the balance sheet is an amount of £360,000 in respect of redeemable preference shares. The directors of the company have selected not to adopt FRS25 disclosure whereby the substance of the financial instrument is that of a financial liability since the share are redeemable at par on 31 October 2010, if not already redeemed earlier by the company. Had FRS25 been adopted, the share capital and reserves would be reduced by £360,000 to a deficit of £360,000 and creditors falling due in greater than one year should be increased by £360,000 to £360,000. This would have no effect on the profit and loss of the company

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Turnover for services is recognised once the service has been completed. Turnover for licences is recognised once the sale is agreed with the customer.

Profit and loss account

	Note	2007 £	2006 £
³ Turnover		-	189,246
Cost of sales		-	(130,203)
Gross profit		-	59,043
Other operating charges	1	(2,030)	(56,731)
Other operating income	2	47,601	-
Operating profit	3	45,571	2,312
Interest receivable		407	453
Interest payable and similar charges		(15)	(116)
Profit on ordinary activities before taxation		45,963	2,649
Profit for the financial year		45,963	2,649

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2007 £	2006 £
Fixed assets			
Tangible assets	5	-	-
Current assets			
Debtors	6	-	24,420
Cash at bank		-	2,451
		-	26,871
Creditors: amounts falling due within one year	7	-	(72,834)
Net current liabilities		-	(45,963)
Total assets less current liabilities		-	(45,963)
Capital and reserves			
Called-up share capital	9	360,810	360,810
Profit and loss account		(360,810)	(406,773)
Deficit		-	(45,963)

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on 19th June 2007 and are signed on their behalf by



Mr D M Cue
 Director

Notes to the financial statements

1 Other operating charges

	2007	2006
	£	£
Administrative expenses	<u>2,030</u>	<u>56,731</u>

2 Other operating income

	2007	2006
	£	£
Inter-company balances forgiven during the year	47,351	-
Other operating income	<u>250</u>	<u>-</u>
	<u>47,601</u>	<u>-</u>

3 Operating profit

Operating profit is stated after charging/(crediting):

	2007	2006
	£	£
Directors' emoluments	-	-
Auditor's fees	1,000	1,000
Net profit on foreign currency translation	-	(21,842)
Profit on sale of trade and assets	<u>-</u>	<u>(13,899)</u>

4 Directors and employees

The aggregate payroll costs of the above were

	2007	2006
	£	£
Wages and salaries	<u>76</u>	<u>69,747</u>

5 Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2006	8,400
Disposals	(8,400)
At 31 March 2007	<u>-</u>
Depreciation	
At 1 April 2006	8,400
Disposals	(8,400)
At 31 March 2007	<u>-</u>
Net book value	
At 31 March 2007 and at 31 March 2006	<u>-</u>

6 Debtors

	2007 £	2006 £
Trade debtors	<u>-</u>	<u>24,420</u>

7 Creditors: amounts falling due within one year

	2007 £	2006 £
Amounts owed to group undertakings	-	71,084
Other taxation	-	750
Other creditors	-	1,000
	<u>-</u>	<u>72,834</u>

8 Related party transactions

On 31 March 2007 the trade and assets of the company were hived up into Q Associates Limited, it's parent company. Following this transaction, the inter-company creditor of £47,352 was forgiven by the parent company.

9 Share capital

Authorised share capital.

	2007	2006
	£	£
360 Ordinary shares of £0.25 each	90	90
2,040 'A' Ordinary shares of £0.25 each	510	510
1,200 'B' Ordinary shares of £0.25 each	300	300
400 'B' Preferred ordinary shares of £0.25 each	100	100
360,000 Redeemable preference shares of £1 each	360,000	360,000
	<u>361,000</u>	<u>361,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
'A' Ordinary shares of £0.25 each	2,040	510	2,040	510
'B' Ordinary shares of £0.25 each	1,200	300	1,200	300
Redeemable preference shares of £1 each	360,000	360,000	360,000	360,000
	<u>363,240</u>	<u>360,810</u>	<u>363,240</u>	<u>360,810</u>

The 'A' and 'B' ordinary shares rank equally in all respects except that the 'A' shareholders have the right to appoint two 'A' directors whereas the 'B' shareholders have the right to appoint one 'B' director. In order for any meeting to quorate, one 'A' director and one 'B' director must be present throughout.

The 'B' preferred ordinary shares carry equal rights to the 'A' and 'B' ordinary shares except this class of share does not permit the appointment of directors.

In the event of a winding up, the 'A', 'B' and other ordinary shares rank equally for dividend purposes and are entitled to any shares of the net assets remaining after the repayment of the redeemable preference shares and the 'B' preferred ordinary shares who rank pari passu.

The redeemable preference shares are non voting shares and do not have any right to a dividend. The shares can be redeemed at any time up to 31 October 2010 when they must be redeemed.

10 Profit and loss account

	2007	2006
	£	£
Balance brought forward	(406,773)	(409,422)
Profit for the financial year	45,963	2,649
Balance carried forward	<u>(360,810)</u>	<u>(406,773)</u>

11 Ultimate parent company

The directors consider that the ultimate undertaking of this company is Q Associates Limited, incorporated in England, by virtue of its controlling shareholding.