

Qwerk Limited

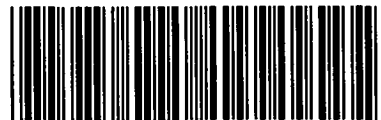
Unaudited Financial Statements

Year Ended

31 March 2022

Company Number 06154824

THURSDAY



ACØEQ8D4

A13

30/03/2023

#42

COMPANIES HOUSE

Qwerk Limited

Chartered accountants' report to the director on the unaudited financial statements of Qwerk Limited for the year ended 31 March 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Qwerk Limited for the year ended 31 March 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

It is your duty to ensure that Qwerk Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Qwerk Limited. You consider that Qwerk Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Qwerk Limited. 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 statutory accounts.

Use of our report

This report is made solely to the board of directors of Qwerk Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Qwerk Limited and state those matters that we have agreed to state to the board of directors of Qwerk Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Qwerk Limited and its board of directors as a body for our work or for this report.



BDO LLP
Chartered Accountants
London

Date: 28 March 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Qwerk Limited
Registered number: 06154824

Statement of Financial Position
As at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	67,633	98,248
Current assets			
Stocks		30,500	113,240
Debtors: amounts falling due within one year	6	471,045	446,202
Cash at bank and in hand		361,961	295,832
		<u>863,506</u>	<u>855,274</u>
Creditors: amounts falling due within one year	7	(504,014)	(516,901)
Net current assets		<u>359,492</u>	<u>338,373</u>
Total assets less current liabilities		<u>427,125</u>	<u>436,621</u>
Creditors: amounts falling due after more than one year	8	(71,005)	(94,595)
Provisions for liabilities			
Other provisions	11	(80,000)	(70,000)
Net assets		<u>276,120</u>	<u>272,026</u>
Capital and reserves			
Called up share capital	12	60	60
Share premium account		-	404,940
Profit and loss account		276,060	(132,974)
		<u>276,120</u>	<u>272,026</u>

Qwerk Limited
Registered number: 06154824

Statement of Financial Position (continued)
As at 31 March 2022

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Mr I G Crawford
Director

Date: 28 March 2023

The notes on pages 4 to 11 form part of these financial statements.

Qwerk Limited

Notes to the financial statements For the Year Ended 31 March 2022

1. General information

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which all of the company's transactions are denominated. They comprise the financial statements of the company for the year ended 31 March 2022 and presented to the nearest pound.

The company has determined that the (GBP) is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates.

The principal activity of the company during the period continued to be that of creative construction.

The company is a United Kingdom company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is Unit 31 North Luton Industrial Estate, Sedgewick Road, Luton, England, LU4 9DR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The director of the Company continues to assess the impact of COVID-19. The situation it is not possible at this stage to determine with any certainty the impact on the Company, its customers, employees and suppliers. The director is continually reviewing their plans and forecasts and believe that the going concern basis is appropriate in the short term, however depending on the severity and length of the crisis there is a risk that the Company could require further funding or support. The director's current assessment is that this is unlikely and accordingly these accounts have been prepared on the company's ability to continue as a going concern.

Qwerk Limited

Notes to the financial statements For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- It is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and loss account in the same period as the related expenditure.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

Qwerk Limited

Notes to the financial statements For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	- Over 5 years
Motor vehicles	- Over 3 years
Office equipment	- Over 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Qwerk Limited

Notes to the financial statements For the Year Ended 31 March 2022

2. Accounting policies (continued)

2.10 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Leasing and hire purchase

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.14 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

Qwerk Limited

Notes to the financial statements For the Year Ended 31 March 2022

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Due to the simplicity of the Company's transaction streams and period-end financial position, the director considers there to be no critical judgements, estimates or assumptions in the preparation of these financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 10 (2021 - 9).

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 April 2021	193,857	25,770	77,727	297,354
At 31 March 2022	193,857	25,770	77,727	297,354
Depreciation				
At 1 April 2021	107,041	21,275	70,790	199,106
Charge for the year on owned assets	22,180	1,498	6,937	30,615
At 31 March 2022	129,221	22,773	77,727	229,721
Net book value				
At 31 March 2022	64,636	2,997	-	67,633
At 31 March 2021	86,816	4,495	6,937	98,248

Qwerk Limited

Notes to the financial statements For the Year Ended 31 March 2022

6. Debtors

	2022 £	2021 £
Trade debtors	113,812	101,689
Amounts owed by group undertakings (note 15)	312,000	300,000
Other debtors (note 15)	-	13,100
Prepayments and accrued income	20,016	18,913
Tax recoverable	25,217	12,500
	<u>471,045</u>	<u>446,202</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

7. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans (note 9)	10,000	7,500
Trade creditors	117,977	66,387
Other taxation and social security	91,704	96,764
Net obligations under finance lease and hire purchase contracts (note 10)	13,590	13,590
Other creditors	1,525	1,284
Accruals and deferred income	269,218	331,376
	<u>504,014</u>	<u>516,901</u>

8. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans (note 9)	32,500	42,500
Net obligations under finance leases and hire purchase contracts (note 10)	38,505	52,095
	<u>71,005</u>	<u>94,595</u>

In the period ended 30 September 2020 the company received a government bounce-back term loan. Repayments started in July 2021 of £833 per month plus interest. Interest is charged at a fixed rate of 2.5%. The loan is unsecured.

Qwerk Limited

Notes to the financial statements For the Year Ended 31 March 2022

9. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Other loans	10,000	7,500
Amounts falling due 1-2 years		
Other loans	10,000	10,000
Amounts falling due 2-5 years		
Other loans	22,500	32,500
	<u>42,500</u>	<u>50,000</u>

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	13,590	13,590
Between 1-5 years	38,505	52,095
	<u>52,095</u>	<u>65,685</u>

11. Provisions

	Dilapidations provision £
At 1 April 2021	70,000
Charged to profit or loss	10,000
At 31 March 2022	<u><u>80,000</u></u>

Qwerk Limited

Notes to the financial statements For the Year Ended 31 March 2022

12. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
60 Ordinary shares of £1.00 each	60	60

During the year the company passed a resolution for all of its share premium to be transferred to distributable reserves.

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,723 (2021 - £3,224). Contributions totalling £1,684 (2021 - £1,284) were payable to the fund at the reporting date.

14. Operating leases commitments

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	49,400	49,400
Later than 1 year and not later than 5 years	49,400	98,800
	<u>98,800</u>	<u>148,200</u>

15. Related party transactions

During the year the company loaned £12,000 (2021: £Nil) to Qwerk Holdings Limited, its parent company. As at the year end date £312,000 (2021: £300,000) was due from Qwerk Holdings Limited.

The amount due from the director at 31 March 2021 of £12,000 was repaid during the year.

16. Controlling party

The parent undertaking is Qwerk Holdings Limited, a company owned and controlled by the company director and shareholder, Ian Crawford.