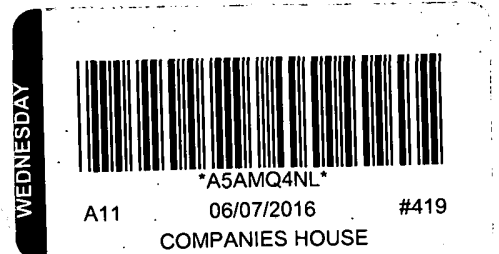


Company Registration No. 07447993 (England and Wales)

**QTL Holdings Limited**  
**Annual Report And Financial Statements**  
**For The Year Ended 31 December 2015**



# QTL HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr S J Clark Mr D M Clough Mr D W Gratrix Mr D A McCartney
<b>Secretary</b>	Mr S J Clark
<b>Company number</b>	07447993
<b>Registered office</b>	Rake Lane PO Box 4 Clifton Junction- Manchester M27 8LP
<b>Auditors</b>	Garbutt & Elliott Audit Limited 33 Park Place Leeds LS1 2RY

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# QTL HOLDINGS LIMITED

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# QTL HOLDINGS LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2015

	Notes	2015 £	£	Unaudited 2014 £	£
<b>Fixed assets</b>					
Goodwill	4	170,001		204,001	
Tangible assets	5	850,858		680,432	
Investments	6	1		1	
		<u>1,020,860</u>		<u>884,434</u>	
<b>Current assets</b>					
<b>Creditors: amounts falling due within one year</b>	7	(361,939)		(237,272)	
Net current liabilities		(361,939)		(237,272)	
<b>Total assets less current liabilities</b>		<u>658,921</u>		<u>647,162</u>	
<b>Provisions for liabilities</b>	8	(100,000)		(60,000)	
<b>Net assets</b>		<u>558,921</u>		<u>587,162</u>	
<b>Capital and reserves</b>					
Called up share capital		663,760		663,760	
Capital redemption reserve		376,240		376,240	
Profit and loss reserves		(481,079)		(452,838)	
<b>Total equity</b>		<u>558,921</u>		<u>587,162</u>	

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

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 by the board of directors and authorised for issue on 01/07/2016 and are signed on its behalf by:

  
Mr D M Clough  
Director

Company Registration No. 07447993

# **QTL HOLDINGS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

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### **1 Accounting policies**

#### **Company information**

QTL Holdings Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Rake Lane, PO Box 4, Clifton Junction, Manchester, M27 8LP.

#### **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.

The company is required to adopt the revised company regulations detailed in Statutory Instrument SI 2015/980 for its accounting period beginning 1 January 2016. In preparing these financial statements, the company has decided to early adopt these new regulations and accordingly presents its financial statements under Section 1A of FRS 102.

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 on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of QTL Holdings Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 12.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

#### **1.2 Turnover**

Turnover represents amounts receivable for management charges net of VAT.

#### **1.3 Intangible fixed assets - goodwill**

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

# QTL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### 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 machinery	7.5% Straight line
Fixtures, fittings and equipment	20% Straight line

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 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.6 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# QTL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

#### 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 statement of financial position 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 trade and other receivables 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 unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **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.

# QTL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

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### 1 Accounting policies

(Continued)

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 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.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. 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. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.



# QTL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 2 Employees

The company has no employees other than the directors.

### 3 Dividends

	2015 £	2014 £
Interim paid	50,000	200,000
	<u>50,000</u>	<u>200,000</u>

During the year the company paid an unlawful dividend, as the dividend amount exceeded the available distributable reserves. The shareholders are aware that there is a possibility that the dividend may be repayable if the profit and loss reserves do not return to a positive position.

### 4 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2015 and 31 December 2015	340,001
<b>Amortisation and impairment</b>	
At 1 January 2015	136,000
Amortisation charged for the year	34,000
At 31 December 2015	170,000
<b>Carrying amount</b>	
At 31 December 2015	170,001
At 31 December 2014	204,001

# QTL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 5 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2015	968,160
Additions	332,459
Disposals	(64,858)
	<hr/>
At 31 December 2015	1,235,761
	<hr/>
<b>Depreciation and impairment</b>	
At 1 January 2015	287,728
Depreciation charged in the year	97,175
	<hr/>
At 31 December 2015	384,903
	<hr/>
<b>Carrying amount</b>	
At 31 December 2015	850,858
	<hr/>
At 31 December 2014	680,432
	<hr/>

The net carrying value of tangible fixed assets includes the following in respect of assets held under hire purchase contracts by the subsidiary undertaking. The depreciation charge in respect of such assets amounted to £22,592 (2014 - £-) for the year.

	2015 £	2014 £
Plant and machinery	413,901	-
	<hr/>	<hr/>
	413,901	-
	<hr/>	<hr/>

### 6 Fixed asset investments

	2015 £	2014 £
Investments	1	1
	<hr/>	<hr/>

# QTL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 6 Fixed asset investments (Continued)

#### Movements in fixed asset investments

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 January 2015 & 31 December 2015

1

#### Carrying amount

At 31 December 2015

1

At 31 December 2014

1

### 7 Creditors: amounts falling due within one year

2015  
£

2014  
£

Amounts due to group undertakings

361,939

237,272

### 8 Provisions for liabilities

2015  
£

2014  
£

Deferred tax liabilities

100,000

60,000

100,000

60,000

### 9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.

The senior statutory auditor was Mr Richard Green.

The auditor was Garbutt & Elliott Audit Limited.

# QTL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 10 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2015 £	2014 £	2015 £	2014 £
Entities over which the entity has control, joint control or significant influence	131,175	94,709	-	-
	<u>131,175</u>	<u>94,709</u>	<u>-</u>	<u>-</u>
	<u><u>131,175</u></u>	<u><u>94,709</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
	Group relief receipt		Amounts received	
	2015 £	2014 £	2015 £	2014 £
Entities over which the entity has control, joint control or significant influence	39,086	37,407	295,869	230,036
	<u>39,086</u>	<u>37,407</u>	<u>295,869</u>	<u>230,036</u>
	<u><u>39,086</u></u>	<u><u>37,407</u></u>	<u><u>295,869</u></u>	<u><u>230,036</u></u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2015 £	2014 £
Entities over which the entity has control, joint control or significant influence	361,939	237,272
	<u>361,939</u>	<u>237,272</u>
	<u><u>361,939</u></u>	<u><u>237,272</u></u>

The company has provided a limited guarantee amounting to Quiligotti Terrazzo Tiles Limited, a subsidiary, of £200,000 (2014 - £430,000) as security over bank borrowings.

### 11 Parent company

The parent company is Kengate Holdings Limited. The ultimate parent company is A Andrews and Sons (Marbles and Tiles) Limited.

The parent undertaking of the largest and smallest group for which consolidated financial statements are prepared is A Andrews and Sons (Marbles and Tiles) Limited. Consolidated financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

# QTL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

### 12 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

	Notes	1 January 2014 £	31 December 2014 £
Equity as reported under previous UK GAAP		657,739	655,146
Adjustments arising from transition to FRS 102:			
Goodwill adjustment	1	(50,988)	(67,984)
Equity reported under FRS 102		<u>606,751</u>	<u>587,162</u>

#### Reconciliation of profit or loss

	Notes	2014 £
Profit or loss as reported under previous UK GAAP		197,407
Adjustments arising from transition to FRS 102:		
Goodwill adjustment	1	(16,996)
Profit or loss reported under FRS 102		<u>180,411</u>

#### Notes to reconciliations on adoption of FRS 102

##### 1. Goodwill adjustment

Goodwill has previously been amortised over a life of 20 years, which is not allowable within FRS102 guidelines given there is not sufficient evidence to justify a period beyond 10 years. Therefore an adjustment is made to account for the goodwill as though the life has been 10 years since the original addition.