

Company Registration No. 07447993 (England and Wales)

QTL Holdings Limited
Financial Statements
For The Year Ended 31 December 2016

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QTL HOLDINGS LIMITED

COMPANY INFORMATION

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

QTL HOLDINGS LIMITED

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QTL HOLDINGS LIMITED

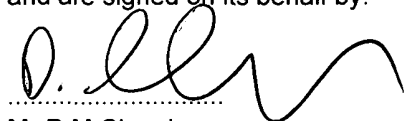
BALANCE SHEET AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	4		-	170,001	
Tangible assets	5		-	850,858	
Investments	6		-	1	
			-	1,020,860	
Current assets		-		-	
Creditors: amounts falling due within one year	7	(11,690)		(361,939)	
Net current liabilities			(11,690)	(361,939)	
Total assets less current liabilities			(11,690)	658,921	
Provisions for liabilities			-	(100,000)	
Net (liabilities)/assets			(11,690)	558,921	
Capital and reserves					
Called up share capital	8	104,839		663,760	
Capital redemption reserve		376,240		376,240	
Profit and loss reserves		(492,769)		(481,079)	
Total equity			(11,690)	558,921	

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 15/6/17 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 2016

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 "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 £1.

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

The company has taken advantage of the disclosure exemptions of Section 33.1A of FRS 102 which permit it to not present details of its transactions with members of the group headed by Kengate Holdings Limited where relevant group companies are all wholly owned.

The ultimate parent company is A. Andrews & Sons (Marbles & Tiles) Limited which is the smallest and largest group into which these financial statements are consolidated. A. Andrews & Sons (Marbles & Tiles) Limited has a registered office of 324-330 Meanwood Road, Leeds, LS7 2JE.

1.2 Going concern

The directors expect the company to remain dormant for the foreseeable future, with no further support required from group companies beyond assistance in paying the corporation tax liability.

1.3 Turnover

Turnover represents amounts receivable for management charges net of VAT.

1.4 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.

1.5 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.

QTL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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.

1.6 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.

1.7 Impairment of fixed assets

At each reporting period 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) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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 2016

1 Accounting policies

(Continued)

1.9 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 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. Financial assets classified as receivable within one year are not amortised.

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 publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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.

QTL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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.

Basic financial liabilities

Basic financial liabilities, including creditors, 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. Financial liabilities classified as payable within one year are not amortised.

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

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.

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.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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.

Derecognition of financial liabilities

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

1.10 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.

1.11 Taxation

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

QTL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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.

2 Employees

The company has no employees other than the directors.

3 Dividends

	2016 £	2015 £
Interim paid	51,375	50,000

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.

QTL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2016	340,001
Disposals	(340,001)
	<hr/>
At 31 December 2016	-
	<hr/>
Amortisation and impairment	
At 1 January 2016	170,000
Amortisation charged for the year	26,923
Disposals	(196,923)
	<hr/>
At 31 December 2016	-
	<hr/>
Carrying amount	
At 31 December 2016	-
	<hr/>
At 31 December 2015	170,001
	<hr/>

During the year, a hive up occurred of all assets and liabilities of the company into the immediate parent company, Kengate Holdings Limited. Under the hive up agreement, consideration for intangible fixed assets was at the book value as at the date of the hive up, resulting in no profits or losses arising on the transfer of assets.

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2016	1,235,761
Disposals	(1,235,761)
	<hr/>
At 31 December 2016	-
	<hr/>
Depreciation and impairment	
At 1 January 2016	384,903
Depreciation charged in the year	81,473
Eliminated in respect of disposals	(466,376)
	<hr/>
At 31 December 2016	-
	<hr/>
Carrying amount	
At 31 December 2016	-
	<hr/>
At 31 December 2015	850,858
	<hr/>

QTL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

5 Tangible fixed assets

(Continued)

During the year, a hive up occurred of all assets and liabilities of the company into the immediate parent company, Kengate Holdings Limited. Under the hive up agreement, consideration for tangible fixed assets was at the book value as at the date of the hive up, resulting in no profits or losses arising on the transfer of assets.

6 Fixed asset investments

	2016 £	2015 £
Investments	-	1
	<u> </u>	<u> </u>
Movements in fixed asset investments		
		Shares in group undertakings £
Cost or valuation		
At 1 January 2016		1
Disposals		(1)
		<u> </u>
At 31 December 2016		-
		<u> </u>
Carrying amount		
At 31 December 2016		-
		<u> </u>
At 31 December 2015		1
		<u> </u>

During the year, a hive up occurred of all assets and liabilities of the company into the parent company, Kengate Holdings Limited. Under the hive up agreement, consideration for the investment in the wholly owned subsidiary, Quiligotti Terrazzo Tiles Limited, was equal to the carrying value of the investment as at the date of the hive up. As a result, no profit or loss arose on the transfer of the investment.

7 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts due to group undertakings	-	361,939
Corporation tax	11,690	-
	<u> </u>	<u> </u>
	11,690	361,939
	<u> </u>	<u> </u>

8 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
104,839 Ordinary shares of £1 each	104,839	663,760
	<u> </u>	<u> </u>

QTL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

8 Called up share capital

(Continued)

Reconciliation of movements during the year:

	Ordinary shares Number
At 1 January 2016	663,760
Cancellation of shares	(558,921)
At 31 December 2016	<u>104,839</u>

During the year, the company cancelled 558,921 Ordinary shares held by the immediate parent company, Kengate Holdings Limited. The amount due to Kengate Holdings Limited as part of the cancellation was used to clear the amounts owed by Kengate Holdings Limited with regards to the consideration due on the hive up of the assets and liabilities of the company.

9 Financial commitments, guarantees and contingent liabilities

The company has a contingent liability amounting to £nil (2015 - £200,000) in respect of a limited guarantee over the debt of its subsidiary undertaking Quiligotti Terrazzo Tiles Limited.

QTL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

10 Related party transactions

Transactions with related parties

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

	Management charges		Purchase of goods	
	2016 £	2015 £	2016 £	2015 £
Entities over which the entity has control, joint control or significant influence	108,396	131,175	-	-
	<u>108,396</u>	<u>131,175</u>	<u>-</u>	<u>-</u>
	Group relief receipt		Amounts received	
	2016 £	2015 £	2016 £	2015 £
Entities over which the entity has control, joint control or significant influence	-	39,086	-	295,869
	<u>-</u>	<u>39,086</u>	<u>-</u>	<u>295,869</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016 £	2015 £
Entities over which the entity has control, joint control or significant influence	-	361,939
	<u>-</u>	<u>361,939</u>

The company has provided a limited guarantee amounting to Quiligotti Terrazzo Tiles Limited, a former subsidiary, of £nil (2015 - £200,000) as security over bank borrowings.

11 Parent company

The immediate parent company is Kengate Holdings Limited, a company registered in England and Wales.

The ultimate parent company is A. Andrews & Sons (Marbles & Tiles) Limited, a company incorporated in England and Wales with registered office 324-330 Meanwood Road, Leeds, LS7 2JE. A. Andrews & Sons (Marbles & Tiles) Limited is the smallest and largest group into which the company is consolidated.

12 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 Richard Green.

QTL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2016**

12 Audit report information

(Continued)

The auditor was Garbutt & Elliott Audit Limited.