

Quarks to Quasars Limited

Annual report and financial statements

For the year ended 31 March 2016



Quarks to Quasars Limited

Company Information

Directors

A Stellakis
S M Watson (Resigned 21 March 2016)
S Robb (Appointed 20 March 2016)

Company number

05152453

Registered office

City Lab
Dalton Square
Lancaster
LA1 1PP

Accountants

Edwards
34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

Bankers

Barclays Bank PLC
PO Box 3333
One Snow Hill
Snow Hill Queensway
Birmingham
B3 2WN

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Quarks to Quasars Limited

Director's Report

For the year ended 31 March 2016

The directors present their annual report and financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the company continued to be provision of IT software and maintenance support.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Stellakis

S M Watson

S Robb

(Resigned 21 March 2016)

(Appointed 20 March 2016)

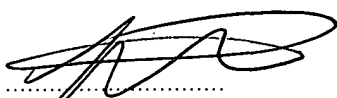
Results and dividends

The results for the year are set out on page 2.

Dividends of £141,150 were paid.

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

On behalf of the board



A Stellakis

Director

19 May 2016

Quarks to Quasars Limited

Statement of Income and Retained earnings

For the year ended 31 March 2016

	Notes	2016 £	2015 £
Turnover	2	980,935	679,415
Cost of sales		(301,571)	(210,102)
Gross profit		679,364	469,313
Administrative expenses		(471,045)	(340,980)
Operating profit	3	208,319	128,333
Interest receivable		-	-
Profit on ordinary activities before taxation		208,319	128,333
Tax on profit on ordinary activities	5	(30,212)	(4,154)
Profit on ordinary activities after taxation		178,107	124,179
Retained earnings at 1 April 2015	14	127,545	7,866
Dividends		(141,150)	(4,500)
Retained earnings at 31 March 2016		164,502	127,545

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Quarks to Quasars Limited

Balance Sheet

As at 31 March 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	6		4,314		5,098
Current assets					
Stocks	7	110		4,882	
Debtors	8	79,838		51,250	
Cash at bank and in hand		178,267		140,662	
		<u>258,215</u>		<u>196,794</u>	
Creditors: amounts falling due within one year	9	<u>96,277</u>		<u>(74,097)</u>	
Net current assets			<u>161,938</u>		<u>122,697</u>
Total assets less current liabilities			196,464		127,795
Provisions for liabilities	10		-		-
Net assets			<u>166,252</u>		<u>127,795</u>
Capital and reserves					
Called up share capital	12		1,000		250
Share premium account	13		750		-
Profit and loss reserves	14		164,502		127,545
Total equity			<u>166,252</u>		<u>127,795</u>

For the financial year ended 31 March 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

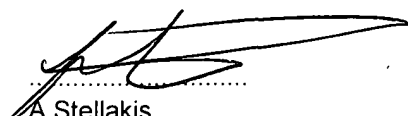
Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board for issue on 19 May 2016

Signed on its behalf by:


A Stellakis
Director

Company Registration No. 05152453

Quarks to Quasars Limited

Notes to the Financial Statements

For the year ended 31 March 2016

1 Accounting policies

Company information

Quarks to Quasars Limited is a limited company domiciled and incorporated in England and Wales. The registered office is City Lab, Dalton Square, Lancaster LA1 1PP.

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 financial statements are prepared in sterling, which is the functional currency of the company.

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

These financial statements for the year ended 31 March 2016 are the first financial statements of Quarks to Quasars 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 April 2014. There were no adjustments on transition to FRS102.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Sales are recognised at the point at which the company has fulfilled its contractual obligations to the

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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:

Fixtures, fittings & equipment	20% Straight line
Computer equipment	33.3% 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 recognised in the profit and loss account.

1.5 Stock

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable. Cost of stock is calculated using the first in, first out method.

1.6 Debtors

Short term trade debtors are measured at transaction price, less any impairment.

1.7 Creditors

Short term trade creditors are measured at transaction price.

Quarks to Quasars Limited

Notes to the Financial Statements

For the year ended 31 March 2016

1.8 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.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.12 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

2 Turnover

Turnover is wholly attributable to the company's principal activity. Segmental analysis of turnover has not been given because the directors consider that such disclosure would be prejudicial to the commercial interest of the company.

Quarks to Quasars Limited

Notes to the Financial Statements

For the year ended 31 March 2016

3	Operating profit	2016	2015
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Depreciation of owned tangible fixed assets	2,000	1,662
	Cost of stocks recognised as an expense	301,571	210,102
	Operating lease charges	-	10,460
		<u> </u>	<u> </u>
4	Employees		
	The average monthly number of persons (including directors) employed by the company during the year was:		
		2016	2015
		Number	Number
	Administration	9	5
		<u> </u>	<u> </u>
	Their aggregate remuneration comprised:		
		2016	2015
		£	£
	Wages and salaries	298,330	230,691
	Social security costs	34,237	22,932
	Pension costs	16,484	2,000
		<u> </u>	<u> </u>
		349,051	255,622
		<u> </u>	<u> </u>
5	Taxation	2016	2015
		£	£
	Current tax		
	UK corporation tax on profits for the current period	31,037	9,643
	Adjustments in respect of prior periods	-	(6,229)
		<u> </u>	<u> </u>
	Total current tax	31,037	3,414
	Deferred tax		
	Origination and reversal of timing differences	(825)	740
		<u> </u>	<u> </u>
	Total tax charge	<u>30,212</u>	<u>4,154</u>

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

Quarks to Quasars Limited

Notes to the Financial Statements

For the year ended 31 March 2016

		2016 £	2015 £
Profit before taxation on continued operations		208,319	128,333
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax of 20% (2015 - 21%)		41,663	26,950
Tax effect of expenses that are not deductible in determining taxable		143	100
Research and development tax credit		(11,594)	(9,450)
Capital allowances in excess of depreciation		(75)	(780)
Tax losses utilised		-	(6,761)
Other timing differences		900	-
Effect of tax rate changes			(416)
		(10,626)	(17,307)
Tax expense for the year		31,037	9,643
6 Tangible fixed assets			
	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost			
At 1 April 2015	2,486	6,420	8,906
Additions	714	751	1,465
Disposals	-	(978)	(978)
At 31 March 2016	3,200	6,193	9,393
Depreciation and impairment			
At 1 April 2015	707	3,101	3,808
Depreciation charged in the year	551	1,449	2,000
Disposals	-	(729)	(729)
At 31 March 2016	1,258	3,820	5,078
Carrying amount			
At 31 March 2016	1,941	2,373	4,314
At 1 April 2015	1,779	3,319	5,098
7 Stocks		2016 £	2015 £
Raw materials and consumables		110	4,882

Quarks to Quasars Limited

Notes to the Financial Statements

For the year ended 31 March 2016

8 Debtors

Due within one year

	2016 £	2015 £
Trade debtors	67,506	34,434
Deferred tax recoverable	1,090	265
Amounts owed by related parties	5,097	5,503
Prepayments and accrued income	6,145	11,048
	<u>79,838</u>	<u>51,250</u>

9 Creditors

Due within one year

	2016 £	2015 £
Taxation and social security	32,079	22,719
Trade creditors	18,782	20,819
Accruals and deferred income	14,379	20,916
UK Corporation tax	31,037	9,643
	<u>96,277</u>	<u>74,097</u>

10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	2016 £	2015 £
Deferred tax asset at 1 April 2015	(265)	(1,005)
Deferred tax charge	(825)	740
Deferred tax asset at 31 March 2016	<u>(1,090)</u>	<u>(265)</u>

The deferred tax asset is included in Debtors (note 10)

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting

	2016 £	2015 £
Decelerated capital allowances	(190)	(265)
Other timing differences	<u>(900)</u>	<u>-</u>

Quarks to Quasars Limited

Notes to the Financial Statements

For the year ended 31 March 2016

11 Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £12,000 (2015 - £2,000).

12	Share capital	2016 £	2015 £
	Ordinary share capital Issued and fully paid		
	1,000 Ordinary shares of £1 each (2015: 250)	1000	250

13	Share premium	2016 £	2015 £
	On shares issued		
	750 Ordinary shares of £1 each (2015: 250)	750	-

On 2 February 2016, 750 ordinary shares of £1 each were issued for a total consideration of £1,500.

14	Retained earnings	2016 £	2015 £
	At beginning of year	127,545	7,866
	Profit for the year	178,107	124,179
	Dividends	(141,150)	(4,500)
	At end of year	164,502	127,545

15 Operating leases commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	2,615	10,460
Between two and five years	-	-
	2,615	10,460

16 Controlling party

The ultimate controlling party is A Stellakis, a director of the company.

Quarks to Quasars Limited

Notes to the Financial Statements

For the year ended 31 March 2016

17. Related party transactions

During the year, Quarks to Quasars Limited entered into transactions with Lyle & Scott Limited, Tulchan Textiles Limited, Dartex Coatings Limited and Waterlinks Investments Limited all related companies by virtue of a common director.

Transactions entered into and balances outstanding at 31 March 2016 are as follows:

	Sales to	Management charges paid	Balance due (to)/from
	£	£	
Lyle & Scott Limited	572,089	-	3,075
Tulchan Textiles Limited	44,244	-	1,434
Dartex Coatings Limited	25,591	-	588
Waterlinks Investments Limited	9,365	7,000	-
	<u>651,289</u>	<u>7,000</u>	<u>-</u>

All transactions have been carried out on an arms' length basis.