

REGISTERED NUMBER: 04854362 (England and Wales)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021
FOR
NQC LIMITED**

NQC LIMITED (REGISTERED NUMBER: 04854362)

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

	Page
Balance Sheet	1
Notes to the Financial Statements	3

BALANCE SHEET
31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Intangible assets	4		2,087,450		4,230,566
Tangible assets	5		<u>84,111</u>		<u>90,947</u>
			2,171,561		4,321,513
CURRENT ASSETS					
Debtors	6	813,829		958,751	
Cash at bank		<u>1,178,951</u>		<u>1,052,100</u>	
		1,992,780		2,010,851	
CREDITORS					
Amounts falling due within one year	7	<u>768,503</u>		<u>541,961</u>	
NET CURRENT ASSETS			<u>1,224,277</u>		<u>1,468,890</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,395,838		5,790,403
CREDITORS					
Amounts falling due after more than one year	8		(288,092)		(395,185)
PROVISIONS FOR LIABILITIES			<u>(892,153)</u>		<u>(808,571)</u>
NET ASSETS			<u>2,215,593</u>		<u>4,586,647</u>
CAPITAL AND RESERVES					
Called up share capital			90		90
Capital redemption reserve			10		10
Retained earnings			<u>2,215,493</u>		<u>4,586,547</u>
SHAREHOLDERS' FUNDS			<u>2,215,593</u>		<u>4,586,647</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

NQC LIMITED (REGISTERED NUMBER: 04854362)

BALANCE SHEET - continued
31 AUGUST 2021

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 31 August 2022 and were signed on its behalf by:

C H V Russell - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. STATUTORY INFORMATION

NQC Limited is a private company limited by shares and registered in England and Wales. The company's registered number is 04854362 and registered office address is 5 Brooklands Place, Brooklands Road, Sale, Cheshire, M33 3SD.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The results are for the company as a single entity. The functional and presentation currency is £ sterling.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Development expenditure

Development of products is capitalised where there is expected to be a benefit to future periods and the following conditions are met:

- (i) It is technically feasible to complete the research or development so that the product will be available for use or sale.
- (ii) It is intended to use or sell the product being developed.
- (iii) The Company is able to use or sell the product.
- (iv) It can be demonstrated that the product will generate probable future economic benefits.
- (v) Adequate technical, financial, and other resources exist so that product development can be completed and subsequently used or sold.
- (vi) Expenditure attributable to the research and development work can be reliably measured.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Development costs are being amortised evenly over their estimated useful economic life of three years.

In previous years the company had an amortisation policy that delayed the amortisation for three years and then amortised over five years. The effect of the change this year has resulted in additional amortisation of £2,922,603 being charged to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 25% on reducing balance

Improvements to property are depreciated when the asset is brought into use.

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

At each balance sheet date the company reviews the carrying amount of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised 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, which include trade debtors, other 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. Financial assets classified as receivable within one year are not amortised.

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, including bank loans, trade creditors, directors current accounts and other creditors 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 payments discounted at a market rate of interest.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 82 (2020 - 65).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 September 2020	5,086,923
Additions	<u>1,342,423</u>
At 31 August 2021	<u>6,429,346</u>
AMORTISATION	
At 1 September 2020	856,357
Charge for year	<u>3,485,539</u>
At 31 August 2021	<u>4,341,896</u>
NET BOOK VALUE	
At 31 August 2021	<u>2,087,450</u>
At 31 August 2020	<u>4,230,566</u>

5. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures and fittings £	Totals £
COST			
At 1 September 2020	-	739,889	739,889
Additions	<u>5,126</u>	<u>12,985</u>	<u>18,111</u>
At 31 August 2021	<u>5,126</u>	<u>752,874</u>	<u>758,000</u>
DEPRECIATION			
At 1 September 2020	-	648,942	648,942
Charge for year	<u>-</u>	<u>24,947</u>	<u>24,947</u>
At 31 August 2021	<u>-</u>	<u>673,889</u>	<u>673,889</u>
NET BOOK VALUE			
At 31 August 2021	<u>5,126</u>	<u>78,985</u>	<u>84,111</u>
At 31 August 2020	<u>-</u>	<u>90,947</u>	<u>90,947</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2021

6.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
		£	£
	Trade debtors	136,148	384,838
	Other debtors	<u>677,681</u>	<u>573,913</u>
		<u>813,829</u>	<u>958,751</u>
7.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021	2020
		£	£
	Bank loans and overdrafts	107,093	100,626
	Trade creditors	76,043	48,736
	Taxation and social security	109,325	258,711
	Other creditors	<u>476,042</u>	<u>133,888</u>
		<u>768,503</u>	<u>541,961</u>
8.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2021	2020
		£	£
	Bank loans	<u>288,092</u>	<u>395,185</u>
9.	LEASING AGREEMENTS		
	Minimum lease payments under non-cancellable operating leases fall due as follows:		
		2021	2020
		£	£
	Within one year	92,159	53,177
	Between one and five years	<u>308,121</u>	<u>4,381</u>
		<u>400,280</u>	<u>57,558</u>
10.	SECURED DEBTS		
	The following secured debts are included within creditors:		
		2021	2020
		£	£
	Bank loans	<u>395,185</u>	<u>495,811</u>

The bank loan is secured by a debenture dated 16 December 2019 over the company's assets, in favour of NPIF TVC Debt LP acting by TVC Loans NPIF GP Limited as the general partner of NPIF TVC Debt LP acting by F W Capital Limited. The bank loan is also secured by guarantees from the directors and other related parties as explained in note 16.

11. OTHER FINANCIAL COMMITMENTS

During the year the company entered into a contract to fit out premises owned by Manchester City Council. At 31 August 2021 the amount outstanding in respect of this contract was £628,739.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.