

**ABRIDGED UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020
FOR
DESIGN Q LIMITED**

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for the year ended 31 July 2020**

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DESIGN Q LIMITED
COMPANY INFORMATION
for the year ended 31 July 2020

DIRECTORS:

G Doy
H D Guy

REGISTERED OFFICE:

Unit 60 The Washford Industrial Estate
Heming Road
Redditch
B98 0EA

REGISTERED NUMBER:

05119290 (England and Wales)

ABRIDGED BALANCE SHEET
31 July 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Intangible assets	3		200,247		159,099
Tangible assets	4		<u>22,576</u>		<u>31,728</u>
			222,823		<u>190,827</u>
CURRENT ASSETS					
Stocks		93,554		153,488	
Debtors		305,010		381,073	
Cash at bank and in hand		<u>160,596</u>		<u>83,032</u>	
		559,160		617,593	
CREDITORS					
Amounts falling due within one year		<u>253,222</u>		<u>246,621</u>	
NET CURRENT ASSETS			305,938		<u>370,972</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			528,761		561,799
CREDITORS					
Amounts falling due after more than one year	5		(48,433)		-
PROVISIONS FOR LIABILITIES			<u>(3,871)</u>		<u>(5,519)</u>
NET ASSETS			<u>476,457</u>		<u>556,280</u>
CAPITAL AND RESERVES					
Called up share capital			10		10
Retained earnings			<u>476,447</u>		<u>556,270</u>
			476,457		<u>556,280</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2020 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 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.

ABRIDGED BALANCE SHEET - continued
31 July 2020

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

All the members have consented to the preparation of an abridged Balance Sheet for the year ended 31 July 2020 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 6 October 2020 and were signed on its behalf by:

G Doy - Director

H D Guy - Director

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2020**

1. 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 accounts have been prepared in accordance with applicable accounting standards. The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

Turnover

Turnover comprises the value of sales (net of value added tax) of goods and services provided in the normal course of business. Revenue is recognised in respect of service contracts when the company obtains the right to consideration.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life.

Tangible fixed assets

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

Leasehold improvements	- 20% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33.3% on reducing balance

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.

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 the Statement of comprehensive income.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made for any reasonable losses where appropriate. No element of profit is included in the valuation of work in progress.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 in the countries where the company operates and generates income.

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020**

1. ACCOUNTING POLICIES - continued

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.

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.

Research and development

R&D tax credit on surrender of losses is treated as grant income and disclosed in operating income.

Foreign currencies

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Hire purchase and leasing commitments

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

**Pension costs and other post-retirement benefits
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 the Statement of comprehensive income when they fall due.

Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held

separately from the company in independently administered funds.

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**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020**

1. ACCOUNTING POLICIES - continued

Debtors

Short term debtors are measured at transaction price, less 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.

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 twenty four 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.

Creditors

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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 expenses to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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 Statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an

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 the settle the liability simultaneously.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

1. ACCOUNTING POLICIES - continued

Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Finance costs

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

2. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2019 - 13) .

3. INTANGIBLE FIXED ASSETS

Totals
£

COST

At 1 August 2019	159,099
Additions	91,210
At 31 July 2020	<u>250,309</u>

AMORTISATION

Amortisation for year	50,062
At 31 July 2020	<u>50,062</u>

NET BOOK VALUE

At 31 July 2020	<u>200,247</u>
At 31 July 2019	<u>159,099</u>

4. TANGIBLE FIXED ASSETS

Totals
£

COST

At 1 August 2019 and 31 July 2020	177,333
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DEPRECIATION

At 1 August 2019	145,605
Charge for year	9,152
At 31 July 2020	<u>154,757</u>

NET BOOK VALUE

At 31 July 2020	<u>22,576</u>
At 31 July 2019	<u>31,728</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 July 2020

5. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN FIVE YEARS**

	2020	2019
	£	£
Repayable by instalments		
Bank loans - more than 5 years	<u>8,773</u>	<u>-</u>

6. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	41,665	37,184
Between one and five years	<u>-</u>	<u>35,008</u>
	<u>41,665</u>	<u>72,192</u>

7. **SECURED DEBTS**

The following secured debts are included within creditors:

	2020	2019
	£	£
Bounce Back Loan	<u>50,000</u>	<u>-</u>

8. **PENSION COMMITMENTS**

As at the year end the company had employers pension contributions outstanding of £742 (2019: £982)

9. **RELATED PARTY DISCLOSURES**

Dividends totalling £6,000 (2019: £50,000) were voted the company's parent undertaking, Design Q Holding Limited, during the year.

At the year end, the company owed £29,966 (2019: £42,966) to Design Q Holding Limited.

10. **CONTROLLING PARTY**

The ultimate controlling parties of the company are Mr H Guy and Mr G Doy by virtue of their majority shareholding in the company's parent undertaking, Design Q Holding Limited.