
QUADRALENE LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

QUADRALENE LIMITED
REGISTERED NUMBER: 00246955

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	147,887	177,783
Investments	6	5	5
		<u>147,892</u>	<u>177,788</u>
Current assets			
Stocks		412,236	446,442
Debtors	7	3,007,175	2,621,329
Cash at bank and in hand	8	1,740,044	1,051,928
		<u>5,159,455</u>	<u>4,119,699</u>
Creditors: amounts falling due within one year	9	(829,744)	(853,163)
Net current assets		<u>4,329,711</u>	<u>3,266,536</u>
Total assets less current liabilities		<u>4,477,603</u>	<u>3,444,324</u>
Creditors: amounts falling due after more than one year	10	(641)	(11,804)
Deferred tax		(18,415)	(25,199)
Net assets		<u><u>4,458,547</u></u>	<u><u>3,407,321</u></u>
Capital and reserves			
Called up share capital		110,000	110,000
Profit and loss account		4,348,547	3,297,321
		<u><u>4,458,547</u></u>	<u><u>3,407,321</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Helen Wigglesworth
Director

Robert Newsome
Director

Date: 19 March 2020

Date: 19 March 2020

The notes on pages 2 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Quadralene Limited is a private company and presents its financial statements for the year ended 31 December 2019. The company is limited by shares and is registered in England. The registered company number and office address is shown on the company information page.

The principal activity of the company is infection control.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The group is classified as a small group under the Companies Act 2006 and therefore no consolidated financial statements are prepared.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Interest income

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 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 at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Pensions

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.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Tangible fixed assets

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant & machinery	-	Straight line 3 - 7 years
Fixtures & fittings	-	Straight line 3 - 7 years

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.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Debtors

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

2.14 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 24 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.

2.15 Creditors

Short term creditors are measured at the 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.16 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 expense 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.

2.17 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.

2.18 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.

3. Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £16,000 (2018 - £7,350).

4. Employees

The average monthly number of employees, including directors, during the year was 31 (2018 - 30).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Tangible fixed assets

	Plant & machinery	Fixtures & fittings	Total
	£	£	£
Cost			
At 1 January 2019	874,238	136,376	1,010,614
Additions	9,961	21,945	31,906
Disposals	(74,430)	(1,750)	(76,180)
At 31 December 2019	<u>809,769</u>	<u>156,571</u>	<u>966,340</u>
Depreciation			
At 1 January 2019	724,277	108,554	832,831
Charge for the year	48,838	12,104	60,942
Disposals	(73,570)	(1,750)	(75,320)
At 31 December 2019	<u>699,545</u>	<u>118,908</u>	<u>818,453</u>
Net book value			
At 31 December 2019	<u>110,224</u>	<u>37,663</u>	<u>147,887</u>
At 31 December 2018	<u>149,961</u>	<u>27,822</u>	<u>177,783</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019	2018
	£	£
Plant and machinery	<u>13,828</u>	<u>21,042</u>
	<u>13,828</u>	<u>21,042</u>

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NOTES TO THE FINANCIAL STATEMENTS
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6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2019	5
At 31 December 2019	<u>5</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Biocleanse Limited		100
	Ordinary	%
Dentisan Limited		100
	Ordinary	%
Living Leather Limited		100
	Ordinary	%
Teknon Limited		100
	Ordinary	%
Anovium Limited		100
	Ordinary	%

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

Name	Profit/(Loss) £
Biocleanse Limited	1
Dentisan Limited	1
Living Leather Limited	1
Teknon Limited	1
Anovium Limited	1

All of the above subsidiaries are dormant.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Debtors

	2019	2018
	£	£
Trade debtors	682,620	588,805
Amounts owed by group undertakings	2,277,358	1,993,912
Prepayments and accrued income	47,197	38,612
	<u>3,007,175</u>	<u>2,621,329</u>

8. Cash and cash equivalents

	2019	2018
	£	£
Cash at bank and in hand	1,740,044	1,051,928
	<u>1,740,044</u>	<u>1,051,928</u>

9. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	269,343	370,921
Corporation tax	96,197	192,617
Other taxation and social security	110,561	62,486
Obligations under finance lease and hire purchase contracts	11,804	7,134
Other creditors	34,997	25,863
Accruals and deferred income	306,842	194,142
	<u>829,744</u>	<u>853,163</u>

10. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Net obligations under finance leases and hire purchase contracts	641	11,804
	<u>641</u>	<u>11,804</u>

Assets held under hire purchase contracts are secured on the assets to which they relate.

QUADRALENE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	11,804	7,134
Between 1-2 years	641	7,134
Between 2-5 years	-	4,670
	<u>12,445</u>	<u>18,938</u>

12. Pension commitments

The Company operates a defined contribution pension plan which is a money purchase scheme. The pension cost charge represents contributions payable by the Company to the fund and amounted to £54,706 (2018 - £48,920). Contributions totalling £Nil (2018 - £Nil) were payable to the fund at the balance sheet date.

13. Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	109,683	45,421
Later than 1 year and not later than 5 years	362,638	20,434
Later than 5 years	307,500	-
	<u>779,821</u>	<u>65,855</u>

14. Other financial commitments

There is an unlimited multilateral guarantee dated 9 March 2018 between the company, Deonissi Limited and Quadralene Holdings Limited.

15. Related party transactions

Total remuneration paid to the directors in the year was £76,818 (2018: £31,385)

FRS 102 section 1A does not require disclosure of transactions entered into between two or more members of a group provided that any subsidiary undertaking which is a party to the transaction is wholly owned by a member of that group.

NOTES TO THE FINANCIAL STATEMENTS
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16. Ultimate controlling party

The immediate parent company is Deonissi Limited. The ultimate controlling parent is Quadralene Holdings Limited. The ultimate controlling party are the Shareholders of Quadralene Holdings Limited.

17. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed by Alistair Wesson (Senior statutory auditor) on behalf of Mazars LLP.

In their report, the auditor emphasised the following matter without qualifying their report:

The audit report was signed on 23 March 2020 by Alistair Wesson (Senior statutory auditor) on behalf of Mazars LLP.

The Impact of Uncertainties due to both the COVID-19 Coronavirus and the United Kingdom exiting the European Union on our audit

The full impact following the recent emergence of the global coronavirus is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

The United Kingdom withdrew from the European Union on 31 January 2020 and entered into an Implementation Period which is scheduled to end on 31 December 2020. However the terms of the future trade and other relationships with the European Union are not yet clear, and it is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

We considered the impacts of COVID-19 coronavirus and Brexit on the company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the company and this is particularly the case in relation to both COVID-19 coronavirus and Brexit.

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