

Company Registration No. 04118204 (England and Wales)

**QUANTUM CONTROLS LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 JANUARY 2019**

**PAGES FOR FILING WITH REGISTRAR**



# **QUANTUM CONTROLS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 JANUARY 2019**

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**QUANTUM CONTROLS LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 JANUARY 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Intangible assets	6		79,414		121,005
Tangible assets	7		1,116,584		1,051,463
			<u>1,195,998</u>		<u>1,172,468</u>
<b>Current assets</b>					
Stocks		883,856		750,202	
Debtors	8	1,907,958		2,142,172	
Cash at bank and in hand		265,645		258,514	
		<u>3,057,459</u>		<u>3,150,888</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(1,550,939)</u>		<u>(1,780,547)</u>	
<b>Net current assets</b>			<u>1,506,520</u>		<u>1,370,341</u>
<b>Total assets less current liabilities</b>			<u>2,702,518</u>		<u>2,542,809</u>
<b>Creditors: amounts falling due after more than one year</b>	10		(67,228)		(91,129)
<b>Provisions for liabilities</b>	11		(140,108)		(90,923)
<b>Net assets</b>			<u>2,495,182</u>		<u>2,360,757</u>
<b>Capital and reserves</b>					
Called up share capital	14		62,500		62,500
Capital redemption reserve			187,500		187,500
Profit and loss reserves			2,245,182		2,110,757
<b>Total equity</b>			<u>2,495,182</u>		<u>2,360,757</u>

The directors of the company have elected not to include a copy of the income statement 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 24/4/19 and are signed on its behalf by:

  
K Brown  
Director

# QUANTUM CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JANUARY 2019

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#### 1 Accounting policies

##### Company information

Quantum Controls Limited (the 'company') is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 6A Dukes Way, Low Prudhoe Industrial Estate, Prudhoe, Northumberland, NE42 6PQ.

##### 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 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 £.

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

##### Turnover

Turnover represents amounts receivable for goods and services net of discounts, returns and Value Added Tax. For goods sold, turnover is recognised when the goods are physically delivered to the customer and for services provided, turnover is recognised to the extent that and when there is a right to consideration.

##### Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

##### Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	20% straight line
Development Costs	33% straight line

##### 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 of assets less their residual values over their useful lives on the following bases:

Freehold property	2% straight line
Leasehold property improvements	10% straight line
Plant and machinery	20% reducing balance/10% straight line
Fixtures and fittings	20% reducing balance/20-33% straight line
Motor vehicles	25% reducing balance

# QUANTUM CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

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#### 1 Accounting policies (Continued)

Assets in the course of construction are depreciated from the date they are brought into use.

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 the statement of comprehensive income.

#### **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).

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost of finished goods includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

#### **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**

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **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 trade and other creditors and bank loans 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.

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

# QUANTUM CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

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#### 1 Accounting policies (Continued)

##### Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

##### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### Retirement benefits

For defined contribution schemes the amount charged to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### 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.

Equipment leased to customers under operating leases is capitalised in accordance with the fixed asset policy.

Operating lease income is accounted for on a straight line basis with any rental increase recognised during the period to which they relate.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 55 (2018 - 49).

# QUANTUM CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 3 Directors' remuneration and dividends

	2019 £	2018 £
Remuneration paid to directors	8,400	8,400
Dividends paid to directors	260,000	180,000

#### 4 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	7,000	6,750

#### 5 Dividends

	2019 £	2018 £
Final paid	260,000	679,139

#### 6 Intangible fixed assets

	Software £	Development Costs £	Total £
<b>Cost</b>			
At 1 February 2018	74,343	109,918	184,261
Additions	4,198	-	4,198
At 31 January 2019	78,541	109,918	188,459
<b>Amortisation and impairment</b>			
At 1 February 2018	63,256	-	63,256
Amortisation charged for the year	9,150	36,639	45,789
At 31 January 2019	72,406	36,639	109,045
<b>Carrying amount</b>			
At 31 January 2019	6,135	73,279	79,414
At 31 January 2018	11,087	109,918	121,005

# **QUANTUM CONTROLS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 JANUARY 2019**

### **7 Tangible fixed assets**

	Freehold property	Leasehold property improvements	Assets under construction	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 February 2018	331,327	-	35,500	1,211,078	100,932	61,580	1,740,417
Additions	741	37,616	-	113,670	21,582	6,000	179,609
Disposals	-	-	-	(38,064)	-	(18,700)	(56,764)
Transfers	35,500	-	(35,500)	-	-	-	-
At 31 January 2019	367,568	37,616	-	1,286,684	122,514	48,880	1,863,262
<b>Depreciation and impairment</b>							
At 1 February 2018	45,671	-	-	529,939	69,445	43,899	688,954
Depreciation charged in the year	10,285	3,448	-	52,074	16,707	5,669	88,183
Eliminated in respect of disposals	-	-	-	(13,612)	-	(16,847)	(30,459)
At 31 January 2019	55,956	3,448	-	568,401	86,152	32,721	746,678
<b>Carrying amount</b>							
At 31 January 2019	311,612	34,168	-	718,283	36,362	16,159	1,116,584
At 31 January 2018	285,656	-	35,500	681,139	31,487	17,681	1,051,463



# QUANTUM CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 7 Tangible fixed assets (Continued)

Included within plant and machinery are assets held for use in leasing with a cost of £1,186,578 (2018: £1,138,110) and accumulated depreciation of £500,919 (2018: £465,669).

### 8 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,294,671	1,298,034
Amounts owed by group undertakings	130,586	427,202
Other debtors	482,701	416,936
	<u>1,907,958</u>	<u>2,142,172</u>

### 9 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	23,117	22,216
Trade creditors	610,558	1,045,525
Corporation tax	64,466	177,356
Other taxation and social security	190,141	86,138
Other creditors	662,657	449,312
	<u>1,550,939</u>	<u>1,780,547</u>

Included within creditors due within one year are amounts of £23,117 (2018: £22,216) secured by the company.

### 10 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	<u>67,228</u>	<u>91,129</u>

Included within creditors due after more than one year are amounts of £67,228 (2018: £91,129) secured by the company.

### 11 Provisions for liabilities

	2019 £	2018 £
Deferred tax liabilities	<u>140,108</u>	<u>90,923</u>

# QUANTUM CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 12 Deferred taxation

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 purposes:

	Liabilities 2019 £	Liabilities 2018 £
<b>Balances:</b>		
Accelerated capital allowances	140,108	91,041
Tax losses	-	(118)
	<u>140,108</u>	<u>90,923</u>
<b>Movements in the year:</b>		<b>2019 £</b>
Liability at 1 February 2018		90,923
Charge to profit or loss		49,185
		<u>140,108</u>
Liability at 31 January 2019		<u>140,108</u>

#### 13 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	14,966	9,550
	<u>14,966</u>	<u>9,550</u>

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.

#### 14 Called up share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
37,500 Ordinary A shares of £1 each	37,500	37,500
25,000 Ordinary B shares of £1 each	25,000	25,000
	<u>62,500</u>	<u>62,500</u>

Ordinary A shares and ordinary B shares rank pari passu with each other except that the ordinary A shares confer the right to a first dividend before any secured pro rata dividend.

# QUANTUM CONTROLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

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#### 15 Operating lease commitments

##### Lessee

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:

	2019 £	2018 £
Within one year	189,936	130,887
Between one and five years	242,687	125,277
	<u>432,623</u>	<u>256,164</u>

#### 16 Related party transactions

The following amounts were outstanding at the reporting end date:

	2019 Balance £
<b>Amounts owed by related parties</b>	
Entities with control over the company	130,586
Key management personnel	<u>276,558</u>
	2018 Balance £
<b>Amounts owed in previous period</b>	
Entities with control over the company	427,202
Key management personnel	<u>248,097</u>

#### 17 Parent company

The company's immediate and ultimate parent is Quantum CH Limited, by virtue of its holding of 60% of the company's issued share capital. It's registered office is Harvest House, Roast Calf Lane, Bishop Middleham, Durham, DL17 9AT.

#### 18 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 Steven Cleugh FCCA.  
The auditor was RSM UK Audit LLP.