
financial statements

QL2 Europe Limited

For the year ended: 31 December 2017

Company registration number: 05441709



MHA MacIntyre Hudson
GLOBAL EXPERTISE • NATIONAL EXPERIENCE • LOCAL EXCELLENCE®

QL2 EUROPE LIMITED
REGISTERED NUMBER:05441709

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	-	557
Current assets			
Debtors: amounts falling due within one year	5	619,624	373,148
Cash at bank and in hand	6	77,826	88,512
		<u>697,450</u>	<u>461,660</u>
Creditors: amounts falling due within one year	7	(213,274)	(223,995)
Net current assets		<u>484,176</u>	<u>237,665</u>
Total assets less current liabilities		<u>484,176</u>	<u>238,222</u>
Provisions for liabilities			
Deferred tax	8	-	(106)
		<u>-</u>	<u>(106)</u>
Net assets		<u>484,176</u>	<u>238,116</u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		484,076	238,016
		<u>484,176</u>	<u>238,116</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 income and retained earnings 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:


C Wartzack
Director

Date: 9/21/18

QL2 EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. General information

QL2 Europe Limited is a private company limited by shares which is incorporated in England and Wales. The address of the registered office is Third Floor, One London Square, Cross Lanes, Guildford, Surrey, GU1 1UN.

These financial statements have been prepared in pound sterling as this is currency of the primary economic environment in which the company operates, and are rounded to the nearest pound.

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 following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The company is dependent on QL2 Software LLC, a company incorporated in the USA, and has received representation that QL2 Software LLC will continue to fund the company for at least 12 months after the date of signing the accounts.

2.3 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

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 income and retained earnings 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Fixtures and fittings	- 25% reducing balance
-----------------------	------------------------

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 income and retained earnings.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 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.

2.13 Creditors

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

QL2 EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.14 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 income and retained earnings 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.

2.15 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.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2016 - 5).

QL2 EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

4. Tangible fixed assets

	Fixtures and fittings £
At 1 January 2017	685
Disposals	(685)
At 31 December 2017	-
At 1 January 2017	128
Charge for the year on owned assets	71
Disposals	(199)
At 31 December 2017	-
Net book value	
At 31 December 2017	-
At 31 December 2016	557

5. Debtors

	2017 £	2016 £
Trade debtors	45,332	119,661
Amounts owed by group undertakings	573,889	238,321
Other debtors	-	12,083
Prepayments and accrued income	205	3,083
Deferred taxation	198	-
	<u>619,624</u>	<u>373,148</u>

QL2 EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	77,826	88,512
Less: bank overdrafts	-	(41)
	<u>77,826</u>	<u>88,471</u>

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	-	41
Trade creditors	3,422	11,074
Corporation tax	58,730	25,830
Other taxation and social security	6,452	7,786
Other creditors	31,565	1,045
Accruals and deferred income	113,105	178,219
	<u>213,274</u>	<u>223,995</u>

8. Deferred taxation

	2017 £	2016 £
At beginning of year	(106)	-
Charged to profit or loss	304	(106)
At end of year	<u>198</u>	<u>(106)</u>

The deferred taxation balance is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	-	(106)
Shortterm timing differences	<u>198</u>	<u>-</u>

QL2 EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,990 (2016: £1,749). Contributions totalling £Nil (2016: £1,045) were payable at the year end and are included in creditors.

10. Related party transactions

During the year the company received management charges totalling £Nil (2016: £223,614), and various other inter-company loans existed during the year from the immediate parent QL2 Software LLC., a company incorporated in the USA. At 31 December 2017, the balance due from QL2 Software LLC. is £499,430 (2016 creditor: £155,722). This loan is interest free and payable on demand.

An intercompany loan exists to QL2 Software (India), Pvt Ltd, a company incorporated in India. The balance outstanding at 31 December 2017 was £82,559 (2016: £82,559), and is interest free and payable on demand.

11. Controlling party

The company's immediate parent undertaking is QL2 Software, LLC, a company incorporated in the US which owns 100% of the share capital. The registered office is 2920 O'Donnell St., Baltimore, MD 21224.

The company's ultimate parent company is Copernicus Holdings, LLC, also incorporated in the US. There is no single ultimate controlling party.

12. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2017 was unqualified.

The audit report was signed on **26.9.18** by Jason Mitchell (Senior statutory auditor) on behalf of MHA MacIntyre Hudson.