

Registered number
04371302

CQ2 Limited
Report and Financial Statements
31 January 2018

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CQ2 Limited
Report and accounts
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CQ2 Limited
Company Information

Directors

A J S Leech
P M Johnson-Treherne
J Bracken (resigned 09/06/2017)

Secretaries

G Johnson
P M Johnson-Treherne

Auditor

RSM UK Audit LLP
14th Floor
20 Chapel Street
Liverpool
L3 9AG

Bankers

Santander UK plc
Bridle Road
Bootle
Merseyside
L30 4GB

Solicitors

Napthens LLP
Darwen House
Walker Business Park
Blackburn
BB1 2QE

Registered office

5th Floor
88 Church Street
Liverpool
L1 3HD

Registered number

04371302

CQ2 Limited
Directors' report
for the year ended 31 January 2018

The directors present their report and financial statements for the year ended 31 January 2018.

Principal activities

The principal activity of the company was marketing, advertising, design and production. The results for the year are set out on page 6, and show a profit for the year after taxation amounting to £251,117 (2017: £39,593). The company ceased trading on 5 July 2017 and will remain dormant for the foreseeable future.

Directors and their interests

The following persons served as directors during the year:

A J S Leech
P M Johnson-Treherne
J Bracken (resigned 09/06/2017)

A J S Leech is a discretionary beneficiary of a Jersey Trust which, through Cherberry Limited, a Jersey company, owns the entire share capital of Heritage Great Britain PLC, the immediate holding company of CQ2 Limited.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board:



G Johnson
Company Secretary
18 June 2018

Registered Office
5th Floor
88 Church Street
Liverpool
L1 3HD

CQ2 Limited

Statement of directors' responsibilities for the year ended 31 January 2018

The directors are responsible for preparing the Directors' report and 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice 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 estimates that are reasonable and prudent;
- 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.

Independent auditors' report to the members of CQ2 Limited

Opinion on financial statements

We have audited the financial statements of CQ2 Limited for the year ended 31 January 2018, which comprise Profit and loss account and other comprehensive income, Balance sheet, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Independent auditors' report to the members of CQ2 Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Michael Fairhurst FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
14th Floor
20 Chapel Street
Liverpool
L3 9AG
Date: 20 June 2018

CQ2 Limited
Profit and loss account and other comprehensive income
for the year ended 31 January 2018

	Notes	2018 £	2017 £
Turnover	2	163,191	362,053
Cost of sales		(32,191)	(22,194)
Gross Profit		131,000	339,859
Administrative expenses		120,117	(300,268)
Operating profit	3	251,117	39,591
Interest receivable		-	2
Profit on ordinary activities before taxation		251,117	39,593
Tax on profit on ordinary activities	6	-	-
Profit for the financial year		251,117	39,593

The company has no recognised gains and losses other than the results above and therefore no separate statement of comprehensive income has been presented.

CQ2 Limited
Balance sheet
as at 31 January 2018

Registered number
04371302

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	7	-	2,255
Current assets			
Debtors	8	-	37,028
Creditors: amounts falling due within one year	9	-	(290,400)
Net current liabilities		-	(253,372)
Net liabilities		-	(251,117)
Capital and reserves			
Called up share capital	10	200	200
Profit and loss account	11	(200)	(251,317)
Total equity		-	(251,117)

The financial statements were approved by the board of directors and authorised for issue on 18 June 2018 and are signed on its behalf by:



P M Johnson-Treherne
Director

CQ2 Limited
Statement of changes in equity
for the year ended 31 January 2018

	Share capital	Profit and loss account	Total
	£	£	£
At 1 February 2016	200	(290,910)	(290,710)
Loss for the financial year	-	39,593	39,593
At 31 January 2017	<u>200</u>	<u>(251,317)</u>	<u>(251,117)</u>
At 1 February 2017	200	(251,317)	(251,117)
Profit for the financial year	-	251,117	251,117
At 31 January 2018	<u>200</u>	<u>(200)</u>	<u>-</u>

CQ2 Limited
Notes to the Accounts
for the year ended 31 January 2018

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland and the requirements of the Companies Act 2006.

The Company's parent undertaking, Heritage Great Britain PLC, includes the Company in its consolidated financial statements. The consolidated financial statements of Heritage Great Britain PLC are available to the public and may be obtained from the address specified in note 16.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash flow statement and related notes; and
- Key management personnel compensation.
- Basic financial instruments at carrying amount measured at amortised cost less impairment.

The Company continues to adopt the reduced disclosure framework of FRS 102 in its financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	33%
Fixtures, fittings, tools and equipment	12.5%

Going concern

These financial statements have been prepared under the going concern basis. This assumes the continued support of the parent company. The directors have received formal notification from its parent company that it will provide the necessary support to allow the business to continue for the foreseeable future.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

CQ2 Limited
Notes to the Accounts
for the year ended 31 January 2018

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

Tax on the profit or loss 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 directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Pensions

The company operates a defined contribution pension scheme for certain employees. The costs are charged to the profit and loss account as incurred. The charge for the year was £5,597 (2017: £13,714). There were no contributions outstanding at the year end.

Employee Benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CQ2 Limited
Notes to the Accounts
for the year ended 31 January 2018

Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. The Directors do not believe any accounting estimates or judgements to be critical.

2 Analysis of turnover	2018	2017
	£	£
By class of business		
Marketing and advertising	<u>163,191</u>	<u>362,053</u>
By geographical market:		
UK	<u>163,191</u>	<u>362,053</u>
3 Operating profit	2018	2017
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	999	334
Operating lease rentals - plant and machinery	244	5,271
Operating lease rentals - land and buildings	27,880	24,643
Auditors' remuneration		
- Audit of these financial statements	1,800	1,800
- Taxation compliance services	<u>600</u>	<u>600</u>
Auditors fees and tax services are met by the parent company.		
4 Directors' emoluments	2018	2017
	£	£
Emoluments	65,144	54,224
Pension	<u>2,544</u>	<u>9,117</u>
	<u>67,688</u>	<u>63,341</u>
5 Staff costs	2018	2017
	£	£
Wages and salaries	154,474	182,210
Social security costs	11,061	19,397
Other pension costs	<u>5,597</u>	<u>13,714</u>
	<u>171,132</u>	<u>215,321</u>
Average number of employees during the year (including directors)	Number	Number
Marketing	<u>2</u>	<u>5</u>

CQ2 Limited
Notes to the Accounts
for the year ended 31 January 2018

6 Taxation

	2018 £	2017 £
Analysis of charge in period		
Total current tax	-	-

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2018 £	2017 £
Profit for the year	251,117	39,593
Total tax expense	-	-
Profit excluding taxation	<u>251,117</u>	<u>39,593</u>
Standard rate of corporation tax in the UK	19.16%	20.00%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	48,118	7,919
Effects of:		
Expenses not deductible for tax purposes	(69,010)	27
Group relief surrendered / (claimed)	23,030	(7,423)
Adjust closing deferred tax to average rate	-	335
Adjust opening deferred tax to average rate	(241)	(275)
Deferred tax not recognised	<u>(1,897)</u>	<u>(583)</u>
Total tax charge for period	<u>-</u>	<u>-</u>

The current rate of corporation tax is 19%. corporation tax rate for financial years 2017-2019 is set at 19%. On 6 September 2016, the 2016 Finance Bill was substantively enacted. This Bill includes provision for the corporation tax rate to be reduced to 17% 1 April 2020. The company's tax provisions factor in these rate changes.

CQ2 Limited
Notes to the Accounts
for the year ended 31 January 2018

7 Tangible fixed assets

	Plant and machinery	Fixtures, fittings, tools and equipment	Total
	£	£	£
Cost			
At 1 February 2017	98,928	8,883	107,811
Additions	5,716	-	5,716
Disposals	<u>(104,644)</u>	<u>(8,883)</u>	<u>(113,527)</u>
At 31 January 2018	-	-	-
Depreciation			
At 1 February 2017	96,797	8,759	105,556
Charge for the year	976	23	999
On disposals	<u>(97,773)</u>	<u>(8,782)</u>	<u>(106,555)</u>
At 31 January 2018	-	-	-
Carrying amount			
At 31 January 2018	-	-	-
At 31 January 2017	<u>2,131</u>	<u>124</u>	<u>2,255</u>

8 Debtors

	2018 £	2017 £
Trade debtors	-	21,456
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	57
Amounts falling due from parent company	-	478
Prepayments and accrued income	-	10,664
Amounts falling due from associate company	-	4,373
Corporation tax	-	-
	<u>-</u>	<u>37,028</u>

9 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	-	265,392
Amounts owed to parent company	-	-
Trade creditors	-	10,167
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	278
Other taxes and social security costs	-	14,237
Accruals and deferred income	-	326
	<u>-</u>	<u>290,400</u>

CQ2 Limited
Notes to the Accounts
for the year ended 31 January 2018

10 Share capital	Nominal value	2018 Number	2018 £	2017 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	150	150	150
A Ordinary shares	£1 each	50	50	50
			<u>200</u>	<u>200</u>

Ordinary shares have full voting rights and ordinary dividend rights. There are no restrictions on them.

Class A ordinary shares have no voting rights. There are no restrictions on them.

11 Profit and loss account

Cumulative profit and loss net of distributions to owners.

12 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Land and buildings 2018 £	Land and buildings 2017 £	Other 2018 £	Other 2017 £
Falling due:				
within one year	-	24,643	-	309
within two to five years	-	4,107	-	-
	<u>-</u>	<u>28,750</u>	<u>-</u>	<u>309</u>

13 Controlling party

The company is a wholly owned subsidiary of Heritage Great Britain PLC, which is registered in England and Wales. Copies of Heritage Great Britain PLC accounts are available from its registered office: 5th Floor, 88 Church Street, Liverpool, L1 3HD. The entire share capital of Heritage Great Britain PLC is wholly owned by a Jersey company, Cherberry Limited. Cherberry Limited is wholly owned by the Trustees of a settlement. In the opinion of the directors, there is no single individual or entity that can or does exercise ultimate control, as defined under FRS102 Section 33, over that Trust.

14 Presentation currency

The financial statements are presented in Sterling.

15 Legal form of entity and country of incorporation

CQ2 Limited is a private company limited by shares, incorporated in England.

16 Principal place of business

The address of the company's principal place of business and registered office is:

Principal place of business: (vacated 5 July 2017)

CQ2 Ltd
Suite 3e, 3rd Floor
Warwick House, Talbot Road
Old Trafford
Manchester
M16 0PG

Registered Office:

5th Floor
88 Church Street
Liverpool
L1 3HD