

NQCONTENT LIMITED

REPORT AND FINANCIAL STATEMENTS
31 December 2011

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NQCONTENT LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2011

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NQCONTENT LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Alexis Piperides Alexis Odysseos
Company Secretary:	Jordan Cosec Limited
Registered office:	20-22 Bedford Row London WC1R 4JS England
Registration number	4542177

NQCONTENT LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and financial statements of the Company for the year ended 31 December 2011

Principal activity

The principal activity of the Company, which is unchanged from last year, is the promotion of software and the provision of information technology consulting

Review of current position, future developments and significant risks

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements

Results and Dividends

The Company's results for the year are set out on page 3 The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained

Share capital

There were no changes in the share capital of the Company during the year under review

Board of Directors

The members of the Company's Board of Directors as at 31 December 2011 and at the date of this report are presented on page 1 All of them were members of the Board of Directors throughout the year ended 31 December 2011

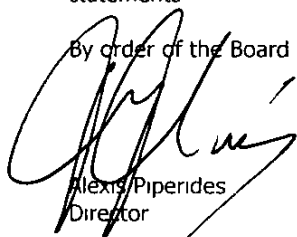
In accordance with the Company's Articles of Association all directors presently members of the Board continue in office

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors

Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 13 to the financial statements

By order of the Board of Directors,



Alexis Piperides
Director

05 September 2012

NQCONTENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2011

	Note	2011 GB£	2010 GB£
Revenue	4	56,363	56,315
Cost of sales		<u>(35,018)</u>	<u>(32,720)</u>
Gross profit		21,345	23,595
Selling and distribution expenses		(900)	-
Administration expenses		<u>(8,845)</u>	<u>(38,947)</u>
Operating profit / (loss)		11,600	(15,352)
Finance costs	6	<u>(626)</u>	<u>(871)</u>
Net profit / (loss) for the year		10,974	(16,223)
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>10,974</u>	<u>(16,223)</u>

The notes on pages 7 to 12 form an integral part of these financial statements

NQCONTENT LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2011

	Note	2011 GB£	2010 GB£
ASSETS			
Non-current assets			
Current assets			
Trade and other receivables	7	28,244	14,442
Cash at bank and in hand		<u>66,937</u>	<u>65,105</u>
		<u>95,181</u>	<u>79,547</u>
Total assets		<u>95,181</u>	<u>79,547</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	1,000	1,000
Accumulated losses		<u>(76,716)</u>	<u>(87,691)</u>
Total equity		<u>(75,716)</u>	<u>(86,691)</u>
Current liabilities			
Trade and other payables	9	155,204	150,059
Deferred income	10	<u>15,693</u>	<u>16,179</u>
		<u>170,897</u>	<u>166,238</u>
Total equity and liabilities		<u>95,181</u>	<u>79,547</u>

On 05 September 2012 the Board of Directors of NQContent Limited authorised these financial statements for issue

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2011

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2011 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

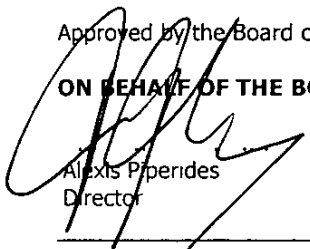
and

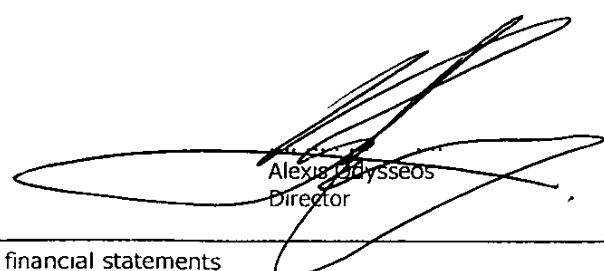
(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board on 05 September 2012

ON BEHALF OF THE BOARD:


Alexis Pperides
Director


Alexis Pperides
Director

The notes on pages 7 to 12 form an integral part of these financial statements

NQCONTENT LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2011

	Share capital GB£	Accumulated losses GB£	Total GB£
Balance at 1 January 2010	1,000	(71,468)	(70,468)
Comprehensive income			
Net loss for the year	-	(16,223)	(16,223)
Balance at 31 December 2010/ 1 January 2011	1,000	(87,691)	(86,691)
Comprehensive income			
Net profit for the year	-	10,974	10,974
Balance at 31 December 2011	1,000	(76,717)	(75,717)

The notes on pages 7 to 12 form an integral part of these financial statements

NQCONTENT LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2011

	2011 GB£	2010 GB£
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/ (loss) before tax	10,974	(16,223)
Adjustments for		
Unrealised exchange (profit) /loss	<u>(16)</u>	<u>137</u>
Cash flows from/(used in) operations before working capital changes	10,958	(16,086)
(Increase)/decrease in trade and other receivables	(13,802)	17,277
Increase / (decrease) in trade and other payables	5,146	(99,009)
(Decrease)/increase in deferred income	<u>(486)</u>	<u>8,925</u>
Net cash flows from / (used in) operating activities	<u>1,816</u>	<u>(88,893)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Unrealised exchange profit / (loss)	<u>16</u>	(137)
Net cash flows from / (used in) financing activities	<u>16</u>	<u>(137)</u>
Net increase / (decrease) in cash and cash equivalents	1,832	(89,030)
Cash and cash equivalents		
At beginning of the year	<u>65,105</u>	<u>154,135</u>
At end of the year	<u>66,937</u>	<u>65,105</u>

The notes on pages 7 to 12 form an integral part of these financial statements

NQCONTENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

1. Incorporation and principal activities

Country of incorporation

The Company NQContent Limited (the "Company") was incorporated in England and Wales on 23 September 2002 as a private limited liability Company. Its registered office is at 20-22 Bedford Row, London WC1R 4JS, England.

Principal activity

The principal activity of the Company, which is unchanged from last year, is the promotion of software and the provision of information technology consulting.

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

Even though the Company has made a profit of GB£10,974 for the year ended 31 December 2011, as of that date the Company's current liabilities exceeded its current assets by GB£75,716. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and International Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2011. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Revenue recognition

Revenue comprises the invoiced amount for the sale of goods and services net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

NQCONTENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

2. Accounting policies (continued)

Revenue recognition (continued)

- **Sale of goods**

Sales of goods are recognised when significant risks and rewards of ownership of the goods have been transferred to the customer, which is usually when the Company has sold or delivered goods to the customer, the customer has accepted the goods and collectability of the related receivable is reasonably assured

- **Rendering of services**

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method

Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in British Pounds (GB£), which is the Company's functional and presentation currency

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss

Deferred income

Deferred income represents income receipts which relate to future periods

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition

NQCONTENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

2. Accounting policies (continued)

Financial instruments (continued)

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when

- the rights to receive cash flows from the asset have expired,
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement, or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position

Share capital

Ordinary shares are classified as equity

NQCONTENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

3. Financial risk management

Financial risk factors

The Company is exposed to credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below.

3.1 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

3.2 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.4 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Revenue

	2011 GB£	2010 GB£
Sales of products	55,813	49,665
Rendering of services	550	6,650
	<u>56,363</u>	<u>56,315</u>

5. Expenses by nature

	2011 GB£	2010 GB£
Purchases	35,018	32,720
Other expenses	9,745	38,947
Total expenses	<u>44,763</u>	<u>71,667</u>

NQCONTENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

6. Finance costs

	2011 GB£	2010 GB£
Net foreign exchange transaction losses	55	24
Other finance expenses	571	847
	<u>626</u>	<u>871</u>

7 Trade and other receivables

	2011 GB£	2010 GB£
Trade receivables	18,286	4,700
Deposits and prepayments	9,416	9,707
Refundable VAT	541	35
	<u>28,243</u>	<u>14,442</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements

8 Share capital

	2011 Number of shares	2011 GB£	2010 Number of shares	2010 GB£
Authorised				
Ordinary shares of GB£ 1.00	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Issued and fully paid				
Balance at 1 January	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Balance at 31 December	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

9. Trade and other payables

	2011 GB£	2010 GB£
Trade payables	99,261	61,019
Other creditors	55,943	89,040
	<u>155,204</u>	<u>150,059</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above

NQCONTENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

10. Deferred income

	2011	2010
	GB£	GB£
Other deferred income	15,693	16,179
	15,693	16,179

11 Contingent liabilities

The Company had no contingent liabilities as at 31 December 2011

12 Commitments

The Company had no capital or other commitments as at 31 December 2011

13. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements

NQCONTENT LIMITED

DETAILED INCOME STATEMENT

Year ended 31 December 2011

	Page	2011 GB£	2010 GB£
Revenue			
Sales of products		55,813	49,665
Rendering of services		550	6,650
Cost of sales	14	(35,018)	(32,720)
Gross profit		21,345	23,595
Operating expenses			
Administration expenses	15	(8,845)	(38,947)
Selling and distribution expenses	15	(900)	-
Operating profit/ (loss)		11,600	(15,352)
Finance costs	16	(626)	(871)
Net profit/ (loss) for the year before tax		10,974	(16,223)

NQCONTENT LIMITED

COST OF SALES

Year ended 31 December 2011

	2011 GB£	2010 GB£
Cost of sales		
Purchases	<u>35,018</u>	<u>32,720</u>
	<u>35,018</u>	<u>32,720</u>

NQCONTENT LIMITED

OPERATING EXPENSES

Year ended 31 December 2011

	2011 GB£	2010 GB£
Administration expenses		
Rent	2,178	2,376
Common expenses	-	47
Sundry expenses	-	12,010
Telephone and postage	180	186
Courier expenses	204	147
Accounting fees	-	927
Legal and professional fees	6,283	14,603
Overseas travelling	-	4,325
Exhibition expenses	-	4,326
	<u>8,845</u>	<u>38,947</u>

	2011 GB£	2010 GB£
Selling and distribution expenses		
Advertising	900	-
	<u>900</u>	<u>-</u>

NQCONTENT LIMITED

FINANCE COSTS

Year ended 31 December 2011

	2011 GB£	2010 GB£
Finance costs		
Other finance expenses		
Bank charges	571	847
Net foreign exchange transaction losses		
Realised exchange loss	71	(113)
Unrealised exchange loss	(16)	137
	<u>626</u>	<u>871</u>