

Registered number: 02704245

QUANTA CONSULTANCY SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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QUANTA CONSULTANCY SERVICES LIMITED

COMPANY INFORMATION

Directors	Stephen Trigg David Broome Spencer Trigg
Registered number	02704245
Registered office	Redwood House Rectory Lane Berkhamsted Hertfordshire HP4 2DH
Independent auditor	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor Radius House 51 Clarendon Road Watford Herts WD17 1HP

QUANTA CONSULTANCY SERVICES LIMITED

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QUANTA CONSULTANCY SERVICES LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The Company's principal activity during the year continued to be that of a consultancy specialising in the supply of experienced engineering and technical contractors.

Business review

Despite challenging business conditions, the Company performed well with the cost savings made in the previous year taking full effect. Our main business sectors remained consistent despite the passing of Brexit and the ongoing Covid-19 pandemic and new projects have begun to come on-stream.

A decision was taken in the year to create a USA based subsidiary and plans for this were well advanced by December 2020.

Principal risks and uncertainties

The Company is exposed to a variety of risks. These range from the effects of the general economy across the wide range of geographical locations that we operate into more specific internal issues such continued recruitment and training.

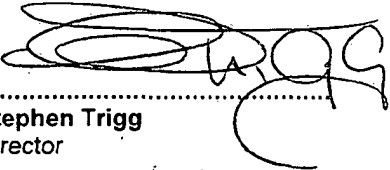
Financial key performance indicators

The directors regularly monitor the company's financial performance and management reports. This focuses on levels of profitability, liquidity balance sheet strength and foreign exchange risk. The results of key performance indicators can be seen on the Statement of Comprehensive Income and Balance Sheet.

Other key performance indicators

The Company continues to seek to improve its services offerings and develop niche areas of business whilst developing a strong management team.

This report was approved by the board and signed on its behalf.


.....
Stephen Trigg
Director

Date:

15/9/21

QUANTA CONSULTANCY SERVICES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £1,119,890 (2019 - £1,132,033).

During the year the Company paid dividends of £859,600 (2019 - £859,600).

Directors

The directors who served during the year were:

Stephen Trigg
David Broome
Spencer Trigg

Future developments

The Company continues to seek new business opportunities within its niche business areas and to continue the development of a strong management team.

QUANTA CONSULTANCY SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

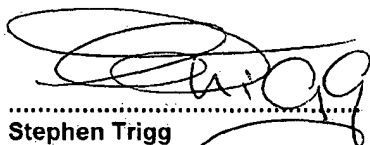
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
Stephen Trigg
Director

Date:

15/9/21

QUANTA CONSULTANCY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUANTA CONSULTANCY SERVICES LIMITED

Opinion

We have audited the financial statements of Quanta Consultancy Services Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 December 2020 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 United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

QUANTA CONSULTANCY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUANTA CONSULTANCY SERVICES LIMITED (CONTINUED)

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 contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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 material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 2, 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.

QUANTA CONSULTANCY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUANTA CONSULTANCY SERVICES LIMITED (CONTINUED)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we consider the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

QUANTA CONSULTANCY SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUANTA CONSULTANCY SERVICES
LIMITED (CONTINUED)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.


Richard Malone ACA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP
Date:

17/9/21

QUANTA CONSULTANCY SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	57,980,404	57,141,881
Cost of sales		(50,645,495)	(49,537,755)
Gross profit		7,334,909	7,604,126
Administrative expenses		(5,860,563)	(6,097,447)
Other operating income	5	55,070	-
Operating profit	6	1,529,416	1,506,679
Interest receivable and similar income	10	1,496	1,500
Interest payable and expenses	11	(132,293)	(120,746)
Profit before tax		1,398,619	1,387,433
Tax on profit	12	(278,729)	(255,400)
Profit for the financial year		1,119,890	1,132,033

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019:£NIL).


The notes on pages 13 to 28 form part of these financial statements.

QUANTA CONSULTANCY SERVICES LIMITED
REGISTERED NUMBER: 02704245

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	426,448	505,384
		<u>426,448</u>	<u>505,384</u>
Current assets			
Debtors: amounts falling due within one year	15	13,793,435	13,041,950
Cash at bank and in hand	16	908,548	1,051,767
		<u>14,701,983</u>	<u>14,093,717</u>
Creditors: amounts falling due within one year	17	(8,914,506)	(7,993,303)
Net current assets		<u>5,787,477</u>	<u>6,100,414</u>
Total assets less current liabilities		<u>6,213,925</u>	<u>6,605,798</u>
Creditors: amounts falling due after more than one year	18	(511,457)	(1,155,287)
Provisions for liabilities			
Deferred tax	21	(20,610)	(28,943)
		<u>(20,610)</u>	<u>(28,943)</u>
Net assets		<u><u>5,681,858</u></u>	<u><u>5,421,568</u></u>
Capital and reserves			
Called up share capital	22	568	568
Share premium account	23	99,708	99,708
Capital redemption reserve	23	1,500	1,500
Profit and loss account	23	5,580,082	5,319,792
		<u>5,681,858</u>	<u>5,421,568</u>

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



.....
Stephen Trigg
 Director

Date: 15/9/21

The notes on pages 13 to 28 form part of these financial statements.

QUANTA CONSULTANCY SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2019	568	99,708	1,500	5,047,359	5,149,135
Comprehensive income for the year					
Profit for the year	-	-	-	1,132,033	1,132,033
Dividends: Equity capital	-	-	-	(859,600)	(859,600)
At 1 January 2020	<u>568</u>	<u>99,708</u>	<u>1,500</u>	<u>5,319,792</u>	<u>5,421,568</u>
Comprehensive income for the year					
Profit for the year	-	-	-	1,119,890	1,119,890
Dividends: Equity capital	-	-	-	(859,600)	(859,600)
At 31 December 2020	<u><u>568</u></u>	<u><u>99,708</u></u>	<u><u>1,500</u></u>	<u><u>5,580,082</u></u>	<u><u>5,681,858</u></u>

The notes on pages 13 to 28 form part of these financial statements.

QUANTA CONSULTANCY SERVICES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	1,119,890	1,132,033
Adjustments for:		
Depreciation of tangible assets	135,250	151,940
Loss on disposal of tangible assets	16,408	14,107
Interest paid	132,293	120,746
Interest received	(1,496)	(1,500)
Taxation charge	278,729	255,400
(Increase)/decrease in debtors	(776,258)	3,358,252
Decrease in amounts owed by groups	24,774	27,441
Increase/(decrease) in creditors	443,626	(837,864)
Corporation tax (paid)	(281,597)	(409,843)
Net cash generated from operating activities	1,091,619	3,810,712
Cash flows from investing activities		
Purchase of tangible fixed assets	(72,722)	(118,191)
Interest received	1,496	1,500
HP interest paid	(7,632)	(7,632)
Net cash from investing activities	(78,858)	(124,323)
Cash flows from financing activities		
Repayment of loans	(600,000)	(600,000)
Repayment of/new finance leases	(12,286)	(12,288)
Dividends paid	(859,600)	(859,600)
Interest paid	(124,661)	(113,114)
Net cash used in financing activities	(1,596,547)	(1,585,002)
Net (decrease)/increase in cash and cash equivalents	(583,786)	2,101,387
Cash and cash equivalents at beginning of year	(1,201,357)	(3,302,744)
Cash and cash equivalents at the end of year	(1,785,143)	(1,201,357)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	908,548	1,051,767
Bank overdrafts	(2,693,691)	(2,253,124)
	(1,785,143)	(1,201,357)

QUANTA CONSULTANCY SERVICES LIMITED

ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	1,051,767	(143,219)	908,548
Bank overdrafts	(2,253,124)	(440,567)	(2,693,691)
Debt due after 1 year	(1,050,000)	600,000	(450,000)
Debt due within 1 year	(600,000)	-	(600,000)
Finance leases	(118,861)	12,286	(106,575)
	<u>(2,970,218)</u>	<u>28,500</u>	<u>(2,941,718)</u>

The notes on pages 13 to 28 form part of these financial statements.

QUANTA CONSULTANCY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Quanta Consultancy Services Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is Redwood House, Rectory Lane, Berkhamsted, Hertfordshire, United Kingdom, HP4 2DH.

The nature of the company's operations is that of a consultancy specialising in the supply of experienced engineering and technical contractors.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for a period of at least 12 months following the approval of these financial statements.

Whilst the economy is currently facing unprecedented circumstances due to the impacts of Covid-19, the company continues to generate revenues as global workforces adjust to remote working. Furthermore, the directors consider the company to be able to withstand potential impacts on operations due to the significant reserves of the company, available financial headroom, and the government support packages on offer. As such, the directors consider it appropriate to prepare the financial statements on the going concern basis.

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

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.

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 profit or loss 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 profit or loss within 'other operating income'.

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 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss 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.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 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 profit or loss 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.

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.12 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:

S/Term Leasehold Property	-	Over the period of the lease
Motor vehicles	-	25%
Fixtures & fittings	-	25%

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 profit or loss.

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

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.

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 profit or loss 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.

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

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 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. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Trade debtors: The recoverability of trade debtors has been assessed as at the year end and up until the date of signing these financial statements. Management have based the decision to provide for any amounts based on their judgment of all the available information, and their experience of the specific nature of trade debtor in question.

4. Turnover

The whole of the turnover is attributable to recruitment consultancy.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	19,118,285	21,454,732
Rest of Europe	36,319,351	33,078,799
Rest of the world	2,542,768	2,608,350
	<u>57,980,404</u>	<u>57,141,881</u>

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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5. Other operating income

	2020 £	2019 £
Furlough income	<u>55,070</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	135,250	151,940
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	24,000	24,000
Exchange differences	(90)	30,203
Other operating lease rentals	142,603	174,635
Defined contribution pension cost	<u>127,612</u>	<u>121,155</u>

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	24,000	24,000
Other services relating to taxation	<u>10,050</u>	<u>8,890</u>

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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8. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	3,732,237	3,722,758
Social security costs	440,310	466,572
Cost of defined contribution scheme	127,612	121,155
	<u>4,300,159</u>	<u>4,310,485</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
	<u>72</u>	<u>75</u>

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	162,385	171,481
Company contributions to defined contribution pension schemes	36,000	36,000
	<u>198,385</u>	<u>207,481</u>

During the year retirement benefits were accruing to 3 directors (2019 - 3) in respect of defined contribution pension schemes.

10. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>1,496</u>	<u>1,500</u>

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	46,089	46,425
Finance leases and hire purchase contracts	7,632	7,632
Other interest payable	78,572	66,689
	<u>132,293</u>	<u>120,746</u>

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	293,426	263,853
Adjustments in respect of previous periods	(6,364)	(6,523)
	<u>287,062</u>	<u>257,330</u>
Deferred tax		
Origination and reversal of timing differences	(8,333)	(1,930)
	<u>(8,333)</u>	<u>(1,930)</u>
Taxation on profit on ordinary activities	<u>278,729</u>	<u>255,400</u>

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>1,398,619</u>	<u>1,387,433</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	265,738	263,612
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	16,276	21,420
Capital allowances for year in excess of depreciation	6,553	2,137
Adjustments to tax charge in respect of prior periods	(6,364)	(6,523)
Enhanced research and expenditure	(490)	(429)
Book loss on chargeable assets	-	2,681
Changes in provisions leading to an increase (decrease) in the tax charge	(2,984)	(22,437)
Non-trade charges	-	(5,061)
Total tax charge for the year	<u><u>278,729</u></u>	<u><u>255,400</u></u>

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends

	2020 £	2019 £
Dividends paid on Ordinary shares	<u>859,600</u>	<u>859,600</u>

14. Tangible fixed assets

	S/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 January 2020	254,467	196,655	485,594	936,716
Additions	2,700	-	70,022	72,722
Disposals	-	-	(61,755)	(61,755)
At 31 December 2020	<u>257,167</u>	<u>196,655</u>	<u>493,861</u>	<u>947,683</u>
Depreciation				
At 1 January 2020	120,516	89,148	221,668	431,332
Charge for the year on owned assets	33,392	-	72,750	106,142
Charge for the year on financed assets	-	29,108	-	29,108
Disposals	-	-	(45,347)	(45,347)
At 31 December 2020	<u>153,908</u>	<u>118,256</u>	<u>249,071</u>	<u>521,235</u>
Net book value				
At 31 December 2020	<u>103,259</u>	<u>78,399</u>	<u>244,790</u>	<u>426,448</u>
<i>At 31 December 2019</i>	<u>133,951</u>	<u>107,507</u>	<u>263,926</u>	<u>505,384</u>

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
S/Term Leasehold Property	<u>103,259</u>	<u>133,951</u>

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

	2020 £	2019 £
Motor vehicles	<u>78,399</u>	<u>107,507</u>

15. Debtors

	2020 £	2019 £
Trade debtors	9,628,073	9,131,312
Amounts owed by group undertakings	3,302,111	3,326,885
Other debtors	148,098	211,866
Prepayments and accrued income	715,153	371,887
	<u>13,793,435</u>	<u>13,041,950</u>

16. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	908,548	1,051,767
Less: bank overdrafts	(2,693,691)	(2,253,124)
	<u>(1,785,143)</u>	<u>(1,201,357)</u>

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	2,693,691	2,253,124
Bank loans	600,000	600,000
Trade creditors	4,007,712	4,028,853
Corporation tax	151,390	145,925
Other taxation and social security	142,589	110,562
Obligations under finance lease and hire purchase contracts	45,118	13,574
Other creditors	471,763	246,232
Accruals and deferred income	802,243	595,033
	<u>8,914,506</u>	<u>7,993,303</u>

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

	2020 £	2019 £
Bank loans	450,000	1,050,000
Net obligations under finance leases and hire purchase contracts	61,457	105,287
	<u>511,457</u>	<u>1,155,287</u>

Included in bank overdrafts is an outstanding invoice discounting creditor of £2,693,691 (2019: £2,253,124) secured by a fixed and floating charge over all the assets of the company present and future.

Hire purchase liabilities are secured over the assets that they fund.

The loan is secured by an unlimited debenture between the bank and Quanta Consultancy Services Limited and an omnibus guarantee between the bank, Quanta Consultancy Services Limited and Quanta Consultancy Services Group Limited.

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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19. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	600,000	600,000
Amounts falling due 2-5 years		
Bank loans	450,000	1,050,000
	<u>1,050,000</u>	<u>1,650,000</u>

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	45,118	13,574
Between 1-5 years	61,457	105,287
	<u>106,575</u>	<u>118,861</u>

21. Deferred taxation

	2020 £
At beginning of year	(28,943)
Charged to the profit or loss	8,333
At end of year	<u>(20,610)</u>

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

21. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(23,931)	(30,350)
Pension surplus	3,321	1,407
	<u>(20,610)</u>	<u>(28,943)</u>

22. Share capital

	2020 £	2019 £
Allotted, called up and fully paid 568 (2019 - 568) Ordinary shares of £1.00 each	<u>568</u>	<u>568</u>

23. Reserves

Share premium account

Represents the excess in nominal value of allotted shares.

Capital redemption reserve

Represents the nominal value of shares repurchased by the company.

Profit & loss account

Includes all the current and prior period retained profits and losses.

24. 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 £127,612 (2019: £121,155). Contributions totalling £25,246 (2019: £16,967) were payable to the fund at the balance sheet date and are included in creditors.

QUANTA CONSULTANCY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

25. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	188,457	232,343
Later than 1 year and not later than 5 years	318,465	505,059
	<u>506,922</u>	<u>737,402</u>

26. Related party transactions

During the year, the company entered into the following related party transactions:

	2020 £	2019 £
Other related parties		
Sales to other related parties	1,000,615	816
Purchases from other related parties	872,104	-
Balances owed by other related parties at year end	-	291,867
Balances owed to other related parties at year end	6,053	-
Entities over which the entity has control		
Expenses incurred on behalf of subsidiaries	-	-
Expenses refunded on behalf of subsidiaries	-	-
Key management personnel		
Remuneration	764,237	974,557
Balances owed by directors at year end	92	-
Balances owed to directors at year end	-	-
	<u>764,329</u>	<u>974,557</u>

27. Controlling party

Quanta Consultancy Services Group Ltd are the Company's ultimate parent entity, by virtue of the majority shareholding in the Company.

The Company has taken advantage of the exemption conferred by paragraph 31.A of FRS 102 "Related Party Disclosures" not to disclose transactions with other group entities, whose voting rights are 100% controlled within the group, and where consolidated financial statements of the group are publicly available.