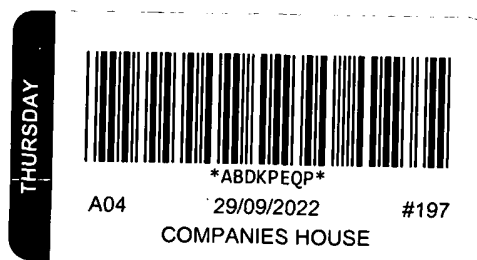


2022-2023  
Company Registration No. 02744918 (England and Wales)

**QUATTRO (U K) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



# QUATTRO (U K) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr T H James Mr E O'Loughlin
<b>Secretary</b>	Mr T H James
<b>Company number</b>	02744918
<b>Registered office</b>	Quattro House 305 Horn Lane London W3 0BP
<b>Auditors</b>	McCormack & Associates Chartered Certified Accountants 311 Chase Road London N14 6JS
<b>Bankers</b>	HSBC 46 The Broadway Ealing London W5 5JR

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# QUATTRO (U K) LIMITED

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# QUATTRO (U K) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present the strategic report for the year ended 31 December 2021.

#### **Fair review of the business**

The company has been trading in the business of Haulier, Tipping, Waste Recycling for over 25 years, and in the manufacturing of Concrete for over 15 years. The company's concrete batching plants and waste transfer facilities were forced to relocate to Southall Lane, Southall and 305 Horn Lane, London W3 0BP as explained in Note 22 to the accounts.

The company's turnover has improved since the Covid 19 lockdown restrictions were lifted but there has been increased pressure on margins due to the competitive nature of the industry.

The directors consider the results achieved by the company to be satisfactory and they are pleased with the trading performance during the year.

The company's direct costs and overhead expenditure together with cash management remain under constant review.

#### **Principal risks and uncertainties**

##### **Commercial Risk**

The company manages this risk by providing added value services to its customers, and handles all customer queries effectively and maintains strong relationships with the customers. The company's customers are long standing market leaders in their field, and their market share has enabled the company to reduce its commercial risk.

##### **Economic and Market Risk**

The economic environment can affect the performance of the company in relation to sales and costs. The company looks to mitigate cost pressures by maintaining good relationships with its suppliers and actively undertaking cost and efficiency reviews on a regular basis.

##### **Personnel and Management Risk**

The company's performance is significantly affected by its ability to recruit and retain a high quality team of operational managers and haulage drivers, and network of contractors. The directors continue to invest in its workforce training and development. The company provides incentives to its workforce and offers further career opportunities.

The board have ensured that the knowledge base of the operational management and administration team is shared as much as possible throughout the company.

##### **Financial and Liquidity Risk**

The company is principally funded from financing made available from Invoice discounting, Hire purchase creditors and retained profits. Given the nature of the company's services that it provides and its terms of business, the company's operational cash flows are predictable and under constant review. The company has controls and processes in place, and with efficient budgeting and management information, the company is able to maintain and control its financial position.

# QUATTRO (U K) LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### Other information and explanations

#### Safety, health and environmental policies

The company continues to strive to improve its safety, health and environmental standards and performance. These are monitored regularly throughout the year and reviewed in response to performance and changes in legislation.

The company recognises the significance of health and safety in the workplace to ensure that its workforce is free from risk through investment in continuing improvement in the occupational health and safety field.

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implement policies to reduce any damage that might be caused by the company's activities. Initiatives designed to minimise the company's impact on the environment include safe disposal of any product waste, recycling and reducing energy consumption.

#### The position of the company at the year end

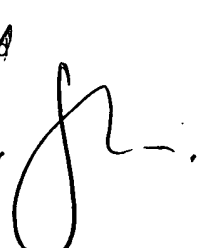
The balance sheet on page 10 of the financial statements shows that the company's financial position at the year end, in both net assets and liquidity terms, is an improvement over the previous year.

On behalf of the board

Mr T H James

Director

28 September 2022



# QUATTRO (U K) LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report and financial statements for the year ended 31 December 2021.

### Principal activities

The principal activity of the company continued to be that of Haulier, Tipper Contractors, Waste Recycling and manufacturing of Concrete.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr T H James  
Mr E O'Loughlin

### Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Future developments

The company is focussed on maintaining and securing profitable work and to continue to seek to diversify the work it undertakes within its core sector. Our direct costs and overhead expenditure together with cash management remain under constant review.

We will continue to focus on value over the medium term and the opportunities that the future recovery will provide.

### Auditor

The auditor, McCormack & Associates, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr T H James  
Director



28 September 2022

# **QUATTRO (U K) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2021***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

# QUATTRO (U K) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF QUATTRO (U K) LIMITED

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#### Opinion

We have audited the financial statements of Quattro (U K) Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 December 2021 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.

#### Emphasis of matter

We draw attention to note 22 of the financial statements, which shows the compensation claim that the company is currently pursuing against High Speed Two Limited ("HS2"), and arising from the company's trading premises being acquired in 2018 by HS2 under a temporary possession order. Our opinion is not modified in this respect.

#### 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

# QUATTRO (U K) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF QUATTRO (U K) LIMITED

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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 and 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, 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.

# QUATTRO (U K) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF QUATTRO (U K) LIMITED

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Harish Shah (Senior Statutory Auditor)  
for and on behalf of McCormack & Associates

*McCormack & Associates*

28 September 2022

Chartered Certified Accountants  
Statutory Auditor  
311 Chase Road  
Southgate  
London N14 6JS

# QUATTRO (U K) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	32,637,396	24,199,764
Cost of sales		(24,408,731)	(17,484,792)
<b>Gross profit</b>		<b>8,228,665</b>	<b>6,714,972</b>
Administrative expenses		(5,802,456)	(5,608,636)
Other operating income		60,000	60,000
<b>Operating profit</b>	4	<b>2,486,209</b>	<b>1,166,336</b>
Interest payable and similar expenses	7	(305,911)	(305,646)
<b>Profit before taxation</b>		<b>2,180,298</b>	<b>860,690</b>
Tax on profit	8	(462,412)	(125,562)
<b>Profit for the financial year</b>		<b>1,717,886</b>	<b>735,128</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# QUATTRO (U K) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

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	2021 £	2020 £
Profit for the year	1,717,886	735,128
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,717,886</u>	<u>735,128</u>

# QUATTRO (U K) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	9	13,782,092		10,663,807	
<b>Current assets</b>					
Stocks	10	873,020		492,613	
Debtors	11	20,910,516		15,529,989	
Cash at bank and in hand		1,170,076		1,255,771	
		22,953,612		17,278,373	
<b>Creditors: amounts falling due within one year</b>	12	(23,694,077)		(18,737,490)	
<b>Net current liabilities</b>		(740,465)		(1,459,117)	
<b>Total assets less current liabilities</b>		13,041,627		9,204,690	
<b>Creditors: amounts falling due after more than one year</b>	13	(4,207,475)		(2,550,837)	
<b>Provisions for liabilities</b>	16	(841,794)		(379,382)	
<b>Net assets</b>		7,992,358		6,274,471	
<b>Capital and reserves</b>					
Called up share capital	19	25,000		25,000	
Profit and loss reserves		7,967,358		6,249,471	
<b>Total equity</b>		7,992,358		6,274,471	

The financial statements were approved by the board of directors and authorised for issue on 28 September 2022 and are signed on its behalf by:

Mr T H James  
Director

Company Registration No. 02744918

# QUATTRO (U K) LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2020	25,000	5,514,343	5,539,343
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	735,128	735,128
Balance at 31 December 2020	25,000	6,249,471	6,274,471
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	1,717,886	1,717,886
Balance at 31 December 2021	25,000	7,967,358	7,992,358

# QUATTRO (U K) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	23	3,145,409		4,052,583	
Interest paid		(305,911)		(305,646)	
Income taxes paid		(45,934)		(40,844)	
<b>Net cash inflow from operating activities</b>		<b>2,793,564</b>		<b>3,706,093</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(6,051,459)		(4,419,302)	
Proceeds on disposal of tangible fixed assets		990,426		887,099	
<b>Net cash used in investing activities</b>		<b>(5,061,033)</b>		<b>(3,532,203)</b>	
<b>Financing activities</b>					
Receipt of bank loans		2,450,000		-	
Payment of finance leases obligations		(268,227)		365,877	
<b>Net cash generated from financing activities</b>		<b>2,181,773</b>		<b>365,877</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(85,696)</b>		<b>539,767</b>	
Cash and cash equivalents at beginning of year		1,255,771		716,002	
<b>Cash and cash equivalents at end of year</b>		<b>1,170,076</b>		<b>1,255,771</b>	

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### 1 Accounting policies

#### Company information

Quattro (U K) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Quattro House, 305 Horn Lane, London, W3 0BP.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from construction contracts is recognised by reference to the stage of completion of the contract activity at the end of the reporting period when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is determined on the basis of the proportion of contract costs incurred to date as a proportion of estimated total costs.

Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the recoverable contract costs incurred.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Leasehold improvements	Over the lease term
Plant and machinery	10% to 20% on cost on straight line basis
Fixtures, fittings & equipment	20% to 33.33 % on cost straight line basis
Motor vehicles	20% to 33.33 % on cost straight line basis

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed assets, the capital costs of which are the subject of a compensation claim from HS2, have not been depreciated.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

(Continued)

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

---

#### 1 Accounting policies

(Continued)

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### **1.10 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.

##### **1.11 Retirement benefits**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable, and these were all paid during the year.

##### **1.12 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

##### **1.13 Invoice discounting**

The company has entered into an arrangement to discount its sales invoices with HSBC Finance (UK) Limited. In accordance with FRS 102 (S.23) the gross debtors outstanding are shown under trade debtors and the amounts payable to the discounting company are shown under creditors.

The interest paid on invoices discounted during the year are charged to the profit and loss account.

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.14 Other operating income

Other operating income of the company is derived from rents and management charges receivable.

### 2 Judgements and key sources of estimation uncertainty

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.

There were no significant judgements, estimates and assumptions to be provided during the year.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Turnover in the UK	32,637,396	24,199,764

	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
Turnover in the UK	32,637,396	24,199,764

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	15,000	15,000
Fees payable to the company's auditors for other services	33,288	31,489
Depreciation of owned tangible fixed assets	109,915	411,850
Depreciation of tangible fixed assets held under finance leases	2,409,871	2,029,135
Profit on disposal of tangible fixed assets	(577,038)	(283,586)

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Management and administration	21	18
Direct and site labour	106	108
	<u>127</u>	<u>126</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	6,573,549	5,584,103
Pension costs	135,450	168,747
	<u>6,708,999</u>	<u>5,752,850</u>

### 6 Directors' remuneration (Key management personnel)

	2021 £	2020 £
Remuneration for qualifying services	180,000	180,000
Company pension contributions to defined contribution schemes	8,000	48,000
	<u>188,000</u>	<u>228,000</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

### 7 Interest payable and similar expenses

	2021 £	2020 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on invoice finance arrangements	136,455	114,816
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	164,898	185,095
Other interest	4,558	5,735
	<u>305,911</u>	<u>305,646</u>

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 8 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	45,934
<b>Deferred tax</b>		
Origination and reversal of timing differences	462,412	79,628
<b>Total tax charge</b>	<b>462,412</b>	<b>125,562</b>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	2,180,298	860,690
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	414,257	163,531
Tax effect of expenses that are not deductible in determining taxable profit	2,901	1,985
Unutilised tax losses carried forward	293,163	-
Change in unrecognised deferred tax assets	614,285	(79,628)
Permanent capital allowances in excess of depreciation	(1,340,953)	(552,203)
Depreciation on assets not qualifying for tax allowances	478,759	591,877
<b>Taxation charge for the year</b>	<b>462,412</b>	<b>125,562</b>

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 9 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2021	320,189	12,407,074	166,504	6,543,416	19,437,183
Additions	1,680,075	3,080,938	70,816	1,219,630	6,051,459
Disposals	-	(1,133,095)	-	(773,654)	(1,906,749)
At 31 December 2021	2,000,264	14,354,917	237,320	6,989,392	23,581,893
<b>Depreciation and impairment</b>					
At 1 January 2021	34,456	4,745,941	74,149	3,918,830	8,773,376
Depreciation charged in the year	15,713	1,486,726	17,949	999,398	2,519,786
Eliminated in respect of disposals	-	(878,144)	-	(615,217)	(1,493,361)
At 31 December 2021	50,169	5,354,523	92,098	4,303,011	9,799,801
<b>Carrying amount</b>					
At 31 December 2021	1,950,095	9,000,394	145,222	2,686,381	13,782,092
At 31 December 2020	285,733	7,661,133	92,355	2,624,586	10,663,807

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £	2020 £
Plant and machinery	6,361,657	5,674,963
Motor vehicles	2,306,991	2,280,044
	<u>8,668,648</u>	<u>7,955,007</u>

### 10 Stocks

	2021 £	2020 £
Work in progress	<u>873,020</u>	<u>492,613</u>

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 11 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	6,564,300	4,429,815
Other debtors	13,816,550	10,661,851
Prepayments and accrued income	529,666	438,323
	<u>20,910,516</u>	<u>15,529,989</u>

Other debtors includes an amount of £13,805,214 which relates to a claim against HS2 as described in Note 22 to the Financial Statements.

It also includes an amount of £500 due from Quattro (RMC ) Limited , a company owned and controlled by Mr T James Esq.

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

	Notes	2021 £	2020 £
Bank loans	14	367,500	-
Obligations under finance leases	15	2,781,127	2,623,492
Trade creditors		9,243,167	7,758,908
Corporation tax		-	45,934
Other taxation and social security		374,330	688,355
Other creditors		10,825,136	7,525,136
Accruals and deferred income		102,817	95,665
		<u>23,694,077</u>	<u>18,737,490</u>

Included in other creditors are amounts of £10,625,136 due to Quattro Holdings Limited, and £200,000 due to Quattro Pension Scheme.

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

	Notes	2021 £	2020 £
Bank loans and overdrafts	14	2,082,500	-
Obligations under finance leases	15	2,124,975	2,550,837
		<u>4,207,475</u>	<u>2,550,837</u>

The bank loans are secured by a fixed and floating charge over all of the Companies assets.

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Loans and overdrafts

	2021 £	2020 £
Bank loans	2,450,000	-
Payable within one year	367,500	-
Payable after one year	2,082,500	-

The bank loans are secured over the assets of the company. The loan is a Coronavirus Business Interruption Loan from HSBC. The interest charged is 3.99% over the base rate and is repayable by the end of March 2027.

### 15 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Within one year	2,781,127	2,623,492
In two to five years	2,124,975	2,550,837
	5,174,329	5,174,329

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is between 3 and 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 16 Provisions for liabilities

	Notes	2021 £	2020 £
Deferred tax liabilities	17	841,794	379,382

### 17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
ACAs	841,794	379,382

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 17 Deferred taxation (Continued)

	2021 £
<b>Movements in the year:</b>	
Liability at 1 January 2021	379,382
Charge to profit or loss	463,412
Liability at 31 December 2021	<u>842,794</u>

### 18 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>135,450</u>	<u>168,747</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 19 Share capital

	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>		
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

### 20 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

- a) Paid rents to Mansfield Farm Iver Limited of £80,000 (2020: £120,000 ).
- b) Paid rents to Quattro Holdings Limited of £139,375 (2020 : £98,389).
- c) Received management charges from Quattro Holdings Limited of £60,000 (2020 : £60,000)
- d) Paid interest to Quattro Pension Scheme of £3,918 (2020 £5,600)
- e) Paid storage charges to Chiltern Hills Golf Club Limited of £35,000 (2020 : £35,000)
- f) Purchased fixed assets from Quattro Holdings Limited of £Nil (2020 - £411,000 )
- g) Paid interest to Quattro Pension Scheme of £3,918 ( 2020 - £5,600 )

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 21 Ultimate controlling party

The controlling party is Mr. T H James by virtue of his ownership of 100% of the issued share capital in the company.

### 22 Exceptional Item

The Company operated concrete batching plants and waste transfer facilities at the property at Websters Yard, Park Royal, London NW10. Websters Yard was acquired in 2018 by High Speed Two Limited ("HS2") under a temporary possession order.

The Company was forced to relocate the aforementioned operations to Southall Lane, Southall and 305 Horn Lane, London W3 0BP.

A claim has been submitted to HS2 for compensation comprising of :

- relocation costs incurred;
- capital costs incurred;
- loss of profits arising from the relocation ; and
- excess rents payable due to the relocation;
- excess finance costs

The Directors' have included within these financial statements, the compensation claim in respect of all of the above but excluding capital costs incurred and which amounted to £3,183,899 for the year. The total compensation claim excluding capital costs incurred at 31st December 2021 amounts to £13,805,214 which is split as to £7,707,271 for relocation costs, £4,628,930 for loss of profits claim, £264,000 for excess rents payable and £1,205,013 for excess finance costs.

The company received an advance payment of £3,284,405 (excluding capital costs of £633,766 ) on 4th May 2022 on account of this compensation claim.

### 23 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	1,717,886	735,128
<b>Adjustments for:</b>		
Taxation charged	462,412	125,562
Finance costs	305,911	305,646
Gain on disposal of tangible fixed assets	(577,038)	(283,586)
Depreciation and impairment of tangible fixed assets	2,519,786	2,440,985
<b>Movements in working capital:</b>		
Increase in stocks	(380,407)	(136,760)
Increase in debtors	(5,380,527)	(2,528,001)
Increase in creditors	4,477,386	3,393,609
<b>Cash generated from operations</b>	<b>3,145,409</b>	<b>4,052,583</b>

# QUATTRO (U K) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### 24 Analysis of changes in net debt

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	1,255,771	(85,695)	1,170,076
Borrowings excluding overdrafts	-	(2,450,000)	(2,450,000)
Obligations under finance leases	(5,174,329)	268,227	(4,906,102)
	<u>(3,918,558)</u>	<u>(2,267,468)</u>	<u>(6,186,026)</u>

### 25 Contingent liability

The company has given a guarantee to HSBC UK Bank plc for banking facilities granted to Quattro Holdings Limited.