

COMPANY REGISTRATION NUMBER 09663454

1st Solution Consulting Ltd.
Annual Report and Financial Statements
For the Year Ended 31 December 2020

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Officers and Professional Advisers

Director	Frank Shams
Company secretary	The Briars Group Limited
Registered office	Fountain House 2 Queens Walk Reading Berkshire RG1 7QF
Independent auditor	TWP Accounting LLP Chartered Accountant & Statutory Auditors The Old Rectory Church Street Weybridge Surrey KT13 8DE United Kingdom

Director's Report

The Director of 1st Solution Consulting Ltd. ("the Company") presents his report and the audited financial statements of 1st Solution Consulting Ltd. for the year ended 31 December 2020 (referred to as 2020 and "year" throughout the financial statements).

Principal activities and business review

The Company is a wholly owned subsidiary of 1st Solution Consulting GmbH, a company incorporated in Germany. The principal activity of the Company is to provide consultancy services for customers in the IT telecommunication, energy and finance sector with its own specialists and freelancers. Additionally, the Company executes and steers entire projects for customers and provides support in sourcing experts for permanent employment as well as specialists for projects as a third party manager.

The profit in 2019 was mainly a result from the reduction of administration expenses compared to prior years but in 2020 the business has grown further through the increase in turnover.

Results and dividends

The profit for the financial year amounted to £252,343 (2019: £187,982). The Director does not recommend the payment of a dividend (2019: £nil).

Going concern

The Director considers that the financial resources available to the Company are adequate to meet its operational needs for the foreseeable future. Consequently the going concern basis has been adopted in preparing these financial statements.

Brexit risk

In a referendum held on 23 June 2016, the UK resolved to leave the European Union (EU). On 31 January 2020, the UK left the EU and entered an 11 month transition period until the end of 2020. A transitional period, during which the UK is no longer a member of the EU but is still subject to EU rules and remains a member of the Customs Union, concluded on 31 December 2020. The UK's future trading relationship with the EU remains subject to negotiation. The Company has assessed the risks and uncertainties related to Brexit and believes that there is no material risk as the services provided are not subject to any EU specific regulations and can continue to be provided without restriction post-Brexit.

Covid risk

The Company is monitoring the impacts of Covid-19 on its business. While the pandemic has certain drawbacks, such as making it more difficult to recruit new staff or losing face-to-face customer contact, in general Covid-19 has not had a significant impact on the company's business, as the IT services industry is almost exclusively remote and services are still in high demand. In some areas, even more than ever (e.g. cloud applications).

Director

The Director who served the Company during the year and up to the date of signing this report is listed on page 2.

Qualifying third party indemnity provisions

The Director benefited from the qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2019: £nil).

Post balance sheet events

There have been no significant events affecting the Company since the balance sheet date, with the exception of the COVID-19 pandemic described under the Covid risk note above.

Disclosure of information to the auditor

The Director who held office at the date of approval of this Director's Report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditor are unaware; and the Directors has taken all steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

Small Companies exemption

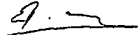
In preparing this report, the director has taken the advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Director's Report (continued)

Independent auditor

Pursuant to Section 487 of the Companies Act 2016, the auditor will be deemed to be reappointed and TWP Accounting LLP will therefore continue in office.

Approved by the Director on 29 Sep 2021 2021.



Frank Shams (Sep 29, 2021, 5:53pm)

Frank Shams
Director

Fountain House
2 Queens Walk
Reading
Berkshire
RG1 7QF

Statement of Director's Responsibilities

The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

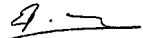
Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has prepared the financial statements in accordance with applicable UK accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 (Section 1A for small companies) the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

Under company law the Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and for that period. In preparing these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, have been followed, subject to any material departures disclosed and explained in the financial statements, including FRS 102 (Section 1A for small companies);
- assess the Company's ability to continue as a going concern, disclosing as applicable matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative to do so.

The Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Approved by the Director on 29 Sep 2021 2021 and signed on its behalf by:



Frank Shams (Sep 29, 2021, 5:53pm)

Frank Shams
Director

Independent Auditors' Report to the Shareholders of 1st Solution Consulting Ltd.

Opinion

We have audited the financial statements of 1st Solution Consulting Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet 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 Auditors' 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 Director's 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.

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 Auditors' 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.

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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has 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 Director's 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.

Independent Auditors' Report to the Shareholders of 1st Solution Consulting Ltd. (continued)

Responsibilities of directors

As explained more fully in the Director's Responsibilities Statement included within these financial statements, 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.

Auditors' 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtain an understanding of the policies and procedures management have in place to detect and prevent fraud and non-compliance with laws and regulations
- Enquire of management any cases of actual or suspected fraud and non-compliance with laws and regulations.
- Enquire of management and those charged with governance around actual and potential litigation and claims.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Assess the key risk areas within the financial statements which are susceptible to fraud or error and design our audit approach thereon.
- Perform walkthrough tests on the controls in place to ensure that they are working effectively.
- Perform substantive tests on a sample of transactions throughout the financial statements to ensure that no material errors have been identified.
- Perform cut off tests on a sample of transactions to ensure income and expenditure have been accounted for in the correct period.
- Perform analytical review procedures to identify any irregularities and investigation thereon.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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.

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 Auditors' Report.

Independent Auditors' Report to the Shareholders of 1st Solution Consulting Ltd. (continued)

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 Auditors' 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.

TWP Accounting LLP

Paul Hawkins FCA FCTA MAAT (Senior Statutory Auditor)

for and on behalf of

TWP Accounting LLP

Chartered Accountants and Statutory Auditors

The Old Rectory

Church Street

Weybridge, Surrey

KT13 8DE

Date:

2021

30 Sep 2021

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2020

	<i>Note</i>	2020 £	2019 £
Turnover	3	4,521,837	4,316,099
Cost of sales		<u>(4,162,093)</u>	<u>(3,945,218)</u>
Gross profit		359,744	370,881
Administrative expenses		(232,414)	(182,899)
Other operating income	4	<u>10,000</u>	-
Profit before taxation		<u>137,330</u>	<u>187,982</u>
Tax on profit		115,013	-
Profit for the financial year		<u>252,343</u>	<u>187,982</u>
Total comprehensive income for the year		<u>252,343</u>	<u>187,982</u>

The operating profit for the year arises from the Company's continuing operations.

The notes on pages 11 to 15 form part of these financial statements.

Balance Sheet

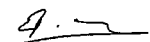
as at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Current assets					
Debtors	8	889,788		710,965	
Stock	9	476,532		484,695	
Cash and cash equivalents	10	123,392		6,329	
			1,489,712		1,201,989
Creditors: amounts falling due within one year	11		(2,111,088)		(2,075,708)
Total assets less current liabilities			(621,376)		(873,719)
Net liabilities			(621,376)		(873,719)
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account			(621,476)		(873,819)
Total shareholder's deficit			(621,376)		(873,719)

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 (Section 1A for small companies).

The notes on pages 11 to 15 form part of these financial statements.

The financial statements were approved by the Director on 29 Sep 2021 2021 and signed on its behalf by:



Frank Shams (Sep 29, 2021, 5:53pm)

Frank Shams
Director

Company Registration Number: 09663454

Notes to the Financial Statements

1. Accounting policies

1st Solution Consulting Ltd. is a Company limited by shares and incorporated and domiciled in the UK. The registered number is 09663454. The address of the registered office is given in the Company information page of these financial statement.

The Director has elected to prepare the financial statements under the historical cost convention and accordance with FRS 102 (Section 1A for small companies).

The presentation currency of these financial statements is sterling. All amounts stated in the financial statements have been rounded to the nearest £1.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

The accounting policies set out below have been applied consistently.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and FRS 102 (Section 1A for small companies).

The accounting policies have been applied consistently, other than where new policies have been adopted.

Change in accounting policy

In these financial statements the Company has changed its accounting policies in the following areas:

- Amendments to FRS 102: Interest rate benchmark effective from 1 January 2020.
- Amendments to FRS 102: COVID-19-related rent concessions effective from 1 January 2020.
- Amendments to FRS 102: Multi-employer defined benefit plans effective from 1 January 2020.

There has been no material impact on adoption of the revised accounting standards.

Going concern

1st Solution Consulting Ltd. has made a profit for the financial year of £252,343 (2019: £187,982) and has net liabilities of £621,376 (2019: £873,719) at the reporting date.

The Director considers that the financial resources available to the Company are adequate to meet its operational needs for the foreseeable future. Consequently the going concern basis has been adopted in preparing these financial statements. In addition, the parent company 1st Solution Consulting GmbH has indicated that it will provide support for the foreseeable future.

Cash flow statement

The Company has taken advantage of the exemption available under the (FRS 102 Section 1A for small companies) from preparing a statement of cash flows.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at the date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

The Company has provisions for project costs (unbilled amounts from creditors) totalling £576,497 within other creditors (see note 11).

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Turnover

Turnover comprises the value of consultancy services sold to customers in the European Union excluding United Kingdom, exclusive of VAT, and relates wholly to the main activity of consulting. All turnover relates to continuing activities and is recognised in the period the services are provided.

Government grants

Government grants primarily relate to amounts received under the Coronavirus Small Business Grant Fund which was in place during the current year. Government grants are in line with the accrual model and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

Amounts recognised in the profit and loss are presented under the heading 'Other operating income'.

Stock

Profit on consultancy services is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as project activity progresses. Turnover is derived on a cost mark-up basis for related project activity costs. Where work has been completed but not yet invoiced, profit is recognised and accrued income is included in debtors along with associated costs as accruals within creditors. Full provision is made for losses on all projects in the year in which they are first foreseen.

Basic financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents and trade and other creditors.

Trade and other debtors/creditors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expenses.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. Significant accounting judgements and estimates

The financial statements of the Company do not include any significant accounting estimates or judgements that, in the opinion of the Director, need to be disclosed to improve the understanding of the financial statements.

Notes to the Financial Statements (continued)

3. Turnover

The turnover is attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2020	2019
	£	£
United Kingdom	133,033	95,034
Rest of Europe (excluding United Kingdom)	4,388,804	4,221,065
	<u>4,521,837</u>	<u>4,316,099</u>

4. Other operating income

	2020	2019
	£	£
Government grants	10,000	-
	<u>10,000</u>	<u>-</u>

5. Auditor's remuneration

The auditor's remuneration for the year ended 2019 was £5,600 (2019:£5,500). There were no non-audit services received from the auditors.

6. Director's remuneration

The Director received no remuneration for their services to the Company during the year.

Remuneration for services provided by the Director has been borne by 1st Solution Consulting GmbH and has been presented within that Company's financial statements.

7. Staff numbers and costs

	2020	2019
Director	1	1
Administration	1	1
	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>
	2020	2019
	£	£
Wages and salaries	42,122	36,478
Social security costs	1,854	846
	<u>43,976</u>	<u>37,324</u>

Notes to the Financial Statements (continued)

8. Debtors

	2020 £	2019 £
Trade debtor	602,110	503,230
VAT	122,425	172,706
Other debtors	400	1,100
Deferred tax asset	115,013	-
Prepayments and accrued income	49,840	33,929
	<u>889,788</u>	<u>710,965</u>

9. Stock

	2020 £	2019 £
Work in progress	476,532	484,695
	<u>476,532</u>	<u>484,695</u>

10. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	123,392	6,329
	<u>123,392</u>	<u>6,329</u>

11. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	199,681	148,450
Amounts owed to group undertakings	1,096,264	1,155,628
Accruals and deferred income	211,797	252,908
Other creditors	601,857	517,009
Taxation and social security	1,489	1,713
	<u>2,111,088</u>	<u>2,075,708</u>

Amount owned to group undertakings attract no interest and is repayable on demand.

Notes to the Financial Statements (continued)

12. Called up share capital

Allotted and called up

	2020	2019
	£	£
100 Ordinary share of £1	<u>100</u>	<u>100</u>

13. Reserves for profit and loss accounts

The profit and loss account represents cumulative profits and losses.

14. Ultimate parent undertaking and controlling party

The Company's immediate and ultimate controlling party is 1st Solution Consulting GmbH, a company registered in Germany.

15. Related party transactions

As a wholly owned subsidiary, the Company is exempt under Section 33 of FRS 102 from the requirement to disclose transactions with its parent and other wholly owned subsidiaries of 1st Solution Consulting GmbH.