

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014
FOR
QUANTUM GEOTECHNICAL LIMITED

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QUANTUM GEOTECHNICAL LIMITED
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9

QUANTUM GEOTECHNICAL LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014

DIRECTORS:

R G Jones
T A Lowe
J E Stark
J A Goodfellow
R W Davies

SECRETARY

T A Lowe

REGISTERED OFFICE:

Unit 7, Dyffryn Court
Riverside Business Park
Swansea Vale
Swansea
SA7 0AP

REGISTERED NUMBER.

07782715 (England and Wales)

INDEPENDENT AUDITORS.

PricewaterhouseCoopers LLP
Llys Tawe
Kings Road
SA1 Swansea Waterfront
Swansea
SA1 8PG

QUANTUM GEOTECHNICAL LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their strategic report for the year ended 31 December 2014

REVIEW OF BUSINESS

Trading conditions in the United Kingdom were tough, with only one significant Soil Investigation Project undertaken. This lack of work was compounded by the sudden withdrawal of work in Sierra Leone, which resulted in a loss for the year. Trading conditions in the UK should improve during the second quarter of 2015, and we anticipate further work in West Africa at or about the same time.

FUTURE DEVELOPMENTS

The company will continue to be a geotechnical and geo-environment services company.

The company's key performance indicators are considered to be financial turnover and operating profit. These are set out in the profit and loss account.

RESULTS AND DIVIDENDS

The trading results are set out in the annexed financial statements.

The directors do not recommend the payment of a dividend on ordinary shares (2013: £Nil).

FINANCIAL RISK MANAGEMENT OBJECTIVES / PRINCIPAL RISKS AND UNCERTAINTIES

Along with all businesses, the company has to identify and manage a number of risks and uncertainties in its operations. Overall demand is dependent upon general economic conditions, perceived confidence in the future and financial interest rates, all of which are outside of the company's control. We aim to spread the impact of these general risks by constantly assessing the geographical markets and industry sectors in which we operate, by our commitment to a quality labour force through training and personal development and by striving to control quality and minimise costs. The company carefully manages its working capital requirements and continues to develop business systems and introduce new technology where appropriate to improve procedures and overall financial management.

ON BEHALF OF THE BOARD



R G Jones - Director

Date: 24th July 2015

QUANTUM GEOTECHNICAL LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report with the audited financial statements of the company for the year ended 31 December 2014

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of geotechnical and geo-environment services

FUTURE DEVELOPMENTS

Future developments are discussed in the Strategic Report

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2014

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report

R G Jones
T A Lowe
J E Stark
J A Goodfellow
R W Davies

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 prepared 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

QUANTUM GEOTECHNICAL LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2014

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to be 'R G Jones', written over a large, loopy circular mark.

R G Jones - Director

Date 24th July 2015

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
QUANTUM GEOTECHNICAL LIMITED

Report on the financial statements

Our opinion

In our opinion, Quantum Geotechnical Limited's financial statements (the "financial statements")

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss 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

What we have audited

Quantum Geotechnical Limited's financial statements comprise

- the balance sheet as at 31 December 2014,
- the profit and loss account for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion

- we have not received all the information and explanations we require for our audit, or
- 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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
QUANTUM GEOTECHNICAL LIMITED**

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)") Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Strategic Report, Report of the Directors and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Mark Ellis (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Llys Tawe
Kings Road
SA1 Swansea Waterfront
Swansea
SA1 8PG

Date 24th July 2015

QUANTUM GEOTECHNICAL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £'000	2013 £'000
TURNOVER		5,030	3,987
Cost of sales		<u>(4,613)</u>	<u>(3,434)</u>
GROSS PROFIT		417	553
Administrative expenses		<u>(727)</u>	<u>(486)</u>
OPERATING (LOSS)/PROFIT and (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(310)	67
Tax on (loss)/profit on ordinary activities	4	<u>-</u>	<u>(5)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	9	<u>(310)</u>	<u>62</u>

There is no difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial year for both periods and their historical cost equivalents

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the current year and the profit for the previous year

The notes form part of these financial statements

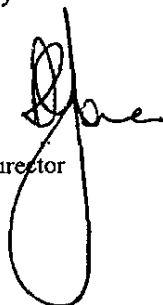
QUANTUM GEOTECHNICAL LIMITED (REGISTERED NUMBER: 07782715)

BALANCE SHEET
31 DECEMBER 2014

	Notes	2014 £'000	2013 £'000
FIXED ASSETS			
Tangible assets	5	31	47
CURRENT ASSETS			
Debtors	6	1,158	810
Cash at bank		-	21
		1,158	831
CREDITORS			
Amounts falling due within one year	7	(1,680)	(1,059)
NET CURRENT LIABILITIES		(522)	(228)
TOTAL ASSETS LESS CURRENT LIABILITIES		(491)	(181)
CAPITAL AND RESERVES			
Called up share capital	8	-	-
Profit and loss account	9	(491)	(181)
SHAREHOLDERS' DEFICIT	11	(491)	(181)

The financial statements on pages 7 to 12 were approved by the Board of Directors on 24th July 2015 and were signed on its behalf by

R G Jones - Director



The notes form part of these financial statements

QUANTUM GEOTECHNICAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies of the company, which have been applied consistently, is set out below.

Financial Reporting Standard number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements.

Turnover and amounts recoverable on contracts

Turnover for a financial year includes the value of work done. Turnover excludes trade discounts and value added tax.

Long term contract balances are assessed on a contract by contract basis and are reflected in the profit and loss account as contract activity progresses. Any expected losses on long term contract balances are recognised immediately and are written off to the profit and loss account. Where it is considered that the outcome of a long term contract can be assessed with reasonable certainty before its conclusion, the prudently calculated attributable profit is recognised in the profit and loss account as the difference between reported turnover and related costs for that contract.

On short term contracts turnover and profits are recognised when invoices are raised for certified work undertaken.

The amount by which recorded turnover is in excess of payments on account is classified as "amounts recoverable on contracts" and separately disclosed within debtors. Where payments are in excess of recognised turnover, the excess is included as "payments on account".

All turnover is derived from the company's one principal activity and is derived from the UK.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings - 25% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at that date.

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sustainable taxable profits against which to recover carried forward tax losses and/or from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Going concern

At 31 December 2014, the company had net liabilities of £491,000 and is reliant on the financial support of a group company. The directors have received confirmation of financial support from that company. Consequently, the directors have prepared the accounts on a going concern basis.

QUANTUM GEOTECHNICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

2 STAFF COSTS

No persons other than the Directors were employed during the year

3 OPERATING (LOSS)/PROFIT

The operating loss (2013 - operating profit) is stated after charging

	2014 £'000	2013 £'000
Depreciation - owned assets	16	8
Auditors' remuneration for audit services	<u>4</u>	<u>4</u>

	2014 £	2013 £
Directors' remuneration	150,000	146,870
Directors' pension contributions to money purchase schemes	<u>10,230</u>	<u>6,496</u>

4 TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows

	2014 £'000	2013 £'000
Current tax		
UK corporation tax	-	5
Tax on (loss)/profit on ordinary activities	<u>-</u>	<u>5</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2014 £'000	2013 £'000
(Loss)/profit on ordinary activities before tax	<u>(310)</u>	<u>67</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.490% (2013 - 23.250%)	(67)	16
Effects of		
Expenses not deductible for tax purposes	-	1
Capital allowances in excess of depreciation	-	(1)
Depreciation in excess of capital allowances	1	-
Group relief not paid for	66	(10)
Small companies relief	<u>-</u>	<u>(1)</u>
Current tax charge	<u>-</u>	<u>5</u>

QUANTUM GEOTECHNICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

5 TANGIBLE FIXED ASSETS

	Fixtures and fittings £'000
COST	
At 1 January 2014	
and 31 December 2014	<u>61</u>
DEPRECIATION	
At 1 January 2014	14
Charge for year	<u>16</u>
At 31 December 2014	<u>30</u>
NET BOOK VALUE	
At 31 December 2014	<u>31</u>
At 31 December 2013	<u>47</u>

6 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Trade debtors	238	182
Amounts recoverable on contracts	903	491
Other debtors	4	116
Prepayments and accrued income	<u>13</u>	<u>21</u>
	<u>1,158</u>	<u>810</u>

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Trade creditors	-	15
Amounts owed to group undertakings	1,376	808
Other creditors	216	126
Accruals and deferred income	<u>88</u>	<u>110</u>
	<u>1,680</u>	<u>1,059</u>

8 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2014	2013
Number	Class	Nominal value	£	£
90	A ordinary shares	£1	90	1
4	B ordinary shares	£1	4	-
10	C ordinary shares	£1	<u>10</u>	<u>-</u>
			<u>104</u>	<u>1</u>

QUANTUM GEOTECHNICAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2014

8 CALLED UP SHARE CAPITAL - continued

During the year the share capital structure was reorganised and new shares issued. The shares rank pari passu in all respects except that the B ordinary shares in issue are not entitled to dividends.

9 RESERVES

	Profit and loss account £'000
At 1 January 2014	(181)
Loss for the financial year	<u>(310)</u>
At 31 December 2014	<u><u>(491)</u></u>

10 ULTIMATE PARENT COMPANY

The immediate parent company is Dawnus Developments Limited, which is 100% owned by Dawnus Group Limited. The ultimate parent company and controlling party is Dawnus Group which is the parent company of the largest and smallest group to consolidate these financial statements. Copies of the Dawnus Group Limited consolidated financial statements can be obtained from Unit 7, Dyffryn Court, Riverside Business Park, Swansea Vale, Swansea SA7 0AP.

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2014 £'000	2013 £'000
(Loss)/profit for the financial year	<u>(310)</u>	<u>62</u>
Net (reduction)/addition to shareholders' (deficit)/funds	(310)	62
Opening shareholders' deficit	<u>(181)</u>	<u>(243)</u>
Closing shareholders' deficit	<u><u>(491)</u></u>	<u><u>(181)</u></u>

12 RELATED PARTY TRANSACTIONS

During the year the company has undertaken transactions with the following companies:

- Dawnus Construction Holdings Limited
- Dawnus Sierra Leone Limited

The following were the transactions:

Sales £611,000

£1,376,000 was due to these companies at 31 December 2014

13 CONTINGENT LIABILITIES

The company has guaranteed the bank borrowings of a fellow group company amounting to £1,509,000 (2013: £531,000).