

Quadron Services Limited
REPORT AND FINANCIAL STATEMENTS
for the year ended
31 March 2013

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COMPANIES HOUSE

Quadron Services Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Daughtry
C Ivis
M Martin
J Moore
G Poulter

SECRETARY

C Darby

REGISTERED OFFICE

The Hub
Warne Road
Weston-Super-Mare
North Somerset
United Kingdom
BS23 3UU

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Quadron Services Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Quadron Services Limited for the year ended 31 March 2013

PRINCIPAL ACTIVITY

The company's principal activity during the year was the provision of green space management services to the public and private sectors including local authorities, housing associations, health and educational establishments

REVIEW OF THE BUSINESS

2012/13 was another rewarding year, financially, commercially and operationally, despite the on-going budgetary pressures faced by local authority customers and the resulting impact on turnover. Operational efficiencies and tight control of costs managed to offset this decrease leading to an increase in both gross and net profit

Commercial Success

Commercial successes continued to be high during the year with 45% of tenders submitted being won (30% by contract value), adding £33m to the order book. Significant successes included a £2.2m per annum contract with the London Borough of Wandsworth for a potential twelve year term and a seven year contract with Tandridge District Council.

The company also commenced two joint ventures, firstly with arboricultural specialist Blythe Valley Limited. Arboriculture is often included in contract packages together with grounds maintenance and hence being able to offer this specialised function in-house rather than through a subcontractor will offer a competitive advantage. Secondly, with Prolectric Limited, a specialist electrical engineer with strong activity in the renewables sector.

Financial Control

To underpin the company's robustness during these times of tightening budgets, cashflow continues to be monitored daily within a rolling forecast. The company has maintained a substantial positive bank balance throughout and is not reliant on any borrowing. Prudent accounting policies ensure that all development and start-up costs have been fully expensed. The company has no loss-making contracts and has worked collaboratively with its clients to achieve savings for them through operational efficiencies whilst maintaining its margin.

Operational Highlights and Awards

Operationally, the majority of key performance indicators for all clients continue to show on-going improvements and all client relationships remain excellent with many compliments received from members of the public about the services received. One outstanding result was a 97% satisfaction score in an independent survey of residents in Southwark.

A further fourteen new Green Flags were awarded to Quadron-maintained parks in addition to the retention of previous ones. These included the first two for South Bristol, where Quadron's team assisted with putting the management plans in place and ensuring the sites were brought up to the required high standard.

Clients' In-Bloom successes also remained high with Birmingham City Council winning Gold for Best Large City in Britain in Bloom, and Bristol winning Gold in the European Entente Florale.

Quadron Services Limited

DIRECTORS' REPORT

REVIEW OF THE BUSINESS *(continued)*

Cultivating Sustainable Green Communities

Quadron's vision of "Cultivating Sustainable Green Communities" encapsulates the company's ethos of working together to create a better environment for all. Community engagement and local sustainability issues remained high on the agenda during the year.

Particular achievements included the redevelopment of Redcatch Park tennis courts in Bristol, a £50k project for which Quadron worked with local community groups to gain funding and subsequently managed through to completion, and £60k for new cricket facilities in South Park, Hammersmith. We also gained funding via Natural England's Higher Level Stewardship agreement for a ten year period for two environmental sites in Kingston and through SITA Waste Enhancing Communities Trust and the London Marathon Trust for two new outdoor gyms and a new playground.

"Giving Back" to the Community

Excellent relationships continued to be maintained with Friends, Community groups and Residents' Associations, with many achievements in terms of gaining funding on their behalf for community events and projects evidencing the company's commitment to giving something back to the societies in which it works.

Quadron continued to work in partnership with Groundwork, the environmental regeneration charity, to provide work placements and permanent job opportunities for the long term unemployed. Corporate and community volunteer days were also hosted to carry out tree planting, scrub clearance and other similar beneficial tasks in many parks and open spaces. More than 27,500 volunteer hours were worked in total, providing added value and additional services for clients.

Industry Representation

Managing Director Clive Ivil has been appointed to the BALI board of directors and sits on the National Contractors' Forum and Parks Alliance board, a new cross sector group set up to tackle the funding crisis facing public parks, thus ensuring Quadron is at the forefront of movements and represented amongst the most high profile companies in the industry, working actively with its clients to promote the benefits of parks and open spaces and preserve them for future generations.

Standards of Compliance

The company retained its CHAS, Exor and ISO14001 accreditations. Work continues towards ISO 9001. The intranet site is available for all employees to easily access policies and procedures, risk and COSHH assessments, safe working practices, training modules, newsletters and other communications. Every operative has access via a communal PC in each messroom.

Communicating with Employees

Quadron continues to improve communication between the workforce and senior management. This has included distributing regular newsflashes to staff and holding toolbox talks for updates on general company information and health and safety issues. MD walkabouts take place regularly on each contract, giving all employees the opportunity to meet the MD face to face and air any issues they may have.

Quadron Services Limited

DIRECTORS' REPORT

REVIEW OF THE BUSINESS *(continued)*

Training and Development

Training as ever has remained a high priority during the year. The e-learning system has continued to evolve with new modules added. This gives operational staff the opportunity to undertake training in bite-sized chunks during inclement weather and gives them the opportunity to learn new computer skills at the same time.

A total of 2,202 short training courses were attended during the year (external and internal) including over 3,000 days of internal courses delivered by our qualified in-house trainers, such as CIEH Level 2 in Health & Safety, Risk Assessment, COSHH Assessment, Environmental Principles, First Aid, Fire Safety, Manual Handling and Conflict Resolution and Personal Safety. Amongst the workforce, the "Lantra-Awards" qualified in-house trainers and "Biodiversity Champions" positions continue to be popular with colleagues and clients. Every new operative receives accredited induction training on small plant prior to being permitted to use any item. This in-house local approach is a sustainable way of providing affordable and effective on-going training to all employees.

Apprenticeships are also offered throughout the company with a total of 27 employed during the year. The two year course leads to an NVQ Level 2 qualification and a permanent job opportunity. In addition, fourteen employees studied for level 3 horticultural qualifications and other long-term qualifications studied included team leading skills, customer care, administration, accounts and HR, as well as two employees undertaking work-based conservation and one completing a masters' degree in environmental studies.

In conclusion, therefore, another successful year on all fronts culminating in the strong set of financial accounts set out in this report.

FUTURE DEVELOPMENTS

At April 2013, the forward order book for grounds maintenance term contracts stood at £183m, stretching until 2026 inclusive of available extension periods with core terms worth £92m, thus providing a viable business with a reliable and secure customer base. On this basis the tendering strategy remains selective and focussed on quality customers and opportunities, for which there is no shortage of pipeline.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,231,000 (2012 - £1,038,000). The directors have not recommended a dividend (2012 - £nil).

Quadron Services Limited

DIRECTORS' REPORT

RISKS AND UNCERTAINTIES

In addition to the factors mentioned above in the Review of the Business, the Board notes the following risks

Cash flow

The company's customers are typically public sector bodies or large blue chip private companies. For this reason the directors consider the credit risk to be manageable.

There is a regular review of the company's funding requirements to ensure these are adequate for its needs. Management regularly monitor cash outflows to ensure that there are adequate facilities available.

Pension scheme

The group's final salary pension scheme is now closed to new entrants from existing participating employers. As at 31 March 2013 a valuation of the scheme indicated that the value of the scheme assets stands at £12.5m (2012: £11.2m) with the shortfall in the scheme standing at £124,000 (2012: £153,000) (net of deferred tax).

DIRECTORS

The directors who served the company during the year were as follows:

J Daughtry
C Ivis
M Martin
J Moore
G Poulter
I Carpenter (Resigned 1 May 2012)

DONATIONS

During the year the company made the following contributions:

	2013 £000	2012 £000
Charitable donations	3	-

POST BALANCE SHEET EVENT

After the year end, the company's subsidiaries The Property Group (2010) Limited and HUB Lettings and Support Limited (formerly The Administration Centre Limited) were sold to Warne Investments Limited (a company under common control) for consideration equivalent to the net asset value of the companies at the date of sale.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Quadron Services Limited

DIRECTORS' REPORT

EMPLOYEE INVOLVEMENT

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various matters affecting performance of the company. This is achieved through formal and informal meetings and the company magazine. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interest.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

On behalf of the board


G Palmer
Director

20th December 2013

Quadron Services Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and estimates that are reasonable and prudent,
- c state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- d 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF QUADRON SERVICES LIMITED

We have audited the financial statements on pages 9 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx).

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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.


NIGEL HARDY (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol BS1 6AD

20th December 2013

Quadron Services Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2013

		2013	2012
	<i>Notes</i>	£000	£000
TURNOVER	2	25,382	27,527
Cost of sales		(15,814)	(17,725)
Gross profit		9,568	9,802
Administrative expenses		(7,893)	(8,251)
Other operating income	3	52	36
OPERATING PROFIT	4	1,727	1,587
Interest receivable	7	7	21
		1,734	1,608
Interest payable and similar charges	8	(187)	(274)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,547	1,334
Taxation	9	(316)	(296)
PROFIT FOR THE FINANCIAL YEAR	25	1,231	1,038

The results for the year arises from the company's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

Quadron Services Limited

BALANCE SHEET

31 March 2013

	Notes	2013 £000	2012 £000
FIXED ASSETS			
Intangible assets	10	—	—
Tangible assets	11	5,496	5,246
Investments	12	69	—
		<u>5,565</u>	<u>5,246</u>
CURRENT ASSETS			
Stocks	13	13	18
Debtors	14	13,095	11,435
Cash at bank and in hand		3,926	4,655
		<u>17,034</u>	<u>16,108</u>
CREDITORS			
Amounts falling due within one year	16	(13,089)	(12,809)
NET CURRENT ASSETS			
		<u>3,945</u>	<u>3,299</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>9,510</u>	<u>8,545</u>
CREDITORS			
Amounts falling due after more than one year	17	(2,176)	(2,442)
		<u>7,334</u>	<u>6,103</u>
CAPITAL AND RESERVES			
Called up share capital	23	55	55
Share premium account	24	177	177
Profit and loss account	25	7,102	5,871
SHAREHOLDER'S FUNDS			
	26	<u>7,334</u>	<u>6,103</u>

The financial statements on pages 9 to 23 were approved by the board of directors and authorised for issue on 20/12/2013 and are signed on their behalf by


G Poulter
Director

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

CONSOLIDATION

These financial statements present information about the company as an individual undertaking and not about its group. The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. The results of the company and its subsidiary undertakings are included in the accounts of Pfeiffer Holdings Limited, a company incorporated in the UK.

CASH FLOW STATEMENT

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

TURNOVER

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of trade discounts and value added tax, and is recognised on supply of the goods and services.

GOODWILL

Goodwill, representing the excess of the fair value of purchase consideration over the fair value of net assets acquired, is capitalised and amortised.

INVESTMENTS

Investments in subsidiary undertakings are stated at cost less provision for impairment.

AMORTISATION

Amortisation is calculated so as to write off the cost of an intangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Purchased goodwill	- five years (straight line)
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FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation and any provision for impairment, with the exception of investment properties which are held at valuation.

DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- 50 years (straight line)
Short leasehold improvements	- lease term (straight line)
Plant and machinery	- 1 to 12 years (straight line)
Fixtures and fittings	- 3 to 5 years (straight line)
Motor vehicles	- 3 to 5 years (straight line)

Residual value is calculated on prices prevailing at the date of acquisition.

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

1 ACCOUNTING POLICIES *(continued)*

INVESTMENT PROPERTIES

Investment properties are accounted for in accordance with SSAP19 Accounting for Investment Properties, which provides that these should not be subject to yearly depreciation charges (unless held on lease), but should be shown at open market value. This is contrary to the Companies Act 2006 which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost. Current cost accounting or the revaluation of specific assets to market value, as determined at the date of their last valuation, is also permitted.

The treatment of investment properties under the Companies Act 2006 does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect any manufacturing or trading operations of the enterprises. In such a case it is the current value of these investments, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by SSAP19 is considered appropriate for investment properties.

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

LEASING AND HIRE PURCHASE COMMITMENTS

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

PENSION COSTS

The defined benefit scheme is a funded scheme, the assets and liabilities of which are held independently from those of the company, in separate trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. An actuarial valuation is obtained at least triennially and updated at each balance sheet date.

The scheme is a multi-employer scheme. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme.

For the defined contribution scheme the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

1 ACCOUNTING POLICIES *(continued)*

TAXATION

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

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 the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which 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

FINANCIAL INSTRUMENTS

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 entity after deducting all of its financial liabilities

GOVERNMENT GRANTS

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred

2 TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2013	2012
	£000	£000
United Kingdom	25,382	27,527

3 OTHER OPERATING INCOME

	2013	2012
	£000	£000
Rent receivable	52	36

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

4 OPERATING PROFIT

Operating profit is stated after charging

	2013	2012
	£000	£000
Depreciation of owned fixed assets	946	976
Depreciation of assets held under finance lease agreements	735	727
Auditor's remuneration for statutory audit	23	18
Auditor's remuneration for other services	16	14
Operating lease costs land and buildings	206	278
Operating lease costs other	145	348

Auditor's fees

The fees charged by the auditor can be further analysed under the following headings for services rendered

	2013	2012
	£000	£000
Audit	23	18
Accountancy	7	6
Taxation	9	8
	<u>39</u>	<u>32</u>

The company bears the audit fees (where applicable), accounts preparation fees and tax compliance fees for its parent companies, subsidiaries and fellow subsidiaries

5 PARTICULARS OF EMPLOYEES

The average number of staff (including directors) employed by the company during the financial year was

	2013	2012
	No	No
Operations	667	715
Head office	20	16
	<u>687</u>	<u>731</u>

The aggregate payroll costs of the above were

	2013	2012
	£000	£000
Wages and salaries	13,367	13,775
Social security costs	1,008	1,083
Other pension costs	787	795
	<u>15,162</u>	<u>15,653</u>

Quadron Services Limited **NOTES TO THE FINANCIAL STATEMENTS** for the year ended 31 March 2013

6 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2013 £000	2012 £000
Remuneration receivable	194	—
Value of company pension contributions to money purchase schemes	12	—
	<u>206</u>	<u>—</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2013 No	2012 No
Money purchase schemes	<u>2</u>	<u>—</u>

In addition to the amounts shown above, certain directors are remunerated (including pension benefits) by the parent company, Pfeiffer Limited. It is not practicable to allocate their remuneration between their services to this company and other group companies.

7 INTEREST RECEIVABLE

	2013 £000	2012 £000
Bank interest receivable	7	13
Interest from group undertakings	—	8
	<u>7</u>	<u>21</u>

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £000	2012 £000
On finance leases	<u>187</u>	<u>274</u>

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

9 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013 £000	2012 £000
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 24% (2012 - 26%)	230	255
Under provision in prior years	-	1
	<u>230</u>	<u>256</u>
Group relief claimed	164	154
Total current tax	<u>394</u>	<u>410</u>
Deferred tax		
Origination and reversal of timing differences	(78)	(114)
Tax on profit on ordinary activities	<u>316</u>	<u>296</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24% (2012 - 26%), as explained below

	2013 £000	2012 £000
Profit on ordinary activities before taxation	<u>1,547</u>	<u>1,334</u>
Profit on ordinary activities by rate of tax	371	347
Effects of		
Expenses not deductible for tax purposes	19	30
Depreciation in excess of capital allowances	100	127
Adjustments to tax charge in respect of previous periods	-	1
Other short-term timing differences	(12)	(4)
Transfer pricing adjustment	(84)	(91)
Total current tax (note 9(a))	<u>394</u>	<u>410</u>

(c) Factors that may affect future tax charges

The main rate of corporation tax was reduced to 24% from 1 April 2012 and is expected to reduce to 20% by 1 April 2015. The 23% rate for 2013 was substantively enacted in July 2012. The 21% rate for 2014 and the 20% rate for 2015 were substantively enacted in July 2013.

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

10 INTANGIBLE FIXED ASSETS

	Purchased goodwill £000
Cost	
At 1 April 2012 and 31 March 2013	<u>200</u>
Amortisation	
At 1 April 2012	<u>200</u>
At 31 March 2013	<u>200</u>
Net book value	
At 31 March 2013	<u>-</u>
At 31 March 2012	<u>-</u>

11 TANGIBLE FIXED ASSETS

	Freehold Property £000	Short leasehold improve- ments £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
At 1 April 2012	1,201	13	6,674	398	3,598	11,884
Additions	<u>126</u>	<u>-</u>	<u>1,018</u>	<u>101</u>	<u>686</u>	<u>1,931</u>
At 31 March 2013	<u>1,327</u>	<u>13</u>	<u>7,692</u>	<u>499</u>	<u>4,284</u>	<u>13,815</u>
Depreciation						
At 1 April 2012	13	13	4,437	303	1,872	6,638
Charge for the year	<u>35</u>	<u>-</u>	<u>898</u>	<u>48</u>	<u>700</u>	<u>1,681</u>
At 31 March 2013	<u>48</u>	<u>13</u>	<u>5,335</u>	<u>351</u>	<u>2,572</u>	<u>8,319</u>
Net book value						
At 31 March 2013	<u>1,279</u>	<u>-</u>	<u>2,357</u>	<u>148</u>	<u>1,712</u>	<u>5,496</u>
At 31 March 2012	<u>1,188</u>	<u>-</u>	<u>2,237</u>	<u>95</u>	<u>1,726</u>	<u>5,246</u>

Included within Freehold Property is an investment property which was purchased during the year ended 31 March 2012 for consideration of £620 000. No depreciation has been charged on this asset and it is held at current market value in accordance with SSAP 19. The current market value is deemed to be £620 000.

Finance lease agreements

Included within the net book value of £5,496,000 is £2 650 000 (2012 - £2,073,000) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £735 000 (2012 - £727,000).

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

12 INVESTMENTS

	Shares in subsidiary undertakings £000
Cost	
Additions	69
At 31 March 2013	<u>69</u>
Net book value	
At 31 March 2013	69
At 31 March 2012	<u>-</u>

In August 2012, the company acquired 50% of the issued ordinary share capital of Blythe Valley Limited, incorporated in the United Kingdom and registered in England and Wales. The principal activity of Blythe Valley Limited is the provision of landscape and agricultural services. In the fifteen month period to 31 March 2013, Blythe Valley Limited made a profit of £12,000 (year to 31 December 2011 £37,000) and its aggregate capital and reserves at that date were £119,000 (31 December 2011 £147,000).

At the year end, the company also owned 100% of the issued share capital of The Property Group (2010) Limited, HUB Lettings and Support Limited (formerly The Administration Centre Limited) and Quadron Retail Limited. A previous dormant subsidiary, AJC Trading Limited, was dissolved during the year on 15 August 2012. At the year end, The Property Group (2010) Limited owned 100% of the issued share capital of Powell & Hughes Estate Agents Limited (which it acquired during the year). All of these companies are incorporated in the United Kingdom and registered in England and Wales.

The principal activity of The Property Group (2010) Limited is the management of property lettings, and that of HUB Lettings and Support Limited is the provision of services to property lettings businesses. Quadron Retail Limited and Powell & Hughes Estate Agents Limited are dormant.

The financial result for the year and the aggregate capital and reserves of these companies at the balance sheet date are as follows:

	2013 £000	2012 £000
<i>Profit and (loss) for the year</i>		
The Property Group (2010) Limited	(42)	(62)
HUB Lettings and Support Limited	(76)	(45)
Quadron Retail Limited	-	-
Powell & Hughes Estate Agents Limited	<u>20</u>	<u>40</u>
<i>Aggregate capital and reserves</i>		
The Property Group (2010) Limited	(136)	(95)
HUB Lettings and Support Limited	(166)	(90)
Quadron Retail Limited	(254)	(254)
Powell & Hughes Estate Agents Limited	<u>1</u>	<u>41</u>

All subsidiaries have taken advantage of the audit exemption provisions under section 479A of the Companies Act 2006 relating to subsidiary companies.

After the year end, The Property Group (2010) Limited and HUB Lettings and Support Limited were sold to Warne Investments Limited (a company under common control) for consideration equivalent to the net asset value of the companies at the date of sale.

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

13 STOCKS

	2013	2012
	£000	£000
Raw materials	<u>13</u>	<u>18</u>

There is no material difference between the balance sheet value of stocks and their replacement cost

14 DEBTORS

	2013	2012
	£000	£000
Trade debtors	2,350	2,107
Amounts owed by group undertakings	8,435	7,600
Other debtors	409	199
Prepayments and accrued income	1,648	1,354
Deferred taxation (note 15)	253	175
	<u>13,095</u>	<u>11,435</u>

The trade debtors are given as security for the group overdraft facility

15 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows

	2013	2012
	£000	£000
Included in debtors (note 14)	<u>253</u>	<u>175</u>

The movement in the deferred taxation account during the year was

	2013	2012
	£000	£000
Balance brought forward	175	61
Profit and loss account movement arising during the year	<u>78</u>	<u>114</u>
Balance carried forward	<u>253</u>	<u>175</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2013	2012
	£000	£000
Excess of depreciation over taxation allowances	225	134
Other timing differences	<u>28</u>	<u>41</u>
	<u>253</u>	<u>175</u>

Quadron Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

16 CREDITORS Amounts falling due within one year

	2013	2012
	£000	£000
Trade creditors	979	1,554
Amounts owed to group undertakings	3,370	3,384
Corporation tax	230	255
PAYE and social security	344	289
VAT	645	985
Obligations under finance lease agreements	1,548	1,270
Other creditors	492	234
Accruals and deferred income	5,481	4,838
	<u>13,089</u>	<u>12,809</u>

17 CREDITORS Amounts falling due after more than one year

	2013	2012
	£000	£000
Obligations under finance lease agreements	<u>2,176</u>	<u>2,442</u>

18 COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows

	2013	2012
	£000	£000
Amounts payable within 1 year	1,548	1,270
Amounts payable between 1 and 2 years	1,136	1,261
Amounts payable between 3 and 5 years	1,039	1,181
	<u>3,723</u>	<u>3,712</u>
Finance lease agreements are analysed as follows		
Current obligations	1,548	1,270
Non-current obligations	<u>2,176</u>	<u>2,442</u>
	<u>3,724</u>	<u>3,712</u>

The finance leases are secured on the related assets

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

19 PENSIONS

The group of which the company is a member operates a defined contribution pension scheme for certain employees and, for eligible employees, a defined benefit scheme providing benefits based on final pensionable pay. The total contributions for both schemes for the year to 31 March 2013 were £652,000 (2012 £663,000). Contributions of £nil (2012 £nil) were outstanding and payable to the fund at the balance sheet date.

The defined benefit scheme is a multi-employer scheme, the assets and liabilities of which are held independently from the group, being invested by independent investment managers. The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme.

The full actuarial valuation for the scheme as a whole at 5 April 2010 was updated to 31 March 2013 by a qualified actuary and showed that the market value of the scheme's assets was £12.5m (2012 £11.2m) and that the value of these assets represented 99% (2012 98%) of the benefits that had accrued to members. The deficit on the scheme will be reduced through continuing with increased contributions by employees and participating employers. Full details of the scheme are available in the Pfeiffer Holdings Limited accounts.

20 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as set out below:

	2013		2012	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire				
Within 1 year	67	43	39	2
Within 2 to 5 years	92	61	87	123
After more than 5 years	5	-	95	-
	<u>164</u>	<u>104</u>	<u>221</u>	<u>125</u>

21 OTHER COMMITMENTS

The company is party to a guarantee and set off agreement between the group's bankers and various group undertakings.

After the year end, in connection with the sale of the company's subsidiary The Property Group (2010) Limited to Warne Investments Limited, the company entered into a joint guarantee in respect of the bank borrowings of The Property Group (2010) Limited, which at the date of this report stood at £1,000,000.

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

22 RELATED PARTY TRANSACTIONS

Under the provisions of Financial Reporting Standard 8, the company is not required to disclose details of related party transactions with group entities as it is a wholly-owned subsidiary and the consolidated financial statements in which the company's results are included are available to the public.

Quantum Bookbinders Limited, Quantum Coatings Limited, Hobbs & Webb Limited and Letsure Properties Limited are not group companies but are deemed to be related parties of the company on the grounds that they are controlled and owned by M Martin and G Poulter

During the year under review, the company invoiced Quantum Bookbinders Limited £117,000 (2012 £350,000) and purchased services of £20,000 (2012 £nil) from Quantum Bookbinders Limited. At the year-end Quantum Bookbinders Limited owed the company £344,000 (2012 £372,000)

During the year under review, the company invoiced Quantum Coatings Limited £103,000 (2012 £56,000) and purchased services of £15,000 (2012 £nil) from Quantum Coatings Limited. At the year-end Quantum Coatings Limited owed the company £143,000 (2012 £136,000)

During the year under review, the company invoiced Hobbs & Webb Limited £184,000 (2012 £nil). At the year-end Hobbs & Webb Limited owed the company £183,000 (2012 £nil)

During the year under review, the company invoiced Letsure Properties Limited £19,000 (2012 £nil). At the year-end Letsure Properties Limited owed the company £17,000 (2012 £nil)

23 SHARE CAPITAL

	2013 £000	2012 £000
Allotted, called up and fully paid 5,510,001 Ordinary shares of £0.01 each	<u>55</u>	<u>55</u>

24 SHARE PREMIUM ACCOUNT

There was no movement on the share premium account during the financial year

25 PROFIT AND LOSS ACCOUNT

	2013 £000	2012 £000
At the beginning of the year	5,871	4,833
Profit for the financial year	<u>1,231</u>	<u>1,038</u>
At the end of the year	<u>7,102</u>	<u>5,871</u>

26 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2013 £000	2012 £000
Profit for the financial year	1,231	1,038
Opening shareholder's funds	<u>6,103</u>	<u>5,065</u>
Closing shareholder's funds	<u>7,334</u>	<u>6,103</u>

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

27 CONTROLLING PARTY AND PARENT UNDERTAKING

The ultimate controlling parties are the directors M Martin and G Poulter. The immediate parent company is Pfeiffer Limited, a company incorporated in the United Kingdom and registered in England and Wales. The ultimate parent company is Pfeiffer Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales.

Pfeiffer Holdings Limited heads the largest and smallest group in which the results of the company are consolidated. The consolidated financial statements of Pfeiffer Holdings Limited are available from its registered office at The Hub, Warne Road, Weston-Super-Mare, North Somerset, BS23 3UU.

28 POST BALANCE SHEET EVENT

After the year end, the company's subsidiaries The Property Group (2010) Limited and HUB Lettings and Support Limited were sold to Warne Investments Limited (a company under common control) for consideration equivalent to the net asset value of the companies at the date of sale.