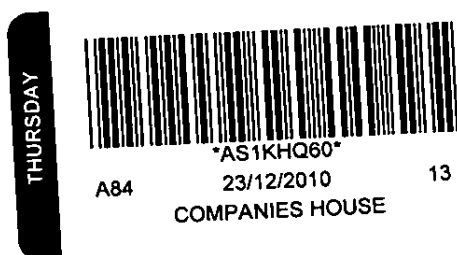


Quadron Services Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2010



Quadron Services Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Balls
I Carpenter
J Daughtry
C Ivis
M Martin
G Poulter

SECRETARY

G Poulter

REGISTERED OFFICE

Quadron House
Mendip Road
Weston Super Mare
Somerset
BS23 3HB

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 2010

PRINCIPAL ACTIVITY

The company's principal activity is the provision of contracted services in the areas of building maintenance and environmental services, in the main to the public sector, but also to the retail sector

REVIEW OF THE BUSINESS

The major operational focus of the year was the consolidation of the major wins of five contracts on behalf of Birmingham City Council and one for Bristol City Council. The contracts have been successfully integrated into the existing grounds maintenance business and are running with a high degree of client and resident satisfaction.

Additions were made to the Management Board during the year to facilitate the growth in business including the appointment of an Operations Director and Senior HR Manager. In line with the five year Business Development Strategy developed at the end of 2009 and its focus on developing employees and sustainable links with local communities as the key to future success, the company also made some senior level corporate appointments including Training Manager, Horticultural Development Manager and Senior IT Manager.

At April 2010, the company's Forward Order Book for grounds maintenance term contracts stood at £225m inclusive of available extension periods with core contract terms worth £143m thus providing a viable business with reliable clients extending until 2021. Given this base, the future tendering strategy is selective, targeting only sensible additional contracts that will add long-term sustainable business. The commercial outlook is favourable with some excellent opportunities on the horizon.

To underpin the company's robustness during these times of tightening budgets cash flow is 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.

During the year the company experienced considerable success in its market place, winning prestigious Horticulture Week Landscape Amenity Awards for Grounds Maintenance Contractor of the Year, Partnering Award (in conjunction with the Royal Borough of Kingston upon Thames) and Apprentice of the Year. Seven new Green Flags were also awarded for Quadron-maintained parks in addition to the retention of all previous ones, giving a total of 16 across the company (which has been increased to 23 during 2010).

Focus has continued on consolidating internal procedures to underpin the incremental growth in business with the aim of gaining ISO 9001 (Quality), 14001 (Environment) and 18001 (Health & Safety) accreditations by mid 2011. The company's intranet site has been developed for all employees to easily access policies and procedures, and PCs have been introduced into a messroom on each contract for all employees to be able to access risk and COSHH assessments, safe working practices and other company policies and procedures.

All managers and most supervisors are qualified to CIEH Level 2 in Health & Safety, Risk Assessment and COSHH with most already at Level 3. Amongst the workforce, the new positions of 'Lantra-Awards Trainers' and 'Biodiversity Champions' have become very popular with colleagues and clients. The Lantra-Awards Trainers are delivering accredited training on Ride-On and Pedestrian mowers and other groundscare equipment to their colleagues and all new staff.

Quadron Services Limited

DIRECTORS' REPORT

REVIEW OF THE BUSINESS *(continued)*

Community engagement issues remain high on the agenda and excellent relationships continue to be established with Friends Of groups and Residents' Associations. Quadron has also worked in partnership with Groundwork, the environmental regeneration charity, to provide work placements for the long term unemployed or ex-offenders. The 'Future Jobs Fund' and 'Cultivating Recovery' schemes have been very popular with clients, providing tangible sustainable benefits for the local communities. Up to 120 Groundwork placements at any one time have worked on Quadron contracts, gaining training and experience and providing Quadron with a valuable additional resource to provide an enhanced level of service to its clients.

Finally, and probably most importantly, the company has concentrated on maintaining effective relationships with existing clients and ensuring that every single client would speak well of Quadron. This is particularly exemplified by the turn-around of the contract with Medway during this year, in operational, financial and client relationship terms, brought about through the transition to an innovative Integrated Management Model. The company also stepped in on a temporary basis to assist the ongoing management arrangements for several of its former building maintenance contracts, on a very restricted geographical basis.

In conclusion, therefore, a successful year operationally and financially, culminating in the accolade of Contractor of the Year and a strong set of financial accounts.

RESULTS AND DIVIDENDS

The profit for the year amounted to £803,000. The directors have not recommended a dividend.

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 2010 a valuation of the scheme indicated that the value of the scheme assets stands at £9.8m (2009 £7.5m) with the shortfall in the scheme standing at £187,000 (2009 £192,000) (net of deferred tax).

DIRECTORS

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

J Balls
I Carpenter
J Daughtry
C Ivis
M Martin
G Poulter
S Price

(resigned 22 September 2010)

Quadron Services Limited

DIRECTORS' REPORT

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.

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.

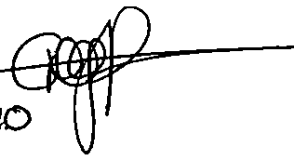
AUDITOR

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

On behalf of the board

G Poulter
Secretary

17 December 2010



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 MEMBERS OF QUADRON SERVICES LIMITED

We have audited the financial statements on pages 7 to 18. 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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5, 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 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

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

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 2010 and 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.

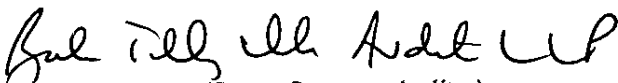
Opinion on other matters prescribed by the Companies Act 2006

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

20 December 2010

Quadron Services Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2010

	<i>Notes</i>	2010 £000	2009 £000
TURNOVER	2	28,279	38,037
Cost of sales		(17,198)	(26,467)
Gross profit		11,081	11,570
Administrative expenses		(10,154)	(10,384)
OPERATING PROFIT	3	927	1,186
Interest receivable		13	35
		940	1,221
Interest payable and similar charges	5	(219)	(154)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		721	1,067
Taxation	6	82	(199)
PROFIT FOR THE FINANCIAL YEAR	22	803	868

The profit 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

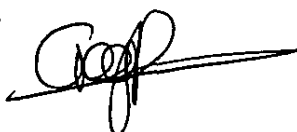
BALANCE SHEET

31 March 2010

	Notes	2010 £000	2009 £000
FIXED ASSETS			
Intangible assets	8	–	–
Tangible assets	9	5,540	2,830
		<u>5,540</u>	<u>2,830</u>
CURRENT ASSETS			
Stocks	11	112	53
Debtors	12	10,188	7,255
Cash at bank and in hand		4,466	3,309
		<u>14,766</u>	<u>10,617</u>
CREDITORS			
Amounts falling due within one year	14	(12,406)	(8,332)
NET CURRENT ASSETS		<u>2,360</u>	<u>2,285</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,900</u>	<u>5,115</u>
CREDITORS			
Amounts falling due after more than one year	15	(3,883)	(1,826)
PROVISIONS FOR LIABILITIES		<u>–</u>	<u>(75)</u>
		<u>4,017</u>	<u>3,214</u>
CAPITAL AND RESERVES			
Called up share capital	20	55	55
Share premium account	21	177	177
Profit and loss account	22	3,785	2,982
SHAREHOLDERS' FUNDS	23	<u>4,017</u>	<u>3,214</u>

The financial statements on pages 7 to 18 were approved by the board of directors and authorised for issue on 17 December 2010 and are signed on their behalf by

G Poulter
Director



Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2010

1 ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

CONSOLIDATION

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

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

GOODWILL

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

AMORTISATION

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

Goodwill	- five years (straight line)
----------	------------------------------

FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation and any provision for impairment

DEPRECIATION

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

Short leasehold improvements	- lease term (straight line)
Plant and machinery	- 3 to 5 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

STOCKS

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

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

1 ACCOUNTING POLICIES *(continued)*

WORK IN PROGRESS

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

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 2010

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities

Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

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

	2010	2009
	£000	£000
United Kingdom	<u>28,279</u>	<u>38,037</u>

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

3 OPERATING PROFIT

Operating profit is stated after charging

	2010 £000	2009 £000
Depreciation of owned fixed assets	672	258
Depreciation of assets held under finance lease agreements	599	429
Auditor's remuneration		
- as auditor	15	33
- for other services	3	3
Operating lease costs		
- Other	<u>392</u>	<u>773</u>

4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year was

	2010 No	2009 No
Operations	792	876
Head office	13	22
	<u>805</u>	<u>898</u>

The aggregate payroll costs of the above were

	2010 £000	2009 £000
Wages and salaries	14,599	16,635
Social security costs	1,090	1,410
Other pension costs	817	500
	<u>16,506</u>	<u>18,545</u>

The directors of the company are remunerated by the parent company, Pfeiffer Limited. It is not practicable to allocate total remuneration between their services to this company and other group companies.

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £000	2009 £000
On finance leases	<u>219</u>	<u>154</u>

Quadron Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2010 £000	2009 £000
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 28% (2009 - 28%)	73	198
(Over)/under provision in prior year	(49)	(13)
Total current tax	<u>24</u>	<u>185</u>
Deferred tax		
Origination and reversal of timing differences	(106)	14
Tax on profit on ordinary activities	<u>(82)</u>	<u>199</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%), as explained below

	2010 £000	2009 £000
Profit on ordinary activities before taxation	<u>721</u>	<u>1,067</u>
Profit on ordinary activities by rate of tax	202	299
Effects of		
Expenses not deductible for tax purposes	64	17
Capital allowances for period in excess of depreciation	(26)	(7)
Adjustments to tax charge in respect of previous periods	(49)	(13)
Income not chargeable for tax purposes	-	(7)
Other short-term timing differences	(88)	-
Transfer pricing adjustment	(98)	(98)
Sundry tax adjusting items	19	(6)
Total current tax (note 6(a))	<u>24</u>	<u>185</u>

7 DIVIDENDS

Equity dividends	2010 £000	2009 £000
Paid during the year		
Dividend per ordinary share £- (2009 £0 48)	<u>-</u>	<u>2,626</u>

Quadron Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

8 INTANGIBLE FIXED ASSETS

	Goodwill £000
Cost	
At 1 April 2009 and 31 March 2010	<u>200</u>
Amortisation	
At 1 April 2009	<u>200</u>
At 31 March 2010	<u>200</u>
Net book value	
At 31 March 2010	<u>—</u>
At 31 March 2009	<u>—</u>

9 TANGIBLE FIXED ASSETS

	Short leasehold improvements £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost					
At 1 April 2009	613	3,532	1,306	1,094	6,545
Additions	—	2,192	21	1,783	3,996
Disposals	—	(15)	—	—	(15)
Transfers	—	14	(14)	—	—
At 31 March 2010	<u>613</u>	<u>5,723</u>	<u>1,313</u>	<u>2,877</u>	<u>10,526</u>
Depreciation					
At 1 April 2009	602	1,526	1,226	361	3,715
Charge for the year	4	914	29	324	1,271
At 31 March 2010	<u>606</u>	<u>2,440</u>	<u>1,255</u>	<u>685</u>	<u>4,986</u>
Net book value					
At 31 March 2010	<u>7</u>	<u>3,283</u>	<u>58</u>	<u>2,192</u>	<u>5,540</u>
At 31 March 2009	<u>11</u>	<u>2,006</u>	<u>80</u>	<u>733</u>	<u>2,830</u>

Finance lease agreements

Included within the net book value of £5,540,000 is £2,008,000 (2009 - £2,600,000) 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 £599,000 (2009 - £429,000).

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

10 FIXED ASSET INVESTMENTS

The company holds 100 £1 ordinary shares (issued at par) in Quadron Retail Limited. This is a 100% holding in the company, whose principal activity is the provision of contract services to retail customers. The directors of the company have signalled their intention not to enter into any new contracts in this company. Quadron Retail Limited is registered in England and Wales.

The company holds 240 (2009: 240) £1 ordinary shares (issued at par) in AJC Trading Limited. This is a 27% (2009: 27%) holding in the company, whose principal activity is garden services. AJC Trading Limited is registered in England and Wales.

11 STOCKS

	2010 £000	2009 £000
Raw materials	33	53
Work in progress	79	—
	<u>112</u>	<u>53</u>

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

12 DEBTORS

	2010 £000	2009 £000
Trade debtors	3,557	2,518
Amounts owed by group undertakings	4,238	3,312
Corporation tax repayable	20	20
Other debtors	148	258
Directors' loan accounts	82	—
Prepayments and accrued income	2,112	1,147
Deferred taxation (note 13)	31	—
	<u>10,188</u>	<u>7,255</u>

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

13 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows:

	2010 £000	2009 £000
Included in debtors (note 12)	31	—
Included in provisions	—	(75)
	<u>31</u>	<u>(75)</u>

The movement in the deferred taxation account during the year was:

	2010 £000	2009 £000
Balance brought forward	(75)	(61)
Profit and loss account movement arising during the year	106	(14)
Balance carried forward	<u>31</u>	<u>(75)</u>

Quadron Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2010

13 DEFERRED TAXATION *(continued)*

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

	2010	2009
	£000	£000
Excess of taxation allowances over depreciation on fixed assets	(74)	221
Other timing differences	105	(296)
	<u>31</u>	<u>(75)</u>

14 CREDITORS Amounts falling due within one year

	2010	2009
	£000	£000
Trade creditors	1,942	741
Amounts owed to group undertakings	4,106	4,023
VAT	949	623
Obligations under finance lease agreements	1,286	371
Other creditors	919	855
Accruals and deferred income	3,204	1,719
	<u>12,406</u>	<u>8,332</u>

15 CREDITORS Amounts falling due after more than one year

	2010	2009
	£000	£000
Obligations under finance lease agreements	<u>3,883</u>	<u>1,826</u>

16 COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows

	2010	2009
	£000	£000
Amounts payable within 1 year	1,286	371
Amounts payable between 1 and 2 years	1,211	646
Amounts payable between 3 and 5 years	2,672	1,180
	<u>5,169</u>	<u>2,197</u>

The finance leases are secured on the related assets

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2010

17 PENSIONS

The company operates a defined contribution pension scheme for certain employees of Quadron Services Limited and Pfeiffer Limited and, for eligible employees, a defined benefit scheme providing benefits based on final pensionable pay. The total contributions for both schemes for the year were £868,000 (2009 £1,475,000). Contributions of £nil (2009 £4,000) 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 6 April 2007 was updated to 31 March 2010 by a qualified actuary and showed that the market value of the scheme's assets was £9.8m (2009 £7.5m) and that the value of these assets represented 97% (2009 97%) 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.

18 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2010 the company had annual commitments under non-cancellable operating leases as set out below:

	2010		2009	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire				
Within 1 year	49	29	-	51
Within 2 to 5 years	108	187	145	137
After more than 5 years	38	4	64	-
	<u>195</u>	<u>220</u>	<u>209</u>	<u>188</u>

19 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.

During the year, credit was extended to two directors, M Martin and G Poulter. The maximum amount outstanding was £nil for M Martin and £30,000 for G Poulter (2009 nil for both directors). At the year-end the company owed £4,000 to these two directors (2009 the company was owed £76,000 by the directors).

20 SHARE CAPITAL

	2010 £000	2009 £000
Allotted, called up and fully paid 5,510,001 Ordinary shares of £0.01 each	<u>55</u>	<u>55</u>

21 SHARE PREMIUM ACCOUNT

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

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2010

22 PROFIT AND LOSS ACCOUNT

	2010	2009
	£000	£000
At 1 April 2009	2,982	4,740
Profit for the financial year	803	868
Dividends	—	(2,626)
At 31 March 2010	<u>3,785</u>	<u>2,982</u>

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010	2009
	£000	£000
Profit for the financial year	803	868
Dividends	—	(2,626)
Net addition/(reduction) to shareholders' funds	803	(1,758)
Opening shareholders' funds	3,214	4,972
Closing shareholders' funds	<u>4,017</u>	<u>3,214</u>

24 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 Quadron House, Mendip Road, Weston Super Mare, Somerset, BS23 3HB.