

Company Registration No. 02810263 (England and Wales)

QUADRON SERVICES LIMITED

**REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2015**

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QUADRON SERVICES LIMITED

COMPANY INFORMATION

Directors

J Daughtry
C Ivil
M Martin
J Moore
G Poulter

Secretary

C Darby

Company number

02810263

Registered office

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

Auditors

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

QUADRON SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present the strategic report and financial statements for the year ended 31 March 2015.

Review of the business

2014/15 was a year of refocusing the company to ensure that it continues to evolve to meet the challenges presented by the changing political, economic and social environment. Emphasis was placed on reinvigorating "The Quadron Way": maintaining the integrity and transparency of our approach to all relationships, internal and external, and ensuring excellence in customer care and quality standards.

A new governance structure was introduced to develop a more rigorous, challenging and forward-looking internal culture. Whilst the stability and consistency of the senior management team is viewed as a strength, additional input has been invited from contract managers. Cross-departmental functional committees have been created and tasked with specific projects focussed around improving customer service and driving productivity and cost efficiencies.

As a result of the above measures, clients' budgetary pressures were generally successfully managed in partnership to minimise their effect on both service delivery standards and the company's profitability, thus underwriting Quadron's reputation as a proactive and cooperative long-term service partner.

The new Croydon and Charnwood contracts were successfully integrated during the year with a high level of client satisfaction achieved, particularly following the retention of the Gold Midlands-In-Bloom award for Loughborough in the Small City category.

Commercial Success

Contract wins during the year included Cherwell District Council and South Northamptonshire Council with an annual value of ca. £500k for a six year core term with a three year extension option. Two contracts with Affinity Sutton in Plymouth and Exeter were also retained following re-tender, adding a further £600k to the order book.

Five-year extension terms were agreed with the Royal Borough of Kingston upon Thames and with Teignbridge District Council. Cemeteries and closed churchyards were added to Quadron's portfolio in Teignbridge for the extension period, increasing the annual contract value by £70k.

A two year extension term with the Birmingham & Solihull Mental Health Foundation Trust was also agreed, and a further Deed of Variation was entered into with the London Borough of Southwark to extend the contract until September 2016.

Quadron also took over the management of sports bookings on behalf of the London Borough of Hammersmith & Fulham from December 2014, which is worth over £500k per annum, as well as the management of sports bookings and allotments on behalf of Wycombe District Council with effect from January 2015.

Financial Control

Quadron's financial strategy is geared towards maximising its credit ratings. Focus remains on tight daily cashflow management, with prompt invoicing and proactive management of debtors being understood as a priority throughout all levels of the organisation. The cash position has remained strong during the year.

Profitability is monitored via weekly reporting of month end projections for every contract so that corrective action can be immediately implemented. Regular reviews of each contract's financial performance take place between operational teams and their dedicated accountants. The success of this strategy is reflected in the fact that by the end of the year there were no loss-making contracts.

Prudent accounting policies ensure that all development and start-up costs are fully expensed when incurred.

QUADRON SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

Operational Highlights and Awards

2014/15 was another successful year operationally with no significant default penalties and high key performance indicator scores on most contracts. Particularly pleasing was the award of the full £50k available bonus for achievement of Charnwood's Key Performance Indicators in year one of the contract. Many customer compliments were received across the company and all client relationships remained excellent.

Once again some significant industry successes were achieved during the year. These included a BALI Principal Award for Southwark Park and a National Award for Courtenay Park in Newton Abbot.

A further four new Green Flags were awarded to Quadron-maintained parks in addition to the retention of previous ones, bringing Quadron's total Green Flag accredited sites to 68.

Quadron's clients enjoyed high success rates with their In-Bloom entries in the summer of 2014. The Royal Borough of Kensington & Chelsea won Gold and Category Winner in the London in Bloom City category as well as First Place in the Biodiversity Award, Gold and joint Category Winner for Little Wormwood Scrubs in the large park of the year category and Golds for Holland Park and five other parks. Croydon Council also gained six Gold Awards. Birmingham City Council won Gold and category winner for the Large City Category of Heart of England in Bloom for the fourth consecutive year, with Loughborough winning Gold in the Small City Category of East Midlands in Bloom. Wokingham Town Council, who entered for the first time with Quadron's support in 2013, again won a Silver Gilt in Thames and Chilterns in Bloom.

Cultivating Sustainable Green Communities and "Giving Back" to the Community

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.

Quadron's relationship with Blue Sky, a charity that provides work-experience opportunities for ex-offenders, has been one of the year's success stories. In Wandsworth cemetery the day to day maintenance work has been subcontracted to Blue Sky to deliver: groups of ex-offenders are given structured, mentored work experience programmes and provided with training which often leads to long-term job opportunities. Quadron has also continued to work in partnership with Groundwork, the environmental regeneration charity, to provide work placements and permanent job opportunities for the long term unemployed, and with Thrive, to provide similar support for disabled people.

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.

Corporate and community volunteer days were hosted to carry out tree planting, scrub clearance and other similar beneficial tasks in many parks and open spaces. Around 34,000 volunteer hours were worked in total, providing added value and additional services for clients – an equivalent of around 20 full time equivalent permanent employees.

During the year, a Facebook page (www.facebook.com/QuadronCommunityPartners) was set up to promote Quadron's involvement with third sector and community groups and to showcase the involvement of our employees.

Industry Representation

Managing Director Clive Ivis continued to sit on the BALI board of directors and the National Contractors' Forum, and Quadron is also a member of the London Parks Benchmarking Group, thus ensuring the company is 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.

QUADRON SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

Standards of Compliance

Quadron was pleased to gain a Gold Award from RoSPA for standards of safety, and to retain its Investors in People, CHAS, Exor and ISO14001 accreditations as well as its status as a CIEH registered training centre. 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.

Quadron also continues to invest in its ICT systems to keep abreast of industry developments, particularly in real-time reporting and mobile field technology.

Communicating with Employees

Communications with staff include a newly-launched e-newsletter distributed to all employees with a Quadron email address as well as those who sign up to it using a personal email address. Toolbox talks are given regularly to provide updates on general company information and health and safety issues.

An Employee Assistance Programme is provided by BHSF, providing free confidential advice to employees and their families, as well as a comprehensive employee benefits package, "My Quadron Benefits", offering many healthcare, leisure and retail discounts. Quadron is also a Platinum Partner with Perennial, an environmental charity who also provide advice to employees in need.

An Employee, Team and Driver of the Month scheme operates with a £50 reward voucher for each winner of each category. Awards are generally made for exemplary customer service and compliments from the public. A Loyalty Awards scheme also pays a cash bonus to employees on each five year anniversary.

Feedback from a staff survey revealed that 94% of employees feel motivated and happy in their work.

Training and Development

Training as ever has remained a high priority during the year. Every employee has a Personal Development Log and their own on-line training record. Course directories for in-house CIEH and Lantra-Awards accredited training courses enable employees and managers to see what is available, and to fulfil training needs to enable all employees to progress their careers and maintain their competency levels.

Quadron remains as committed as ever to developing its staff and to promoting from within the organisation wherever possible. There are currently 16 apprentices on formal programmes, with many more staff studying for NVQ qualifications at various levels.

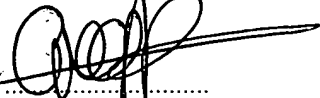
As part of the company's new governance structure, a Development Committee was created, whose members are volunteers from all levels within the organisation, tasked with brainstorming innovative ideas and solutions to ensure that best practice is adopted across the whole company.

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

Matters of strategic importance

The principal risk and uncertainty to which the company is exposed is the ongoing budgetary pressures faced by local authority customers and the resulting impact on turnover. Other matters of strategic importance are the recruitment, retention, training and development of staff, the maintenance of health and safety standards, and the retention of the company's industry standards accreditations. Financial risk management objectives and policies are described in the directors' report.

On behalf of the board



G Poulter

Director

28 December 2014

QUADRON SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

The directors present their report and financial statements for the year ended 31 March 2015.

Principal activities

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

Results and dividends

The company's profit for the year after taxation was £1,302,987 (2014: £959,549).

Future developments

Future developments are disclosed above in the Strategic Report.

Financial risk management objectives and policies

The principal financial risk relates to cash flow management. 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.

Directors

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

J Daughtry
C Ivil
M Martin
J Moore
G Poulter

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.

Disabled persons

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.

Pension scheme

The group's final salary pension scheme is now closed to new entrants from existing participating employers. As at 31 March 2015 a valuation of the scheme indicated that the value of the scheme assets stands at £14.7m (2014: £13.2m) with the shortfall in the scheme standing at £285,000 (2014: £104,000) (net of deferred tax).

Auditors

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

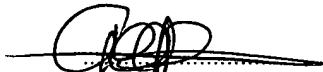
QUADRON SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



G Pouker

Director

23 December 2015

QUADRON SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

The directors are responsible for preparing the Strategic Report, 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 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;
- 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 9 to 25. 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 6, 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/auditscopeukprivate>

Opinion on 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 2015 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.

Emphasis of matter - recoverability of debtor balances

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the recoverability of debtors balances due to the company by related companies. At 31 March 2015, there were sums totalling £2,341,000 due to the company from companies related by common control. These balances have been reviewed for recoverability by the directors of the company, who are satisfied, based on forecasts prepared by the related companies, that the debts are recoverable and that there is no need for impairment. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast doubt on the recoverability of these debtors. The financial statements do not include the adjustments that would result if the company was unable to fully recover these debtor balances.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUADRON SERVICES LIMITED (CONTINUED)

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.

RSM UK Audit LLP

Nigel Hardy (Senior Statutory Auditor)

for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol

BS1 6AD

28 December 2018

QUADRON SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2015 £	2014 £
Turnover	2	30,638,309	28,668,964
Cost of sales		(19,915,772)	(18,106,809)
Gross profit		10,722,537	10,562,155
Administrative expenses		(9,173,835)	(8,885,822)
Other operating income		51,900	47,784
Operating profit		1,600,602	1,724,117
Loss on termination of discontinued operations	7	-	(289,648)
Profit on ordinary activities before investment income and interest		1,600,602	1,434,469
Investment income	4	55,063	34,972
Interest payable and similar charges	5	(127,021)	(159,874)
Profit on ordinary activities before taxation	6	1,528,644	1,309,567
Tax on profit on ordinary activities	10	(225,657)	(350,018)
Profit for the financial year	20	1,302,987	959,549

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

QUADRON SERVICES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2015

	2015	2014
	£	£
Profit for the financial year	1,302,987	959,549
Unrealised surplus on revaluation of properties	-	45,000
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	<u>1,302,987</u>	<u>1,004,549</u>

QUADRON SERVICES LIMITED**BALANCE SHEET
AS AT 31 MARCH 2015**

	Notes	2015 £	£	2014 £	£
Fixed assets					
Intangible assets	12		-		-
Tangible assets	13		5,541,528		5,418,705
Investments	14		68,602		68,602
			<u>5,610,130</u>		<u>5,487,307</u>
Current assets					
Stocks	15		14,664		12,169
Debtors	16		15,611,352		14,661,264
Cash at bank and in hand			3,476,306		3,538,833
			<u>19,102,322</u>		<u>18,212,266</u>
Creditors: amounts falling due within one year	17		(13,270,798)		(13,588,017)
Net current assets			<u>5,831,524</u>		<u>4,624,249</u>
Total assets less current liabilities			11,441,654		10,111,556
Creditors: amounts falling due after more than one year	18		(2,050,488)		(2,023,377)
Net assets			<u><u>9,391,166</u></u>		<u><u>8,088,179</u></u>
Capital and reserves					
Called up share capital	19		55,100		55,100
Share premium account	20		177,025		177,025
Revaluation reserve	20		45,000		45,000
Profit and loss account	20		9,114,041		7,811,054
Shareholder's funds	21		<u><u>9,391,166</u></u>		<u><u>8,088,179</u></u>

The financial statements on pages 9 to 25 were approved by the board of directors and authorised for issue on 23/12/2015 and are signed on its behalf by:



G Poulter
Director

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with applicable United Kingdom 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.

These financial statements therefore present information about the company as an individual undertaking and not about its group. The results of the company and its subsidiary undertakings are included in the accounts of Pfeiffer Holdings Limited, a company incorporated in the United Kingdom.

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 on a straight-line basis through the profit and loss account over its useful economic life, which is estimated to be five to eight years.

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as set out below. Residual value is calculated on prices prevailing at the date of acquisition. Freehold land is not depreciated.

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 10 years (straight line)

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.

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies (Continued)

Investments

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

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike the Companies Act, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Stock

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

Pensions

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.

Deferred 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.

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

1 Accounting policies (Continued)

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.

Debtors

The directors review debtor balances annually to ensure that appropriate provision is made for any balances where full recovery is considered unlikely.

Included in debtors at 31 March 2015 are sums due from companies related by common control with a carrying value of £2,341,000. The directors have reviewed forecasts which indicate that these related companies are expected to report significant growth in profitability and cash generation, which they consider will enable these debts to be recovered over a period of up to five years. However, the directors are aware that there is a degree of uncertainty inherent in such forecasts, and that the risk remains that these related companies will not perform as anticipated and that there may not be full recovery of the sums due to the company. However, on the balance of probabilities, the directors consider that, based on the forecasts prepared, these debts will be fully recovered and are therefore satisfied that these balances can be retained without provision.

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 total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Other operating income	2015	2014
	£	£
Rent receivable	51,900	47,784
	<u>51,900</u>	<u>47,784</u>
	<u><u>51,900</u></u>	<u><u>47,784</u></u>
4 Investment income	2015	2014
	£	£
Interest from related companies (see note 25)	50,573	-
Bank interest	4,490	34,972
	<u>55,063</u>	<u>34,972</u>
	<u><u>55,063</u></u>	<u><u>34,972</u></u>

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

5	Interest payable and similar charges	2015 £	2014 £
	Hire purchase interest	127,021	159,874

6	Profit on ordinary activities before taxation	2015 £	2014 £
	Profit on ordinary activities before taxation is stated after charging:		
	Depreciation of tangible fixed assets		
	- owned	619,590	885,471
	- held under finance leases and hire purchase contracts	985,960	940,377
	Loss on disposal of tangible assets	31,131	-
	Operating lease rentals		
	- Plant and machinery	143,481	140,905
	- Other assets	166,545	166,545

Auditors' remuneration

Amounts payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services were as follows:

Audit services		
- statutory audit of financial statements	23,750	22,750
Non audit services		
- Taxation services	8,000	6,200
- Accounts preparation services	7,400	5,950
	39,150	34,900

7 Exceptional items reported after operating profit

In the comparative period, the loss of £289,648 on termination of discontinued operations (which includes a depreciation charge of £220,449) reflects the closure of a small catering business unrelated to the company's core activities.

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

8 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Operations	776	741
Head office	22	21
	<u>798</u>	<u>762</u>

Employment costs

	2015 £	2014 £
Wages and salaries	16,107,840	14,908,121
Social security costs	1,273,066	1,190,324
Other pension costs	1,169,202	769,976
	<u>18,550,108</u>	<u>16,868,421</u>

9 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	218,620	223,828
Company contributions to money purchase pension schemes	12,574	12,499
	<u>231,194</u>	<u>236,327</u>

The number of directors to whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2014 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	135,023	138,295
Company contributions to money purchase pension schemes	7,651	7,575
	<u>142,674</u>	<u>145,870</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.

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

10 Tax on profit on ordinary activities

	2015 £	2014 £
Current tax		
U.K. corporation tax	158,460	260,210
Adjustment in respect of prior years	(75,556)	(15,806)
Payment in respect of group relief	93,986	114,210
Total current tax	<u>176,890</u>	<u>358,614</u>
Deferred tax		
Origination and reversal of timing differences	48,767	(8,596)
Total tax on profit on ordinary activities	<u>225,657</u>	<u>350,018</u>

Factors affecting the tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax of 21% (2014 - 23%). The differences are explained below:

Profit on ordinary activities before taxation	<u>1,528,644</u>	<u>1,309,567</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2014 - 23.00%)	<u>321,015</u>	<u>301,200</u>
Effects of:		
Expenses not deductible for tax purposes	26,946	93,798
Capital allowances (in excess of)/less than depreciation	(16,688)	56,525
Adjustments to tax charge in respect of previous periods	(75,556)	(15,806)
Short-term timing differences	(5,327)	3,397
Transfer pricing adjustments	(73,500)	(80,500)
	<u>(144,125)</u>	<u>57,414</u>
Current tax charge for the year	<u>176,890</u>	<u>358,614</u>

Factors that may affect future tax charges

The main rate of corporation tax has been reduced to 20% from 1 April 2015.

11 Dividends

	2015 £	2014 £
Final dividends paid on ordinary shares	<u>-</u>	<u>250,000</u>

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

12 Intangible fixed assets

	Purchased goodwill
	£
Cost or valuation	
At 1 April 2014 & at 31 March 2015	200,000
	<hr/>
Amortisation	
At 1 April 2014 & at 31 March 2015	200,000
	<hr/>
Net book value	
At 31 March 2015	-
	<hr/> <hr/>
At 31 March 2014	-
	<hr/> <hr/>

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

13 Tangible fixed assets

	Freehold property	Short leasehold improvements	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2014	1,394,173	12,860	8,322,467	576,120	5,083,591	15,389,211
Additions	-	-	945,769	59,324	940,742	1,945,835
Disposals	-	-	(419,091)	(510)	(301,148)	(720,749)
At 31 March 2015	1,394,173	12,860	8,849,145	634,934	5,723,185	16,614,297
Depreciation						
At 1 April 2014	271,986	12,860	5,937,431	415,301	3,332,928	9,970,506
On disposals	-	-	(336,336)	(128)	(166,823)	(503,287)
Charge for the year	3,818	-	838,253	69,514	693,965	1,605,550
At 31 March 2015	275,804	12,860	6,439,348	484,687	3,860,070	11,072,769
Net book value						
At 31 March 2015	1,118,369	-	2,409,797	150,247	1,863,115	5,541,528
At 31 March 2014	1,122,187	-	2,385,036	160,819	1,750,663	5,418,705

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Net book values				
At 31 March 2015	2,018,078	19,492	1,341,390	3,378,960
At 31 March 2014	1,919,048	-	1,347,543	3,266,591
Depreciation charge for the year				
At 31 March 2015	611,762	4,051	370,147	985,960
At 31 March 2014	583,084	-	357,293	940,377

Included within freehold property is investment property 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. On the instruction of the directors, the property was revalued during the year ended 31 March 2014 by Stephen & Co, Chartered Surveyors on an open market basis in accordance with the provisions of the RICS Valuation Standards (Global and UK) 8th Edition. In the opinion of the directors, there has been no material change in the market value of the property since that date. The current market value is deemed to be £665,000 (2014: £665,000).

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

14 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 April 2014 & at 31 March 2015	68,602
Net book value	
At 31 March 2015	68,602
At 31 March 2014	68,602

Shares in subsidiary undertakings reflect the company's interest in 50% of the issued share capital of Blythe Valley Limited, a company 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 year ended 31 March 2015, Blythe Valley Limited made a loss of £7,994 (2014: £49,881) and its aggregate capital and reserves at that date were £61,559 (2014: £69,553). Blythe Valley Limited has taken advantage of the audit exemption provisions under section 479A of the Companies Act 2006 relating to subsidiary companies.

A former wholly-owned dormant subsidiary, Quadron Retail Limited, was dissolved after the year end. Quadron Retail Limited was formerly incorporated in the United Kingdom and registered in England and Wales. Its result for the year ended 31 March 2015 was £nil (2014: £nil) and its aggregate liabilities at that date were £253,900 (2014: £253,900).

15 Stocks	2015 £	2014 £
Raw materials and consumables	14,664	12,169

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

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

16 Debtors	2015 £	2014 £
Trade debtors	2,700,469	2,094,676
Amounts owed by group undertakings	9,396,994	8,845,222
Other debtors	1,920,210	1,602,395
Prepayments and accrued income	1,380,882	1,857,407
Deferred tax asset (see below)	212,797	261,564
	<u>15,611,352</u>	<u>14,661,264</u>

Amounts falling due after more than one year and included in the debtors above are:

	2015 £	2014 £
Other debtors	<u>1,763,577</u>	<u>1,310,977</u>

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

The deferred tax asset (included in debtors) is made up as follows:

	2015 £	2014 £
Balance at 1 April 2014	261,564	
Profit and loss account	(48,767)	
Balance at 31 March 2015	<u>212,797</u>	
	2015 £	2014 £
Decelerated capital allowances	196,457	221,351
Other timing differences	16,340	40,213
	<u>212,797</u>	<u>261,564</u>

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

17 Creditors: amounts falling due within one year	2015	2014
	£	£
Net obligations under hire purchase contracts	1,096,112	1,401,054
Trade creditors	915,172	891,220
Amounts owed to group undertakings	3,446,766	3,553,406
Corporation tax	82,865	260,210
Other taxation and social security costs	1,111,949	1,182,060
Other creditors	523,840	511,676
Accruals and deferred income	6,094,094	5,788,391
	<u>13,270,798</u>	<u>13,588,017</u>
18 Creditors: amounts falling due after more than one year	2015	2014
	£	£
Net obligations under hire purchase contracts	<u>2,050,488</u>	<u>2,023,377</u>
Net obligations under hire purchase contracts		
Amounts payable:		
Within one year	1,096,112	1,401,054
Within two to five years	2,050,488	2,023,377
	<u>3,146,600</u>	<u>3,424,431</u>
Included in liabilities falling due within one year	(1,096,112)	(1,401,054)
	<u>2,050,488</u>	<u>2,023,377</u>

Net obligations under hire purchase contracts are secured on the related assets.

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

19 Share capital	2015	2014
	£	£
Allotted, called up and fully paid		
5,510,001 Ordinary shares of 1p each	55,100	55,100

20 Reserves	Share premium account	Revaluation reserve	Profit and loss account
	£	£	£
Balance at 1 April 2014	177,025	45,000	7,811,054
Profit for the year	-	-	1,302,987
Balance at 31 March 2015	177,025	45,000	9,114,041

21 Reconciliation of movements in shareholder's funds	2015	2014
	£	£
Profit for the financial year	1,302,987	959,549
Dividends	-	(250,000)
	1,302,987	709,549
Other recognised gains and losses	-	45,000
Net addition to shareholders' funds	1,302,987	754,549
Opening shareholder's funds	8,088,179	7,333,630
Closing shareholder's funds	9,391,166	8,088,179

22 Commitments under operating leases

At 31 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Operating leases which expire:				
Within one year	39,635	8,209	22,399	18,578
Between two and five years	126,910	158,336	108,878	85,212
	166,545	166,545	131,277	103,790

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

23 Retirement Benefits

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 are set out below. Contributions of £nil (2014: £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 2015 by a qualified actuary and showed that the market value of the scheme's assets was £14.7m (2014: £13.2m) and that the value of these assets represented 98% (2014: 99%) 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.

	2015 £	2014 £
Contributions paid by the company for the year	1,169,202	769,976

24 Contingent liabilities

The company is party to a cross-guarantee and set off agreement between the group's bankers and various group undertakings. At the year end, the total outstanding balances covered by this agreement were £1,479,685 (2014: £1,481,564).

In addition, in connection with the sale of the company's subsidiary The Property Group (2010) Limited to Warne Investments Limited during the year, 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 £700,000 (2014: £900,000).

Amounts contracted for but not provided in the financial statements amounted to £599,485 (2014: £564,783).

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

25 Related party relationships and transactions

Under the provisions of Financial Reporting Standard 8, the company is not required to disclose details of related party transactions with other wholly-owned group entities. Details of transactions with other entities are set out below.

Transactions with group companies that are not wholly-owned

Blythe Valley Limited is a 50% group entity and is therefore deemed to be a related party for disclosure purposes. During the year, the company invoiced Blythe Valley Limited £nil (2014: £78,000). At the year end, Blythe Valley Limited owed the company £51,000 (2014: £62,000).

Transactions with other entities under common control

Warne Investments Limited, The Property Group (2010) Limited, HUB Lettings and Support Limited, Quantum Bookbinders Limited, Quantum Coatings Limited, Acorn Horticultural Services Limited and Hobbs & Webb 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, the company continued to lend funds to the Warne Investments Limited group for the purposes of working capital. At the year end, in connection with these arrangements, Warne Investments Limited owed the company £1,233,000 (2014: £1,083,000), The Property Group (2010) Limited owed the company £530,000 (2014: £305,000), and the company owed HUB Lettings and Support Limited £77,000 (2014: £77,000). During the year, the company charged interest of £38,000 (2014: £25,000) to Warne Investments Limited and interest of £12,000 (2014: £3,000) to The Property Group (2010) Limited.

During the year, the company invoiced The Property Group (2010) Limited £76,000 (2014: £635,000). At the year-end, The Property Group (2010) Limited owed the company £133,000 (2014: £18,000).

During the year, the company invoiced HUB Lettings and Support Limited £nil (2014: £24,000) and purchased services of £nil (2014: £10,000) from HUB Lettings and Support Limited. At the year-end, following various transfers for working capital purposes, HUB Lettings and Support Limited owed the company £15,000 (2014: the company owed HUB Lettings and Support Limited £3,000).

During the year, the company invoiced Quantum Bookbinders Limited £58,000 (2014: £61,000) and purchased services of £35,000 (2014: £17,000) from Quantum Bookbinders Limited. At the year-end, Quantum Bookbinders Limited owed the company £405,000 (2014: £383,000).

During the year, the company invoiced Quantum Coatings Limited £17,000 (2014: £68,000) and purchased services of £13,000 (2014: £11,000) from Quantum Coatings Limited. At the year-end, Quantum Coatings Limited owed the company £173,000 (2014: £175,000).

During the year, the company invoiced Acorn Horticultural Services Limited £96,000 (2014: £nil) and purchased services of £1,000 (2014: £nil) from Acorn Horticultural Services Limited. At the year-end, Acorn Horticultural Services Limited owed the company £30,000 (2014: £nil).

During the year, the company invoiced Hobbs & Webb Limited £nil (2014: £11,000). At the year-end, Hobbs & Webb Limited owed the company £nil (2014: £nil).

26 Ultimate parent undertaking and controlling parties

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.