

Company Registration Number 2810263

QUADRON SERVICES LIMITED

Report and Financial Statements

31 March 2008

QUADRON SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS 2008

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QUADRON SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M Martin
G Poulter

SECRETARY

G Poulter

REGISTERED OFFICE

Quadron House
Mendip Road
Weston-super-Mare
Somerset
BS23 3HB

SOLICITORS

Burges Salmon
Narrow Quay House
Narrow Quay
Bristol
BS1 4AH

AUDITORS

Deloitte LLP
Bristol, United Kingdom

QUADRON SERVICES LIMITED

DIRECTORS' REPORT

The directors present their annual report and audited financial statements for the year ended 31 March 2008.

PRINCIPAL ACTIVITY, BUSINESS REVIEW AND FUTURE PROSPECTS

The company's principal activity during the year was 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 Industry.

The profit and loss account on page 6 shows that in the year turnover was £48m a slight reduction of the previous year.

The Company's policy of continuing to develop organic growth led to further notable contract success within the year, particularly for its Environmental Division. At the year end, the Environmental Order Book had increased to in excess of £254m spread over the life of the contracts. The value of the Order Book is calculated on assumptions, including being able to extend all contracts whilst there is an option to do so and that indexations will be applied to current values; the present value of the contracts has not been calculated. Contract lengths are typically five years and in many cases longer. The Company is experiencing a trend to longer contract lengths and this is most evident within the Environmental business (Grounds Maintenance and Horticultural Services) in London.

The financial key performance indicators are sales, gross profits and overheads. The profit and loss account on page 6 shows these figures for both the current and previous year.

The Board gave consideration to the markets in which it currently participates and the relative prospects of its two operating divisions (Property and Environmental). Subsequently, Corporate Finance Advisors were retained during the year with a view to possible divestment of Property and to focus on Environmental activities.

Subsequent to the year end, a number of the company's plans have come to fruition. At the beginning of December 2008, the Board approved completion of the sale of its property services division to Renovo, for a substantial cash consideration. In turn, the company was able to repay its term bank borrowings of £1.2m and also make a cash payment of £1.2m into the defined benefit pension scheme.

Continuance of the careful geographical growth of its environmental business was further developed in February 2009, with the important addition of the Bristol contract to its portfolio.

Further good news was received in December when Quadron learned that it was one of the preferred bidders for the Birmingham City Council's Grounds Maintenance contract.

In summary, the period has been the most significant in the company's history; its operational base is now fully focused on horticultural and grounds maintenance services with a strong geographical footprint in London and the South East; South West and the Midlands. The contracted revenue stream now stands at well over £236 million, based on the assumptions above, with forward orders extending to 2021.

RESULTS AND DIVIDENDS

The profit for the period after taxation amounted to £1,000,000 (2007: £835,000). The directors do not recommend the payment of a dividend (2007: £nil).

RISKS AND UNCERTAINTIES

Current economic climate

Whilst there are inevitable pressures arising as a result of the current general economic climate, the directors believe that the strength of the future order book, discussed above, and the regular monitoring of cash outflows, see below, mean that the group will continue trading for the foreseeable future.

Customer focus

The directors consider it essential that customer expectations should be met and where possible exceeded. A series of initiatives were commenced during the year aimed at ensuring that the company provides a high standard of service to all its customers.

QUADRON SERVICES LIMITED

DIRECTORS' REPORT (continued)

RISKS AND UNCERTAINTIES (continued)

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. The overdraft facility was renewed on 31 July 2008. 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 2008 a valuation of the scheme indicated that the value of the scheme assets stands at £8.3m (2007: £8.3m) with the shortfall in the scheme standing at £579,000 (2007: £497,000) (net of deferred tax).

DIRECTORS

The directors during the year were as follows:

M Martin
G Poulter

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 with that of other employees.

EMPLOYEE CONSULTATION

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.

AUDITORS


Each of the directors of the company holding office at the date of approval of this report confirm that:

1. so far as each of the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
2. so far as each of the directors are aware they have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and shall be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP. Deloitte LLP have indicated that their willingness to remain in office as the company's auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board


G Poulter
Secretary

QUADRON SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF
QUADRON SERVICES LIMITED**

We have audited the financial statements of Quadron Services Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 23. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

DELOITTE LLP

Chartered Accountants and Registered Auditors
Bristol, United Kingdom

QUADRON SERVICES LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2008

	Notes	2008 £'000	2007 £'000
TURNOVER	2	48,499	48,740
Cost of sales		(38,320)	(38,059)
GROSS PROFIT		10,179	10,681
Administrative expenses		(8,813)	(9,482)
OPERATING PROFIT		1,366	1,199
Interest receivable	3	118	80
Interest payable	4	(176)	(125)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	1,308	1,154
Tax on profit on ordinary activities	7	(308)	(319)
PROFIT FOR THE FINANCIAL YEAR	18	1,000	835

All amounts relate to continuing operations.

There are no recognised gains and losses for the current or preceding financial year other than as stated in the profit and loss account. Accordingly, a separate statement of total recognised gains and losses has not been presented.

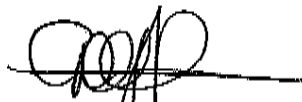
QUADRON SERVICES LIMITED

BALANCE SHEET
At 31 March 2008

	Notes	2008		2007	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8		2,274		2,201
CURRENT ASSETS					
Stocks	9	1,055		923	
Debtors	11	10,629		12,121	
Cash at bank and in hand		4,616		2,894	
		<u>16,300</u>		<u>15,938</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(12,337)</u>		<u>(12,978)</u>	
NET CURRENT ASSETS			<u>3,963</u>		<u>2,960</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,237</u>		<u>5,161</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13		(1,204)		(1,121)
PROVISION FOR LIABILITIES	16		(61)		(68)
NET ASSETS			<u>4,972</u>		<u>3,972</u>
CAPITAL AND RESERVES					
Called up share capital	17		55		55
Share premium account	18		177		177
Profit and loss account	18		4,740		3,740
SHAREHOLDERS' FUNDS	18		<u>4,972</u>		<u>3,972</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors


G Poulter
Director

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

1. ACCOUNTING POLICIES

Accounting convention

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

The principal accounting policies have all been applied consistently throughout the year and the preceding period.

Group accounts and cash flow statement

The company has taken advantage of the exemption from the requirement to prepare group accounts afforded by section 228 of the Companies Act 1985. The company is also, on this basis, exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a 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.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of fixed assets, less estimated residual value, of each asset on a straight-line basis over their expected useful lives as follows:

Short leasehold improvements	lease term
Plant and machinery	3 to 5 years
Vehicles	3 to 5 years
Fixtures and fittings	3 to 5 years

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

Goodwill

Goodwill representing the excess of the fair value of purchase consideration over the fair value of net assets acquired is capitalised and written off on a straight-line basis over its useful economic life, which is estimated to be five years.

Leases

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over the shorter of the lease term and their useful economic lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

Operating lease rentals are charged to the profit and loss account in equal amounts over the lease term.

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.

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

1. ACCOUNTING POLICIES (continued)

Stocks and long-term contracts

Stocks and work in progress are valued at the lower of cost and net realisable value.

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 the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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, and the company is therefore 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.

2. TURNOVER

All turnover is attributable to the one principal activity of the company being the provision of contract services in the areas of property services and environmental services, in the main for the local authority market.

All turnover arose within the United Kingdom.

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2008

3.	INTEREST RECEIVABLE	2008 £'000	2007 £'000
	Interest receivable and similar income	118	80
		<u>118</u>	<u>80</u>
4.	INTEREST PAYABLE	2008 £'000	2007 £'000
	Finance lease interest	176	125
		<u>176</u>	<u>125</u>
5.	DIRECTORS AND EMPLOYEE INFORMATION		
	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.		
	Staff costs were as follows:	2008 £'000	2007 £'000
	Wages and salaries	18,270	18,656
	Social security costs	1,694	1,750
	Other pension costs	303	275
		<u>20,267</u>	<u>20,681</u>
	The average monthly number of employees, including directors, during the year was as follows:	No.	No.
	Operations	932	952
	Head office	25	28
		<u>957</u>	<u>980</u>
6.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
	Profit on ordinary activities before taxation is stated after charging:	2008 £'000	2007 £'000
	Amortisation of goodwill	-	13
	Depreciation of owned assets	467	320
	Depreciation of assets under finance leases	243	198
	Operating lease rentals - other	1,926	1,972
	Auditors' remuneration:		
	- audit services	30	28
	- services relating to taxation	8	18
	- services relating to recruitment and remuneration	-	16
	- other services	1	-
		<u>1</u>	<u>-</u>

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

7. TAX ON PROFIT ON ORDINARY ACTIVITIES	2008 £'000	2007 £'000
Current tax		
UK corporation tax	96	66
Group relief	219	216
Adjustment in respect of prior years	-	(1)
Total current tax	<u>315</u>	<u>281</u>
Deferred tax		
Timing differences, origination and reversal	(12)	34
Adjustments in respect of prior years	5	4
Total deferred tax	<u>(7)</u>	<u>38</u>
Tax on profit on ordinary activities	<u>308</u>	<u>319</u>

The standard rate of tax for the period, based on United Kingdom standard rate of corporation tax is 30%. The actual tax charge for the current and the previous period differs from the standard rate for the reasons set out in the following reconciliation:

	£'000	£'000
Profit on ordinary activities before taxation	<u>1,308</u>	<u>1,154</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007: 30%)	392	346
Effects of:		
Expenses not deductible for tax purposes	30	29
Capital allowances in excess of depreciation	8	(39)
Movement in short-term timing differences	-	(1)
Adjustments in respect of prior periods	-	(1)
Transfer pricing adjustment	(105)	(50)
Marginal relief	(10)	-
Effects of other tax rates	-	(3)
Current tax	<u>315</u>	<u>281</u>

Factors that may affect the future tax charge

The reduction in the corporation tax rate to 28% is not anticipated to materially affect the future tax charge.

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2008

8. TANGIBLE FIXED ASSETS

	Short leasehold improvements £'000	Plant and machinery £'000	Vehicles £'000	Fixtures and fittings £'000	Total £'000
Cost					
At 1 April 2007	631	1,956	1,010	1,488	5,085
Additions	3	450	257	73	783
At 31 March 2008	<u>634</u>	<u>2,406</u>	<u>1,267</u>	<u>1,561</u>	<u>5,868</u>
Depreciation					
At 1 April 2007	584	789	283	1,228	2,884
Charge for the year	32	354	216	108	710
At 31 March 2008	<u>616</u>	<u>1,143</u>	<u>499</u>	<u>1,336</u>	<u>3,594</u>
Net book value					
At 31 March 2008	<u>18</u>	<u>1,263</u>	<u>768</u>	<u>225</u>	<u>2,274</u>
At 31 March 2007	<u>47</u>	<u>1,167</u>	<u>727</u>	<u>260</u>	<u>2,201</u>

Included in the above are assets held under finance leases with a net book value of £932,000 (2007: £1,279,000). Depreciation charged on assets held under finance leases was £243,296 (2007: £198,000)

9. STOCKS

	2008 £'000	2007 £'000
Raw materials and consumables	407	310
Work in progress	648	613
	<u>1,055</u>	<u>923</u>

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

10. FIXED ASSETS INVESTMENTS

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

The company holds 300 £1 ordinary shares (issued at par) in AJC Trading Limited. This is a 33% holding in the company, whose principal activity was garden services. AJC Trading Limited is registered in England and Wales.

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2008

11. DEBTORS

	2008 £'000	2007 £'000
Trade debtors		
Amounts owed by group undertakings	6,828	6,536
Tax recoverable	592	432
Other debtors	20	-
Prepayments and accrued income	102	352
	<u>3,087</u>	<u>4,801</u>
	<u>10,629</u>	<u>12,121</u>

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £'000	2007 £'000
Bank loans		
Obligations due under finance leases	1,217	-
Trade creditors	432	362
Amounts owed to group undertakings	4,679	4,412
Corporation tax	335	772
Other creditors including other tax and social security	95	63
Accruals and deferred income	2,929	1,582
	<u>2,650</u>	<u>5,787</u>
	<u>12,337</u>	<u>12,978</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £'000	2007 £'000
Obligations due under finance leases		
	<u>1,204</u>	<u>1,121</u>

14. ANALYSIS OF FINANCE LEASE OBLIGATIONS

	2008 £'000	2007 £'000
Amounts falling due:		
- within one year		
- in one to two years	432	362
- in two to five years	453	450
	751	671
	<u>1,636</u>	<u>1,483</u>

The finance leases are secured on the related assets.

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 March 2008

15. ANALYSIS OF BANK LOANS

	2008	2007
	£'000	£'000
Amounts falling due within one year	1,250	-
Loan arrangement fees	(33)	-
	<u>1,217</u>	<u>-</u>

The bank loans bear interest at rates of LIBOR plus 2.5%. They are secured by an unlimited intercompany guarantee, life policies on M Martin and G Poulter and their investments in Pfeiffer Limited.

16. PROVISION FOR LIABILITIES

Deferred tax	£'000
At 1 April 2007	68
Charged to the profit and loss account	(7)
At 31 March 2008	<u>61</u>

The deferred tax provision is analysed as follows:

	2008	2007
	£'000	£'000
Depreciation in excess of capital allowances	69	76
Short-term timing differences	(8)	(8)
	<u>61</u>	<u>68</u>

17. CALLED UP SHARE CAPITAL

	2008	2007
	£'000	£'000
Authorised		
5,510,001 Ordinary shares of 1p each	<u>55</u>	<u>55</u>
	£'000	£'000
Allotted, called up and fully paid		
5,510,001 Ordinary shares of 1p each	<u>55</u>	<u>55</u>

18. COMBINED RECONCILIATION OF MOVEMENTS ON RESERVES AND SHAREHOLDERS' FUNDS

	Share capital	Share premium	Profit and loss account	2008	2007
	£'000	£'000	£'000	Total	Total
	£'000	£'000	£'000	£'000	£'000
Balance at beginning of year	55	177	3,740	3,972	3,137
Profit for the year	-	-	1,000	1,000	835
Balance at end of year	<u>55</u>	<u>177</u>	<u>4,740</u>	<u>4,972</u>	<u>3,972</u>

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

19. OTHER COMMITMENTS

The company had annual commitments under non-cancellable operating leases as follows:

	At 31 March 2008		At 31 March 2007	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Expiry date:				
- within one year	48	648	64	392
- between two and five years	79	643	-	742
- after more than five years	98	-	219	-
Balance at end of year	<u>225</u>	<u>1,291</u>	<u>283</u>	<u>1,134</u>

The company has given an unlimited guarantee in respect of the loan facility held by the ultimate parent company, Pfeiffer Limited. The balance of the facility at 31 March 2008 was £1,250,000 (2007: £nil).

20. PENSION COMMITMENTS

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 for both schemes for the period was £290,000 (2007: £275,000).

There was £22,000 of outstanding contributions payable to the fund at the balance sheet date (2007: £27,000).

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 2008 by a qualified actuary and showed that the market value of the scheme's assets was £8.3m (2007: £8.3m) and that the value of these assets represented 91% (2007: 92%) of the benefits that had accrued to members. Full details of the scheme are available in the Pfeiffer Limited consolidated accounts.

The deficit on the scheme will be reduced through continuing with increased contributions by employees and participating employers. Full details are included in the Pfeiffer Limited accounts.

21. 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.

The company provided £107,000 of services to the directors Mike Martin and Gregg Poulter. At year-end £107,000 was owing to the company in respect of these services.

QUADRON SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

22. CONTROLLING PARTY AND PARENT COMPANY

In the opinion of the directors, Pfeiffer Limited controls the company as a result of controlling 100% of the issued share capital of Quadron Services Limited. Pfeiffer Limited is the parent company of both the largest and smallest group of which Quadron Services Limited is a member.

The consolidated financial statements of Pfeiffer Limited are available from Quadron House, Mendip Road, Weston-super-Mare, Somerset, BS23 3HB.

23. POST BALANCE SHEET EVENT

As noted in the directors' report, post year end the company has sold its Property division to Renovo. The company is now focused on its Environmental division.