

Quadron Services Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2009

Quadron Services Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

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

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 2009.

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

As indicated previously, the company decided to divest its Property Services Division. This transaction was completed on the 6th December 2008 to Renovo Services for a significant cash consideration. As well as enabling the repayment of Term Bank borrowings of £1.2m, a cash payment of £1.25m was made into the company's defined benefit pension scheme.

The development of the company, concentrating on a core operation of Environmental Services, was an undoubted factor in winning significant contracts for Bristol City Council and Birmingham City Council - the latter one of the largest Grounds Maintenance procurement projects to date in the UK. During December 2008, the company was recognised at the annual "Bali" awards. During the final quarter of the year, the company successfully separated all its operations following the divestment. Mobilisation for both the Bristol City and Birmingham City contracts was also undertaken at this time and went entirely according to plan.

In summary, the report covers a period which has seen the most fundamental change in the company since its inception; the company is now recognised as one of the pre-eminent players in the Grounds Maintenance and Horticultural market with a National capability. The contracted order book now stands at in excess of £290m and extends to 2024.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £868,000. Particulars of dividends paid are detailed in note 7 to the financial statements.

Quadron Services Limited

DIRECTORS' REPORT

RISKS AND UNCERTAINTIES

Current economic climate

2008/9 presented unique challenges on a wider economic basis, the effects of which are still all too apparent. The directors believe that the fundamental nature of the company's activities, strength of the order book and customer profile coupled to tight cash management mean the company will continue to trade for the foreseeable future.

Customer focus

The directors consider it essential that customer expectations should be met and exceeded where possible. A primary concern for the company through the summer and autumn of 2009 has been the successful operational commencement of the Bristol and Birmingham contracts, both of which have performed very well.

Furthermore, to underpin the company's customer focus a series of initiatives were put in place during the year aimed at ensuring the company meets this expectation. In this case the company has pursued three principal strands. Firstly, the development and initiation of systems leading to ISO 9001 (Quality), 14001 (Environment) and 18001 (Health & Safety) accreditations and an intranet site has been developed for all employees to easily access policies and procedures.

Secondly, all managers and most supervisors are now qualified to CIEH Level 2 in Health & Safety, Risk Assessment and COSHH with the Level 3 courses due to commence shortly. The management structure has been strengthened with new positions of Senior HR and IT Managers. Amongst the workforce, new positions of "Contract Trainers" and "Biodiversity Champions" have been introduced with nominated people from each contract attending LANTRA "train the trainer" or environmental awareness courses.

Thirdly, community engagement issues have been high on the agenda and excellent relationships established with many 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 are very popular with clients, providing tangible sustainable benefits for the local communities. 96 people are currently working on Quadron contracts on these schemes, gaining training and experience and providing Quadron with a valuable additional resource to provide an enhanced level of service.

The directors feel that these initiatives taken together position the company securely for future growth.

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 2009 a valuation of the scheme indicated that the value of the scheme net assets stands at £7.5m (2008: £8.3m) with the shortfall in the scheme standing at £192,000 (2008: £579,000) (net of deferred tax).

Quadron Services Limited

DIRECTORS' REPORT

DIRECTORS

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

M Martin	
G Poulter	
J Balls	(Appointed 6 December 2008)
I Carpenter	(Appointed 6 December 2008)
J Daughtry	(Appointed 6 December 2008)
C Iivil	(Appointed 6 December 2008)
S Price	(Appointed 6 December 2008)

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

During the year Deloitte LLP resigned as auditor and Baker Tilly UK Audit LLP was appointed. A resolution to reappoint Baker Tilly UK Audit LLP will be proposed at the forthcoming Annual General Meeting.

On behalf of the board

G Poulter
Secretary



10th March 2010

Quadron Services Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 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 proper 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 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 AUDITOR'S REPORT TO THE MEMBERS OF QUADRON SERVICES LIMITED

We have audited the financial statements on pages 7 to 18.

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 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

The directors' responsibilities for preparing the Annual Report and 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 opinion

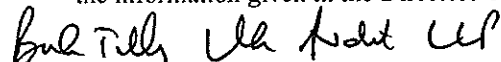
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 2009 and of its profit for the year then ended and 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.



BAKER TILLY UK AUDIT LLP

Registered Auditor

Chartered Accountants

Hartwell House

55-61 Victoria Street

Bristol BS1 6AD

10 March 2010

Quadron Services Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2009

		2009	2008
	<i>Notes</i>	£000	£000
TURNOVER	2	38,037	48,499
Cost of sales		<u>(26,467)</u>	<u>(38,320)</u>
Gross profit		11,570	10,179
Administrative expenses		<u>(10,384)</u>	<u>(8,813)</u>
OPERATING PROFIT	3	1,186	1,366
Interest receivable		35	118
		<u>1,221</u>	<u>1,484</u>
Interest payable and similar charges	5	(154)	(176)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>1,067</u>	<u>1,308</u>
Taxation	6	(199)	(308)
PROFIT FOR THE FINANCIAL YEAR	22	<u>868</u>	<u>1,000</u>

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 2009

	<i>Notes</i>	2009 £000	2008 £000
FIXED ASSETS			
Intangible assets	8	—	—
Tangible assets	9	2,830	2,274
		<u>2,830</u>	<u>2,274</u>
CURRENT ASSETS			
Stocks	11	53	1,055
Debtors	12	7,255	10,629
Cash at bank and in hand		3,309	4,616
		<u>10,617</u>	<u>16,300</u>
CREDITORS			
Amounts falling due within one year	13	(8,332)	(12,337)
NET CURRENT ASSETS		<u>2,285</u>	<u>3,963</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,115	6,237
CREDITORS			
Amounts falling due after more than one year	14	(1,826)	(1,204)
PROVISIONS FOR LIABILITIES AND CHARGES		17	(61)
		<u>3,214</u>	<u>4,972</u>
CAPITAL AND RESERVES			
Called up share capital	20	55	55
Share premium account	21	177	177
Profit and loss account	22	2,982	4,740
SHAREHOLDERS' FUNDS		23	<u>3,214</u>
		<u>4,972</u>	<u>4,972</u>

The financial statements on pages 7 to 18 were approved by the board of directors and authorised for issue on 19th March 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 2009

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 228 of the Companies Act 1985, 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 2009

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 2009

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:

	2009	2008
	£000	£000
United Kingdom	<u>38,037</u>	<u>48,499</u>

Quadron Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

3 OPERATING PROFIT

Operating profit is stated after charging:

	2009	2008
	£000	£000
Depreciation of owned fixed assets	258	468
Depreciation of assets held under finance lease agreements	429	243
Auditor's remuneration		
- as auditor	33	30
- for other services	3	8
Operating lease costs:		
- Other	773	1,926
	<u>773</u>	<u>1,926</u>

The auditor's remuneration for the year under review was payable to Baker Tilly UK Audit LLP and related entities. The fees for the prior year were payable to Deloitte LLP.

4 PARTICULARS OF EMPLOYEES

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

	2009	2008
	No	No
Operations	876	932
Head office	22	25
	<u>898</u>	<u>957</u>

The aggregate payroll costs of the above were:

	2009	2008
	£000	£000
Wages and salaries	16,635	18,270
Social security costs	1,410	1,694
Other pension costs	500	303
	<u>18,545</u>	<u>20,267</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

	2009	2008
	£000	£000
On finance leases	154	176
	<u>154</u>	<u>176</u>

Quadron Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

6 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009 £000	2008 £000
Current tax:		
UK Corporation tax based on the results for the year at 28% (2008 - 30%)	-	96
(Over)/under provision in prior year	(13)	-
	(13)	96
Group relief	198	219
Total current tax	<u>185</u>	<u>315</u>
Deferred tax:		
Origination and reversal of timing differences	14	(7)
Tax on profit on ordinary activities	<u>199</u>	<u>308</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% (2008 - 30%), as explained below

	2009 £000	2008 £000
Profit on ordinary activities before taxation	<u>1,067</u>	<u>1,308</u>
Profit on ordinary activities by rate of tax	299	392
Effects of:		
Expenses not deductible for tax purposes	17	30
Capital allowances for period in excess of depreciation	(7)	8
Marginal relief	-	(10)
Adjustments to tax charge in respect of previous periods	(13)	-
Income not chargeable for tax purposes	(7)	-
Transfer pricing adjustment	(98)	(105)
Sundry tax adjusting items	(6)	-
Total current tax (note 6(a))	<u>185</u>	<u>315</u>

7 DIVIDENDS

Equity dividends

	2009 £000	2008 £000
Paid during the year:		
Dividend per ordinary share £0.48 (2008: £-)	<u>2,625</u>	<u>-</u>

Quadron Services Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2009

8 INTANGIBLE FIXED ASSETS

	Goodwill £000
Cost	
At 1 April 2008 and 31 March 2009	<u>200</u>
Amortisation	
At 1 April 2008	<u>200</u>
At 31 March 2009	<u>200</u>
Net book value	
At 31 March 2009	—
At 31 March 2008	—

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 2008	634	2,406	1,561	1,267	5,868
Additions	—	1,165	47	374	1,586
Disposals	(21)	(39)	(302)	(547)	(909)
At 31 March 2009	<u>613</u>	<u>3,532</u>	<u>1,306</u>	<u>1,094</u>	<u>6,545</u>
Depreciation					
At 1 April 2008	616	1,143	1,336	499	3,594
Charge for the year	5	412	80	190	687
On disposals	(19)	(29)	(190)	(328)	(566)
At 31 March 2009	<u>602</u>	<u>1,526</u>	<u>1,226</u>	<u>361</u>	<u>3,715</u>
Net book value					
At 31 March 2009	<u>11</u>	<u>2,006</u>	<u>80</u>	<u>733</u>	<u>2,830</u>
At 31 March 2008	<u>18</u>	<u>1,263</u>	<u>225</u>	<u>768</u>	<u>2,274</u>

Finance lease agreements

Included within the net book value of £2,830,000 is £2,600,000 (2008 - £932,000) 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 £429,000 (2008 - £243,000).

Quadron Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

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 (2008: 300) £1 ordinary shares (issued at par) in AJC Trading Limited. The disposal proceeds were equal to the cost of the shares. This is a 27% (2008: 33%) holding in the company, whose principal activity is garden services. AJC Trading Limited is registered in England and Wales.

11 STOCKS

	2009	2008
	£000	£000
Raw materials	53	407
Work in progress	–	648
	<u>53</u>	<u>1,055</u>

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

12 DEBTORS

	2009	2008
	£000	£000
Trade debtors	2,518	6,828
Amounts owed by group undertakings	3,312	592
Corporation tax repayable	20	–
Other debtors	258	122
Prepayments and accrued income	1,147	3,087
	<u>7,255</u>	<u>10,629</u>

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

13 CREDITORS: Amounts falling due within one year

	2009	2008
	£000	£000
Bank loans	–	1,217
Trade creditors	741	4,679
Amounts owed to group undertakings	4,023	335
Corporation tax	–	95
VAT	623	2,929
Obligations under finance lease agreements	371	432
Other creditors	855	–
Accruals and deferred income	1,719	2,650
	<u>8,332</u>	<u>12,337</u>

14 CREDITORS: Amounts falling due after more than one year

	2009	2008
	£000	£000
Obligations under finance lease agreements	<u>1,826</u>	<u>1,204</u>

Quadron Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

15 COMMITMENTS UNDER FINANCE LEASE AGREEMENTS

Future commitments under finance lease agreements are as follows:

	2009	2008
	£000	£000
Amounts payable within 1 year	371	432
Amounts payable between 1 and 2 years	646	453
Amounts payable between 3 and 5 years	1,180	751
	<u>2,197</u>	<u>1,636</u>

The finance leases are secured on the related assets.

16 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 £1,475,000 (2008: £290,000). Contributions of £4,000 (2008: £22,000) 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 2009 by a qualified actuary and showed that the market value of the scheme's assets was £7.5m (2008: £8.3m) and that the value of these assets represented 97% (2008: 91%) 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.

17 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation
	£000
Balance brought forward	61
Profit and Loss Account movement arising during the year	14
Balance carried forward	<u>75</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2009	2008
	£000	£000
Excess of taxation allowances over depreciation on fixed assets	75	61
	<u>75</u>	<u>61</u>

Quadron Services Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2009

18 COMMITMENTS UNDER OPERATING LEASES

At 31 March 2009 the company had annual commitments under non-cancellable operating leases as set out below.

	2009		2008	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
Within 1 year	-	51	48	648
Within 2 to 5 years	145	137	79	643
After more than 5 years	64	-	98	-
	<u>209</u>	<u>188</u>	<u>225</u>	<u>1,291</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.

The company provided services of £nil (2008: £107,000) to the directors M Martin and G Poulter. At the year end, M Martin and G Poulter owed the company £76,000 (2008: £107,000).

20 SHARE CAPITAL

	2009 £000	2008 £000
Authorised:		
5,510,001 Ordinary shares of £0.01 each	<u>55</u>	<u>55</u>
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.

22 PROFIT AND LOSS ACCOUNT

	2009 £000	2008 £000
At 1 April 2008	4,740	3,740
Profit for the financial year	868	1,000
Dividends	(2,626)	-
At 31 March 2009	<u>2,982</u>	<u>4,740</u>

Quadron Services Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

23 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009	2008
	£000	£000
Profit for the financial year	868	1,000
Dividends	(2,626)	—
Net (reduction)/addition to shareholders' funds	(1,758)	1,000
Opening shareholders' funds	4,972	3,972
Closing shareholders' funds	<u>3,214</u>	<u>4,972</u>

24 CONTROLLING PARTY AND PARENT UNDERTAKING

The company's controlling party and immediate parent company is Pfeiffer Limited. The company's ultimate parent company is Pfeiffer Holdings Limited. The consolidated financial statements of Pfeiffer Limited, in which the results of the company are included, are available from Quadron House, Mendip Road, Weston Super Mare, Somerset, BS23 3HB.