

**Report of the Directors and  
Financial Statements  
for the Period  
1 April 2003 to 30 September 2004  
for  
The Max Quarterman Group Plc**

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**The Max Quarterman Group Plc**

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for the Period 1 April 2003 to 30 September 2004**

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**The Max Quarterman Group Plc**  
**Company Information**  
**for the Period 1 April 2003 to 30 September 2004**

**DIRECTORS:**

Mr M C Hatcher  
Mrs A Hatcher  
Mr M Quarterman  
Mrs E Quarterman

**SECRETARY:**

Mrs E Quarterman

**REGISTERED OFFICE:**

Ascentia House  
Lyndhurst Road  
South Ascot  
Berkshire  
SL5 9ED

**REGISTERED NUMBER:**

2686337 (England and Wales)

**AUDITORS:**

Mehta & Company  
Chartered Certified Accountants  
Registered Auditors  
Ascentia House  
Lyndhurst Road  
South Ascot  
Berkshire SL5 9ED

**The Max Quarterman Group Plc**  
**Report of the Directors**  
**for the Period 1 April 2003 to 30 September 2004**

The directors present their report with the financial statements of the company for the period 1 April 2003 to 30 September 2004.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of property development.

**REVIEW OF BUSINESS**

The results for the period and financial position of the company are as shown in the annexed financial statements.

**DIVIDENDS**

An interim dividend of 0.512 per share was paid on 20 May 2003. The directors recommend that no final dividend be paid.

The total distribution of dividends for the period ended 30 September 2004 will be £32,000.

**EVENTS SINCE THE END OF THE PERIOD**

Information relating to events since the end of the period is given in the notes to the financial statements.

**DIRECTORS**

The directors during the period under review were:

Mr M C Hatcher  
Mrs A Hatcher  
Mr M Quarterman  
Mrs E Quarterman

The beneficial interests of the directors holding office on 30 September 2004 in the issued share capital of the company were as follows:

	30.9.04	1.4.03
<b>Ordinary 1 shares</b>		
Mr M C Hatcher	15,625	15,625
Mrs A Hatcher	15,625	15,625
Mr M Quarterman	15,625	15,625
Mrs E Quarterman	15,625	15,625

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which 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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 which 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.


**The Max Quarterman Group Plc**

**Report of the Directors  
for the Period 1 April 2003 to 30 September 2004**

**AUDITORS**

The auditors, Mehta & Company, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**

.....  


Mr M C Hatcher - Director

Date: 22-4-05 .....

**Report of the Independent Auditors to the Shareholders of  
The Max Quarterman Group Plc**

We have audited the financial statements of The Max Quarterman Group Plc for the period ended 30 September 2004 on pages five to fifteen. These financial statements have been prepared under the historical cost convention and 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**

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Report of the Directors is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

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

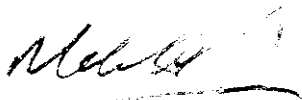
**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards 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 of the state of the company's affairs as at 30 September 2004 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Mehta & Company  
Chartered Certified Accountants  
Registered Auditors  
Ascentia House  
Lyndhurst Road  
South Ascot  
Berkshire SL5 9ED

Date: 22/1/05

**The Max Quarterman Group Plc**  
**Profit and Loss Account**  
**for the Period 1 April 2003 to 30 September 2004**

		Period 1.4.03 to 30.9.04	Year Ended 31.3.03
	Notes	£	£
<b>TURNOVER</b>		(40,000)	2,665,500
Cost of sales		(2,370)	1,772,341
<b>GROSS (LOSS)/PROFIT</b>		(37,630)	893,159
Administrative expenses		87,930	157,909
<b>OPERATING (LOSS)/PROFIT</b>	3	(125,560)	735,250
Interest receivable and similar income		4,278	7,347
		(121,282)	742,597
Interest payable and similar charges	4	5,581	56,359
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(126,863)	686,238
Tax on (loss)/profit on ordinary activities	5	67	183,493
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION</b>		(126,930)	502,745
Dividends	6	32,000	112,000
		(158,930)	390,745
Retained profit brought forward		830,665	439,920
<b>RETAINED PROFIT CARRIED FORWARD</b>		£671,735	£830,665

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current period or previous year.

**TOTAL RECOGNISED GAINS AND LOSSES**

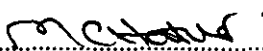
The company has no recognised gains or losses other than the loss for the current period and the profit for the previous year.

The Max Quarterman Group Plc

Balance Sheet  
30 September 2004

		30.9.04		31.3.03	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	7		2,794		3,725
<b>CURRENT ASSETS:</b>					
Stocks	8	398,315		398,315	
Debtors	9	1,421		684,516	
Cash at bank		-		72,916	
		399,736		1,155,747	
<b>CREDITORS:</b> Amounts falling due within one year	10	108,228		266,307	
<b>NET CURRENT ASSETS:</b>			291,508		889,440
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			294,302		893,165
<b>PROVISIONS FOR LIABILITIES AND CHARGES:</b>	13		67		-
			£294,235		£893,165
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	14		62,500		62,500
Other reserves	15		(440,000)		-
Profit and loss account			671,735		830,665
<b>SHAREHOLDERS' FUNDS:</b>	18		£294,235		£893,165

ON BEHALF OF THE BOARD:

  
.....  
Mr M C Hatcher - Director

Approved by the Board on 22-4-05 .....

The notes form part of these financial statements

**The Max Quarterman Group Plc**

**Cash Flow Statement  
for the Period 1 April 2003 to 30 September 2004**

	Notes	Period 1.4.03 to 30.9.04		Year Ended 31.3.03	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	<b>1</b>		481,715		1,367,866
<b>Returns on investments and servicing of finance</b>	<b>2</b>		(1,303)		(49,012)
<b>Taxation</b>			(183,512)		(21,093)
<b>Equity dividends paid</b>			(32,000)		(112,000)
			<b>264,900</b>		<b>1,185,761</b>
<b>Financing</b>	<b>2</b>		(437,000)		-
<b>(Decrease)/Increase in cash in the period</b>			<b>£(172,100)</b>		<b>£1,185,761</b>
<hr/>					
<b>Reconciliation of net cash flow to movement in net funds</b>	<b>3</b>				
<b>(Decrease)/Increase in cash in the period</b>		<b>(172,100)</b>		<b>1,185,761</b>	
Cash outflow from decrease in debt and lease financing		-		941	
Change in net funds resulting from cash flows			(172,100)		1,186,702
<b>Movement in net funds in the period</b>			<b>(172,100)</b>		<b>1,186,702</b>
<b>Net funds/(debt) at 1 April</b>			<b>72,916</b>		<b>(1,113,786)</b>
<b>Net (debt)/funds at 30 September</b>			<b>£(99,184)</b>		<b>£72,916</b>

The notes form part of these financial statements

**The Max Quarterman Group Plc**

**Notes to the Cash Flow Statement  
for the Period 1 April 2003 to 30 September 2004**

**1. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Period 1.4.03 to 30.9.04 £	Year Ended 31.3.03 £
Operating (loss)/profit	(125,560)	735,250
Depreciation charges	931	1,242
Decrease in stocks	-	1,280,990
Decrease/(Increase) in debtors	683,095	(675,663)
(Decrease)/Increase in creditors	(76,751)	26,047
	<u>          </u>	<u>          </u>
<b>Net cash inflow from operating activities</b>	<u><u>481,715</u></u>	<u><u>1,367,866</u></u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	Period 1.4.03 to 30.9.04 £	Year Ended 31.3.03 £
<b>Returns on investments and servicing of finance</b>		
Interest received	4,278	7,347
Interest paid	(5,581)	(56,359)
	<u>          </u>	<u>          </u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(1,303)</u></u>	<u><u>(49,012)</u></u>
 <b>Financing</b>		
Amount introduced by directors	3,000	-
Exceptional items	(440,000)	-
	<u>          </u>	<u>          </u>
Net cash outflow from financing	<u><u>(437,000)</u></u>	<u><u>-</u></u>

**The Max Quarterman Group Plc**

**Notes to the Cash Flow Statement  
for the Period 1 April 2003 to 30 September 2004**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.03 £	Cash flow £	At 30.9.04 £
Net cash:			
Cash at bank	72,916	(72,916)	-
Bank overdraft	-	(99,184)	(99,184)
	<u>72,916</u>	<u>(172,100)</u>	<u>(99,184)</u>
 Total	 <u>72,916</u>	 <u>(172,100)</u>	 <u>(99,184)</u>
 <b>Analysed in Balance Sheet</b>			
 Cash at bank	 72,916		 -
Bank overdraft	-		(99,184)
	<u>72,916</u>		<u>(99,184)</u>

The notes form part of these financial statements

**The Max Quarterman Group Plc**  
**Notes to the Financial Statements**  
**for the Period 1 April 2003 to 30 September 2004**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**Turnover**

The turnover represents the value of developments completed and sold in the year.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Motor vehicles        - 25% on reducing balance

**Stocks**

Work in progress is valued at the lower of cost and net realisable value. Cost includes the purchase value of the land plus the costs of labour, materials and direct overheads.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

**2. STAFF COSTS**

	Period 1.4.03 to 30.9.04 £	Year Ended 31.3.03 £
Wages and salaries	43,987	140,440
Social security costs	3,524	3,248
	<u>47,511</u>	<u>143,688</u>

The average monthly number of employees during the period was as follows:

	Period 1.4.03 to 30.9.04	Year Ended 31.3.03
Directors	<u>4</u>	<u>4</u>

**The Max Quarterman Group Plc**  
**Notes to the Financial Statements**  
**for the Period 1 April 2003 to 30 September 2004**

**3. OPERATING (LOSS)/PROFIT**

The operating loss (2003 - operating profit) is stated after charging:

	Period 1.4.03 to 30.9.04 £	Year Ended 31.3.03 £
Depreciation - assets on hire purchase contracts or finance leases	931	1,242
Auditors' remuneration	<u>2,570</u>	<u>2,935</u>
Directors' emoluments	<u>46,000</u>	<u>46,000</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	Period 1.4.03 to 30.9.04 £	Year Ended 31.3.03 £
Bank interest	3,320	56,359
Interest & penalties	<u>2,261</u>	<u>-</u>
	<u>5,581</u>	<u>56,359</u>

**5. TAXATION**

**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the period was as follows:

	Period 1.4.03 to 30.9.04 £	Year Ended 31.3.03 £
Current tax: UK corporation tax	-	183,493
Deferred taxation	<u>67</u>	<u>-</u>
Tax on (loss)/profit on ordinary activities	<u>67</u>	<u>183,493</u>

**6. DIVIDENDS**

	Period 1.4.03 to 30.9.04 £	Year Ended 31.3.03 £
Equity shares: Interim - paid	<u>32,000</u>	<u>112,000</u>

**The Max Quarterman Group Plc**  
**Notes to the Financial Statements**  
**for the Period 1 April 2003 to 30 September 2004**

**7. TANGIBLE FIXED ASSETS**

	Motor vehicles
	£
<b>COST:</b>	
At 1 April 2003	
and 30 September 2004	8,831
<b>DEPRECIATION:</b>	
At 1 April 2003	5,106
Charge for period	931
At 30 September 2004	6,037
<b>NET BOOK VALUE:</b>	
At 30 September 2004	2,794
At 31 March 2003	3,725

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Motor vehicles
	£
<b>COST:</b>	
At 1 April 2003	
and 30 September 2004	8,831
<b>DEPRECIATION:</b>	
At 1 April 2003	5,106
Charge for period	931
At 30 September 2004	6,037
<b>NET BOOK VALUE:</b>	
At 30 September 2004	2,794
At 31 March 2003	3,725

**8. STOCKS**

	30.9.04	31.3.03
	£	£
Work in progress	398,315	398,315

**The Max Quarterman Group Plc**

**Notes to the Financial Statements  
for the Period 1 April 2003 to 30 September 2004**

**9. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	30.9.04	31.3.03
	£	£
V.A.T.	810	12,985
Trade debtors	-	665,500
Other debtors	-	5,937
Prepayments	611	94
	<u>1,421</u>	<u>684,516</u>

**10. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	30.9.04	31.3.03
	£	£
Bank loans and overdrafts (see note 11)	99,184	-
Trade creditors	3,544	32,463
Directors current accounts	3,000	-
Social security & other taxes	-	17,021
Wages creditor	-	29,500
Corporation tax	-	183,512
Accrued expenses	2,500	3,811
	<u>108,228</u>	<u>266,307</u>

**11. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	30.9.04	31.3.03
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>99,184</u>	<u>-</u>

**12. SECURED DEBTS**

The following secured debts are included within creditors:

	30.9.04	31.3.03
	£	£
Bank overdrafts	<u>99,184</u>	<u>-</u>

The Company has a secured on demand overdraft facility of £25,000 from National Westminster Bank Plc. The bank also has a right of set off incorporated in the legal mortgages.

A first legal mortgage dated 27 November 1998 is held over the freehold property known as Limewood Gate, Poyle Lane, Burnham, Bucks.

The bank also holds a fixed and floating charge over the company's assets and undertaking.

**The Max Quarterman Group Plc**

**Notes to the Financial Statements  
for the Period 1 April 2003 to 30 September 2004**

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

	30.9.04	31.3.03
	£	£
Deferred taxation	67	-
	<u>        </u>	<u>        </u>
	Deferred	
	tax	
	£	
Accumulated Capital Allowances	67	
	<u>        </u>	
Balance at 30 September 2004	67	
	<u>        </u>	

**14. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	30.9.04	31.3.03
			£	£
100,000	Ordinary	1	100,000	100,000
			<u>        </u>	<u>        </u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30.9.04	31.3.03
			£	£
62,500	Ordinary	1	62,500	62,500
			<u>        </u>	<u>        </u>

**15. OTHER RESERVES**

	30.9.04	31.3.03
	£	£
Profit & loss reserve account	(440,000)	-
	<u>        </u>	<u>        </u>

**16. RELATED PARTY DISCLOSURES**

The following are directors and holders of the ordinary share capital of the Company, and accordingly have a controlling interest:

	Shareholding	
	30.09.04	31.3.03
Mr M Quarterman	15,625	15,625
Mrs E Quarterman	15,625	15,625
Mr M Hatcher	15,625	15,625
Mrs A Hatcher	15,625	15,625

During the year under review the Company entered into the following related party transactions:

Related Party	Transaction Details	Amount
		£
M Quarterman	Subcontract work	8,190

**The Max Quarterman Group Plc**

**Notes to the Financial Statements  
for the Period 1 April 2003 to 30 September 2004**

**17. POST BALANCE SHEET EVENTS**

The company is in the process of disposing of its remaining parcel of undeveloped land at Limewood Gate, Poyle Lane, Burnham following which the directors will apply for dissolution under the provisions of S652 of the Companies Act 1985. However this process has been delayed due to ongoing litigation concerning the company's vacant possession of the land.

**18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.9.04	31.3.03
	£	£
(Loss)/Profit for the financial period	(126,930)	502,745
Dividends	(32,000)	(112,000)
	<hr/>	<hr/>
Capital distribution	(158,930)	390,745
	(440,000)	-
	<hr/>	<hr/>
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(598,930)</b>	<b>390,745</b>
Opening shareholders' funds	893,165	502,420
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>294,235</b>	<b>893,165</b>
	<hr/>	<hr/>
Equity interests	294,235	893,165
	<hr/>	<hr/>