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REGISTERED NUMBER: 2686337

**Report of the Directors and  
Financial Statements  
for the Year Ended 31 March 2003  
for  
The Max Quarterman Group Plc**



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**The Max Quarterman Group Plc**

**Company Information  
for the Year Ended 31 March 2003**

**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

**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 Year Ended 31 March 2003**

The directors present their report with the financial statements of the company for the year ended 31 March 2003.

### **PRINCIPAL ACTIVITY**

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

### **REVIEW OF BUSINESS**

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

### **DIVIDENDS**

Interim dividends per share were paid as follows:

32p	- 29 November 2002
128p	- 16 December 2002
20p	- 13 February 2003
<hr/>	
180p	
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The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 March 2003 will be £112,000.

### **EVENTS SINCE THE END OF THE YEAR**

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

### **DIRECTORS**

The directors during the year 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 31 March 2003 in the issued share capital of the company were as follows:

	31.3.03	1.4.02
<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 Year Ended 31 March 2003**

**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:**

A handwritten signature in dark ink, appearing to read 'E Quarterman', is written over a horizontal dotted line.

Mrs E Quarterman - Secretary

Date: 20-10-03

**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 year ended 31 March 2003 on pages five to fourteen. 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 31 March 2003 and of its profit for the year 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: 22.10.03 .....

**The Max Quarterman Group Plc**

**Profit and Loss Account  
for the Year Ended 31 March 2003**

		31.3.03	31.3.02
	Notes	£	£
<b>TURNOVER</b>		2,665,500	785,000
Cost of sales		1,772,341	484,081
<b>GROSS PROFIT</b>		893,159	300,919
Administrative expenses		157,909	87,209
<b>OPERATING PROFIT</b>	3	735,250	213,710
Interest receivable and similar income		7,347	1,499
		742,597	215,209
Interest payable and similar charges	4	56,359	21,399
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		686,238	193,810
Tax on profit on ordinary activities	5	183,493	38,906
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		502,745	154,904
Dividends	6	112,000	104,000
		390,745	50,904
Retained profit brought forward		439,920	389,016
<b>RETAINED PROFIT CARRIED FORWARD</b>		£830,665	£439,920

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

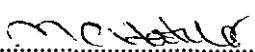
The company has no recognised gains or losses other than the profits for the current and previous years.

The Max Quarterman Group Plc

Balance Sheet  
31 March 2003

		31.3.03		31.3.02	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	7		3,725		4,967
<b>CURRENT ASSETS:</b>					
Stocks	8	398,315		1,679,305	
Debtors	9	684,516		8,853	
Cash at bank		72,916		-	
		1,155,747		1,688,158	
<b>CREDITORS: Amounts falling due within one year</b>	10	266,307		1,190,705	
<b>NET CURRENT ASSETS:</b>			889,440		497,453
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			£893,165		£502,420
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	13		62,500		62,500
Profit and loss account			830,665		439,920
<b>SHAREHOLDERS' FUNDS:</b>	16		£893,165		£502,420

ON BEHALF OF THE BOARD:

  
.....  
Mr M C Hatcher - Director

Approved by the Board on 20-10-03 .....

**The Max Quarterman Group Plc**

**Cash Flow Statement  
for the Year Ended 31 March 2003**

		31.3.03		31.3.02	
	Notes	£	£	£	£
<b>Net cash inflow from operating activities</b>	1		1,367,866		288,392
<b>Returns on investments and servicing of finance</b>	2		(49,012)		(19,900)
<b>Taxation</b>			(21,093)		31,133
<b>Equity dividends paid</b>			(112,000)		(104,000)
<b>Increase in cash in the period</b>			<u><u>£1,185,761</u></u>		<u><u>£195,625</u></u>
<hr/>					
<b>Reconciliation of net cash flow to movement in net debt</b>	3				
<b>Increase in cash in the period</b>		1,185,761		195,625	
Cash outflow from decrease in debt and lease financing		<u>941</u>		<u>2,258</u>	
Change in net debt resulting from cash flows			<u>1,186,702</u>		<u>197,883</u>
<b>Movement in net debt in the period</b>			1,186,702		197,883
<b>Net debt at 1 April</b>			<u>(1,113,786)</u>		<u>(1,311,669)</u>
<b>Net funds/(debt) at 31 March</b>			<u><u>£72,916</u></u>		<u><u>£(1,113,786)</u></u>

The notes form part of these financial statements



**The Max Quarterman Group Plc**

**Notes to the Cash Flow Statement  
for the Year Ended 31 March 2003**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	31.3.03 £	31.3.02 £
Operating profit	735,250	213,710
Depreciation charges	1,242	1,656
Decrease in stocks	1,280,990	89,858
Increase in debtors	(675,663)	(3,626)
Increase/(Decrease) in creditors	26,047	(13,206)
	<u>1,367,866</u>	<u>288,392</u>
<b>Net cash inflow from operating activities</b>	<u><u>1,367,866</u></u>	<u><u>288,392</u></u>

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

	31.3.03 £	31.3.02 £
<b>Returns on investments and servicing of finance</b>		
Interest received	7,347	1,499
Interest paid	(56,359)	(21,399)
	<u>(49,012)</u>	<u>(19,900)</u>
<b>Net cash outflow for returns on investments and servicing of finance</b>	<u><u>(49,012)</u></u>	<u><u>(19,900)</u></u>

**The Max Quarterman Group Plc**

**Notes to the Cash Flow Statement  
for the Year Ended 31 March 2003**

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

	At 1.4.02 £	Cash flow £	At 31.3.03 £
Net cash:			
Cash at bank	-	72,916	72,916
Bank overdraft	(1,112,845)	1,112,845	-
	<u>(1,112,845)</u>	<u>1,185,761</u>	<u>72,916</u>
 Debt:			
Hire purchase or finance leases	(941)	941	-
	<u>(941)</u>	<u>941</u>	<u>-</u>
 Total	<u>(1,113,786)</u>	<u>1,186,702</u>	<u>72,916</u>
 <b>Analysed in Balance Sheet</b>			
Cash at bank	-		72,916
Bank overdraft	(1,112,845)		-
Hire purchase or finance leases within one year	(941)		-
	<u>(1,113,786)</u>		<u>72,916</u>

**The Max Quarterman Group Plc**

**Notes to the Financial Statements  
for the Year Ended 31 March 2003**

**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**

	31.3.03	31.3.02
	£	£
Wages and salaries	140,440	124,850
Social security costs	3,248	2,604
	<u>143,688</u>	<u>127,454</u>

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

	31.3.03	31.3.02
Directors	<u>4</u>	<u>4</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.03	31.3.02
	£	£
Depreciation - assets on hire purchase contracts or finance leases	1,242	1,656
Auditors' remuneration	<u>2,935</u>	<u>2,900</u>
Directors' emoluments	<u>46,000</u>	<u>40,000</u>

**The Max Quarterman Group Plc**

**Notes to the Financial Statements  
for the Year Ended 31 March 2003**

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

31.3.03	31.3.02
£	£
Bank interest	21,399
<u>56,359</u>	<u>21,399</u>

**5. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

31.3.03	31.3.02
£	£
Current tax:	
UK corporation tax	38,906
<u>183,493</u>	<u>38,906</u>
Tax on profit on ordinary activities	38,906
<u>183,493</u>	<u>38,906</u>

**6. DIVIDENDS**

31.3.03	31.3.02
£	£
Equity shares:	
Interim - paid	32,000
Final - proposed	72,000
<u>112,000</u>	<u>104,000</u>
<u>112,000</u>	<u>104,000</u>

**7. TANGIBLE FIXED ASSETS**

	Motor vehicles
	£
<b>COST:</b>	
At 1 April 2002	
and 31 March 2003	8,831
<b>DEPRECIATION:</b>	
At 1 April 2002	3,864
Charge for year	1,242
	<u>5,106</u>
At 31 March 2003	5,106
<b>NET BOOK VALUE:</b>	
At 31 March 2003	3,725
	<u>3,725</u>
At 31 March 2002	4,967
	<u>4,967</u>

**The Max Quarterman Group Plc**

**Notes to the Financial Statements  
for the Year Ended 31 March 2003**

**7. TANGIBLE FIXED ASSETS - continued**

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 2002	
and 31 March 2003	8,831
<b>DEPRECIATION:</b>	
At 1 April 2002	3,864
Charge for year	1,242
At 31 March 2003	5,106
<b>NET BOOK VALUE:</b>	
At 31 March 2003	3,725
At 31 March 2002	4,967

**8. STOCKS**

	31.3.03	31.3.02
	£	£
Work in progress	398,315	1,679,305

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

	31.3.03	31.3.02
	£	£
V.A.T.	12,985	8,215
Trade debtors	665,500	-
Other debtors	5,937	-
Prepayments	94	638
	684,516	8,853

**The Max Quarterman Group Plc**

**Notes to the Financial Statements  
for the Year Ended 31 March 2003**

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

	31.3.03	31.3.02
	£	£
Bank loans and overdrafts (see note 11)	-	1,112,845
Trade creditors	32,463	14,519
Proposed dividends	-	32,000
Hire purchase	-	941
Interest payable accrued	-	5,085
Social security & other taxes	17,021	818
Wages creditor	29,500	-
Corporation tax	183,512	21,112
Accrued expenses	3,811	3,385
	<u>266,307</u>	<u>1,190,705</u>

**11. LOANS AND OVERDRAFTS**

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

	31.3.03	31.3.02
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>-</u>	<u>1,112,845</u>

**12. SECURED DEBTS**

The following secured debts are included within creditors:

	31.3.03	31.3.02
	£	£
Bank overdrafts	<u>-</u>	<u>1,112,845</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 Year Ended 31 March 2003**

**13. CALLED UP SHARE CAPITAL**

Authorised: Number:	Class:	Nominal value:	31.3.03 £	31.3.02 £
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	31.3.03 £	31.3.02 £
62,500	Ordinary	£1	<u>62,500</u>	<u>62,500</u>

**14. RELATED PARTY DISCLOSURES**

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

	Shareholding	
	31.3.03	31.3.02
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	20,405

**15. POST BALANCE SHEET EVENTS**

On 17 July 2003, the company's option on the property known as Limewood Gate, Poyle Lane, Burnham, Bucks, lapsed as planning permission had not been obtained. As a result the company ceased trading on that date and it is the intention of the directors to apply for dissolution under the provisions of S652 of the Companies Act 1985.

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

	31.3.03 £	31.3.02 £
Profit for the financial year	502,745	154,904
Dividends	<u>(112,000)</u>	<u>(104,000)</u>
<b>Net addition to shareholders' funds</b>	<b>390,745</b>	<b>50,904</b>
Opening shareholders' funds	<u>502,420</u>	<u>451,516</u>
<b>Closing shareholders' funds</b>	<b><u>893,165</u></b>	<b><u>502,420</u></b>
Equity interests	<u>893,165</u>	<u>502,420</u>