

Registration Number 2859835

Quest for Quality Limited
Directors' Report and Financial Statements
for the year ended 31 December 2005



Company Information

Directors	C J Day D B Rugg R Lunn
Secretary	J H Dobson
Company Number	2859835
Registered Office	2 Crane Court Fleet Street London EC4A 2BL
Auditors	Nexia Smith & Williamson 25 Moorgate London EC2R 6AY

Table of Contents

	Pages
Directors' report	4
Statement of directors' responsibilities	5
Auditors' report on financial statements	6
Income statement	7
Statement of changes in Shareholders' equity	8
Balance sheet	9
Cash Flow Statement	10
Notes to the Financial Statements	11-13

Directors' report

For the year ended 31 December 2005

The directors present their report and the financial statements for the year ended 31 December 2005.

Principal Activities

The Company use to provide externally accredited quality assurance for the long-term care sector and risk assessments for banks, local authorities, charitable trusts and business owners. The Company has not traded during the year or prior year and will not trade for the foreseeable future.

Results

The results for the year are set out in the income statement on page 7. The directors do not recommend the payment of a dividend (2004: £nil). The profit for the year before tax was £1,000 (2004: £3,000 loss) and the profit for the year after tax was £1,000 (2004: £2,000 loss) and this amount has been transferred to reserves.

Employees

There were no employees during this year or the previous year.

Donations

The Company made no political or charitable contributions during the year (2004: £nil).


Directors and their Interests

The beneficial interests of D B Rugg and C J Day in shares and share options of the ultimate holding company Christie Group plc are disclosed in the financial statements of that Company. The beneficial interests of R Lunn in the shares and share options of the ultimate holding company Christie Group plc are disclosed in the financial statements Christie, Owen & Davies plc. S C Guesford resigned on 7 April 2005.

Auditors

After the year end our auditors, Nexia Audit Limited changed their name to Nexia Smith & Williamson Audit Limited and now trade as Nexia Smith & Williamson. A resolution to re-appoint the auditors, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

This report was approved by the board on 25 July 2006.



J H Dobson
Company Secretary

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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. The Directors have elected to prepare financial statements for the Company in accordance with IFRS.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards. Directors are also required to:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

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.

Auditors' report on financial statements

Independent auditors' report to the shareholders of Quest for Quality Limited

We have audited the financial statements of Quest for Quality Limited for the year ended 31 December 2005 which comprise the Income Statement, the Statement of Changes in Shareholders' Equity, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 12. 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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union applied in accordance with the provisions of the Companies Act 1985.

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 if, in our opinion, the Directors' Report 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 the information specified by law regarding directors' remuneration and transactions with the company 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 those IFRSs as adopted for use in the European Union, of the state of the Company's affairs as at 31 December 2005 and of the profit of the Company for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985.

Nexia Smith & Williamson

Nexia Smith & Williamson
Chartered Accountants
Registered Auditors

25 Moorgate
London
EC2R 6AY

31 July 2006

Income statement
for the year ended 31 December 2005

	<i>Note</i>	2005 £'000	2004 £'000
Operating expenses		1	(3)
Operating profit/(loss) before tax		1	(3)
Taxation	5	-	1
Profit/(loss) for the year after tax		1	(2)

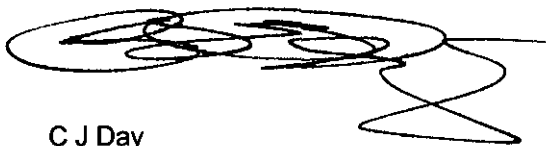
Statement of changes in shareholders' equity**As at 31 December 2005**Attributable to the Equity Holders of the Company

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2004	-	(266)	(266)
Loss for the year	-	(2)	(2)
Balance at 1 January 2005	-	(268)	(268)
Profit for the year		1	1
Balance at 31 December 2005	-	(267)	(267)

Balance sheet**As at 31 December 2005**

	<i>Note</i>	2005 £'000	2004 £'000
ASSETS			
Current assets			
Trade and other receivables	6	1	-
Total assets		1	-
Equity			
Capital and reserves attributable to the Company's equity holders			
Share capital	7	-	-
Retained earnings	8	(267)	(268)
Total equity		(267)	(268)
LIABILITIES			
Current liabilities			
Trade and other payables	9	268	268
Total liabilities		268	268
Total equity and liabilities		1	-

These financial statements have been approved for issue by the Board of Directors on 25 July 2006.



C J Day
Director

Cash Flow Statement
For the year ended 31 December 2005

	<i>Note</i>	2005 £'000	2004 £'000
Cash flow from operating activities			
Cash used in operations	10	-	(3)
Net cash used in operating activities		-	(3)
Net decrease in net cash (including bank overdrafts)		-	(3)
Cash at beginning of year		-	3
Cash and bank overdrafts at end of year		-	-

Notes to the Financial Statements

1. General information

There was no trading activities during the year and the Company is now dormant.

2. Summary of significant accounting policies

Accounting policies for the year ended 31 December 2005

The principal accounting policies adopted in the preparation of these Financial Statements are set out below.

2.1 Basis of preparation

The company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). These financial statements have been prepared under the historic cost convention.

These financial statements of Quest for Quality Limited are for the year ended 31 December 2005 and are covered by IFRS 1, 'First-time Adoption of International Accounting Standards'. The financial statements have been prepared in accordance with IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (July 2006).

The policies set out below have been consistently applied to all the periods presented except for those relating to the classification and measurement of financial instruments. The Company has made use of the exemption available under IFRS 1 to only apply IAS 32 and IAS 39 from 1 January 2005, although no adjustments occurred. The policies applied to financial instruments for 2004 and 2005 are disclosed separately below.

Quest for Quality Limited financial statements were prepared in accordance with UK Generally Accepted Accounting Principles (GAAP) until 31 December 2004. GAAP differs in some areas from IFRS. However, there were no adjustments required to the comparative information of the Company.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the company statements are disclosed in Note 4.

Interpretations and amendments to published standards effective in 2005

The following amendments and interpretations to standards are mandatory for the Company accounting years beginning on or after 1 January 2005.

- IFRIC 2, Members' Shares in Co-operative Entities and Similar Instruments;
- SIC 12 (Amendment), Consolidation – Special Purpose Entities; and
- IAS 39 (Amendment), Transition and Initial Recognition of Financial Assets and Financial Liabilities.

Management assessed the relevance of these amendments and interpretations with respect to the Company's operations and concluded that they are not relevant to the company.

2.2 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

2.3 Taxation including deferred tax

Tax on Company profits is provided for at the current rate applicable in each of the relevant territories. Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This is reviewed annually.

2.4 Share capital and share premium

Ordinary shares are classified as equity.

3. Financial risk management

The Company uses a limited number of financial instruments, comprising cash, short-term deposits, bank loans and overdrafts and various items such as trade receivables and payables, which arise directly from operations. The Company does not trade in financial instruments.

3.1 Fair value estimation

The nominal value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will by definition, seldom equal the related actual results.

5. Taxation

	2005 £'000	2004 £'000
Current tax		
UK Corporation tax at 30% (2004: 30%)	-	(1)
Total current tax	-	(1)
Tax on profit/(loss) on ordinary activities		
	2005 £'000	2004 £'000
Profit/(loss) on ordinary activities before tax	1	(3)
Tax on ordinary activities at standard rate of UK corporation tax of 30% (2004: 30%)	-	(1)
Total current tax	-	(1)

6. Trade and other receivables

	2005 £'000	2004 £'000
Amounts owed by group undertakings	1	-

The fair values of trade and other receivables approximates to the cost as detailed above.

7. Share capital

Ordinary shares of £2 each	Number	2005 £	Number	2004 £
Authorised:				
At 1 January and 31 December 2005	50	100	50	100
Allotted and fully paid:				
At 1 January and 31 December 2005	1	2	1	2

The Company has one class of ordinary share capital which carry no right to fixed income.

8. Reserves

	Retained earnings £'000
At 1 January 2005	(268)
Profit for the year	1
At 31 December 2005	(267)

	Retained earnings £'000
At 1 January 2004	(266)
Loss for the year	(2)
At 31 December 2004	(268)

9. Trade and other payables

	2005 £'000	2004 £'000
Amounts owed to group undertakings	268	267
Accruals and deferred income	-	1
	268	268

10. Notes to the cash flow statement**Cash used in operations**

	2005 £'000	2004 £'000
Profit/(loss) for the year	1	(2)
Adjustments for:		
- Taxation	-	(1)
Changes in working capital:		
- Increase in trade and other receivables	(1)	-
Cash used in operations	-	(3)

11. Related parties**11a. Ultimate parent undertaking**

The Company's ultimate parent undertaking is Christie Group plc, a company registered in England and Wales. Consolidated financial statements incorporating the results of the Company are prepared by Christie Group plc and no other intermediate holding company. Copies of the consolidated financial statements may be obtained from the Register of Companies, Companies House, Crown Way, Maindy, Cardiff, CG14 3UZ.

12. Transition to IFRS**12.1 Basis of transition to IFRS****12.1.1 Application of IFRS**

The Company's financial statements for the year ended 31 December 2005 are the first annual financial statements that comply with IFRS. These financial statements have been prepared as described in the accounting policies in Note 2.

Quest for Quality Limited's transition date is 1 January 2004. The Company prepared its opening IFRS balance sheet at that date. The reporting date of these financial statements is 31 December 2005. The Company's IFRS adoption date is 1 January 2005.

12.2 Reconciliations between IFRS and GAAP

There were no IFRS transaction adjustments required to the UK GAAP published results as at 1 January 2004 or 31 December 2004.