

**Registration Number 2859835**

**Quest for Quality Ltd**  
**Directors' Report and Financial Statements**  
**for the year ended 31 December 2004**



## **Quest for Quality Ltd**

### **Company Information**

Directors	C J Day S C Guesford D B Rugg R Lunn
Secretary	J H Dobson
Company Number	2859835
Registered Office	2 Crane Court Fleet Street London EC4A 2BL
Auditors	Nexia Audit Limited No 1 Riding House Street London W1A 3AS

## **Quest for Quality Ltd**

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## **Quest for Quality Ltd**

### **Directors' Report for the year ended 31 December 2004**

The directors present their report and the financial statements for the year ended 31 December 2004.

#### **Principal Activity and Review of the Business**

The company provides externally accredited quality assurance for the long-term care sector by setting standards through benchmarking. Similarly, through its Performance Evaluation Report, it provides risk assessment for banks, local authorities, charitable trusts and business owners.

#### **Results and Dividends**

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend (2003: nil).

#### **Directors and their Interests**

The directors who served during the year are as stated below:

C J Day  
S C Guesford  
D B Rugg  
R Lunn

No director had any interests in the share capital of the company.

#### **Employees**

The Directors recognise the benefits which accrue from keeping employees informed of the progress of the business and involving them in the Group's performance. Each individual operating company adopts employee consultation as appropriate.

The company is committed to providing equality of opportunity to all employees regardless of nationality, ethnic origin, age, sex or sexual orientation and continues to be supportive of the employment and advancement of disabled persons.

#### **Charitable and Political Contributions**

The company made no political or charitable contributions during the year (2003: nil).

## **Quest for Quality Ltd**

### **Directors' Report for the year ended 31 December 2004**

#### **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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

#### **Annual General Meeting**

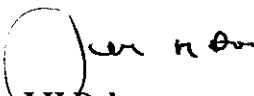
In accordance with the provisions of Section 366A of the Companies Act 1985 the company has resolved to dispense with the holding of an Annual General Meeting.

The company has also resolved to dispense with the laying of accounts and reports before the company in a General meeting under Section 252 of the Companies Act.

#### **Auditors**

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of auditors. Nexia Audit Limited will be deemed to be reappointed for each succeeding financial year.

This report was approved by the Board on 20th May 2005 and signed on its behalf by

  
**I.H. Dobson**  
Secretary

## **Quest for Quality Ltd**

### **Independent Auditors' Report to the Shareholders of Quest for Quality Ltd**

We have audited the financial statements of Quest for Quality Ltd for the year ended 31 December 2004 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 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 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 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 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 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Nexia Audit Limited*

**Nexia Audit Limited**  
Chartered Accountants  
Registered Auditors

No 1 Riding House Street  
London W1A 3AS

*7 June 2005*

**Quest for Quality Ltd**  
**Profit and Loss Account**  
**for the year ended 31 December 2004**

	Notes	2004 £	2003 £
<b>Turnover</b>	2	-	20,900
Administrative expenses		(2,840)	(22,881)
<b>Operating loss</b>	3	(2,840)	(1,981)
Finance credits	4	26	77
<b>Loss on ordinary activities before taxation</b>		(2,814)	(1,904)
Tax credit / (charge) on loss on ordinary activities	5	844	(308)
<b>Loss for the year</b>		(1,970)	(2,212)

There were no other gains or losses in the year other than those included in the above profit and loss account.

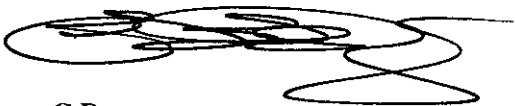
All of the company's operations are classed as continuing.

**Quest for Quality Ltd**

**Balance Sheet  
as at 31 December 2004**

		<b>2004</b>		<b>2003</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Current Assets</b>					
Debtors	<b>7</b>	-		700	
Cash at bank and in hand		338		2,772	
		<u>338</u>		<u>3,472</u>	
<b>Creditors: amounts falling due within one year</b>	<b>8</b>	<u>(268,196)</u>		<u>(269,360)</u>	
<b>Net Current Liabilities</b>			<u>(267,858)</u>		<u>(265,888)</u>
<b>Net Liabilities</b>			<u>(267,858)</u>		<u>(265,888)</u>
<b>Capital and Reserves</b>					
Called up share capital	<b>9</b>		2		2
Profit and loss account	<b>10</b>		<u>(267,860)</u>		<u>(265,890)</u>
<b>Equity Shareholders' Deficit</b>	<b>11</b>		<u>(267,858)</u>		<u>(265,888)</u>

The financial statements were approved by the Board on 20th May 2005 and signed on its behalf by



**C Day  
Director**



## **Quest for Quality Ltd**

### **Notes to the Financial Statements for the year ended 31 December 2004**

#### **1. Accounting Policies**

##### **1.1. Accounting convention**

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention and the accounting policies summarised below. They have all been applied consistently throughout the year and the preceding year.

The company has taken advantage of the exemptions in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement as it is a wholly owned subsidiary of an EC parent company which publishes a consolidated cash flow statement.

##### **1.2. Going Concern**

The accounts have been prepared on the going concern basis, which assumes the company will continue in existence for the foreseeable future. In the opinion of the directors it is appropriate to prepare the accounts on such a basis as the parent company, Christie Group plc has agreed to continue to support the company, for a period of not less than one year from the date of signing of these accounts.

##### **1.3. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### **1.4. Recognition of Income**

Income derived from consultancy work is recognised upon submission of the invoice to the client.

##### **1.5. Taxation**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred tax is provided for on a full provision basis on all timing differences, which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those gains have been rolled over into replacement assets. Deferred tax assets are recognised to the extent that they are recoverable, that is, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Any assets and liabilities recognised have not been discounted.

#### **2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

# **Quest for Quality Ltd**

## **Notes to the Financial Statements for the year ended 31 December 2004**

..... continued

<b>3. Operating loss</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating loss is stated after charging:		
Auditors' remuneration	458	1,199
Auditors' remuneration from non-audit work	210	1,199
	<u>          </u>	<u>          </u>
<b>4. Finance credits</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Other interest receivable	(26)	(77)
	<u>          </u>	<u>          </u>
<b>5. Tax on loss on ordinary activities</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK Corporation tax	(844)	(571)
Adjustments in respect of prior year	-	879
Total current tax	<u>(844)</u>	<u>308</u>

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	<u>(2,814)</u>	<u>(1,904)</u>
Tax on ordinary activities at standard UK corporation rate of 30% (2003: 30%)	(844)	(571)
Effects of:		
- adjustments to tax charge in respect of previous periods	-	879
Total current tax (credit) / charge for the year	<u>(844)</u>	<u>308</u>

## **6. Employees**

There were no employees except directors during the year (2003: nil)

No staff costs were incurred during the year (2003: nil)

**Quest for Quality Ltd**

**Notes to the Financial Statements  
for the year ended 31 December 2004**

..... continued

**7. Debtors**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Debtors due within one year</b>		
Corporation Tax	-	571
Prepayments and accrued income	-	129
	<u>-</u>	<u>700</u>
	<u>-</u>	<u>700</u>

**8. Creditors: amounts falling due within one year**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Amounts owed to group undertaking and fellow subsidiaries.	266,696	266,895
Other taxes and social security costs	-	127
Accruals and deferred income	1,500	2,338
	<u>268,196</u>	<u>269,360</u>
	<u>268,196</u>	<u>269,360</u>

**9. Share capital**

	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Authorised equity</b>		
50 Ordinary shares of £2 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and fully paid equity</b>		
1 Ordinary share of £2 each	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

**10. Equity Reserves**

	<b>Profit and loss account £</b>
<b>At 1 January 2004</b>	(265,890)
Retained loss for the year	(1,970)
<b>At 31 December 2004</b>	<u>(267,860)</u>
	<u>(267,860)</u>

## Quest for Quality Ltd

### Notes to the Financial Statements for the year ended 31 December 2004

..... continued

#### 11. Reconciliation of movements in shareholders' deficit

	2004 £	2003 £
Loss after taxation for the financial year	(1,970)	(2,212)
Opening shareholders' deficit	(265,888)	(263,676)
Closing shareholders' deficit	<u>(267,858)</u>	<u>(265,888)</u>

#### 12. Ultimate parent undertaking

The company's ultimate parent undertaking is Christie Group plc, a company registered in England and Wales and quoted on the International Stock Exchange, London. Christie Group plc is the parent undertaking of the largest and the smallest group of which Quest for Quality Ltd is a member and for which accounts are drawn up. Copies of these accounts have been delivered to and are available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

#### 13. Related party transactions

As a wholly owned subsidiary of Christie Group plc, the company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by Christie Group plc.

#### 15. Directors' emoluments

There were no employees during the year apart from the directors.

##### 15.1. Directors' emoluments

The emoluments of C J Day, S C Guesford, D B Rugg and R Lunn are paid by the parent company or by a fellow subsidiary. Their services to this company and to a number of fellow subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company or the fellow subsidiary who pays their emoluments. Accordingly the Profit and Loss Account includes no emoluments in respect of the aforementioned directors.