

Company Registration No 02950066 (England and Wales)

QUINTAIN SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013



QUINTAIN SERVICES LIMITED

COMPANY INFORMATION

Directors	M D S James R J Stearn
Secretary	S J Odell
Company number	02950066
Registered office	16 Grosvenor Street London W1K 4QF
Auditor	KPMG LLP 15 Canada Square Canary Wharf London E14 5GL

QUINTAIN SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and financial statements for the year ended 31 March 2013

Principal activities and review of the business

The principal activity of the Company is the provision of management services under an agreement with the parent company, Quintain Estates and Development PLC

The results for the year and the financial position at the year end were considered satisfactory by the directors

The key risk facing the Company is the loss of key individuals employed by the group. The group's ongoing recruitment programme and long term incentive and remuneration packages seek to mitigate this

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of a final dividend (2012 £nil)

Directors

The following directors have held office since 1 April 2012

R J Worthington	(Resigned 31 October 2012)
M D S James	(Appointed 25 May 2012)
A R Wyatt	(Resigned 25 May 2012)
R J Stearn	(Appointed 1 August 2012)
M R Meech	(Resigned 8 August 2013)

Auditors

The auditor, KPMG LLP, was appointed during the year

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 adequate 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

QUINTAIN SERVICES LIMITED

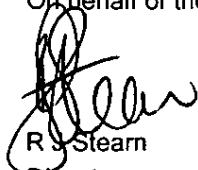
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

Statement of disclosure to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

On behalf of the board



R. A. Stearn
Director

19 March 2014

QUINTAIN SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF QUINTAIN SERVICES LIMITED

We have audited the financial statements of Quintain Services Limited for the year ended 31 March 2013 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors

As explained more fully in the Statement of Directors' Responsibilities on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2013 and of its profit for the year then ended, and
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

QUINTAIN SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF QUINTAIN SERVICES LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Bill Holland (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

21 March 2014

Chartered Accountants
15 Canada Square
Canary Wharf
London
E14 5GL

QUINTAIN SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2013

	Notes	2013 £	2012 £
Turnover	2	13,210,059	12,732,837
Cost of sales		(12,581,009)	(12,139,265)
Gross profit		629,050	593,572
Administrative expenses		(61,635)	(8,980)
Other operating income		-	26,736
Operating profit	3	567,415	611,328
Interest receivable and similar income	4	40	138
Interest payable and similar charges	5	(175,020)	(97,696)
Profit on ordinary activities before taxation		392,435	513,770
Tax on profit on ordinary activities	6	-	-
Profit for the year	12	392,435	513,770

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account


QUINTAIN SERVICES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	7		6,210		8,280
Current assets					
Debtors	8	4,742,392		3,089,502	
Cash at bank and in hand		290,359		12,110	
		<u>5,032,751</u>		<u>3,101,612</u>	
Creditors, amounts falling due within one year	9	<u>(3,219,205)</u>		<u>(1,682,571)</u>	
Net current assets			<u>1,813,546</u>		<u>1,419,041</u>
Total assets less current liabilities			<u>1,819,756</u>		<u>1,427,321</u>
Capital and reserves					
Called up share capital	11		2		2
Profit and loss account	12		<u>1,819,754</u>		<u>1,427,319</u>
Shareholders' funds	13		<u>1,819,756</u>		<u>1,427,321</u>

Approved by the Board and authorised for issue on 19 March 2014


R. J. Stearn
Director

Company Registration No. 02950066

QUINTAIN SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with all applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and the requirements of the Companies Act 2006

Under the provision of FRS 1 (Revised), Cash Flow Statements, the Company has not prepared a cashflow statement because its ultimate parent company, Quintain Estates and Development PLC, which is incorporated in Great Britain, has prepared consolidated financial statements which include the financial statements of the Company for the year and which contain a cashflow statement

1.2 Turnover

Turnover is stated net of VAT and comprises management fees receivable

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment	over 5 years
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1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.5 Pensions

The Company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

1.6 Taxation

Deferred tax is recognised on all timing differences that have originated but not reversed at the balance sheet date, except that as permitted by FRS 19, Deferred Tax, no provision is made for the tax on unrealised property revaluation surpluses. Deferred tax assets are recognised to the extent that they are considered recoverable

Current tax for the current and prior years is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date

QUINTAIN SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

1 Accounting policies

(continued)

1.7 Share based payments

The share based payment schemes allow employees to acquire shares of the Company's ultimate parent, Quintain Estates and Developments PLC. The fair value of options granted is recognised as an employee expense. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting. The ultimate parent company recharges the Company with an amount equal to the expense as calculated under this policy. The share based payment schemes consist of four option schemes which grant shares in the ultimate parent company to employees of the company over a vesting period of three years if certain performance criteria are met. Full details of the schemes are given in the accounts of the ultimate parent company.

The Company also operates a discretionary bonus scheme which is designed to be a performance-related incentive to reward staff and provide motivation. After exceptional performance staff are awarded a bonus deferred as shares in the Company's ultimate parent, Quintain Estates and Development PLC, that vest after three years.

2 Turnover

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

	2013 £	2012 £
Class of business		
Management fees receivable	13,210,059	12,732,837

3 Operating profit

	2013 £	2012 £
Operating profit is stated after charging		
Depreciation of tangible assets	2,070	2,070
Operating lease rentals	820,000	834,341
Provision for national insurance on unexercised share options, rights and deferred bonus share schemes	(42,088)	(26,996)

Fees of £700 (2012: £700) paid to the Company's auditor, KPMG LLP, for the audit of the Company have been wholly borne by the ultimate parent company, Quintain Estates and Development PLC. This cost forms part of a group management fee from the ultimate parent.

Fees paid to the Company's auditor and its associates for services other than the statutory audit of the Company are not disclosed since the consolidated accounts of the ultimate parent are required to disclose non-audit fees on a consolidated basis.

QUINTAIN SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

4	Interest receivable and similar income	2013 £	2012 £
	Bank interest	40	138

5	Interest payable	2013 £	2012 £
	On amounts payable to group companies	175,020	97,696

6	Taxation	2013 £	2012 £
	Current tax charge	-	-
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	392,435	513,770
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	94,184	133,580
	Effects of		
	Disallowable expenditure	10,598	(6,951)
	Tax losses utilised	(104,782)	(126,629)
		(94,184)	(133,580)
	Current tax charge	-	-

Group relief has been (claimed)/surrendered for nil consideration

QUINTAIN SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

7 Tangible fixed assets

	Fixtures, fittings & equipment £
Cost	
At 1 April 2012 & at 31 March 2013	10,350
Depreciation	
At 1 April 2012	2,070
Charge for the year	2,070
At 31 March 2013	4,140
Net book value	
At 31 March 2013	6,210
At 31 March 2012	8,280

8 Debtors	2013 £	2012 £
Trade debtors	-	131,357
Amounts owed by group undertakings	4,264,410	2,451,834
Other debtors	67,003	169,240
Prepayments and accrued income	410,979	337,071
	4,742,392	3,089,502

Amounts due from parent and fellow subsidiary undertakings bear interest at variable rates and are repayable on demand

9 Creditors: amounts falling due within one year	2013 £	2012 £
Trade creditors	120,682	5,456
Taxes and social security	220,155	324,470
Other creditors	257,405	149,386
Accruals and deferred income	2,620,963	1,203,259
	3,219,205	1,682,571

QUINTAIN SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2013**

10 Pension and other post-retirement benefit commitments **Defined contribution**

	2013 £	2012 £
Contributions payable by the company for the year	690,877	1,059,858

11 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2012	1,427,319
Profit for the year	392,435
Balance at 31 March 2013	1,819,754

13 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	392,435	513,770
Opening shareholders' funds	1,427,321	913,551
Closing shareholders' funds	1,819,756	1,427,321

QUINTAIN SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

14 Financial commitments

At 31 March 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2014

	Land and buildings	
	2013	2012
	£	£
Operating leases which expire Between two and five years	820,000	820,000

15 Directors' remuneration

	2013	2012
	£	£
Remuneration for qualifying services	2,629,000	2,702,031
Company pension contributions to defined contribution schemes	139,000	253,865
	2,768,000	2,955,896

The average number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2012 4)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	739,000	579,600
Company pension contributions to defined contribution schemes	59,000	86,940

• QUINTAIN SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2013

16 Employees

Number of employees

	2013 Number	2012 Number
The average monthly number of employees (including directors) was	56	60

Employment costs

	2013 £	2012 £
Wages and salaries	7,793,260	8,600,335
Social security costs	1,095,315	1,043,108
Other pension costs	690,877	1,059,858
Other employment costs	1,687,743	599,553
	11,267,195	11,302,854

All of the employment costs are included in Cost of Sales

17 Control

The Company's ultimate parent company and controlling party is Quintain Estates and Development PLC. The results of the Company are consolidated in the financial statements of Quintain Estates and Development PLC. Group financial statements are available on request from 16 Grosvenor Street, London W1K 4QF.

18 Related party transactions

The Company has taken advantage of the exemption in FRS 8, Related Party Disclosures, from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company, Quintain Estates and Development PLC.