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**PRESTIGE NURSING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST DECEMBER 2000**

**Company Number: 1006953**

**Jacob Cavenagh & Skeet**  
**Chartered Accountants**  
**6/8 Tudor Court**  
**Brighton Road**  
**Sutton, Surrey, SM2 5AE**



**PRESTIGE NURSING LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST DECEMBER 2000**

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# PRESTIGE NURSING LIMITED

## REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31st December 2000.

### Principal activity

The company's principal activity during the year continued to be that of nursing agents.

### Review of the year

The growth in the company's branch network continued throughout 2000 and turnover from new branches helped offset the disappointing performance of some of the company's other branches. Increasing pressure on one of the company's key market segments, the private nursing and residential home sector, resulted in lower than expected growth, which in general was exacerbated by the continued nationwide shortage of nursing and care staff. Nevertheless fiscal performance was on target for the year and will provide a strong base on which to continue Prestige's expansion plans into 2001 and beyond.

### Future developments

2000 proved to be a year of consolidation for the company as it commenced development of a number of niche services that will be launched throughout 2001. These premium services are expected to make significant contributions to operating margins in 2001 and will dovetail with the extensive work Prestige is currently undertaking in the field of on-line service delivery. Taken together these initiatives will help consolidate Prestige as one of the leading nursing agencies in the UK.

### Charitable donations

The company made charitable donations totalling £1,800 in the year (1999: £Nil).

### Directors and their interests

The directors who served during the year and their beneficial interests in the issued share capital were as follows:

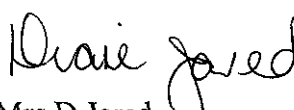
	Number of ordinary shares	
	31st December 2000	31st December 1999
P B Bruce	1,570	1,570
Mrs P Bruce	1,570	1,570
J Bruce	1,500	1,000
Mrs D Jared (appointed 1st June 2000)	-	-

Mr and Mrs P B Bruce have a non-beneficial interest in 4,360 of the issued £1 ordinary shares.

### Auditors

The auditors, Jacob Cavenagh & Skeet, have expressed their willingness to continue in office and a resolution to reappoint them will be put to the forthcoming annual general meeting.

BY ORDER OF THE BOARD

  
Mrs D Jared  
Secretary

4th May 2001

**PRESTIGE NURSING LIMITED****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 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 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.

REPORT OF THE AUDITORS  
TO THE MEMBERS OF  
**PRESTIGE NURSING LIMITED**

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with the 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 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 affairs of the company as at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

6/8 Tudor Court  
Brighton Road  
Sutton  
Surrey  
SM2 5AE

11th May 2001

*Jacob Cavenagh & Skeet*

**Jacob Cavenagh & Skeet**  
Chartered Accountants  
and Registered Auditor

**PRESTIGE NURSING LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 2000**

		<b>2000</b>		<b>1999</b>	
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	1		14,915,214		14,656,673
<b>Cost of sales</b>			<u>11,584,772</u>		<u>11,692,448</u>
<b>Gross profit</b>			3,330,442		2,964,225
Marketing costs		124,826		84,749	
Administrative expenses		<u>2,646,192</u>		<u>2,344,331</u>	
			<u>2,771,018</u>		<u>2,429,080</u>
<b>Operating profit</b>	2		559,424		535,145
Interest receivable			35,242		11,979
Interest payable	4		( <u>258</u> )		( <u>6,188</u> )
<b>Profit on ordinary activities before taxation</b>			594,408		540,936
Tax on profit on ordinary activities	5		<u>174,079</u>		<u>163,332</u>
<b>Profit for the year</b>			420,329		377,604
Dividends	6		<u>-</u>		<u>-</u>
<b>Retained profit for the year</b>			420,329		377,604
Retained profit brought forward			<u>1,311,131</u>		<u>933,527</u>
<b>Retained profit carried forward</b>			<u>1,731,460</u>		<u>1,311,131</u>

The turnover is generated from continuing activities.

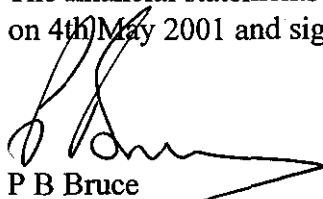
The company has no recognised gains or losses other than those reported above.

**PRESTIGE NURSING LIMITED****BALANCE SHEET**

AS AT 31ST DECEMBER 2000

	Note	2000		1999	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	7		-		-
Tangible assets	8		178,477		219,433
Investments	9		<u>2</u>		<u>2</u>
			178,479		219,435
<b>Current assets</b>					
Stocks	10	522		683	
Debtors	11	2,284,858		2,155,646	
Cash in hand		<u>741,499</u>		<u>458,900</u>	
		3,026,879		2,615,229	
<b>Creditors: Amounts falling due within one year</b>	12	(1,463,898)		(1,513,533)	
<b>Net current assets</b>			<u>1,562,981</u>		<u>1,101,696</u>
<b>Total assets less current liabilities</b>			<u>1,741,460</u>		<u>1,321,131</u>
<b>Capital and reserves</b>					
Share capital	13		10,000		10,000
Profit and loss account			<u>1,731,460</u>		<u>1,311,131</u>
	14		<u>1,741,460</u>		<u>1,321,131</u>

The financial statements were approved by the Board of Directors on 4th May 2001 and signed on its behalf by:

  
P B Bruce  
Director

## PRESTIGE NURSING LIMITED

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2000

	Note	2000 £	1999 £
<b>Net cash inflow from operations</b>	1	647,569	950,502
<b>Returns on investment and servicing of finance</b>			
Interest received		35,242	11,979
Interest paid		( 258)	( 6,188)
		34,984	5,791
<b>Taxation</b>			
Corporation tax paid		(153,363)	(184,753)
<b>Capital expenditure</b>			
Payments to acquire tangible assets		( 56,230)	(198,182)
Proceeds of sale of fixed assets		<u>2,136</u>	<u>7,061</u>
<b>Net cash outflow from capital expenditure</b>		( 54,094)	(191,121)
<b>Net cash inflow before financing</b>		475,096	580,419
<b>Financing</b>			
Repayment of hire purchase		—	( 9,537)
<b>Increase in cash</b>	2	<u>475,096</u>	<u>570,882</u>

## NOTES TO THE CASH FLOW STATEMENT

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow from operations</b>	<b>2000 £</b>
	Operating profit	559,424
	Depreciation	88,997
	Loss on sale of fixed assets	6,053
	Movement in: Stock	161
	Debtors	(129,212)
	Creditors	<u>122,146</u>
	<b>Net cash inflow from operations</b>	<u>647,569</u>
<b>2</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2000 £</b>
	Net funds at 1st January 2000	266,403
	Net funds at 31st December 2000	<u>741,499</u>
	<b>Increase in cash in the year</b>	<u>475,096</u>



**PRESTIGE NURSING LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2000****1 ACCOUNTING POLICIES****1.1 Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements contain information about Prestige Nursing Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 248 of the Companies Act 1985 from the requirement to produce consolidated financial statements as the group it heads qualifies as a small group.

**1.2 Turnover**

Turnover represents amounts receivable for services provided to customers and clients, net of Value Added Tax.

**1.3 Depreciation of tangible assets**

Provision is made for depreciation on all tangible assets at rates calculated to write off cost less estimated residual value of each asset over its expected useful life as follows:

Office equipment	-	33.3% per annum on cost
Fixtures and fittings	-	10% per annum on cost
Motor vehicles	-	25% per annum on cost

**1.4 Leasing and hire purchase commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**1.5 Amortisation of goodwill**

The company's policy is to write off goodwill over its useful economic life of 10 years, on a straight line basis.

**1.6 Deferred taxation**

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

**2 OPERATING PROFIT**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Auditors' remuneration	4,400	4,200
Depreciation	88,997	83,618
Loss/(profit) on disposal of fixed assets	6,053	( 3,541)
Operating lease rentals in respect of:		
Motor vehicles	27,481	9,100
Land and buildings	<u>85,059</u>	<u>76,678</u>

# PRESTIGE NURSING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000 (continued)

3	EMPLOYEE INFORMATION	2000 £	1999 £
	<b>Staff costs</b>		
	Wages and salaries	741,646	601,719
	Social security	73,893	58,736
	Other pension costs	-	28,000
		<u>815,539</u>	<u>688,455</u>

		2000 No	1999 No
	The average weekly number of employees during the year was	<u>33</u>	<u>27</u>

	<b>Directors' emoluments</b>		
	Emoluments in respect of qualifying service	288,398	170,804
	Company contributions to money purchase pension schemes	-	28,000
		<u>288,398</u>	<u>198,804</u>

The number of directors to whom retirement benefits are accruing under defined contributions pension schemes is 2 (1999: 2).

Information regarding the highest paid director is as follows:

		2000 £	1999 £
	Emoluments and benefits	146,485	70,275
	Pension contributions	-	18,000
		<u>146,485</u>	<u>88,275</u>

### Pension scheme arrangements

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents the contributions payable by the company to the funds and amounted to £Nil (1999: £28,480).

4	INTEREST PAYABLE	2000 £	1999 £
	On bank overdraft repayable on demand	258	4,823
	On hire purchase obligations	-	1,365
		<u>258</u>	<u>6,188</u>

5	TAXATION	2000 £	1999 £
	The tax charge based on the result for the year was as follows:		
	UK Corporation tax at 29.34% (1999: 30.24%)	174,079	153,363
	Underprovision in previous year	-	9,969
		<u>174,079</u>	<u>163,332</u>

**PRESTIGE NURSING LIMITED**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2000  
(continued)

6	<b>DIVIDENDS</b>			<b>2000</b>	<b>1999</b>
				<b>£</b>	<b>£</b>
	Interim dividend			<u><u>-</u></u>	<u><u>-</u></u>
7	<b>INTANGIBLE FIXED ASSETS</b>				<b>Goodwill</b>
					<b>£</b>
	<b>Cost</b>				
	At 1st January 2000 and 31st December 2000				<u>21,000</u>
	<b>Amortisation</b>				
	At 1st January 2000 and 31st December 2000				<u>21,000</u>
	<b>Net book value</b>				
	At 31st December 2000				<u><u>-</u></u>
	At 31st December 1999				<u><u>-</u></u>
8	<b>TANGIBLE FIXED ASSETS</b>	<b>Office</b>	<b>Fixtures and</b>	<b>Motor</b>	
		<b>equipment</b>	<b>fittings</b>	<b>vehicles</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Cost</b>				
	At 1st January 2000	204,909	30,633	135,678	371,220
	Additions	35,481	20,749	-	56,230
	Disposals	( 6,872)	( 530)	( 24,182)	( 31,584)
	At 31st December 2000	<u>233,518</u>	<u>50,852</u>	<u>111,496</u>	<u>395,866</u>
	<b>Depreciation</b>				
	At 1st January 2000	100,392	11,088	40,307	151,787
	Charge for the year	55,769	3,842	29,386	88,997
	On disposals	( 5,586)	( 265)	( 17,544)	( 23,395)
	At 31st December 2000	<u>150,575</u>	<u>14,665</u>	<u>52,149</u>	<u>217,389</u>
	<b>Net book value</b>				
	At 31st December 2000	<u>82,943</u>	<u>36,187</u>	<u>59,347</u>	<u>178,477</u>
	At 31st December 1999	<u>104,517</u>	<u>19,545</u>	<u>95,371</u>	<u>219,433</u>

# PRESTIGE NURSING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000 (continued)

### 9 FIXED ASSET INVESTMENTS

Shares in  
subsidiary  
£

#### Cost

At 1st January 2000 and 31st December 2000

2

The company owns 100% of the issued share capital of Prestige Nursing (Franchise) Limited which is incorporated in England and Wales. The main activity of that company is running a franchising operation. The aggregate amount of its capital and reserves at 31st December 2000 was £6,029. The profit after taxation for the year was £37,235.

The company owns 49% of the issued share capital of Prestige Nursing (Training) Limited which is incorporated in England and Wales. The main activity of that company is provision of training services. The company was dormant during the year.

### 10 STOCKS

2000  
£

1999  
£

Goods for resale

522

683

### 11 DEBTORS

2000  
£

1999  
£

Trade debtors

1,395,683

1,383,127

Amount owed by subsidiary

10,946

7,260

Other debtors

238,952

118,014

Prepayments and accrued income

639,277

647,245

2,284,858

2,155,646

### 12 CREDITORS: Amounts falling due within one year

2000  
£

1999  
£

Bank overdraft

-

192,497

Trade creditors

66,236

26,612

Corporation tax payable 1st October 2001

174,079

153,363

Other taxes and social security costs

499,139

435,139

Other creditors

595,699

673,022

Accruals

128,745

32,900

1,463,898

1,513,533

**PRESTIGE NURSING LIMITED**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2000  
(continued)

**13 SHARE CAPITAL**

	<b>Authorised</b>		<b>Allotted, issued and fully paid</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>10,000</u>	<u>10,000</u>

**14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Retained profit for the year	420,329	377,604
Opening shareholders' funds	<u>1,321,131</u>	<u>943,527</u>
Closing shareholders' funds	<u>1,741,460</u>	<u>1,321,131</u>

**15 FINANCIAL AND CAPITAL COMMITMENTS**

The company has financial commitments in respect of non-cancellable operating leases. The rentals payable under these leases in the next year are as follows:

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
<b>Motor vehicles</b>		
Date of lease termination:		
Within one year	-	3,458
Between two and five years	<u>24,305</u>	<u>20,638</u>
<b>Land and buildings</b>		
Date of lease termination:		
Between two and five years	<u>85,059</u>	<u>76,678</u>

**PRESTIGE NURSING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 2000  
(continued)**

**16 RELATED PARTY TRANSACTIONS**

During the year the company was charged for sales amounting to £65,514 (1999: £39,145) by Prestige Nursing (Franchise) Limited.

During the year the company charged Prestige Nursing (Franchise) Limited £63,177 (1999: £23,056) for staff costs, £427 (1999: £1,650) for fixed assets, and £11,866 (1999: £2,539) for other expenses.

At 31st December 2000, the company was owed £10,946 (1999: £7,260) by Prestige Nursing (Franchise) Limited. This amount is unsecured and interest-free, and no provision has been made in respect of this debt.