

Company registration number 01006953

PRESTIGE NURSING LIMITED

Financial Statements

For the year ended 31 December 2010



**Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey
SM1 2SW**

PRESTIGE NURSING LIMITED

Financial Statements

For the year ended 31 December 2010

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PRESTIGE NURSING LIMITED

Company information

Directors	P B Bruce Mrs P Bruce J P Bruce Ms D Jared Mrs C L Hunt
Company Secretary	Ms D Jared
Registered office	Greenview House 5 Manor Road Wallington Surrey SM6 0BW
Company number	01006953
Auditors	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW

PRESTIGE NURSING LIMITED

Directors' report for the year ended 31 December 2010

The directors present their report and the audited group financial statements for the year ended 31 December 2010

Principal activities

The group's principal activities during the year continued to be that of a nursing and care agency and the running of a franchising operation

Financial Review

2010 was another challenging year for the Prestige Nursing Group. While trading results were broadly in line with last year with turnover down slightly (2%) and Gross Profit up by 3%, an increase of 8% in head office expenses mainly due to a large increase in unrecoverable VAT, a significant investment in IT, and acquisition expenses, meant Net Profit was down by £180k against 2009.

The Group's cash position remains strong and therefore we have not suffered from the restrictions on lending by the major banks. The Group was able to make an acquisition out of its own funds at the end of 2010 and will be looking for further such opportunities in 2011.

Business Review

While the overall results were relatively flat, the results for the two different markets we trade in were very different. Homecare services saw a strong 14% growth in both turnover and profit whereas our healthcare staffing business saw falls in turnover of 20% and profit of 15%. Healthcare staffing suffered as a result of a fall of 45% in demand for temporary staff by the NHS and continued difficult trading in the residential care market. We do not expect trading in these sectors to improve in the near term.

Prestige Nursing will continue its successful drive into homecare services as a way of growing sales and profitability, focusing primarily on the higher value sector of the market and avoiding where possible the lower margin Local Authority volume contracts.

Operational Review

The Prestige Nursing Group continued to grow its network to a total of 40 branches during 2010, although franchise growth was hampered by the availability of finance for new start ups. The business completed the acquisition of East Sussex based Handy Helpers Ltd late in the year, and expects the full value of this to be realised during 2011.

The Group made a significant investment in its ICT system in Q4 of 2010, in a bid to further strengthen the resilience and scalability of its systems as the company continues to seek growth both organically and by acquisition.

PRESTIGE NURSING LIMITED

Directors' report for the year ended 31 December 2010 (continued)

Charitable and political donations

The Group made charitable donations of £1,396 (2009 £355) and no political donations during the year

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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 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.

Directors

The directors who served during the year were

P B Bruce
Mrs P Bruce
J P Bruce
Ms D Jared
Mrs C L Hunt

PRESTIGE NURSING LIMITED

Directors' report for the year ended 31 December 2010 (continued)

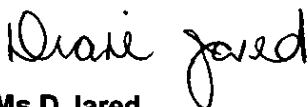
Disclosure of information to auditors

To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information, and to establish that the company's auditors are aware of the information

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

Signed on behalf of the board



Ms D Jared
Secretary

Approved by the Board on 6 September 2011

PRESTIGE NURSING LIMITED

Independent auditor's report to the members of Prestige Nursing Limited

We have audited the financial statements of Prestige Nursing Limited for the year ended 31 December 2010 which are set out on pages 7 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities statement set out on page 3, 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom 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.

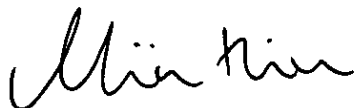
PRESTIGE NURSING LIMITED

Independent auditor's report to the members of Prestige Nursing Limited (continued)

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Miriam Hickson FCA/CTA (Senior Statutory Auditor)

for and on behalf of Jacob Cavenagh & Skeet, Chartered Accountants and Statutory Auditor

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date 14 September 2011

PRESTIGE NURSING LIMITED

Group profit and loss account for the year ended 31 December 2010

	Note	Existing operations 2010 £	Acquisitions 2010 £	Total 2010 £	Total 2009 £
Turnover	2	20,132,380	63,647	20,196,027	20,608,219
Cost of sales		(15,165,284)	(42,026)	(15,207,310)	(15,776,410)
Gross profit		4,967,096	21,621	4,988,717	4,831,809
Administrative expenses		(4,524,956)	(16,880)	(4,541,836)	(4,204,924)
Operating profit	3	442,140	4,741	446,881	626,885
Interest receivable				<u>5,767</u>	<u>6,150</u>
Profit on ordinary activities before taxation				452,648	633,035
Tax on profit on ordinary activities	6			(126,885)	(168,162)
Profit for the financial year				<u>325,763</u>	<u>464,873</u>

The turnover in both the current and preceding year is generated from continuing activities

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

The notes on pages 12 to 20 form part of these financial statements

PRESTIGE NURSING LIMITED

Group balance sheet as at 31 December 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Intangible assets	7a		383,976		35,516
Tangible assets	8		<u>112,189</u>		<u>127,716</u>
			496,165		163,232
Current assets					
Debtors	10	2,791,080		2,623,256	
Cash at bank and in hand		<u>1,079,273</u>		<u>1,294,844</u>	
		3,870,353		3,918,100	
Creditors amounts falling due within one year	11	<u>2,108,400</u>		<u>1,898,977</u>	
Net current assets			<u>1,761,953</u>		<u>2,019,123</u>
Total assets less current liabilities			<u>2,258,118</u>		<u>2,182,355</u>
Capital and reserves					
Share capital	13		10,000		10,000
Profit and loss account	14		<u>2,248,118</u>		<u>2,172,355</u>
Shareholder's funds	15		<u>2,258,118</u>		<u>2,182,355</u>

The financial statements were approved by the Board of Directors on 6 September 2011 and signed on its behalf by



J P Bruce – Director

Company registration number:- 01006953

The notes on pages 12 to 20 form part of these financial statements

PRESTIGE NURSING LIMITED

Company balance sheet as at 31 December 2010

	Note	£	2010 £	£	2009 £
Fixed assets					
Intangible assets	7b		379,294		30,834
Tangible assets	8		112,189		127,716
Investments	9		<u>502</u>		<u>502</u>
			491,985		159,052
Current assets					
Debtors	10	2,737,629		2,540,263	
Cash in hand		<u>1,064,273</u>		<u>1,279,945</u>	
		3,801,902		3,820,208	
Creditors amounts falling due within one year	11	<u>2,050,240</u>		<u>1,811,372</u>	
Net current assets			<u>1,751,662</u>		<u>2,008,836</u>
Total assets less current liabilities			<u>2,243,647</u>		<u>2,167,888</u>
Capital and reserves					
Share capital	13		10,000		10,000
Profit and loss account	14		<u>2,233,647</u>		<u>2,157,888</u>
Shareholder's funds	15		<u>2,243,647</u>		<u>2,167,888</u>

The exemption conferred by Section 408 of the Companies Act 2006 has been exercised such that the individual company profit and loss account has been omitted

Individual company profit for the year after taxation
(including £86,000 (2009 £161,362) dividends
from subsidiaries net of provision for diminution
in value of investment in subsidiaries)

325,759

531,068

The financial statements were approved by the Board of Directors on 6 September 2011 and signed on its behalf by



J P Bruce – Director

Company registration number:- 01006953

The notes on pages 12 to 20 form part of these financial statements

PRESTIGE NURSING LIMITED

Group cash flow statement for the year ended 31 December 2010

	Note	£	2010 £	£	2009 £
Net cash inflow from operations	1		306,942		966,242
Returns on investment and servicing of finance					
Interest received			5,767		6,150
Dividends paid			(250,000)		(250,000)
Taxation					
Corporation tax paid			(161,278)		(31,618)
Capital expenditure					
Payments to acquire tangible fixed assets		(56,514)		(112,848)	
Proceeds of sale of fixed assets		<u>1,169</u>		<u>-</u>	
Net cash outflow for capital expenditure			(55,345)		(112,848)
Acquisitions and disposals					
Payments to acquire subsidiary undertaking		(210,000)		-	
Cash acquired with subsidiary		<u>148,343</u>		<u>-</u>	
Net cash outflow for acquisitions			(61,657)		-
(Decrease)/increase in cash	2		<u>(215,571)</u>		<u>577,926</u>

PRESTIGE NURSING LIMITED

Notes to the group cash flow statement for the year ended 31 December 2010

1 Reconciliation of operating profit to net cash inflow from operations

	2010 £	2009 £
Operating profit	446,881	626,885
Depreciation	78,221	87,008
Goodwill amortisation	29,790	41,211
Loss on sale of fixed assets	364	20
Movement in Debtors	(94,147)	251,793
Creditors	(153,167)	(40,675)
Net cash inflow from operations	<u>306,942</u>	<u>966,242</u>

2 Reconciliation of net cash flow to movement in net funds

	2010 £	2009 £
Net cash at 1 January 2010	1,294,844	716,918
(Decrease)/increase in cash in the year	(215,571)	<u>577,926</u>
Net cash at 31 December 2010	<u>1,079,273</u>	<u>1,294,844</u>

3 Analysis of charges in net cash

	At 1 Jan 2010 £	Cash flows £	At 31 Dec 2010 £
Cash in hand and at bank	<u>1,294,844</u>	(215,571)	<u>1,079,273</u>

4 Major non-cash transactions

Part of the consideration for the purchase of the subsidiary undertaking is deferred Further details of the acquisition are set out below

5 Purchase of subsidiary undertaking

	£
Net assets acquired	
Tangible fixed assets	7,713
Debtors	80,554
Cash at bank and in hand	148,343
Creditors	(108,864)
Deferred taxation	(2,159)
	<u>125,587</u>
Goodwill	<u>378,250</u>
	<u>503,837</u>
Satisfied by:	
Initial cash consideration	210,000
Deferred consideration	<u>293,837</u>
	<u>503,837</u>

The trade of the subsidiary undertaking acquired during the year was transferred to Prestige Nursing Ltd immediately after acquisition. The subsidiary is now dormant

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2010

1 Accounting policies

1 1 Accounting convention

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with applicable accounting standards

The group accounts consolidate the accounts of the company, Prestige Nursing Limited, and its subsidiaries Prestige Nursing (Franchise) Limited, Handy Helpers Limited and Prestige Medical Recruitment Limited. Intra-group sales and profits are eliminated on consolidation and all sales and profit figures relate to external transactions only

1 2 Turnover

Turnover is derived from ordinary activities and represents amounts receivable for services provided to customers and clients, net of Value Added Tax

1 3 Amortisation of goodwill

The group's policy is to write off purchased goodwill over its useful economic life of 5 years, on a straight line basis

Goodwill arising on consolidation is amortised over its useful economic life of 5 years, on a straight line basis

1 4 Depreciation of tangible assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the full cost less estimated residual value of each asset over its expected useful life. The principal rates in use are

Leasehold improvements -	over 3 years
Office equipment -	33.3% per annum on cost
Fixtures and fittings -	10% per annum on cost

1 5 Investments

Investments held as fixed assets are stated at cost less provision for any diminution in value

1 6 Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences that have originated but not reversed at the balance sheet date

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred taxation is provided using the liability method to take account of timing differences between certain items for accounts purposes and their treatment for tax purposes

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2010 (continued)

1 Accounting policies (continued)

1.7 Leasing and hire purchase commitments

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

2 Turnover

The turnover and profit before taxation is attributable to the one principal activity of the company

No exports were made by the company during the year

3 Operating profit

	2010 £	2009 £
This is stated after charging		
Auditors' remuneration – audit services	16,200	15,700
– other services	1,640	2,720
Amortisation	29,790	41,211
Depreciation	78,221	87,008
Loss on disposal of fixed assets	364	20
Operating lease rentals in respect of Land and buildings	<u>245,779</u>	<u>232,835</u>

4 Staff Costs

	2010 £	2009 £
Wages and salaries	3,492,917	3,302,514
Social security	296,084	301,321
Other pension costs	<u>87,324</u>	<u>102,047</u>
	<u>3,876,325</u>	<u>3,705,882</u>

	No	No
The average weekly number of employees during the year was	<u>160</u>	<u>149</u>

Pension scheme arrangements

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in independently administered funds. The pension cost charge represents the contributions payable by the group to the funds.

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2010 (continued)

5 Directors' emoluments

	2010 £	2009 £
Emoluments in respect of qualifying service	358,641	438,861
Company contributions to money purchase pension schemes	<u>51,411</u>	<u>88,099</u>
	<u>410,052</u>	<u>526,960</u>

The number of directors to whom retirement benefits are accruing under defined contributions pension schemes is 3 (2009 3)

Information regarding the highest paid director is as follows

	2010 £	2009 £
Emoluments and benefits	113,737	82,585
Pension contributions	<u>23,125</u>	<u>45,573</u>
	<u>136,862</u>	<u>128,158</u>

6 Tax on profit on ordinary activities

	2010 £	2009 £
(a) Analysis of charge in period		
<i>Current tax</i>		
UK corporation tax on profits of the period	119,008	161,278
Adjustments in respect of previous period	-	1
Total current tax (note 6(b))	<u>119,008</u>	<u>161,279</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 12)	<u>7,877</u>	<u>6,883</u>
Tax on profit on ordinary activities	<u>126,885</u>	<u>168,162</u>
(b) Factors affecting tax charge for period		
Profit on ordinary activities before tax	<u>452,649</u>	<u>633,035</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	126,742	177,250
Effects of		
Expenses not deductible for tax	9,614	3,802
Capital allowances for the period in excess of depreciation	(7,878)	(6,884)
Adjustment for effective rate of tax	(9,470)	(12,890)
Adjustments in respect of previous period	-	1
Current tax charge for period (see 5(a))	<u>119,008</u>	<u>161,279</u>

The standard rate of tax is equal to the large company rate of tax.

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2010 (continued)

7a Intangible fixed assets – Group

	Purchased goodwill £	Goodwill on consolidation £	Total £
Cost			
At 1 January 2010	410,379	4,682	415,061
Additions	-	<u>378,250</u>	<u>378,250</u>
At 31 December 2010	<u>410,379</u>	<u>382,932</u>	<u>793,311</u>
Amortisation			
At 1 January 2010	379,545	-	379,545
Charge for the year	<u>20,334</u>	<u>9,456</u>	<u>29,790</u>
At 31 December 2010	<u>399,879</u>	<u>9,456</u>	<u>409,335</u>
Net book value			
At 31 December 2010	<u>10,500</u>	<u>373,476</u>	<u>383,976</u>
At 31 December 2009	<u>30,834</u>	<u>4,682</u>	<u>35,516</u>

7b Intangible fixed assets – Company

	Purchased Goodwill £
Cost	
At 1 January 2010	410,379
Additions	<u>378,250</u>
At 31 December 2010	<u>788,629</u>
Amortisation	
At 1 January 2010	379,545
Charge for the year	<u>29,790</u>
At 31 December 2010	<u>409,335</u>
Net book value	
At 31 December 2010	<u>379,294</u>
At 31 December 2009	<u>30,834</u>

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2010 (continued)

8 Tangible fixed assets – Group and company

	Leasehold improvements £	Office equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2010	143,205	467,671	87,108	697,984
Additions	1,969	52,112	10,146	64,227
Disposals	-	(67,956)	(2,757)	(70,713)
At 31 December 2010	<u>145,174</u>	<u>451,827</u>	<u>94,497</u>	<u>691,498</u>
Depreciation				
At 1 January 2010	127,118	362,681	80,469	570,268
Charge for the year	10,093	65,173	2,955	78,221
Released on disposals	-	(66,779)	(2,401)	(69,180)
At 31 December 2010	<u>137,211</u>	<u>361,075</u>	<u>81,023</u>	<u>579,309</u>
Net book value				
At 31 December 2010	<u>7,963</u>	<u>90,752</u>	<u>13,474</u>	<u>112,189</u>
At 31 December 2009	<u>16,087</u>	<u>104,990</u>	<u>6,639</u>	<u>127,716</u>

9 Fixed asset investments – Company

	Shares in subsidiaries £
Cost	
At 1 January 2010	502
Additions	<u>504,601</u>
At 31 December 2010	<u>505,103</u>
Provision for diminution in value	
At 1 January 2010	-
Provision for the year	<u>504,601</u>
At 31 December 2010	<u>504,601</u>
Net book value	
At 31 December 2010	<u>502</u>
At 31 December 2009	<u>502</u>

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 31 December 2010 was £10,191. The profit after taxation for the year was £86,004.

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2010 (continued)

9 Fixed asset investments – Company (continued)

The company owns 100% of the issued share capital of Prestige Medical Recruitment Limited which is incorporated in England and Wales. The company was dormant throughout the period. The aggregate amount of its capital and reserves at 31 December 2010 was £100. The profit after taxation for the year was £Nil.

The company owns 100% of the issued share capital of Handy Helpers Limited which is incorporated in England and Wales. The company was acquired by Prestige Nursing Limited on 15 November 2010 and immediately sold the trade and assets to Prestige Nursing Limited. The company was dormant since 15 November 2010. The aggregate amount of its capital and reserves at 31 December 2010 was £nil. The profit after taxation for the period following acquisition was £nil. Prior to acquisition, the profit and loss account for Handy Helpers Limited can be summarised as follows:

	Period ended 15 Nov 2010 £	Year ended 30 April 2010 £
Turnover	375,872	651,789
Cost of sales	(242,348)	(412,804)
Gross profit	133,524	238,985
Administrative expenses	(84,243)	(145,292)
Operating profit	49,281	93,693
Interest receivable	<u>367</u>	<u>479</u>
Profit on ordinary activities before taxation	49,648	94,172
Tax on profit on ordinary activities	(13,185)	(20,358)
Profit for the financial year	<u>36,463</u>	<u>73,814</u>

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

The book values as recorded in Handy Helpers Limited books immediately prior to acquisition are the same as the fair values at acquisition. The fair value of consideration given was £503,837 payable in cash instalments. The goodwill arising on acquisition was £378,250.

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2010 (continued)

10 Debtors

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	2,433,903	2,301,318	2,336,342	2,224,010
Amounts due from group companies	-	-	49,481	-
Other debtors	171,251	147,355	165,880	141,670
Prepayments and accrued income	<u>185,926</u>	<u>174,583</u>	<u>185,926</u>	<u>174,583</u>
	<u>2,791,080</u>	<u>2,623,256</u>	<u>2,737,629</u>	<u>2,540,263</u>

11 Creditors: amounts falling due within one year

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	186,235	152,530	179,653	133,006
Amounts due to group companies	-	-	-	31,000
Corporation tax	153,132	161,278	94,920	135,717
Other taxes & social security costs	558,844	586,360	558,844	586,360
Other creditors	1,060,525	777,637	1,094,649	777,637
Accruals	<u>149,664</u>	<u>221,172</u>	<u>122,174</u>	<u>147,652</u>
	<u>2,108,400</u>	<u>1,898,977</u>	<u>2,050,240</u>	<u>1,811,372</u>

12 Deferred tax – Group and company

	2010	2009
	£	£
Deferred tax asset		
Decelerated capital allowances	<u>11,045</u>	<u>18,922</u>
Movements on the deferred tax asset are as follows		£
As at 1 January 2010		18,922
Transferred to profit and loss account (see note 6(a))		(7,877)
As at 31 December 2010		<u>11,045</u>

The deferred tax asset is recognised as recoverable, as it is expected that future profits will exceed future reversal of the decelerated capital allowances. The balance is included in other debtors – see note 10.

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2010 (continued)

13 Share capital

	Authorised		Allotted, issued and fully paid	
	2010	2009	2010	2009
	£	£	£	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>10,000</u>	<u>10,000</u>

14 Reserves

	Profit and loss account	Group	Company
	£	£	£
As at 1 January 2010	2,172,355	2,157,888	
Profit for the year	325,763	325,759	
Dividends (see note 16)	(250,000)	(250,000)	
As at 31 December 2010	<u>2,248,118</u>	<u>2,233,647</u>	

15 Reconciliation of movement in shareholders' funds

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Profit for the year	325,763	464,873	325,759	531,068
Dividends (see note 16)	(250,000)	(250,000)	(250,000)	(250,000)
Retained profit after dividends	75,763	214,873	75,759	281,068
Opening shareholders' funds	<u>2,182,355</u>	<u>1,967,482</u>	<u>2,167,888</u>	<u>1,886,820</u>
Closing shareholders' funds	<u>2,258,118</u>	<u>2,182,355</u>	<u>2,243,647</u>	<u>2,167,888</u>

16 Dividends

	2010	2009
	£	£
On equity shares.		
Interim dividend in respect of the year ended 31 December 2010 of £25 (2009 £25) per share	<u>250,000</u>	<u>250,000</u>

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2010 (continued)

17 Financial and capital commitments

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

	2010		2009	
	Land and buildings £	Other £	Land and buildings £	Other £
Date of lease termination				
Less than one year	-	-	-	-
Between two and five years	209,172	170	198,371	-
More than five years	<u>34,464</u>	<u>-</u>	<u>34,464</u>	<u>-</u>
	<u>243,636</u>	<u>170</u>	<u>232,835</u>	<u>-</u>

18 Transactions in which the directors have an interest

During the year, the company made a loan to Mr J P Bruce, at 31 December 2010 the balance outstanding was £100,082 (2009: £101,391). The maximum balance outstanding during the year was £101,391, the total amount repaid during the year was £1,309 and the total amounts advanced was £nil.

During the year, the company declared dividends to directors as follows:

	£
P B Bruce	39,250
Mrs P Bruce	39,250
J P Bruce	<u>37,500</u>