

Company registration number 01006953

PRESTIGE NURSING LIMITED
Financial Statements
For the year ended 31 December 2009

Jacob Cavenagh & Skeet
Registered Auditors and
Chartered Accountants
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

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PRESTIGE NURSING LIMITED

Financial Statements

For the year ended 31 December 2009

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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 2009

The directors present their report and the audited group financial statements for the year ended 31 December 2009

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

Despite challenging economic and trading conditions, the Prestige Nursing Group increased its operating profit by 33.4% (£157K). This was achieved by growing gross profit by 6.5% (£294K) while at the same time keeping control of expenses, which increased by only 3.4% (£137K). Turnover decreased slightly from 2008 (£148K) as Prestige Nursing Ltd brought several low margin contracts to an end.

The Prestige Nursing Group continued to manage its cash carefully and as a result its cash position increased by £578K to £1.3M by the end of 2009. The group is, therefore, in a strong financial position and well placed to take advantage of growth opportunities.

Although the economic and political outlook remains uncertain, the Directors are confident of being able to improve on 2009's performance in 2010 by continuing to focus on offering a distinctive, value-led service to a wide range of complementary sectors.

Business Review

Homecare services now account for over half of the company's sales and the overall growth in Prestige Nursing's gross profit was underpinned by a 13% (£330K) increase in homecare earnings during 2009, based on an 8% (£726K) increase in sales over the same period. There was particularly strong growth in the hours delivered to both the PCT (25%) and privately-funded (24%) homecare sectors, the latter benefiting from the continued roll out of the direct payments initiative which conversely resulted in overall revenue from Local Authorities falling during the year. Despite the lack of political consensus over the issue of funding homecare, the directors believe there are still significant opportunities within the homecare sector and will continue to focus on the higher-value sector of this market.

Supplies of temporary staff into the NHS acute sector saw excellent growth during 2009, with sales rising by 30% (£683K) and earnings by 32% (£181K). Prestige Nursing has been accepted on to the new PASA nursing and care staff framework agreement, although take up has been sporadic amongst NHS Trusts so far. We expect steady growth in this sector during 2010.

As expected, there were challenging trading conditions in the residential care sector and earnings fell by 11% (£159K) as many companies reduced their usage of agency staff. We do not expect this sector to improve in 2010. There were similar conditions in the specialist staffing sectors, where earnings fell by 25% (£109K), although we do predict a more encouraging outlook for 2010.

PRESTIGE NURSING LIMITED

Directors' report for the year ended 31 December 2009 (continued)

Operational Review

The Prestige Nursing Group remains committed to organic growth and in particular will focus on growing local market share throughout its existing branch network. There are plans for a small number of new company-owned branches but franchising remains the preferred route for growing the network nationally. There was significant interest in our franchise offering in 2009 and the company reached its target of recruiting 7 new franchisees by the end of the year. Recruitment plans for 2010 have been set at a more modest figure of 5 new operations and the company is already well towards this target.

The Prestige Nursing Group is continuing to invest in its ICT systems to support the changing needs of the business and its customers, and to increase efficiency and reduce transactions costs. The focus of projects in 2010 is to enhance communication and service delivery by taking advantage of new web based technologies, and implementing new front office software.

Charitable and political donations

The Group made charitable donations of £355 (2008 £405) and no political donations during the year.

Directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 maintaining 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. The directors 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.

PRESTIGE NURSING LIMITED

Directors' report for the year ended 31 December 2009 (continued)

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

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 14 April 2010

PRESTIGE NURSING LIMITED

Independent auditors' report to the shareholders of Prestige Nursing Limited

We have audited the financial statements of Prestige Nursing Limited for the year ended 31 December 2009 which are set out on pages 7 to 18. 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 auditors

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 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2009 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 auditors' report to the shareholders 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, Statutory Auditor
Registered Auditors and
Chartered Accountants**

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Date 27 April 2010

PRESTIGE NURSING LIMITED

Group profit and loss account for the year ended 31 December 2009

	Note	£	2009 £	£	2008 £
Turnover	1		20,608,219		20,756,296
Cost of sales			<u>15,776,410</u>		<u>16,218,187</u>
Gross profit			4,831,809		4,538,109
Marketing costs		190,692		219,922	
Administrative expenses		<u>4,014,232</u>		<u>3,848,302</u>	
			<u>4,204,924</u>		<u>4,068,224</u>
Operating profit	2		626,885		469,885
Interest receivable			<u>6,150</u>		<u>14,472</u>
Profit on ordinary activities before taxation			633,035		484,357
Tax on profit on ordinary activities	5		<u>168,162</u>		<u>139,190</u>
Profit for the financial year			<u>464,873</u>		<u>345,167</u>

The turnover is generated from continuing activities

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


PRESTIGE NURSING LIMITED

Group balance sheet as at 31 December 2009

		2009		2008	
	Note	£	£	£	£
Fixed assets					
Intangible assets	6a		35,516		76,727
Tangible assets	7		<u>127,716</u>		<u>101,896</u>
			163,232		178,623
Current assets					
Debtors	9	2,623,256		2,881,932	
Cash at bank and in hand		<u>1,294,844</u>		<u>716,918</u>	
		3,918,100		3,598,850	
Creditors amounts falling due within one year	10	<u>1,898,977</u>		<u>1,809,991</u>	
Net current assets			<u>2,019,123</u>		<u>1,788,859</u>
Total assets less current liabilities			<u>2,182,355</u>		<u>1,967,482</u>
Capital and reserves					
Share capital	12		10,000		10,000
Profit and loss account			<u>2,172,355</u>		<u>1,957,482</u>
	13		<u>2,182,355</u>		<u>1,967,482</u>

The financial statements were approved by the Board of Directors

on 14 April 2010 and signed on its behalf by



J P Bruce
Director

Company registration number:- 01006953

PRESTIGE NURSING LIMITED

Company balance sheet as at 31 December 2009

		2009		2008	
	Note	£	£	£	£
Fixed assets					
Intangible assets	6b		30,834		72,045
Tangible assets	7		127,716		101,896
Investments	8		<u>502</u>		<u>502</u>
			159,052		174,443
Current assets					
Debtors	9	2,540,263		2,772,606	
Cash in hand		<u>1,279,945</u>		<u>704,333</u>	
		3,820,208		3,476,939	
Creditors amounts falling due within one year	10	<u>1,811,372</u>		<u>1,764,562</u>	
Net current assets			<u>2,008,836</u>		<u>1,712,377</u>
Total assets less current liabilities			<u>2,167,888</u>		<u>1,886,820</u>
Capital and reserves					
Share capital	12		10,000		10,000
Profit and loss account			<u>2,157,888</u>		<u>1,876,820</u>
	13		<u>2,167,888</u>		<u>1,886,820</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 £161,362 (2008 £1,078,173) dividends from subsidiaries) 531,068 1,324,735

The financial statements were approved by the Board of Directors

on 14 April 2010 and signed on its behalf by



J P Bruce
Director

Company registration number:- 01006953

PRESTIGE NURSING LIMITED

Group cash flow statement for the year ended 31 December 2009

	Note	£	2009 £	£	2008 £
Net cash inflow from operations	1		966,242		962,489
Returns on investment and servicing of finance					
Interest received			6,150		14,472
Dividends paid			(250,000)		(156,000)
Taxation					
Corporation tax paid			(31,618)		(31,237)
Capital expenditure					
Payments to acquire tangible assets		(112,848)		(57,980)	
Proceeds of sale of fixed assets		<u>-</u>		<u>-</u>	
Net cash outflow from capital expenditure			<u>(112,848)</u>		<u>(57,980)</u>
Increase in cash	2		<u>577,926</u>		<u>731,744</u>

PRESTIGE NURSING LIMITED

Notes to the group cash flow statement for the year ended 31 December 2009

1 Reconciliation of operating profit to net cash inflow from operations

	2009 £	2008 £
Operating profit	626,885	469,885
Depreciation	87,008	76,865
Goodwill amortisation	41,211	59,609
Loss on sale of fixed assets	20	2,041
Movement in Debtors	251,793	21,577
Creditors	(40,675)	332,512
Net cash inflow from operations	<u>966,242</u>	<u>962,489</u>

2 Reconciliation of net cash flow to movement in net funds

	2009 £	2008 £
Net cash/(debt) at 1 January 2009	716,918	(14,826)
Increase in cash in the year	<u>577,926</u>	<u>731,744</u>
Net cash at 31 December 2009	<u>1,294,844</u>	<u>716,918</u>

3 Analysis of charges in net cash

	At 1 Jan 2009 £	Cash flows £	At 31 Dec 2009 £
Cash in hand and at bank	<u>716,918</u>	<u>577,926</u>	<u>1,294,844</u>
	<u>716,918</u>	<u>577,926</u>	<u>1,294,844</u>

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2009

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 group accounts consolidate the accounts of the company, Prestige Nursing Limited, and its subsidiaries Prestige Nursing (Franchise) 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 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

Leasehold improvements	-	over 3 years
Office equipment	-	33.3% per annum on cost
Fixtures and fittings	-	10% per annum on cost
Motor vehicles	-	33.3% 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 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 not amortised

1.6 Deferred taxation

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

2 Operating profit

	2009 £	2008 £
This is stated after charging		
Auditors' remuneration – audit services	15,700	15,035
– other services	2,720	660
Amortisation	41,211	59,609
Depreciation	87,008	76,865
Loss on disposal of fixed assets	20	2,041
Operating lease rentals in respect of Land and buildings	<u>232,835</u>	<u>216,892</u>

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

3 Staff Costs	2009	2008
	£	£
Wages and salaries	3,302,514	3,068,001
Social security	301,321	291,468
Other pension costs	102,047	77,604
	<u>3,705,882</u>	<u>3,437,073</u>

	No	No
	149	144
The average weekly number of employees during the year was		

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.

4 Directors' emoluments	2009	2008
	£	£
Emoluments in respect of qualifying service	438,861	503,485
Company contributions to money purchase pension schemes	88,099	62,697
	<u>526,960</u>	<u>566,182</u>

The number of directors to whom retirement benefits are accruing under defined contributions pension schemes is 3 (2008: 3).

Information regarding the highest paid director is as follows	2009	2008
	£	£
Emoluments and benefits	82,585	197,126
Pension contributions	45,573	-
	<u>128,158</u>	<u>197,126</u>

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

5 Tax on profit on ordinary activities	2009 £	2008 £
(a) Analysis of charge in period		
<i>Current tax</i>		
UK corporation tax on profits of the period	161,278	31,617
Adjustments in respect of previous period	<u>1</u>	<u>-</u>
Total current tax (note 5(b))	<u>161,279</u>	<u>31,617</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 11)	<u>6,883</u>	<u>107,573</u>
Tax on profit on ordinary activities	<u>168,162</u>	<u>139,190</u>
(b) Factors affecting tax charge for period		
Profit on ordinary activities before tax	<u>633,035</u>	<u>484,357</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28%)	177,250	135,621
Effects of		
Expenses not deductible for tax	3,802	5,722
Capital allowances for the period in excess of depreciation	(6,884)	42
Utilisation of tax losses	-	(98,724)
Adjustment for effective rate of tax	(12,890)	(11,044)
Adjustments in respect of previous period	<u>1</u>	<u>-</u>
Current tax charge for period (see 5(a))	<u>161,279</u>	<u>31,617</u>

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

6a Intangible fixed assets – Group

	Purchased goodwill £	Goodwill on consolidation £	Total £
Cost			
At 1 January 2009	410,379	4,682	415,061
Additions	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2009	<u>410,379</u>	<u>4,682</u>	<u>415,061</u>
Amortisation			
At 1 January 2009	338,334	-	338,334
Charge for the year	41,211	-	41,211
Released on disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2009	<u>379,545</u>	<u>-</u>	<u>379,545</u>
Net book value			
At 31 December 2009	<u>30,834</u>	<u>4,682</u>	<u>35,516</u>
At 31 December 2008	<u>72,045</u>	<u>4,682</u>	<u>76,727</u>

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

6b Intangible fixed assets – Company

	Purchased Goodwill £
Cost	
At 1 January 2009	410,379
Additions	-
At 31 December 2009	<u>410,379</u>
Amortisation	
At 1 January 2009	338,334
Charge for the year	41,211
Released on disposals	-
At 31 December 2009	<u>379,545</u>
Net book value	
At 31 December 2009	<u>30,834</u>
At 31 December 2008	<u>72,045</u>

7 Tangible fixed assets – Group and company

	Leasehold improvements £	Office equipment £	Fixtures and fittings £	Total £
Cost				
At 1 January 2009	137,750	432,693	83,004	653,447
Additions	5,455	103,131	4,262	112,848
Disposals	-	(68,153)	(158)	(68,311)
At 31 December 2009	<u>143,205</u>	<u>467,671</u>	<u>87,108</u>	<u>697,984</u>
Depreciation				
At 1 January 2009	89,902	384,848	76,801	551,551
Charge for the year	37,216	45,979	3,813	87,008
Released on disposals	-	(68,146)	(145)	(68,291)
At 31 December 2009	<u>127,118</u>	<u>362,681</u>	<u>80,469</u>	<u>570,268</u>
Net book value				
At 31 December 2009	<u>16,087</u>	<u>104,990</u>	<u>6,639</u>	<u>127,716</u>
At 31 December 2008	<u>47,848</u>	<u>47,845</u>	<u>6,203</u>	<u>101,896</u>

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

8 Fixed asset investments – Company

Shares in
subsidiaries
£

Cost

At 1 January 2009

502

Additions

-

At 31 December 2009

502

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 2009 was £10,187. The profit after taxation for the year was £95,167.

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 2009 was £100. The profit after taxation for the year was £Nil.

9 Debtors

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	2,301,318	2,582,402	2,224,010	2,474,652
Other debtors	147,355	125,870	141,670	124,294
Prepayments and accrued income	174,583	173,660	174,583	173,660
	<u>2,623,256</u>	<u>2,881,932</u>	<u>2,540,263</u>	<u>2,772,606</u>

10 Creditors: amounts falling due within one year

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade creditors	152,530	232,203	133,006	220,554
Amounts due to group companies	-	-	31,000	-
Corporation tax	161,278	31,617	135,717	5,419
Other taxes and social security costs	586,360	668,009	586,360	667,897
Other creditors	777,637	614,125	777,637	608,125
Accruals	221,172	264,037	147,652	262,567
	<u>1,898,977</u>	<u>1,809,991</u>	<u>1,811,372</u>	<u>1,764,562</u>

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

11 Deferred tax – Group and company

	2009 £	2008 £
Deferred tax asset		
Decelerated capital allowances	<u>18,922</u>	<u>25,805</u>

Movements on the deferred tax asset are as follows

	£
As at 1 January 2009	25,805
Transferred to profit and loss account	(6,883)
As at 31 December 2009	<u>18,922</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 9

12 Share capital

	Authorised		Allotted, issued and fully paid	
	2009 £	2008 £	2009 £	2008 £
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>10,000</u>	<u>10,000</u>

13 Reconciliation of movement in shareholders' funds

	Group		Company	
	2009 £	2008 £	2009 £	2008 £
Profit for the year	464,873	345,167	531,068	1,324,735
Dividends	(250,000)	(156,000)	(250,000)	(156,000)
Retained profit after dividends	214,873	189,167	281,068	1,168,735
Opening shareholders' funds	<u>1,967,482</u>	<u>1,778,315</u>	<u>1,886,820</u>	<u>718,085</u>
Closing shareholders' funds	<u>2,182,355</u>	<u>1,967,482</u>	<u>2,167,888</u>	<u>1,886,820</u>

PRESTIGE NURSING LIMITED

Notes to the financial statements for the year ended 31 December 2009 (continued)

14 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

	2009 £	2008 £
Land and buildings		
Date of lease termination		
Less than one year	-	-
Between two and five years	198,371	182,798
More than five years	<u>34,464</u>	<u>34,464</u>
	<u>232,835</u>	<u>217,262</u>

15 Transactions in which the directors' have an interest

During the year, the company made a loan to Mr J Bruce, at 31 December 2009 the balance outstanding was £94,040 (2008 nil) This was the maximum balance outstanding during the year