

**PRESTIGE NURSING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST DECEMBER 2003**

**Company Number: 1006953**

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



**PRESTIGE NURSING LIMITED**  
**FINANCIAL STATEMENTS**  
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**31ST DECEMBER 2003**

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# **PRESTIGE NURSING LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors present their report and the audited group financial statements for the year ended 31st December 2003.

### **Principal activities**

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

### **Review of the year**

2003 proved to be a difficult trading year for Prestige Nursing, primarily because of the effect the introduction of agency framework agreements by the NHS had on gross profit margins. Whilst trading volumes increased year on year, the effect of these agreements did affect gross profit levels significantly. However, following a re-structuring of the business, with a renewed focus on complimentary market sectors, the directors are confident of an improved trading performance in 2004.

### **Future developments**

Prestige will continue to strengthen its position within the UK nursing agency market, targeting the NHS and the domiciliary care market as the main areas for growth.

### **Charitable donations**

The group made charitable donations totalling £500 in the year (2002: £1,890).

### **Directors and their interests**

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

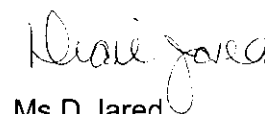
	<b>Number of ordinary shares</b>	
	<b>31st December 2003</b>	<b>31st December 2002</b>
P B Bruce	1,570	1,570
Mrs P Bruce	1,570	1,570
J Bruce	1,500	1,500
Ms D Jared	-	-

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



Ms D Jared  
**Secretary**

1st July 2004

## **PRESTIGE NURSING LIMITED**

### **DIRECTORS' RESPONSIBILITIES**

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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.

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

### PRESTIGE NURSING LIMITED

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We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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 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 described on page 2, the company's directors are responsible for the preparation of 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 statutory 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 Report of the Directors 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 information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of opinion**

We conducted our audit in accordance with 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 affairs of the group and company at 31st December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Jacob Cavenagh & Skeet*

5 Robin Hood Lane  
Sutton  
Surrey  
SM1 2SW

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

*H M* August 2004

**PRESTIGE NURSING LIMITED**

**GROUP PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2003**

	Note	£	2003 £	£	2002 £
<b>Turnover</b>	1		28,624,850		25,018,046
<b>Cost of sales</b>			<u>23,804,858</u>		<u>19,360,063</u>
<b>Gross profit</b>			4,819,992		5,657,983
Marketing costs		154,678		199,928	
Administrative expenses		<u>4,776,624</u>		<u>4,875,277</u>	
			<u>4,931,302</u>		<u>5,075,205</u>
<b>Operating (loss)/profit</b>	2		( 111,310)		582,778
Interest receivable			1,261		2,470
Interest payable	4		<u>( 33,254)</u>		<u>( 6,446)</u>
<b>(Loss)/profit on ordinary activities before taxation</b>			( 143,303)		578,802
Tax on (loss)/profit on ordinary activities	5		<u>( 51,412)</u>		<u>162,519</u>
<b>(Loss)/profit for the year</b>			( 91,891)		416,283
Equity Minority Interests			<u>( 9)</u>		<u>( 459)</u>
<b>Retained (loss)/profit for the year</b>			( 91,900)		415,824
Retained profit brought forward			<u>2,561,538</u>		<u>2,145,714</u>
<b>Retained profit carried forward</b>			<u>2,469,638</u>		<u>2,561,538</u>

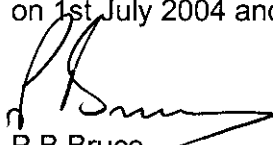
The turnover is generated from continuing activities.

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

**PRESTIGE NURSING LIMITED****GROUP BALANCE SHEET  
AS AT 31ST DECEMBER 2003**

		<b>2003</b>		<b>2002</b>	
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fixed assets</b>					
Intangible assets	6a		180,643		165,010
Tangible assets	7a		<u>545,957</u>		<u>473,079</u>
			726,600		638,089
<b>Current assets</b>					
Stocks	9	-		62	
Debtors	10	5,367,559		4,205,153	
Cash in hand		<u>4,032</u>		<u>1,371</u>	
		5,371,591		4,206,586	
<b>Creditors: Amounts falling due within one year</b>	11	<u>(3,623,026)</u>		<u>(2,277,294)</u>	
<b>Net current assets</b>			<u>1,748,565</u>		<u>1,929,292</u>
<b>Total assets less current liabilities</b>			2,475,165		2,567,381
<b>Provision for liabilities and charges</b>	12		4,689		4,364
<b>Equity Minority Interests</b>			<u>( 216)</u>		<u>( 207)</u>
<b>Net assets</b>			<u>2,479,638</u>		<u>2,571,538</u>
<b>Capital and reserves</b>					
Share capital	13		10,000		10,000
Profit and loss account	14		<u>2,469,638</u>		<u>2,561,538</u>
			<u>2,479,638</u>		<u>2,571,538</u>

The financial statements were approved by the Board of Directors on 1st July 2004 and signed on its behalf by:

  
P B Bruce  
Director

# PRESTIGE NURSING LIMITED

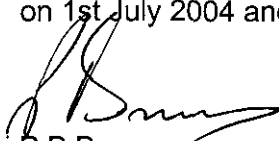
## BALANCE SHEET AS AT 31ST DECEMBER 2003

	Note	2003 £	2002 £
<b>Fixed assets</b>			
Intangible assets	6b	176,383	160,750
Tangible assets	7b	545,957	473,079
Investments	8	<u>2</u>	<u>2</u>
		722,342	633,831
<b>Current assets</b>			
Stocks	9	-	62
Debtors	10	5,195,671	4,089,638
Cash in hand		<u>709</u>	<u>1,062</u>
		5,196,380	4,090,762
<b>Creditors:</b> Amounts falling due within one year	11	<u>(3,995,931)</u>	<u>(2,457,155)</u>
<b>Net current assets</b>		<u>1,200,449</u>	<u>1,633,607</u>
<b>Total assets less current liabilities</b>		<u>1,922,791</u>	<u>2,267,438</u>
<b>Provision for liabilities and charges</b>	12	<u>4,491</u>	<u>4,132</u>
<b>Net assets</b>		<u>1,927,282</u>	<u>2,271,570</u>
<b>Capital and reserves</b>			
Share capital	13	10,000	10,000
Profit and loss account	14	<u>1,917,282</u>	<u>2,261,570</u>
		<u>1,927,282</u>	<u>2,271,570</u>

The exemption conferred by Section 230 of the Companies Act 1985 has been exercised such that the individual company profit and loss account has been omitted.

Individual company (loss)/profit for the year after taxation      (344,288)      259,425

The financial statements were approved by the Board of Directors  
on 1st July 2004 and signed on its behalf by:

  
P B Bruce  
Director



# PRESTIGE NURSING LIMITED

## GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2003

	Note	2003 £	2002 £
<b>Net cash inflow/(outflow) from operations</b>	1	(301,970)	225,988
<b>Returns on investment and servicing of finance</b>			
Interest received		1,261	2,470
Interest paid		(33,254)	(6,446)
		(31,993)	(3,976)
<b>Taxation</b>			
Corporation tax paid		(167,767)	(149,407)
<b>Capital expenditure</b>			
Payments to acquire intangible fixed assets		(52,000)	(167,500)
Payments to acquire tangible assets		(274,738)	(417,152)
Proceeds of sale of fixed assets		7,040	179
<b>Net cash outflow from capital expenditure</b>		(319,698)	(584,473)
<b>(Decrease) in cash</b>	2	(821,428)	(511,868)

### NOTES TO THE GROUP CASH FLOW STATEMENT

<b>1 Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operations</b>	<b>2003 £</b>	<b>2002 £</b>
Operating (loss)/profit	(111,310)	582,778
Depreciation	199,966	127,766
Goodwill amortisation	36,367	15,083
(Profit)/loss on sale of fixed assets	(5,146)	1,033
Movement in: Stock	62	385
Debtors	(1,069,520)	(946,219)
Creditors	647,611	445,162
<b>Net cash (outflow)/inflow from operations</b>	<b>(301,970)</b>	<b>225,988</b>
<b>2 Reconciliation of net cash flow to movement in net funds</b>	<b>2003 £</b>	<b>2002 £</b>
Net (debt)/funds at 1st January 2003	(95,294)	416,574
(Decrease) in cash in the year	(821,428)	(511,868)
<b>Net (debt) at 31st December 2003</b>	<b>(916,722)</b>	<b>(95,294)</b>

# PRESTIGE NURSING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003

### 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 Nursing Training 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 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 10 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 (LOSS)/PROFIT

	2003	2002
	£	£
<i>This is stated after charging:</i>		
Auditors' remuneration – audit services	8,500	8,100
– other services	12,453	7,700
Amortisation	36,367	15,083
Depreciation	199,966	127,766
(Profit)/loss on disposal of fixed assets	( 5,146)	1,033
Operating lease rentals in respect of:		
Motor vehicles	-	39,873
Land and buildings	<u>333,586</u>	<u>245,822</u>

# PRESTIGE NURSING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003 (continued)

### 3 EMPLOYEE INFORMATION

	2003 £	2002 £
<b>Staff costs</b>		
Wages and salaries	3,471,237	3,378,056
Social security	262,730	201,867
Other pension costs	<u>31,516</u>	<u>25,195</u>
	<u>3,765,483</u>	<u>3,605,118</u>

	No	No
The average weekly number of employees during the year was	<u>195</u>	<u>172</u>

Directors' emoluments	£	£
Emoluments in respect of qualifying service	229,470	342,433
Company contributions to money purchase pension schemes	<u>24,125</u>	<u>22,922</u>
	<u>253,595</u>	<u>365,355</u>

The number of directors to whom retirement benefits are accruing under defined contributions pension schemes is 2 (2002: 2).

Information regarding the highest paid director is as follows:	2003 £	2002 £
Emoluments and benefits	86,959	148,506
Pension contributions	<u>12,500</u>	<u>11,844</u>
	<u>99,459</u>	<u>160,350</u>

#### Pension scheme arrangements

The company operates a defined contributions 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 and amounted to £31,516 (2002: £25,195).

### 4 INTEREST PAYABLE

	2003 £	2002 £
On bank overdraft repayable on demand	33,220	6,435
Other interest	<u>34</u>	<u>11</u>
	<u>33,254</u>	<u>6,446</u>

# PRESTIGE NURSING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003 (continued)

5	TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES	2003 £	2002 £
(a)	<b>Analysis of charge in period</b>		
	<i>Current tax:</i>		
	UK corporation tax on profits of the period	41,816	167,783
	Adjustments in respect of previous period	( 92,903)	( 900)
	Total current tax (note 5(b))	( 51,087)	166,883
	<i>Deferred tax:</i>		
	Origination and reversal of timing differences	( 325)	( 4,364)
	Tax on profit on ordinary activities	( 51,412)	162,519
(b)	<b>Factors affecting tax charge for period</b>		
	(Loss)/profit on ordinary activities before tax	(143,303)	578,802
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002: 30%)	( 42,991)	173,641
	Effects of:		
	Expenses not deductible for tax	7,976	19,506
	Capital allowances for the period in excess of depreciation	1,046	( 14,490)
	Utilisation of tax losses	85,247	-
	Adjustment for marginal relief	( 9,462)	( 10,874)
	Adjustments to tax charge in respect of previous periods	( 92,903)	( 900)
	Current tax charge for period (see 5(a))	( 51,087)	166,883

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 £
	<b>Cost</b>			
	At 1st January 2003	198,500	4,260	202,760
	Additions	52,000	-	52,000
	Disposals	( 21,000)	-	( 21,000)
	At 31st December 2003	229,500	4,260	233,760
	<b>Amortisation</b>			
	At 1st January 2003	37,750	-	37,750
	Charge for the year	36,367	-	36,367
	Released on disposals	( 21,000)	-	( 21,000)
	At 31st December 2003	53,117	-	53,117
	<b>Net book value</b>			
	At 31st December 2003	176,383	4,260	180,643
	At 31st December 2002	160,750	4,260	165,010

# PRESTIGE NURSING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003 (continued)

### 6b INTANGIBLE FIXED ASSETS - Company

#### Purchased Goodwill £

#### Cost

At 1st January 2003	198,500
Additions	52,000
Disposals	( 21,000)
At 31st December 2003	<u>229,500</u>

#### Amortisation

At 1st January 2003	37,750
Charge for the year	36,367
Released on disposals	( 21,000)
At 31st December 2003	<u>53,117</u>

#### Net book value

At 31st December 2003	<u>176,383</u>
At 31st December 2002	<u>160,750</u>

### 7a TANGIBLE FIXED ASSETS – Group

	Leasehold improvements £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1st January 2003	130,860	457,185	87,060	165,200	840,305
Additions	11,665	153,575	18,595	90,903	274,738
Disposals	-	( 36,305)	( 3,487)	( 39,756)	( 79,548)
At 31st December 2003	<u>142,525</u>	<u>574,455</u>	<u>102,168</u>	<u>216,347</u>	<u>1,035,495</u>
<b>Depreciation</b>					
At 1st January 2003	13,801	265,772	26,381	61,272	367,226
Charge for the year	13,971	121,922	9,022	55,051	199,966
On disposals	-	( 35,045)	( 2,852)	( 39,757)	( 77,654)
At 31st December 2003	<u>27,772</u>	<u>352,649</u>	<u>32,551</u>	<u>76,566</u>	<u>489,538</u>
<b>Net book value</b>					
At 31st December 2003	<u>114,753</u>	<u>221,806</u>	<u>69,617</u>	<u>139,781</u>	<u>545,957</u>
At 31st December 2002	<u>117,059</u>	<u>191,413</u>	<u>60,679</u>	<u>103,928</u>	<u>473,079</u>

# PRESTIGE NURSING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003 (continued)

### 7b TANGIBLE FIXED ASSETS – Company

	Leasehold improvements £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>					
At 1st January 2003	130,860	455,023	84,807	165,200	835,890
Additions	11,665	153,575	18,595	90,903	274,738
Disposals	-	( 34,143)	( 1,234)	( 39,756)	( 75,133)
At 31st December 2003	<u>142,525</u>	<u>574,455</u>	<u>102,168</u>	<u>216,347</u>	<u>1,035,495</u>
<b>Depreciation</b>					
At 1st January 2003	13,801	263,610	24,128	61,272	362,811
Charge for the year	13,971	121,922	9,022	55,051	199,966
On disposals	-	( 32,883)	( 599)	( 39,757)	( 73,239)
At 31st December 2003	<u>27,772</u>	<u>352,649</u>	<u>32,551</u>	<u>76,566</u>	<u>489,538</u>
<b>Net book value</b>					
At 31st December 2003	<u>114,753</u>	<u>221,806</u>	<u>69,617</u>	<u>139,781</u>	<u>545,957</u>
At 31st December 2002	<u>117,059</u>	<u>191,413</u>	<u>60,679</u>	<u>103,928</u>	<u>473,079</u>

### 8 FIXED ASSET INVESTMENTS – Company

Shares in  
subsidiaries  
£

#### Cost

At 1st January 2003 and 31st December 2003

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 2003 was £547,940. The profit after taxation for the year was £252,380.

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. The company has effective control of Prestige Nursing (Training) Limited by virtue of its control of the board.

### 9 STOCKS

	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Goods for resale	<u>-</u>	<u>62</u>	<u>-</u>	<u>62</u>

# PRESTIGE NURSING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003 (continued)

10 DEBTORS	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Trade debtors	3,568,168	2,624,394	3,497,831	2,583,430
Amount owed by subsidiary undertaking	-	-	-	900
Other debtors	902,448	592,238	800,897	516,787
Prepayments and accrued income	896,943	988,521	896,943	988,521
	<u>5,367,559</u>	<u>4,205,153</u>	<u>5,195,671</u>	<u>4,089,638</u>

11 CREDITORS: Amounts falling due within one year	Group		Company	
	2003 £	2002 £	2003 £	2002 £
Bank overdraft	920,754	96,665	920,754	94,866
Trade creditors	462,774	145,504	462,774	142,059
Amount owed to subsidiary undertaking	-	-	420,483	284,337
Corporation tax payable 1st October 2004	41,816	167,784	-	112,133
Other taxes and social security costs	1,063,549	732,161	1,058,837	731,107
Other creditors	1,071,350	946,767	1,071,350	946,767
Accruals	62,783	188,413	61,733	145,886
	<u>3,623,026</u>	<u>2,277,294</u>	<u>3,995,931</u>	<u>2,457,155</u>

The bank overdraft facility is secured by a fixed and floating charge over the company's assets.

12 PROVISION FOR LIABILITIES AND CHARGES	Group		Company	
	2003 £	2002 £	2003 £	2002 £
<b>Deferred tax asset</b>				
Timing differences regarding capital allowances	(4,689)	(4,364)	(4,491)	(4,132)

Movements on the provision for deferred tax are as follows:

	£	£
As at 1st January 2003	(4,364)	(4,132)
Transferred to profit and loss account	(325)	(359)
As at 31st December 2003	<u>(4,689)</u>	<u>(4,491)</u>

The deferred tax asset is recognised as recoverable, as it is expected that future profits will exceed future reversal of any deferred tax liabilities.

# PRESTIGE NURSING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003 (continued)

### 13 SHARE CAPITAL

	Authorised		Allotted, issued and fully paid	
	2003	2002	2003	2002
	£	£	£	£
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

	Group		Company	
	2003	2002	2003	2002
	£	£	£	£
Retained profit for the year	( 91,900)	415,824	( 344,288)	259,425
Opening shareholders' funds	<u>2,571,538</u>	<u>2,155,714</u>	<u>2,271,570</u>	<u>2,012,145</u>
Closing shareholders' funds	<u>2,479,638</u>	<u>2,571,538</u>	<u>1,927,282</u>	<u>2,271,570</u>

### 15 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:

	2003	2002
	£	£
<b>Land and buildings</b>		
Date of lease termination:		
Between two and five years	<u>340,899</u>	<u>268,944</u>

### 16 RELATED PARTY TRANSACTIONS

Mr P Bruce, a director of the company, is also a director and has a controlling interest in Prestige Medical Recruitment Limited. At 31st December 2003, Prestige Medical Recruitment Limited owed the group £291,240 (2002: £209,660). This amount is unsecured and interest-free, and has no fixed repayment date.

During the year, the group charged Prestige Medical Recruitment Limited £76,625 (2002: £110,999) for staff costs, £516 (2002: £5,335) for insurance, £263 (2002: £3,408) for marketing costs and £4,885 (2002: £9,459) for other administrative expenses. Fixed assets with a total net book value of £395 (2002: £4,063) were transferred from the group to Prestige Medical Recruitment Limited.