

PRESTIGE NURSING LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1996

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

Company no. 1006953



PRESTIGE NURSING LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1996

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PRESTIGE NURSING LIMITED

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31st December 1996.

**ACTIVITIES**

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

**REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

1996 saw the establishment of further branches throughout the UK and preparations to possibly franchise outlets in the future.

The company had a surplus after taxation of £163,831 (1995 £77,160).

**THE DIRECTORS AND THEIR INTERESTS**

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

	1996	1995
P B Bruce	5000	5000
Mrs P Bruce	5000	5000
J Bruce	-	-

**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 P Bruce  
Secretary

*P. Bruce*

22th April 1997

## PRESTIGE AND SURREY NURSING GROUP 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 year. 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 to 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 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

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

**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 mis-statement, 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 company's affairs at 31st December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Jacob Cavenagh & Skeet*

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

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

22th April 1997

PRESTIGE NURSING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1996

	Note	1996 £	1995 £
TURNOVER		5,825,535	3,592,693
COST OF SALES		4,954,179	3,067,233
GROSS PROFIT		<u>871,356</u>	<u>525,460</u>
ADMINISTRATION COSTS		<u>645,340</u>	<u>428,084</u>
OPERATING PROFIT	2	226,016	97,376
Interest receivable		175	789
Interest payable	4	<u>(4,033)</u>	<u>(2,122)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		222,158	96,043
Tax on profit on ordinary activities	5	<u>58,327</u>	<u>18,883</u>
PROFIT FOR THE YEAR		163,831	77,160
Dividends	6	<u>-</u>	<u>21,000</u>
RETAINED PROFIT FOR THE YEAR		163,831	56,160
Retained profit brought forward		<u>266,741</u>	<u>210,580</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>430,572</u></u>	<u><u>266,740</u></u>

The turnover is generated from continuing activities.  
The company has no recognised gains or losses other than reported above.

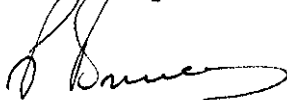
PRESTIGE NURSING LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 1996

	Note	£	1996 £	£	1995 £
<b>FIXED ASSETS</b>					
Intangible assets	7		10,700		3,650
Tangible assets	8		63,003		51,309
			<u>73,703</u>		<u>54,959</u>
<b>CURRENT ASSETS</b>					
Debtors	9	784,540		395,671	
Cash at bank and in hand		2,750		2,695	
			<u>787,290</u>	<u>398,366</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	10	(398,421)		(154,585)	
<b>NET CURRENT ASSETS</b>			<u>388,869</u>		<u>243,781</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			462,572		298,740
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	11		(22,000)		(22,000)
<b>NET ASSETS</b>			<u>440,572</u>		<u>276,740</u>
<b>CAPITAL AND RESERVES</b>					
Share capital	12		10,000		10,000
Profit and loss account			430,572		266,740
			<u>440,572</u>		<u>276,740</u>

The financial statements were approved by the board of directors on 22nd April 1997 and signed on their behalf by:



P B Bruce  
Director

PRESTIGE NURSING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

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 company has relied on the exemption set out in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

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:

Fixtures and fittings:	10 % per annum on cost
Office equipment	20 % per annum on reducing balance
Motor vehicles:	25 % per annum on reducing balance

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.

2. OPERATING PROFIT

	1996	1995
	£	£

This is stated after charging:

Staff costs (see note 3)	824,680	502,600
Auditors' remuneration	3,650	3,500
Depreciation	10,881	8,158
Goodwill written off	1,450	600
(Profit)/Loss on disposal of fixed assets	(1,215)	1,282
Operating lease rentals in respect of:		
Motor vehicles	4,248	-
Land and buildings	50,040	38,510



PRESTIGE NURSING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

3.	EMPLOYEE INFORMATION	1996 £	1995 £
3.1	Staff costs:		
	Wages and salaries	741,939	484,979
	Social security costs	22,741	17,921
	Other pension costs	60,000	-
		<u>824,680</u>	<u>502,900</u>
3.2	The average monthly number of employees during the year was made up as follows:	1996 No.	1995 No.
	Office and management	13	11
	Branch Staff	27	25
		<u>40</u>	<u>36</u>
3.3	Directors' emoluments:	1996 £	1995 £
	Salary for management services	105,374	49,473
	Pension contributions	60,000	-
	Benefits in kind	15,208	12,146
		<u>180,582</u>	<u>61,619</u>
	Emoluments of the Chairman	<u>38,603</u>	<u>36,763</u>
	Emoluments of the highest paid director	<u>43,139</u>	<u>36,763</u>

Other directors' emoluments fell within the following ranges:

£5,001 - £10,000	-	1
£15,001 - £20,000	-	1
£35,001 - £40,000	1	-

3.4 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 £60,000 (1995 £NIL).

PRESTIGE NURSING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

4.	INTEREST PAYABLE	1996 £	1995 £
	On bank overdraft repayable on demand	1,512	251
	On loans repayable within 5 years	1,719	1,871
	On other loans	802	-
		<u>4,033</u>	<u>2,122</u>
5.	TAXATION	1996 £	1995 £
	The tax charge based on the result for the year was as follows:		
	U.K corporation tax at 24.2% (1995 - 25%)	54,202	23,009
	Under/(Over)provision re previous year	4,125	(4,126)
		<u>58,327</u>	<u>18,883</u>
6.	DIVIDENDS	1996	1995
	Dividend paid 31st December 1995 £2.10 per share.	-	21,000
7.	INTANGIBLE FIXED ASSETS		
			Goodwill £
	Cost:		
	At 1st January 1996		12,500
	Additions		8,500
			<u>21,000</u>
	At 31st December 1996		<u>21,000</u>
	Amortisation:		
	At 1st January 1996		8,850
	Charge for year		1,450
			<u>10,300</u>
	At 31st December 1996		<u>10,300</u>
	Net book value		
	At 31st December 1996		<u>10,700</u>
	At 1st January 1996		<u>3,650</u>

PRESTIGE NURSING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

8. TANGIBLE FIXED ASSETS

	Office Equipment £	Fixtures and fittings £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1st January 1996	41,183	49,102	62,738	153,023
Additions	20,718	4,942	-	25,660
Disposals	-	-	(9,750)	(9,750)
	<u>61,901</u>	<u>54,044</u>	<u>52,988</u>	<u>168,933</u>
At 31st December 1996	61,901	54,044	52,988	168,933
<b>Depreciation</b>				
At 1st January 1996	28,347	29,317	44,050	101,714
Charge for the year	6,711	1,935	2,235	10,881
On disposals	-	-	(6,665)	(6,665)
	<u>35,058</u>	<u>31,252</u>	<u>39,620</u>	<u>105,930</u>
At 31st December 1996	35,058	31,252	39,620	105,930
<b>Net book value</b>				
At 31st December 1996	<u>26,843</u>	<u>22,792</u>	<u>13,368</u>	<u>63,003</u>
At 1st January 1996	<u>12,836</u>	<u>19,785</u>	<u>18,688</u>	<u>51,309</u>

9. DEBTORS

	1996 £	1995 £
Trade debtors	484,734	365,454
Other debtors	3,521	5,561
Prepayments and accrued income	296,285	24,656
	<u>784,540</u>	<u>395,671</u>

10. CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	1996 £	1995 £
Bank overdraft	40,592	22,227
Payments received on account	3,783	30,490
Trade creditors	5,605	189
Corporation tax payable 1st October 1997	54,202	17,759
Other taxes and social security costs	87,373	80,281
Directors' current account	8,118	139
Accruals	198,748	3,500
	<u>398,421</u>	<u>154,585</u>

PRESTIGE NURSING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1996

11.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1996 £	1995 £
	Loan	<u>22,000</u>	<u>22,000</u>

12. SHARE CAPITAL

	Authorised	Allotted, Issued and fully paid	
	£	1996 £	1995 £
20,000 Ordinary shares of 1 each	<u>20,000</u>	<u>10,000</u>	<u>10,000</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	163,831	77,160
Dividends	-	(21,000)
	<u>163,831</u>	<u>56,160</u>
Opening Shareholders' funds	276,741	220,580
Closing Shareholders' funds	<u>440,572</u>	<u>276,740</u>

14. 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>Motor vehicles</b>	1996	1995
Date of lease termination:	£	£
Between two and five years	<u>3,922</u>	<u>-</u>
 <b>Land and buildings</b>	 1996	 1995
Date of lease termination:	£	£
Between two and five years	<u>50,040</u>	<u>38,510</u>