

**PRESTIGE NURSING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST DECEMBER 1998**

**Company Number: 1006953**

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



**PRESTIGE NURSING LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31ST DECEMBER 1998**

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**PRESTIGE NURSING LIMITED****REPORT OF THE DIRECTORS**

The directors present their report and the audited financial statements for the year ended 31st December 1998.

**Principal activity**

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

**Year 2000**

The directors have considered their exposure to the Year 2000 problem. The steps necessary to address the issues identified are being implemented and the directors are confident these will be achieved in the near future. Costs of £10,000 are anticipated.

**Directors and their interests**

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

	Number of ordinary shares	
	31st December 1998	31st December 1997
P B Bruce	1,570	2,570
Mrs P Bruce	1,570	2,570
J Bruce	1,000	-

Mr and Mrs P B Bruce have a non-beneficial interest in 4,860 of the issued £1 ordinary shares.

**Donations**

During the year the company made charitable donations amounting to £500.


**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.

**Small company**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD

  
P B Bruce  
Secretary

28th June 1999

**PRESTIGE NURSING LIMITED****DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS  
TO THE MEMBERS OF  
PRESTIGE NURSING LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

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

**Basis of opinion**

We conducted our audit in accordance with the Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material 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 affairs of the company as at 31st December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

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

28th June 1999

*Jacob Cavenagh & Skeet*

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

## PRESTIGE NURSING LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1998

	Note	1998 £	1997 £
<b>Turnover</b>	1	12,256,106	8,073,496
<b>Cost of sales</b>		<u>10,577,088</u>	<u>7,038,364</u>
<b>Gross profit</b>		1,679,018	1,035,132
Marketing costs		62,011	62,347
Administrative expenses		<u>1,012,231</u>	<u>749,447</u>
		<u>1,074,242</u>	<u>811,794</u>
<b>Operating profit</b>	2	604,776	223,338
Interest receivable		3	11
Interest payable	4	( 24,668)	( 12,010)
<b>Profit on ordinary activities before taxation</b>		580,111	211,339
Tax on profit on ordinary activities	5	<u>169,296</u>	<u>53,567</u>
<b>Profit for the year</b>		410,815	157,772
Dividends	6	<u>65,632</u>	—
<b>Retained profit for the year</b>		345,183	157,772
Retained profit brought forward		<u>588,344</u>	<u>430,572</u>
<b>Retained profit carried forward</b>		<u>933,527</u>	<u>588,344</u>

The turnover is generated from continuing activities.

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


## PRESTIGE NURSING LIMITED

## BALANCE SHEET

AS AT 31ST DECEMBER 1998

	Note	1998 £	1997 £
<b>Fixed assets</b>			
Intangible assets	7	7,800	9,250
Tangible assets	8	108,389	111,726
Investments	9	<u>2</u>	<u>2</u>
		116,191	120,978
<b>Current assets</b>			
Stocks	10	-	45
Debtors	11	2,201,695	1,240,084
Cash in hand		<u>2,700</u>	<u>2,600</u>
		2,204,395	1,242,729
<b>Creditors: Amounts falling due within one year</b>	12	<u>(1,374,254)</u>	<u>( 755,197)</u>
<b>Net current assets</b>		<u>830,141</u>	<u>487,532</u>
<b>Total assets less current liabilities</b>		946,332	608,510
<b>Creditors: Amounts falling due after more than one year</b>	13	<u>( 2,805)</u>	<u>( 10,166)</u>
<b>Net assets</b>		<u>943,527</u>	<u>598,344</u>
<b>Capital and reserves</b>			
Share capital	14	10,000	10,000
Profit and loss account		<u>933,527</u>	<u>588,344</u>
		<u>943,527</u>	<u>598,344</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the Board of Directors on 28th June 1999 and signed on its behalf by:

  
P B Bruce  
Director

**PRESTIGE NURSING LIMITED****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST DECEMBER 1998****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.

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

**1.2 Turnover**

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

**1.3 Depreciation of tangible assets**

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

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

**1.4 Leasing and hire purchase commitments**

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

**1.5 Amortisation of goodwill**

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



## PRESTIGE NURSING LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998  
(continued)

2	<b>OPERATING PROFIT</b>	1998 £	1997 £
	This is stated after charging:		
	Auditors' remuneration	4,000	3,750
	Depreciation	45,509	25,827
	Goodwill written off	1,450	1,450
	Loss on disposal of fixed assets	25,961	409
	Operating lease rentals in respect of:		
	Motor vehicles	9,642	5,171
	Land and buildings	<u>71,429</u>	<u>73,829</u>
3	<b>EMPLOYEE INFORMATION</b>	1998 £	1997 £
	<b>Directors' emoluments</b>		
	Emoluments in respect of qualifying service	124,505	136,054
	Company contributions to money purchase pension schemes	<u>94,000</u>	<u>81,600</u>
		<u>218,505</u>	<u>217,654</u>
<p>The number of directors to whom retirement benefits are accruing under defined contributions pension schemes is 3 (1997: 2).</p> <p><b>Pension scheme arrangements</b></p> <p>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 £94,460 (1997: £81,600).</p>			
4	<b>INTEREST PAYABLE</b>	1998 £	1997 £
	On bank overdraft repayable on demand	21,967	8,824
	On loans repayable within 5 years	1,751	1,967
	On hire purchase obligations	<u>950</u>	<u>1,219</u>
		<u>24,668</u>	<u>12,010</u>
5	<b>TAXATION</b>	1998 £	1997 £
	The tax charge based on the result for the year was as follows:		
	UK Corporation tax at 30.6% (1997: 25.3%)	174,784	52,527
	(Over)/underprovision in previous year	<u>( 5,488)</u>	<u>1,040</u>
		<u>169,296</u>	<u>53,567</u>

## PRESTIGE NURSING LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998  
(continued)

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DIVIDENDS	1998 £	1997 £
Interim dividend paid 30th November 1998 - £11.20 per share	<u>65,632</u>	<u>-</u>
Shareholders holding a total of 4,140 ordinary shares of £1 each waived their entitlement to a dividend.		

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INTANGIBLE FIXED ASSETS	Goodwill £
Cost	
At 1st January 1998 and 31st December 1998	<u>21,000</u>
Amortisation	
At 1st January 1998	11,750
Charge for year	<u>1,450</u>
At 31st December 1998	<u>13,200</u>
Net book value	
At 31st December 1998	<u>7,800</u>
At 31st December 1997	<u>9,250</u>

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TANGIBLE FIXED ASSETS	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1st January 1998	110,704	59,918	66,955	237,577
Additions	44,765	5,417	17,951	68,133
Disposals	(40,866)	(35,302)	-	(76,168)
At 31st December 1998	<u>114,603</u>	<u>30,033</u>	<u>84,906</u>	<u>229,542</u>
Depreciation				
At 1st January 1998	50,077	33,751	42,023	125,851
Charge for the year	29,417	4,893	11,199	45,509
On disposals	(20,713)	(29,494)	-	(50,207)
At 31st December 1998	<u>58,781</u>	<u>9,150</u>	<u>53,222</u>	<u>121,153</u>
Net book value				
At 31st December 1998	<u>55,822</u>	<u>20,883</u>	<u>31,684</u>	<u>108,389</u>
At 31st December 1997	<u>60,627</u>	<u>26,167</u>	<u>24,932</u>	<u>111,726</u>

Included in motor vehicles above is an asset subject to a hire purchase contract with net book value of £14,106 and on which depreciation of £4,031 was charged during the year.

## PRESTIGE NURSING LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

(continued)

## 9 FIXED ASSET INVESTMENTS

Shares in  
subsidiary  
£

## Cost

At 1st January 1998 and 31st December 1998

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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 the subsidiary is that of running a franchising operation.

## 10 STOCKS

1998  
£1997  
£

Nurses' uniforms

-45

## 11 DEBTORS

1998  
£1997  
£

Trade debtors

1,410,959

859,193

Amount owed by subsidiary

52,354

35,381

Other debtors

90,502

-

Prepayments and accrued income

647,880345,5102,201,6951,240,084

# PRESTIGE NURSING LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

(continued)

12	CREDITORS: Amounts falling due within one year	1998 £	1997 £
	Bank overdraft	307,179	463,892
	Loan	-	22,000
	Obligations under lease and hire purchase contracts	6,732	6,105
	Payments received on account	-	5,680
	Trade creditors	11,743	5,689
	Corporation tax payable 1st October 1999	158,376	52,527
	Current taxation	16,408	-
	Other taxes and social security costs	348,279	182,787
	Directors' current account	7,579	3,122
	Accruals	<u>517,958</u>	<u>13,395</u>
		<u>1,374,254</u>	<u>755,197</u>

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

13	CREDITORS: Amounts falling due after more than one year	1998 £	1997 £
	Obligations under lease and hire purchase contracts	<u>2,805</u>	<u>10,166</u>

The future minimum lease payments to which the company is committed under a hire purchase contract are as follows:

	1998 £	1997 £
Within one year	7,683	7,683
Between one and two years	3,201	7,683
Between two and five years	-	<u>3,201</u>
	10,884	18,567
Less: Interest allocated to future periods	( <u>1,347</u> )	( <u>2,296</u> )
	<u>9,537</u>	<u>16,271</u>
Obligations payable:		
Within one year	6,732	6,105
After more than one year	<u>2,805</u>	<u>10,166</u>
	<u>9,537</u>	<u>16,271</u>

## PRESTIGE NURSING LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

(continued)

## 14 SHARE CAPITAL

	Authorised		Allotted, issued and fully paid	
	1998	1997	1998	1997
	£	£	£	£
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>10,000</u>	<u>10,000</u>

## 15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998	1997
	£	£
Retained profit for the year	345,183	157,772
Opening shareholders' funds	<u>598,344</u>	<u>440,572</u>
Closing shareholders' funds	<u>943,527</u>	<u>598,344</u>

## PRESTIGE NURSING LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

(continued)

## 16 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:

	1998 £	1997 £
<b>Motor vehicles</b>		
Date of lease termination:		
Within one year	355	-
Between two and five years	<u>4,149</u>	<u>8,414</u>
<b>Land and buildings</b>		
Date of lease termination:		
Between two and five years	<u>71,429</u>	<u>73,829</u>

## 17 RELATED PARTY TRANSACTIONS

A loan of £22,000 from Allied Dunbar was paid off during the year. This loan was guaranteed by Peter Bruce, a director of the company.

During the year the company charged Prestige Franchising Limited a total of £18,700 for marketing staff and £604 for other expenses. At 31st December 1998 the company was owed £52,354 by Prestige Franchising Limited (1997: £35,381). This amount is unsecured and interest-free and no provision has been made in respect of this debt.

Director	Maximum balance outstanding owed to company during the year £	Interest-free and unsecured balance owed to company at 31.12.98 £	Interest-free and unsecured balance owed to director at 31.12.98 £
P B Bruce	6,586	6,586	-
Mrs P Bruce	-	-	7,579
J Bruce	1,410	1,410	-
R G Bruce (son of P B & Mrs P Bruce)	<u>6,000</u>	<u>6,000</u>	-
	<u>13,996</u>	<u>13,996</u>	<u>7,579</u>