

**British Nursing Association
Healthcare Services Limited**

**Annual report
for the year ended 31 December 1998**

Registered no: 1242883



British Nursing Association Healthcare Services Limited

Annual report for the year ended 31 December 1998

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Directors' report for the year ended 31 December 1998

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

Principal activities

The principal activities of the company during the year were the provision of nursing services for insurance healthcare screenings and the provision of caring services.

Financial results

The level of the company's business activity increased during the year and the directors are confident about its future prospects. The results for the year are shown in the profit and loss account on page 5. A dividend of £599,244 is recommended by the directors (1997: £546,839).

Directors

The directors who held office during the year were:

F J Devine	(Resigned 14 July 1998)
K A Greene	
M D R Horgan	
D E Jackson	
J A S Jewitt	
D O Lyon	(Appointed 3 February 1998)
D Conway	(Appointed 23 November 1998)

Directors' interests

The directors had no interests in the share capital of the company.

The interests of J A S Jewitt and D O Lyon in the share capital of Nestor Healthcare Group plc, the ultimate holding company, are disclosed in the financial statements of that company.

**Directors' report
for the year ended 31 December 1998 (continued)**

Directors' interests (continued)

The interests of the directors, excluding those who are directors of the ultimate holding company, in the share capital of Nestor Healthcare Group plc were:

	Employee Share Option Scheme 1996 31 December		Company Share Option Plan 1996 31 December	
	1998	1997	1998	1997
K Greene	28,373	8,500	26,000	26,000
M Horgan	114,483	72,200	26,000	26,000
D Jackson	13,605	-	25,271	24,500
D Conway	10,309	-	8,836	-

	SAYE scheme		Ordinary shares	
	1998	1997	1998	1997
K Greene	13,167	-	-	-
M Horgan	4,247	-	-	-
D Jackson	5,735	-	979	-
D Conway	3,176	-	-	-

Year 2000

Disclosures relating to the Year 2000 issue, as required by UITF Abstract 20, Year 2000 issues: accounting and disclosures, can be found in the financial statements of Nestor Healthcare Group plc, the ultimate holding company.

Employee involvement

The company's policies in respect of disabled persons and employee involvement are in accordance with those detailed in the financial statements of Nestor Healthcare Group plc, the ultimate holding company.

**Directors' report
for the year ended 31 December 1998 (continued)**

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 that 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.

Auditors

The auditors, PricewaterhouseCoopers have indicated their willingness to continue in office, since the company has dispensed with the obligation to appoint auditors annually, PricewaterhouseCoopers will continue in office.

Approved by the Board at *27th October* 1999, and signed on its behalf by


CER Thomas
Company Secretary

Report of the auditors to the members of British Nursing Association Healthcare Services Limited

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report, including, as described on page 3, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 company's affairs at 31 December 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

28 October 1999

**Profit and loss account
for the year ended 31 December 1998**

	Notes	1998 £	1997 £
Turnover	2	4,686,180	4,697,788
Cost of sales		(3,198,146)	(3,199,164)
		1,488,034	1,498,624
Administrative expenses		(617,101)	(700,399)
Operating profit	3	870,933	798,225
Tax on profit on ordinary activities	5	(271,689)	(251,386)
Profit on ordinary activities after taxation		599,244	546,839
Dividend proposed		(599,244)	(546,839)
Profit for the financial year		-	-

All of the company's operations are continuing.

The company has no recognised gains and losses other than the above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

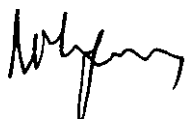
British Nursing Association Healthcare Services Limited

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Balance sheet at 31 December 1998

	Notes	1998 £	1997 £
Current assets			
Trade debtors due within one year		682,073	661,889
Amounts due from the parent company		776,673	633,516
Prepayments		76,899	62,569
		<u>1,535,645</u>	<u>1,357,974</u>
Creditors - amounts falling due in less than one year	6	<u>(1,535,643)</u>	<u>(1,357,972)</u>
Total assets less current liabilities		<u>2</u>	<u>2</u>
Net assets		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	7	<u>2</u>	<u>2</u>
Total shareholders' funds	8	<u>2</u>	<u>2</u>

The financial statements on pages 5 to 9 were approved by the board of directors on
27th October 1999 and were signed on its behalf by:



Director

**Notes to the financial statements
for the year ended 31 December 1998**

1 Accounting policies

Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under the historical cost convention. Accounts are made up to the nearest practicable Friday to 31 December each year.

Cash flow statements and related party transactions

The company is a wholly owned subsidiary of Nestor Healthcare Group plc and is included in the consolidated financial statements of Nestor Healthcare Group plc, which are publicly available. Consequently the company is exempt under the terms of Financial Reporting Standard No. 1 (revised 1996) from publishing a cash flow statement. The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Nestor Healthcare Group plc group or investees of the Nestor Healthcare Group plc group.

2 Turnover

Turnover is the total amount receivable by the company in the ordinary course of business with outside customers for goods and services supplied, excluding value added tax and trade discounts.

The turnover and profit before taxation is attributable to the two principal activities and is all earned in the United Kingdom.

3 Operating profit

Remuneration of the company's auditors is borne by the immediate parent company, British Nursing Co-operations Limited.

4 Employee information

The company had no employees during the financial year (1997: None). The directors received no emoluments for their services to the company (1997: £Nil).

**Notes to the financial statements
for the year ended 31 December 1998 (continued)**

5 Tax on profit on ordinary activities

	1998 £	1997 £
UK Corporation tax at 31% (1997: 31.49%)	271,689	251,386
	<u>271,689</u>	<u>251,386</u>

6 Creditors - amounts falling due in less than one year

	1998 £	1997 £
Bank overdraft	(391,871)	(326,675)
Trade creditors	(163,945)	(138,913)
Other creditors	(83,898)	(53,631)
Corporation tax	(271,689)	(251,386)
Other tax and social security	(24,996)	(40,528)
Dividend payable	(599,244)	(546,839)
	<u>(1,535,643)</u>	<u>(1,357,972)</u>

7 Called up share capital

	1998 £	1997 £
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Issued, allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**Notes to the financial statements
for the year ended 31 December 1998 (continued)**

8 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit for the year	599,244	546,839
Dividends	(599,244)	(546,839)
Net addition to shareholders funds	-	-
Shareholders funds as at 1 January	2	2
Shareholders funds as at 31 December	2	2

9 Contingent liabilities

No loans were outstanding at the year end to any Nestor Healthcare Group plc group undertaking which had been guaranteed by the company (1997: Nil).

10 Ultimate parent undertaking

The Company's immediate parent undertaking is British Nursing Co-operations Limited.

The Company's ultimate parent undertaking is Nestor Healthcare Group plc, which is registered in England and Wales and is the parent of the smallest and largest group that prepares consolidated accounts that incorporate this company. Copies of the ultimate holding company's consolidated financial statements may be obtained from The Colonnades, Beaconsfield Close, Hatfield, Hertfordshire, AL10 8YD.