

Thames Medics Limited

Report and Financial Statements

Year ended

31 December 2008

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BDO Stoy Hayward
Chartered Accountants

Thames Medics Limited

Annual report and financial statements for the year ended 31 December 2008

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Directors

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Directors

K V Bleasdale
D Jarvis
A McRae

Secretary and registered office

D Jarvis, Greener House, 66-68 Haymarket, London, SW1Y 4RF.

Company number

03069773

Auditors

BDO Stoy Hayward LLP, 55 Baker Street, London, W1U 7EU.

Thames Medics Limited

Report of the directors for the year ended 31 December 2008

The directors present their report together with the audited financial statements for the year ended 31 December 2008.

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the period.

Dividends of £nil were paid to the parent company (Healthcare Locums Plc) during the year (2007 - £1,250,000). The directors do not recommend the payment of a final dividend (2007 - £nil).

Principal activities, trading review and future developments

The principal activity of the company continued to be that of the supply of professional health services of statutorily registered doctors.

The results for the year and the financial position at the year end were considered to be satisfactory by the directors.

There have been no events since the balance sheet date which affect the position of the company.

Directors and their interests

The directors who served the company during the year were as follows:

K V Bleasdale

D Jarvis

C Hepburn (resigned 19 January 2009)

A McRae was appointed as an director on 19 January 2009

Thames Medics Limited

Report of the directors for the year ended 31 December 2008 (*Continued*)

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 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; and
- 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.

Auditors

BDO Stoy Hayward LLP, who were appointed as auditors of the company by the directors, have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting. As far as the directors are aware there is no relevant information of which the auditors are unaware, and they have taken all necessary steps to make themselves aware of any such information and to establish that the auditors are aware of that information.

By order of the Board



D Jarvis
Director

Date

1/6/09

Thames Medics Limited

Report of the independent auditors

Independent Auditor's Report To The Shareholders Of Thames Medics Limited

We have audited the financial statements of Thames Medics Limited for the year ended 31 December 2008 which comprise the profit and loss account, balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

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

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

Thames Medics Limited

Report of the independent auditors

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

BDO Stoy Hayward LLP

BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors

London

Date 1-6-09

Thames Medics Limited

Profit and loss account for the year ended 31 December 2008

	Note	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Turnover	2	1,831,805	2,224,439
Cost of sales		(1,423,755)	(1,790,494)
Gross profit		408,050	433,945
Administration expenses before reorganisation costs		(595,939)	(544,225)
Reorganisation Costs	5	(232,846)	(106,512)
Total Administrative expenses		(828,785)	(650,737)
Operating loss	6	(420,735)	(216,792)
Interest payable and similar charges	7	(6,259)	(24,597)
Loss on ordinary activities before taxation		(426,994)	(241,389)
Taxation on loss on ordinary activities	8	427,252	248,199
Profit for the year	15,16	258	6,810

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

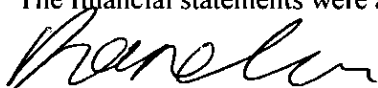
The notes on pages 7 to 15 form part of these financial statements.

Thames Medics Limited

Balance sheet at 31 December 2008

	Note	31 December 2008 £	31 December 2008 £	31 December 2007 £	31 December 2007 £
Fixed assets					
Tangible assets	10		-		3,669
Current assets					
Debtors	11	1,531,996		1,589,142	
Cash at bank and in hand		6,355		331	
		<u>1,538,351</u>		<u>1,589,473</u>	
Creditors: amounts falling due within one year	12	<u>1,412,720</u>		<u>1,467,769</u>	
Net current assets			<u>125,631</u>		<u>121,704</u>
Net assets			<u>125,631</u>		<u>125,373</u>
Capital and reserves					
Called up share capital	14		161		161
Profit and loss account	15		125,470		125,212
Shareholders' funds	16		<u>125,631</u>		<u>125,373</u>

The financial statements were approved by the Board and authorised for issue on 1/6/09



Diane Jarvis
Director

Andy McRae
Director



The notes on pages 7 to 15 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

The following principal accounting policies have been applied:

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. These consist of:

- Turnover from temporary placements which represents amounts billed for the services of temporary staff including the salary cost of these staff. This is recognised when the service has been provided;
- Turnover from permanent placements is recognised at the date where an offer has been accepted by the candidate except where the offer is contingent on future events which are outside the company's control. In these cases revenue is only recognised once any material contingencies have been resolved. A provision is made against accrued income for possible cancellations of placements prior to the commencement of employment based on past experience of this occurring.

All turnover relates to the rendering of services.

Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment - 3 to 8 years

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax balances is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Thames Medics Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Employees

All staff who worked for the company during the period were employees of other companies within the Healthcare Locums Group and received remuneration from those companies

4 Directors' emoluments

The directors who held office during the period were employees of Healthcare Locums Plc and received remuneration from that company.

5 Reorganisation costs

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Reorganisation Cost	232,846	106,512

Reorganisation costs represent costs incurred reorganising the management and operational structure to effectively integrate Thames Medics Ltd with BBL Medical Ltd acquired by the holding company, Healthcare Locus Plc, in March 2006& JCJ Locums Ltd acquired by the holding company in April 2007.

Thames Medics Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

6 Operating loss

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
This has been arrived at after charging:		
Depreciation of tangible assets	5,117	7,098
Hire of other assets - operating leases	23,160	22,349

Auditors remuneration is borne by Thames Medics Ltd's parent company Healthcare Locums Plc.

7 Interest payable and similar charges

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Bank interest	6,259	24,597

Thames Medics Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

8 Taxation on profit on ordinary activities

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
<i>UK corporation tax</i>		
Current tax on profits for the year	(427,356)	(242,409)
Adjustment in respect of prior years	2	-
Total Current Tax	(427,354)	(242,409)
<i>Deferred Tax</i>		
Origination and reversal of timing differences	102	(5,790)
Taxation on profit on ordinary activities	(427,252)	(248,199)

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Loss on ordinary activities before tax	(426,994)	(241,389)
Loss on ordinary activities before taxation at the standard rate of UK corporation tax of 28.5% (2007 – 30%)	(121,693)	(72,417)
Effect of:		
Difference between depreciation and capital allowance for period	(90)	(306)
Impact of rate change on current year deferred tax charge/credit	(2)	-
Receipt for Group Relief	(305,569)	(169,686)
	(305,661)	(169,992)
Current tax credit for year	(427,354)	(242,409)

Thames Medics Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

9 Dividends

	Year ended 31 December 2008 £	Year ended 31 December 2007 £
Ordinary shares		
Interim paid of £nil (2007 - £12,500) per share	-	1,250,000

10 Tangible assets

	Fixtures, fittings and equipment £
<i>Cost</i>	
At 1 January 2007	23,892
Additions	1,448
At 31 December 2008	25,340
<i>Depreciation</i>	
At 1 January 2008	20,223
Charge for the year	5,117
At 31 December 2008	25,340
<i>Net book value</i>	
At 31 December 2008	-
At 31 December 2007	3,669

Thames Medics Limited**Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)****11 Debtors**

	31 December 2008	31 December 2007
	£	£
Trade debtors	434,235	222,013
Amounts owed by parent company	281,632	901,245
Amounts owed by fellow subsidiary undertakings	667,925	390,847
Other debtors	2,547	11,507
Prepayments and accrued income	139,969	57,740
Deferred Tax (see below)	5,688	5,790
	<hr/>	<hr/>
	1,531,996	1,589,142

The deferred tax asset is in respect of fixed assets whereby the net book value is lower than the written down value for tax purposes. The deferred tax asset will be written off to the profit and loss account over a period greater than 12 months.

12 Creditors: amounts falling due within one year

	31 December 2008	31 December 2007
	£	£
Bank loans and overdrafts	169,096	139,555
Trade creditors	2,883	3,831
Amounts owed to fellow subsidiary undertakings	1,014,312	19,268
Amount owed to parent company	-	1,231,418
Other taxes and social security	106,523	33,281
Other creditors	25,744	-
Accruals and deferred income	94,162	40,416
	<hr/>	<hr/>
	1,412,720	1,467,769

Included in bank loans and overdrafts is an Invoice Discounting facility provided by Barclays of £169,096 (2007 - £138,078), and this is secured by a fixed and floating charge over the assets of the company.

Thames Medics Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

13 Commitments under operating leases

At 31 December 2007 the company had annual commitments under non-cancellable operating leases set out below.

	Other 31 December 2008 £	Other 31 December 2007 £
Operating leases which expire:		
Under one year	13,316	-
In two to five years	-	22,349
	13,316	22,349

14 Share capital

	31 December 2008 Number	31 December 2007 Number	Authorised 31 December 2008 £	31 December 2007 £
Deferred ordinary shares of £1 each	10,000	10,000	10,000	10,000
Ordinary shares of US\$1 each	100	100	61	61
	31 December 2008 Number	31 December 2007 Number	Allotted, called up and fully paid 31 December 2008 £	31 December 2007 £
Deferred ordinary shares of £1 each	100	100	100	100
Ordinary shares of US\$1 each	100	100	61	61

The deferred ordinary shares of £1 each in the capital of the company carry no rights to receive dividends or other distributions out of the revenue or any other profits of the company.

The holders of deferred ordinary shares carry no rights to receive notice of or to attend or vote at any general meeting of the company in their capacity as holders of such shares.

Thames Medics Limited

Notes forming part of the financial statements for the year ended 31 December 2008 (Continued)

15 Statement of movements on reserves

	Profit and Loss account 2008 £	Profit and Loss account 2007 £
Balance at 1 January	125,212	1,368,402
Profit for the year	258	6,810
Dividend paid	-	(1,250,000)
Balance at 31 December	125,470	125,212

16 Reconciliation of movements in shareholders' funds

	31 December 2008 £	31 December 2007 £
Profit for the year	258	6,810
Dividend paid	-	(1,250,000)
Net addition/(reduction) to shareholders' funds	258	(1,243,190)
Opening shareholders' funds	125,373	1,368,563
Closing shareholders' funds	125,631	125,373

17 Contingent liabilities

In April 2007, group bank facilities were arranged with the parent company Healthcare Locums Plc's bankers Barclays Bank Plc. The bank loan facility amounting to £15.5 million at 31 December 2008 is shown on the group balance sheet of Healthcare Locums Plc and is secured against the assets of the entire group including Thames Medics Limited.

18 Ultimate parent company

The company is a wholly owned subsidiary of Healthcare Locums Plc, registered in England and Wales.

Healthcare Locums Plc prepares group financial statements and copies can be obtained from Greener House, 66-68 Haymarket, London, SW1Y 4RF.

Thames Medics Limited

Notes forming part of the financial statements for the year ended 31 December 2008 *(Continued)*

19 Related party transactions

The company has been a wholly owned subsidiary of Healthcare Locums Plc throughout the year.

In accordance with the exemption stated in Financial Reporting Standard 8 no details are shown of related party transactions with the company's parent and fellow subsidiaries in which the parent company holds 90% or more of the voting rights.