

ASA Locums Limited

Directors' Report and Accounts

Year ended 31 December 2003

Company Registration No. 3540088 (England and Wales)



ASA Locums Limited

Company Information

Directors

A J T Pilgrim
J R Pinder

Secretary

M J Taylor

Company number

3540088

Registered office

Turnford Place
Great Cambridge Road
Turnford
Broxbourne
Hertfordshire
EN10 6NH

ASA Locums Limited

Contents

| | |
|--|----------|
| Directors' report | 1 |
| Independent auditors' report | 3 |
| Profit and loss account | 4 |
| Balance sheet | 5 |
| Notes to the financial statements | 6 |

ASA Locums Limited

Directors' Report

Year ended 31 December 2003

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

Principal activities and review of the business

The principal activity of the company in the period under review was the provision of locum staff to the healthcare and social services sectors.

The directors consider the results for the year to be satisfactory.

As part of a Group reorganisation and simplification, the company's assets, liabilities and its business have been transferred to a fellow subsidiary company, Quality Locum Services Limited, with effect from the close of business on 31 December 2003.

Results and dividends

The results for the year are set out on page 4.

An interim dividend of £8,220,515 was paid on 28 November 2003 (2002: £nil). The directors recommend the payment of a final dividend of £2,610,988 (2002: £nil). The retained loss of £8,220,515 (2002: profit £2,841,494) has been transferred to reserves.

Directors

The following directors held office throughout the year except where indicated otherwise:-

F O'Brien (resigned 9th December 2003)

A J T Pilgrim

J R Pinder

Directors' interests

According to the register maintained for the purposes of Section 324 Companies Act 1985, none of the directors had any interests requiring disclosure.

Directors' responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors confirm they have;

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepared the accounts 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 accounts comply with the Companies Act 1985. They

ASA Locums Limited

Directors' Report

Year ended 31 December 2003

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.

Employees

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made which are likely to affect their interests, and that all employees are aware of the financial and economic performance of the company. Communication with all employees continues through briefing groups. Under the active guidance of its Personnel Department, the company continues to make effective arrangements for the health, safety and welfare of its employees.

Disabled employees

It is the company's policy that disabled persons should be considered for employment, training, career development and promotion on the basis of their abilities and aptitudes in common with all employees.

The company applies employment policies which are fair and equitable for all employees and which ensure entry into and progression within the company are determined solely by application of job criteria and personal ability and competency. Full and fair consideration (having regard to the person's particular aptitudes and abilities) is given to applications for employment and the career development of disabled persons.

Environmental issues

As a service-based organisation, with no manufacturing or transportation facilities, the company's exposure to environmental risk is limited. At present, the company does not possess a formal environmental policy but observes environmentally-aware procedures appropriate to its business (for example, reducing usage of energy and paper).

Charitable and political donations

No charitable or political donations were made during the year.

By order of the board



.....
J R Pinder
Director

19 April 2004

ASA Locums Limited

Independent auditors' report

To the Members of ASA Locums Limited

We have audited the financial statements, which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 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.

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
London

19 April 2004

ASA Locums Limited

Profit and Loss Account *Year ended 31 December 2003*

| | | 2003 | 2002 |
|---|-------|---------------------------|-------------------------|
| | Notes | £ | £ |
| Turnover | 1 | 14,455,677 | 17,933,613 |
| Cost of sales | | <u>(10,981,558)</u> | <u>(13,816,690)</u> |
| Gross profit | | 3,474,199 | 4,116,923 |
| Administrative expenses | | <u>(1,410,730)</u> | <u>(1,778,058)</u> |
| Operating profit | 2 | 2,063,389 | 2,338,865 |
| Interest receivable and similar income | 3 | <u>547,599</u> | <u>502,629</u> |
| Profit on ordinary activities before taxation | | 2,610,988 | 2,841,494 |
| Tax on profit on ordinary activities | 6 | <u>-</u> | <u>-</u> |
| Profit on ordinary activities after taxation | | 2,610,988 | 2,841,494 |
| Dividends | 5 | <u>(10,831,503)</u> | - |
| (Loss)/Profit retained for the year | 11 | <u><u>(8,220,515)</u></u> | <u><u>2,841,494</u></u> |

The above activities wholly relate to discontinued operations.

There were no recognised gains and losses other than those included in the profit and loss account 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 profit for the period stated above and their historical cost equivalents.

ASA Locums Limited

Balance sheet

As at 31 December 2003

| | Notes | 2003 £ | 2002 £ |
|---|-------|-----------|-------------|
| Fixed assets | | | |
| Tangible assets | 7 | - | 39,385 |
| Current assets | | | |
| Debtors | 8 | 2,611,988 | 2,109,218 |
| Cash at bank and in hand | | - | 7,647,831 |
| | | 2,611,988 | 9,757,049 |
| Creditors: amounts falling due within one year | 9 | 2,610,988 | (1,574,919) |
| Net current assets | | 1,000 | 8,182,130 |
| Net assets | | 1,000 | 8,221,515 |
| Capital and reserves | | | |
| Called up share capital | 10 | 1,000 | 1,000 |
| Profit and loss account | 11 | - | 8,220,515 |
| Shareholders' funds – equity interests | 12 | 1,000 | 8,221,515 |

The accounts were approved by the Board on 19 April 2004 and signed on its behalf by:



J R Pinder
Director

ASA Locums Limited

Notes to the financial statements As at 31 December 2003

1 Accounting policies

1.1 Accounting convention

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

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and including any inter-group trading and relates wholly to the United Kingdom.

Turnover from the placement of temporary staff, represents the gross sales value of hours worked and is generally recognised on a weekly basis. Turnover from the placement of permanent staff and bank staff represents the commission receivable and is recognised at the commencement of placement.

1.3 Working time directive

Accruals are made, based on experience, and recognised in cost of sales, to reflect the potential liability payable for holiday pay under the EC working time directive.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and when appropriate, provisions for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

| | |
|-------------------------------|------------|
| Office equipment | Five years |
| Fixture, fittings & equipment | Five years |

The carrying values of tangible assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

1.5 Leases

Rental payments under operating leases are charged to the profit and loss account on a straight line basis in arriving at the operating profit.

1.6 Deferred taxation

Deferred taxation is recognised in full in respect of transactions or events that have taken place by the balance sheet date and which could give rise to an obligation to pay more or less taxation in the future.

ASA Locums Limited

Notes to the financial statements *As at 31 December 2003*

1 Accounting policies (continued)

1.7 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange on the balance sheet date. Foreign currency transactions are translated during the year based on month-end exchange rates.

1.8 Related parties

Advantage has been taken of the exemption within FRS 8 (Related Party Transactions) not to disclose transactions between wholly owned group companies.

1.9 Pensions

The pension costs charged in the accounts represent the contribution payable by the company to defined contribution schemes during the period in accordance with SSAP 24.

1.10 Cash Flow Statement

The company has taken advantage of the exemption under FRS 1 (Revised) not to publish a cash flow statement, as the consolidated financial statements of its parent undertaking Match Healthcare Limited are publicly available.

2 Operating profit

Operating profit is stated after charging:

| | 2003 | 2002 |
|---|--------|--------|
| | £ | £ |
| Depreciation of tangible assets | 21,481 | 18,505 |
| Auditors' remuneration | 6,000 | 12,000 |
| Operating lease rentals-plant and machinery | - | 11,528 |
| Operating lease rentals-other | 3,125 | 26,200 |

3 Other interest receivable and similar income

| | 2003 | 2002 |
|---------------|---------|---------|
| | £ | £ |
| Bank interest | 547,599 | 502,629 |

ASA Locums Limited

Notes to the financial statements *As at 31 December 2003*

4 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

| 2003 | 2002 |
|---------------|---------------|
| Number | Number |
| 23 | 27 |

Employment costs

| | 2003 | 2002 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 726,056 | 730,719 |
| Social security costs | 75,952 | 69,300 |
| Other pension costs | 7,060 | 17,119 |
| | <u>809,068</u> | <u>817,138</u> |

| | 2003 | 2002 |
|--------------------------------------|-------------|-------------|
| | £ | £ |
| Remuneration for qualifying services | - | - |
| | <u>-</u> | <u>-</u> |

No retirement benefits accrue to any directors (2002:£nil). The directors are remunerated for their services to the group as a whole and details of their remuneration are disclosed in the financial statements of Match Healthcare Limited.

5 Dividends

| | 2003 | 2002 |
|-----------------------------------|-------------------|-------------|
| | £ | £ |
| Equity dividends paid – interim | 8,220,515 | - |
| Equity dividends proposed – final | 2,610,988 | - |
| | <u>10,831,503</u> | <u>-</u> |

6 Taxation

| | 2003 | 2002 |
|---|-------------|-------------|
| | £ | £ |
| U.K current year taxation | | |
| U.K Corporation tax at 30% (2002 – 30%) | - | - |

ASA Locums Limited

Notes to the financial statements As at 31 December 2003

| | 2003 | 2002 |
|--|-----------|-----------|
| | £ | £ |
| Profit on ordinary activities before taxation | 2,610,988 | 2,841,494 |
| Standard rate of UK corporation tax at 30% | 783,296 | 852,448 |
| Excess of capital allowances over depreciation | (1,575) | (398) |
| Group relief received | (781,721) | (852,050) |
| Current tax charge | - | - |

7 Tangible fixed assets

| | Office equipment | Furniture, Fittings & Equipment | Total |
|--------------------------------|---------------------|---------------------------------------|-----------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2003 | 66,507 | 42,123 | 108,630 |
| Additions | - | 5,429 | 5,429 |
| Transfer to group undertakings | (66,507) | (47,552) | (114,059) |
| At 31 December 2003 | - | - | - |
| Depreciation | | | |
| At 1 January 2003 | 35,049 | 34,196 | 69,245 |
| Charge for the year | 8,180 | 13,301 | 21,481 |
| Transfer to group undertaking | (43,229) | (47,497) | (90,726) |
| At 31 December 2003 | - | - | - |
| Net book value | | | |
| At 31 December 2003 | - | - | - |
| Net book value | | | |
| At 31 December 2002 | 31,458 | 7,927 | 39,385 |

8 Debtors

| | 2003 | 2002 |
|------------------------------------|-----------|-----------|
| | £ | £ |
| Amounts owed by group undertakings | 2,611,988 | - |
| Trade debtors | - | 2,056,484 |
| Prepayments and accrued income | - | 52,734 |
| | 2,611,988 | 2,109,218 |

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

ASA Locums Limited

Notes to the financial statements As at 31 December 2003

9 Creditors: amounts falling due within one year

| | 2003 | 2002 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Amounts owed to group undertakings | - | 253,022 |
| Trade creditors | - | 15,284 |
| Corporation tax | - | 765,631 |
| Other taxation and social security | - | 230,274 |
| Other creditors | - | 274,629 |
| Accruals and deferred income | - | 36,079 |
| Proposed final dividend | 2,610,988 | - |
| | <u>2,610,988</u> | <u>1,574,919</u> |

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10 Share capital

| | 2003 | 2002 |
|---|--------------|--------------|
| | £ | £ |
| Authorised | | |
| 1,000 ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| Allotted, called up and fully paid | | |
| 1,000 ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

11 Profit and loss account

| | 2003 | 2002 |
|--|--------------------|------------------|
| | £ | £ |
| Balance at 1 January | 8,220,515 | 5,379,021 |
| Retained (deficit)/profit for the financial year | <u>(8,220,515)</u> | <u>2,841,494</u> |
| Balance at 31 December | <u>-</u> | <u>8,220,515</u> |

12 Reconciliation of movements in shareholders' funds

| | 2003 | 2002 |
|--|--------------|------------------|
| | £ | £ |
| Profit retained/(deficit) for the financial year | (8,220,515) | 2,841,494 |
| Opening shareholders' funds | 8,221,515 | 5,380,021 |
| Closing shareholders' funds | <u>1,000</u> | <u>8,221,515</u> |

13 Contingent liabilities

The company has given its bankers guarantees in respect of the borrowings of other group undertakings of £19,220,000 (2002 - £36,725,000).

ASA Locums Limited

Notes to the financial statements *As at 31 December 2003*

14 Financial commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|----------------------------|---------------------------|-------------|--------------|-------------|
| | 2003 | 2002 | 2003 | 2002 |
| | £ | £ | £ | £ |
| Expiry date: | | | | |
| Within one year | - | 13,100 | - | - |
| Between two and five years | - | - | - | 11,549 |

15 Control

The immediate parent company is Match Healthcare Limited, which is the smallest company to consolidate the financial statements.

The ultimate parent company and controlling party was Match Holdings Limited which is the parent undertaking of the largest group to consolidate these financial statements. Copies of these consolidated financial statements of Match Holdings Limited are available from Turnford Place, Great Cambridge Road, Turnford, Broxbourne, Hertfordshire, EN10 6NH.