

**ASA Locums Limited**

**Directors' Report and Accounts**

**Year ended 31 December 2000**

Company Registration No. 3540088 (England and Wales)



*ASA Locums Limited*

***Company Information***

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**Directors**

F O'Brien  
A J T Pilgrim  
J R Pinder

**Secretary**

G Belchem

**Company number**

3540088

**Registered office**

Jessica House  
Red Lion Square  
191 Wandsworth High Street  
London  
SW18 4LS

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# ***ASA Locums Limited***

## ***Directors' Report***

***Year ended 31 December 2000***

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The directors present their report and the audited financial statements for the year ended 31 December 2000.

### **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 period to be satisfactory. The company's internal budgets forecast continued expansion within the healthcare and social service sectors. There are currently no plans to diversify into other areas.

### **Results and dividends**

The results for the year are set out on page 6.

The directors do not recommend the payment of an ordinary dividend.

### **Going Concern**

The directors believe that additional funds will be required to support the group's existing bank loan, loan notes and deferred consideration payments in the near future and that in addition, the group would benefit in the longer term from a restructuring of the financing of the group.

As explained in Note 1.8 to the accounts, the company is party to a cross guarantee in respect of certain of the group's bank borrowings. Discussions are taking place with the group's bankers and major shareholders on the additional finance that may be provided to the group and on long term financing of the group. The directors believe that adequate support from its major shareholders and bankers will be forthcoming to provide additional long-term funding to meet the needs of the business. Consequently the directors consider that it is appropriate for the financial statements to be prepared on the going concern basis.

### **Directors**

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

K V Bleasdale

S K Wilden

(Resigned 31 March 2000)

B S Mitchell

A Shaw

J R Pinder

(Appointed 14 April 2000)

B S Mitchell and A Shaw resigned as directors on 11 October 2001 and 18 October 2001 respectively. K V Bleasdale ceased to be a director on 2 May 2001. F O'Brien and A J T Pilgrim were appointed as directors on 7 November 2001 and 12 November 2001 respectively.

### **Directors' interests**

According to the register maintained for the purposes of Section 324 Companies Act 1985 the under mentioned directors had interests in Sinclair Montrose Limited as follows:

## ***ASA Locums Limited***

### ***Directors' Report***

***Year ended 31 December 2000***

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	<b>Guaranteed Unsecured Loan Notes</b>	
	<b>31 December 2000</b>	<b>1 January 2000</b>
	<b>£</b>	<b>£</b>
B S Mitchell	3,700,027	2,100,025
A Shaw	3,700,027	2,100,025

#### **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 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 accounts;
- prepare 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 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.

#### **The Euro**

The directors have considered the potential impact of the Euro and are of the opinion that this will not have a material impact on the company within the foreseeable future.

#### **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.

## ***ASA Locums Limited***

### ***Directors' Report***

***Year ended 31 December 2000***

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#### **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.

#### **Auditors**

A resolution to re-appoint PricewaterhouseCoopers as auditors will be proposed at the Annual General Meeting.

By order of the board



G Belchem  
Secretary

20<sup>th</sup> December 2001

# ***ASA Locums Limited***

## ***Auditors' Report***

### ***To the Members of ASA Locums Limited***

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We have audited the accounts on pages 6 to 14.

#### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom 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 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.

#### **Fundamental uncertainty:**

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the possible outcome of negotiations for additional finance and the arrangements regarding the group's banking facilities. The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being available and the cross guarantees to which the company is party not being called upon. The financial statements do not include any adjustments that would result from a failure to obtain the group funding. Details of the circumstances relating to this fundamental uncertainty are described in note 1. Our opinion is not qualified in this respect.

***ASA Locums Limited***

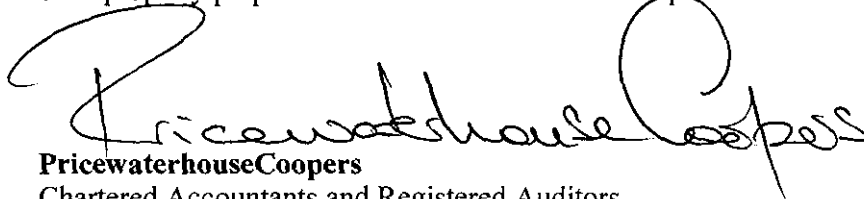
***Auditors' Report***

***To the Members of ASA Locums Limited***

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**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 2000 and the profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A large, stylized handwritten signature in black ink, which appears to read 'PricewaterhouseCoopers', is written over the printed name of the firm.

**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors  
London

20<sup>th</sup> December 2001



# ***ASA Locums Limited***

## ***Profit and Loss Account*** ***Year ended 31 December 2000***

		<b>2000</b>	<b>1999</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	1	21,429,758	17,072,194
Cost of sales		<u>(17,092,997)</u>	<u>(13,735,395)</u>
<b>Gross profit</b>		4,336,761	3,336,799
Administrative expenses		<u>(1,709,821)</u>	<u>(1,717,625)</u>
<b>Operating profit</b>	2	2,626,940	1,619,174
Interest receivable and similar income	3	<u>165,286</u>	<u>939</u>
<b>Profit on ordinary activities before taxation</b>		2,792,226	1,620,113
Tax on profit on ordinary activities	6	<u>(848,345)</u>	<u>(487,218)</u>
<b>Profit for the financial year/period</b>	11	<u><u>1,943,881</u></u>	<u><u>1,132,895</u></u>

The above activities wholly relate to continuing 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 2000***

	Notes	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	7	54,597	46,795
<b>Current assets</b>			
Debtors	8	2,913,134	2,348,133
Cash at bank and in hand		3,583,371	1,423,235
		6,496,505	3,771,368
<b>Creditors: amounts falling due within one year</b>	9	(2,885,979)	(2,096,921)
<b>Net current assets</b>		3,610,526	1,674,447
<b>Net assets</b>		3,665,123	1,721,242
<b>Capital and reserves</b>			
Called up share capital	10	1,000	1,000
Profit and loss account	11	3,664,123	1,720,242
<b>Shareholders' funds – equity interests</b>	12	3,665,123	1,721,242

The accounts were approved by the Board on 20<sup>th</sup> December 2001 and signed on its behalf by:



J R Pinder  
Director

# ***ASA Locums Limited***

## ***Cash flow Statement***

***Year Ended 31 December 2000***

	2000 £	1999 £
<b>Net cash inflow from operating activities</b>	2,018,243	1,488,705
<b>Returns on investments &amp; servicing of finance</b>		
Interest received & other similar income	165,286	939
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(23,393)	(15,604)
<b>Increase in cash in the period</b>	<u>2,160,136</u>	<u>1,474,040</u>

### **Reconciliation of operating profit to operating cash flows**

	2000 £	1999 £
Operating profit	2,626,940	1,619,174
Depreciation on tangible fixed assets	15,591	11,696
Increase in debtors	(565,001)	(517,062)
(Decrease)/increase in creditors	(59,287)	374,897
	<u>2,018,243</u>	<u>1,488,705</u>

### **Reconciliation of net cash flow to movements in net funds and analysis of net funds**

	2000 £ Cash	1999 £ Cash
Increase in cash in the period	2,160,136	1,474,040
Opening Net funds/debt	1,423,235	(50,805)
Closing Net funds	<u>3,583,371</u>	<u>1,423,235</u>

## ***ASA Locums Limited***

### ***Notes to the financial statements*** ***Year ended 31 December 2000***

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#### **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 trade discounts.

Turnover, profit before tax and net assets are attributable to activities carried out in the United Kingdom.

##### **1.3 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, other than freehold land, 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.

##### **1.4 Leases**

Leases which entail the company retaining all, or substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases. Assets obtained under finance leases are included in tangible fixed assets at cost and are depreciated over their useful economic lives or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within loans and borrowings. Rental payments are apportioned between the finance element, which is charged as interest to the profit and loss account, and the capital element, which reduces the outstanding obligations for future instalments, so as to give a constant rate of charge on the outstanding obligation. Rental payments under operating leases are charged to the profit and loss account on a straight line basis in arriving at the operating profit.

##### **1.5 deferred taxation**

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

## ***ASA Locums Limited***

### ***Notes to the financial statements***

***Year ended 31 December 2000***

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#### **1 Accounting policies (continued)**

##### **1.6 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.

##### **1.7 Related parties**

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

##### **1.8 Going Concern**

The directors believe that additional funds will be required to support the group's existing bank loan, loan notes and deferred consideration payments in the near future and that in addition, the group would benefit in the longer term from a restructuring of the financing of the group.

The company is party to a cross guarantee in respect of the group's bank borrowings, as detailed in note 13. Discussions are taking place with the group's bankers and major shareholders on the additional finance that may be provided to the group and on long term financing of the group. The directors believe that adequate support from its major shareholders and bankers will be forthcoming to provide additional long-term funding to meet the needs of the business and as a result the cross guarantee to which the company is party will not be called upon.

The financial statements have been prepared on the going concern basis. This assumes that the company and its subsidiaries will continue in operational existence for the foreseeable future. The validity of this assumption depends on the successful conclusion of the negotiations with the group's major shareholders and on the group being able to operate within its existing banking facilities or to obtain additional finance as is necessary.

If the company or its subsidiaries were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts, to provide for further liabilities that might arise, and to reclassify fixed assets and long-term liabilities as current assets and liabilities. Whilst the directors are presently uncertain as to the outcome of the matters mentioned above, they believe that it is appropriate for the financial statements to be prepared on the going concern basis.

# **ASA Locums Limited**

## **Notes to the financial statements** **Year ended 31 December 2000**

### **2 Operating profit**

Operating profit is stated after charging:

	2000	1999
	£	£
Depreciation of tangible assets	15,591	11,696
Auditors' remuneration	6,000	8,000
Operating lease rentals-plant and machinery	11,549	7,906
Operating lease rentals-other	26,200	26,200

### **3 Other interest receivable and similar income**

	2000	1999
	£	£
Bank interest	165,286	939

### **4 Employees**

#### **Number of employees**

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

	2000	1999
	Number	Number
Administration staff	22	23

#### **Employment costs**

	2000	1999
	£	£
Wages and salaries	584,441	501,424
Social security costs	60,042	40,383
	644,483	541,807

### **5 Directors' remuneration**

	2000	1999
	£	£
Remuneration for qualifying services	89,920	89,920
	89,920	89,920

No retirement benefits accrue to any directors (1999:nil).

# **ASA Locums Limited**

## **Notes to the financial statements Year ended 31 December 2000**

### **6 Taxation**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
<b>U.K current year/period taxation</b>		
U.K Corporation tax at 30% (1999 – 30%)	<b>848,345</b>	<b>487,218</b>

### **7 Tangible fixed assets**

	<b>Office equipment</b>	<b>Furniture, Fittings &amp; Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2000	24,959	38,296	63,255
Additions	21,120	2,273	23,393
At 31 December 2000	<b>46,079</b>	<b>40,569</b>	<b>86,648</b>
<b>Depreciation</b>			
At 1 January 2000	6,181	10,279	16,460
Charge for the year	7,677	7,914	15,591
At 31 December 2000	<b>13,858</b>	<b>18,193</b>	<b>32,051</b>
<b>Net book value</b>			
At 31 December 2000	<b>32,221</b>	<b>22,376</b>	<b>54,597</b>
<b>Net book value</b>			
At 31 December 1999	<b>18,778</b>	<b>28,017</b>	<b>46,795</b>

# **ASA Locums Limited**

## **Notes to the financial statements Year ended 31 December 2000**

### **8 Debtors**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,873,505	2,314,535
Prepayments and accrued income	39,629	33,598
	<u>2,913,134</u>	<u>2,348,133</u>

### **9 Creditors: amounts falling due within one year**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Trade creditors	39,873	54,060
Amounts owed to group undertaking	705,636	418,200
Corporation tax	1,611,963	763,616
Other taxation and social security	219,375	216,524
Directors' current accounts	8,878	258,878
Other creditors	289,905	331,600
Accruals and deferred income	10,349	54,043
	<u>2,885,979</u>	<u>2,096,921</u>

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

### **10 Share capital**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

### **11 Profit and loss account**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 2000	1,720,242	587,347
Retained profit for the financial year	1,943,881	1,132,895
Balance at 31 December 2000	<u>3,664,123</u>	<u>1,720,242</u>



## ***ASA Locums Limited***

### ***Notes to the financial statements*** ***Year ended 31 December 2000***

#### **12 Reconciliation of movements in shareholders' funds**

	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	1,943,881	1,132,895
Opening shareholders' funds	1,721,242	588,347
Closing shareholders' funds	<u>3,665,123</u>	<u>1,721,242</u>

#### **13 Contingent liabilities**

The company has given its bankers guarantees in respect of the borrowings of Match Group PLC of £40,000,000 (1999 - £23,096,000).

#### **14 Financial commitments**

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	<b>2000</b>	<b>1999</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Expiry date:</b>				
Between two and five years	26,200	13,100	11,549	7,906

#### **15 Control**

The immediate parent company is Sinclair Montrose Limited.

At 31 December 2000 the company's ultimate parent company and controlling party was Match Holdings Limited, a company registered in England and Wales. Copies of their consolidated financial statements can be obtained from Jessica House, Red Lion Square, 191 Wandsworth High Street, London SW18 4LS.