

Newcross Nursing Agency Limited

Annual Report

Year Ended 30 April 2002

Company Registration Number 3184321



Newcross Nursing Agency Limited

Financial Statements

Year Ended 30 April 2002

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Newcross Nursing Agency Limited

Directors' Report

Year Ended 30 April 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 April 2002.

Principal Activities and Business Review

The principal activity of the company during the year was that of an agency specialising in the provision of nursing and ancillary staff.

The company has once again enjoyed a successful trading year and is well placed to expand further during the coming future.

Results and Dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2002 £	2001 £
Dividends paid on equity shares	<u>87,000</u>	<u>20,000</u>

The Directors and their Interests in Shares of the Parent Company

The directors who served the company during the year together with their beneficial interests in the shares of the parent company were as follows:

	Ordinary in the parent company	
	At 30 April 2002	At 1 May 2001
S Patrick	-	50
M Patrick	-	50

S Patrick and M Patrick are also directors of the parent company, Newcross Nursing Group Limited. Their interests in the shares of Newcross Nursing Group Limited are disclosed in the accounts of that company.

Newcross Nursing Agency Limited

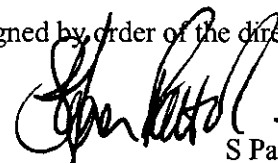
Directors' Report *(continued)*

Year Ended 30 April 2002

Auditors

A resolution to re-appoint Francis Clark as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



S Patrick
Company Secretary

Newcross Nursing Agency Limited

Statement of Directors' Responsibilities

Year Ended 30 April 2002

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 9, 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. The directors 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.

Newcross Nursing Agency Limited

Independent Auditors' Report to the Shareholder

Year Ended 30 April 2002

We have audited the financial statements of Newcross Nursing Agency Limited for the year ended 30 April 2002 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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.

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 with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with United Kingdom 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.

Newcross Nursing Agency Limited

Independent Auditors' Report to the Shareholder *(Continued)*

Year Ended 30 April 2002

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2002 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Francis Clark
Chartered Accountants
58 The Terrace
Torquay
Devon
TQ1 1DE

23 January 2003

Francis Clark,

Registered Auditors

Newcross Nursing Agency Limited

Profit and Loss Account

Year Ended 30 April 2002

	Note	2002 £	2001 £
Turnover	2	2,981,786	2,183,046
Cost of sales		<u>2,106,368</u>	<u>1,828,203</u>
Gross Profit		875,418	354,843
Administrative expenses		779,850	317,351
Other operating income		<u>(100)</u>	<u>(340)</u>
Operating Profit	3	95,668	37,832
Interest receivable and similar income		3,785	-
Interest payable	6	<u>(4,942)</u>	<u>(5,129)</u>
Profit on Ordinary Activities Before Taxation		94,511	32,703
Tax on profit on ordinary activities	7	<u>(6,847)</u>	<u>(14,164)</u>
Profit on Ordinary Activities after Taxation		87,664	18,539
Dividends	8	87,000	20,000
Retained Profit/(Loss) for the Financial Year		<u>664</u>	<u>(1,461)</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

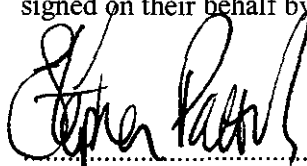
Newcross Nursing Agency Limited

Balance Sheet

30 April 2002

	Note	£	2002 £	£	2001 £
Fixed Assets					
Intangible assets	9		-		7,802
Tangible assets	10		-		104,588
			-		112,390
Current Assets					
Stocks	11	18,829		500	
Debtors	12	365,537		327,169	
Cash at bank and in hand		600		12,163	
		384,966		339,832	
Creditors: Amounts falling due within one year	13	(333,036)		(393,808)	
Net Current Assets/(Liabilities)			51,930		(53,976)
Total Assets Less Current Liabilities			51,930		58,414
Creditors: Amounts falling due after more than one year	14		(40,000)		(47,148)
			11,930		11,266
Capital and Reserves					
Called-up equity share capital	17		100		100
Profit and loss account	18		11,830		11,166
Shareholder's Funds	19		11,930		11,266

These financial statements were approved by the directors on the 23 January 2003, and were signed on their behalf by:


S Patrick

Newcross Nursing Agency Limited

Cash Flow Statement

Year Ended 30 April 2002

	Note	£	2002 £	£	2001 £
Net Cash Inflow/(Outflow) From Operating Activities	20		46,076		(79,050)
Returns on Investments and Servicing of Finance					
Interest received		3,785		-	
Interest paid		(4,942)		(5,129)	
Net Cash Outflow From Returns on Investments and Servicing of Finance			(1,157)		(5,129)
Taxation			(33,408)		39
Capital Expenditure					
Payments to acquire tangible fixed assets		-		(621)	
Receipts from sale of fixed assets		67,513		-	
Net Cash Inflow/(Outflow) From Capital Expenditure			67,513		(621)
Equity Dividends Paid			(87,000)		(20,000)
Cash Outflow Before Financing			(7,976)		(104,761)
Financing					
Repayment of bank loans		(2,122)		(7,085)	
Net Cash Outflow From Financing			(2,122)		(7,085)
Decrease in Cash	21		<u>(10,098)</u>		<u>(111,846)</u>

The notes on pages 9 to 16 form part of these financial statements.

Newcross Nursing Agency Limited

Notes to the Financial Statements

Year Ended 30 April 2002

1. Accounting Policies

Basis of Accounting

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

Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - over 3 years

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property - 2% straight line
Equipment - 25%/50% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension Costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2002 £	2001 £
United Kingdom	<u>2,981,786</u>	<u>2,183,046</u>

Newcross Nursing Agency Limited

Notes to the Financial Statements

Year Ended 30 April 2002

3. Operating Profit

Operating profit is stated after charging:

	2002 £	2001 £
Amortisation	7,802	7,802
Depreciation	8,376	14,090
Loss on disposal of fixed assets	28,699	-
Auditors' remuneration		
- as auditors	<u>5,500</u>	<u>5,500</u>

4. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to:

	2002 No.	2001 No.
Number of production staff	247	220
Number of administrative staff	4	4
Number of management staff	2	2
	<u>253</u>	<u>226</u>

The aggregate payroll costs of the above were:

	2002 £	2001 £
Wages and salaries	2,394,506	1,889,788
Social security costs	-	-
Other pension costs	21,613	-
	<u>2,416,119</u>	<u>1,889,788</u>

5. Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2002 £	2001 £
Emoluments receivable	56,000	56,000
Value of company pension contributions to money purchase schemes	21,613	-
	<u>77,613</u>	<u>56,000</u>

Newcross Nursing Agency Limited

Notes to the Financial Statements

Year Ended 30 April 2002

5. Directors' Emoluments *(continued)*

The number of directors who are accruing benefits under company pension schemes were as follows:

	2002 No.	2001 No.
Money purchase schemes	<u>2</u>	<u>-</u>

6. Interest Payable

	2002 £	2001 £
Interest payable on bank borrowing	3,382	5,129
Other similar charges payable	<u>1,560</u>	<u>-</u>
	<u>4,942</u>	<u>5,129</u>

7. Tax on Profit on Ordinary Activities

	2002 £	2001 £
In respect of the year:		
Corporation tax based on the results for the year at 19.90% (2001 - 20%)	6,847	9,879
Adjustment in respect of previous years:		
Corporation tax	<u>-</u>	<u>4,285</u>
	<u>6,847</u>	<u>14,164</u>

Losses of £106,470 have been surrendered to the company by other group companies during the year.

8. Dividends

The following dividends have been paid in respect of the year:

	2002 £	2001 £
Dividend paid on ordinary shares	<u>87,000</u>	<u>20,000</u>

Newcross Nursing Agency Limited

Notes to the Financial Statements

Year Ended 30 April 2002

9. Intangible Fixed Assets

	Franchise costs £
Cost	
At 1 May 2001 and 30 April 2002	<u>23,406</u>
Amortisation	
At 1 May 2001	15,604
Charge for the year	<u>7,802</u>
At 30 April 2002	<u>23,406</u>
Net Book Value	
At 30 April 2002	<u>-</u>
At 30 April 2001	<u>7,802</u>

10. Tangible Fixed Assets

	Freehold Property £	Equipment £	Total £
Cost			
At 1 May 2001	101,729	38,506	140,235
Disposals	(101,729)	-	(101,729)
At 30 April 2002	<u>-</u>	<u>38,506</u>	<u>38,506</u>
Depreciation			
At 1 May 2001	5,517	30,130	35,647
Charge for the year	-	8,376	8,376
On disposals	(5,517)	-	(5,517)
At 30 April 2002	<u>-</u>	<u>38,506</u>	<u>38,506</u>
Net Book Value			
At 30 April 2002	<u>-</u>	<u>-</u>	<u>-</u>
At 30 April 2001	<u>96,212</u>	<u>8,376</u>	<u>104,588</u>

11. Stocks

	2002 £	2001 £
Staff uniforms	<u>18,829</u>	<u>500</u>

Newcross Nursing Agency Limited

Notes to the Financial Statements

Year Ended 30 April 2002

12. Debtors

	2002 £	2001 £
Trade debtors	239,850	277,852
Amounts owed by group undertakings	84,932	10,045
Directors current accounts	40,755	39,272
	<u>365,537</u>	<u>327,169</u>

The overdrawn directors loan account at 30 April 2001 was cleared by the payment of bonuses in January 2002.

A further advance of £40,755 took place during the year ended 30 April 2002. This is once again to be cleared by the payment of bonuses prior to 31 January 2003.

A commercial rate of interest has again been charged on this loan.

13. Creditors: Amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	152,855	149,294
Trade creditors	1,407	1,204
Other creditors including taxation and social security:		
Corporation tax	6,847	33,408
PAYE and social security	54,825	62,646
Other creditors	<u>41,497</u>	<u>58,528</u>
	103,169	154,582
Accruals and deferred income	<u>75,605</u>	<u>88,728</u>
	<u>333,036</u>	<u>393,808</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002 £	2001 £
Bank loans and overdrafts	<u>152,855</u>	<u>149,294</u>

14. Creditors: Amounts falling due after more than one year

	2002 £	2001 £
Bank loans and overdrafts	<u>40,000</u>	<u>47,148</u>

Newcross Nursing Agency Limited

Notes to the Financial Statements

Year Ended 30 April 2002

14. Creditors: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2002 £	2001 £
Bank loans and overdrafts	<u>40,000</u>	<u>47,148</u>

15. Commitments under Operating Leases

At 30 April 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings 2002 £	2001 £
Operating leases which expire: After more than 5 years	<u>8,000</u>	<u>-</u>

16. Related Party Transactions

The company was under the control of Newcross Nursing Group Limited, being the ultimate parent company, throughout the year. During the previous year the company was under the direct control of Mr and Mrs Patrick.

The ultimate controlling parties are S Patrick and M Patrick by virtue of their shareholding in Newcross Nursing Group Limited.

During the year the company sold its freehold property to the company pension scheme, Newpat, for consideration totalling £70,000.

17. Share Capital

Authorised share capital:

	2002 £	2001 £
Equity shares		
100 Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
	2002 £	2001 £
Ordinary share capital	<u>100</u>	<u>100</u>

Newcross Nursing Agency Limited

Notes to the Financial Statements

Year Ended 30 April 2002

18. Profit and Loss Account

	2002 £	2001 £
Balance brought forward	11,166	12,627
Retained profit/(loss) for the financial year	664	(1,461)
Balance carried forward	<u>11,830</u>	<u>11,166</u>

19. Reconciliation of Movements in Shareholder's Funds

	2002 £	2001 £
Profit for the financial year	87,664	18,539
Dividends	(87,000)	(20,000)
	664	(1,461)
Opening shareholder's equity funds	11,266	12,727
Closing shareholder's equity funds	<u>11,930</u>	<u>11,266</u>

20. Reconciliation of Operating Profit to Net Cash Inflow/(Outflow) From Operating Activities

	2002 £	2001 £
Operating profit	95,668	37,832
Amortisation	7,802	7,802
Depreciation	8,376	14,090
Loss on disposal of fixed assets	28,699	-
Increase in stocks	(18,329)	(500)
Increase in debtors	(38,368)	(267,153)
(Decrease)/Increase in creditors	(37,772)	128,879
Net cash inflow/(outflow) from operating activities	<u>46,076</u>	<u>(79,050)</u>

Newcross Nursing Agency Limited

Notes to the Financial Statements

Year Ended 30 April 2002

21. Reconciliation of Net Cash Flow to Movement in Net Debt

	£	2002 £	£	2001 £
Decrease in cash in the period	(10,098)		(111,846)	
Net cash outflow from bank loans	<u>2,122</u>		<u>7,085</u>	
		(7,976)		(104,761)
Change in net debt		(7,976)		(104,761)
Net debt at 1 May 2001		(184,279)		(79,518)
Net debt at 30 April 2002		<u>(192,255)</u>		<u>(184,279)</u>

22. Analysis of Changes in Net Debt

	At 1 May 2001 £	Cash flows £	At 30 Apr 2002 £
Net cash:			
Cash in hand and at bank	12,163	(11,563)	600
Overdrafts	(144,320)	1,465	(142,855)
	<u>(132,157)</u>	<u>(10,098)</u>	<u>(142,255)</u>
Debt:			
Debt due within 1 year	(4,974)	(5,026)	(10,000)
Debt due after 1 year	(47,148)	7,148	(40,000)
	<u>(52,122)</u>	<u>2,122</u>	<u>(50,000)</u>
Net debt	<u>(184,279)</u>	<u>(7,976)</u>	<u>(192,255)</u>

23. Ultimate Parent Company

The company is a wholly owned subsidiary of Newcross Nursing Group Limited, a company registered and incorporated in England and Wales.