

Newcross Nursing Agency Limited
Abbreviated financial statements
for the year ended 30 April 2004

Registered Number 3184321



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for the year ended 30 April 2004
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Newcross Nursing Agency Limited

Directors' report for the year ended 30 April 2004

The directors present their report and the audited abbreviated financial statements for the year ended 30 April 2004.

Principal activities

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

Review of business and future developments

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

Results and Dividends

The company's profit for the year is £384,585 (2003:£10,950). The directors do not recommend payment of an equity dividend. (2003:£400,000)

Directors

The directors of the company at 30 April 2004, both of whom have been directors for the whole of the year ended on that date, were:

S Patrick

M Patrick

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

Employees

The company's policy is to consult and discuss with employees on a regular basis, through the company Staff Council meetings, matters likely to affect employees' interests. The company encourages the involvement of employees in the company's performance and promotes awareness of employees to the financial and economic factors that affect the performance through the annual incentive compensation plan. In addition, it is the company's policy to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure that suitable opportunities for each disabled person exists. Arrangements are made, wherever possible, for retaining employees who become disabled to enable them to perform work identified as appropriate to their aptitudes and abilities.

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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 April 2004 and that applicable accounting standards have been followed.

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.

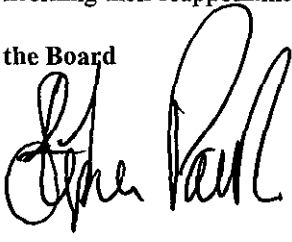
Newcross Nursing Agency Limited

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

S Patrick
Secretary



12 November 2004

Newcross Nursing Agency Limited

Independent auditors' report to the members of Newcross Nursing Agency Limited

We have examined the abbreviated financial statements on pages 4 and 15 together with the annual financial statements of Newcross Nursing Agency Limited for the year ended 30 April 2004.

Respective responsibilities of directors and auditors

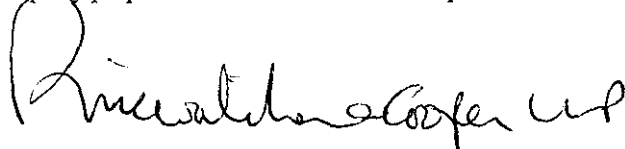
The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985 and whether the abbreviated financial statements are properly prepared in accordance with that provision and to report our opinion to you. This report, including the opinion, has been prepared for and only for the company's directors for the purpose of section 247B 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.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the annual financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the annual financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated financial statements to be delivered are properly prepared in accordance with that provision.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors
Plymouth

18 November 2004

Newcross Nursing Agency Limited

Profit and loss account for the year ended 30 April 2004

	Note	2004 £	2003 £
Gross profit		2,569,635	1,322,597
Administrative expenses		(2,104,819)	(825,141)
Operating profit	2	464,816	497,456
Interest receivable and similar income		674	161
Interest payable	3	(16,742)	(3,040)
Profit on ordinary activities before taxation		448,748	494,577
Tax on profit on ordinary activities	6	(64,163)	(83,627)
Profit on ordinary activities after taxation		384,585	410,950
Dividends	7	-	(400,000)
Retained profit for the financial year		384,585	10,950

All items dealt with in arriving at operating profit above relate to continuing operations.

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

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

Newcross Nursing Agency Limited

Balance sheet at 30 April 2004

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	8	91,018	-
		91,018	-
Current assets			
Stocks	9	18,373	-
Debtors	10	1,824,014	791,532
Cash at bank and in hand		29,109	1,685
		1,871,496	793,217
Creditors: amounts falling due within one year	11	(1,512,128)	(738,613)
Net current assets		359,368	54,604
Total assets less current liabilities		450,386	54,604
Creditors: amounts falling due after more than one year	12	(42,921)	(31,724)
Net assets		407,465	22,880
Capital and reserves			
Called up equity share capital	14	100	100
Profit and loss account	15	407,365	22,780
Equity shareholders' funds	16	407,465	22,880

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated financial statements on pages 4 to 15 were approved by the directors and were signed on its behalf by:

S Patrick
Director

12 November. 2004

Newcross Nursing Agency Limited

Cash flow statement at 30 April 2004

	Note	2004 £	2003 £
Net cash inflow/(outflow) from operating activities	17	329,615	(134,478)
Returns on investments and servicing of finance			
Interest received		674	161
Interest paid		(16,742)	(3,040)
Net cash outflow from returns on investments and servicing of finance		(16,068)	(2,879)
Taxation		(63,213)	(6,847)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(106,257)	-
Net cash outflow for capital expenditure and financial investment		(106,257)	-
Cash inflow/(outflow) before financing		144,077	(144,204)
Financing			
Cash flow from bank loans and finance leases		19,786	(8,772)
Net cash outflow from financing		19,786	(8,772)
Increase/(decrease) in cash	18	163,863	(152,976)

Newcross Nursing Agency Limited

Notes to the abbreviated financial statements for the year ended 30 April 2004

1 Principal accounting policies

The abbreviated financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The abbreviated financial statements are prepared in accordance with the historical cost convention.

Turnover

The turnover shown in the profit and loss account represents sales invoiced and accrued for work done in the year.

Amortisation

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Equipment , fixtures & fittings	10-25%
Motor Vehicles	25%
Computer Equipment	50%

Stocks

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

Deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

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.

Newcross Nursing Agency Limited

2 Operating profit

Operating profit is stated after charging:

	2004 £	2003 £
Auditors' remuneration		
- audit	13,500	-
- other services	3,750	-
Depreciation of owned fixed assets	15,239	-

3 Interest payable and similar charges

	2004 £	2003 £
Interest payable on bank borrowing	100	69
Other similar charges payable	16,642	2,971
	16,742	3,040

4 Directors' emoluments

The remuneration paid to directors was:

	2004 £	2003 £
Aggregate emoluments	480,708	60,000

Aggregate emoluments to the highest paid director was £240,354.

5 Employee information

The average number of persons employed by the company during the year is analysed below:

	2004 Number	2003 Number
Production staff	465	223
Administration	42	14
Management	3	9
	510	246

Newcross Nursing Agency Limited

5 Employee information (continued)

Employment costs – all employees:

	2004	2003
	£	£
Wages and salaries	6,078,798	3,008,241
Social security costs	520,576	202,638
	6,599,374	3,210,879

6 Taxation

(a) Analysis of charge in year

	2004	2003
	£	£
Corporation tax		
UK corporation tax on profits of the year at 30% (2003: 30%)	64,163	83,627
Tax on profit on ordinary activities	64,163	83,627

(b) Factors affecting tax charge for the year

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

	2004	2003
	£	£
Profit on ordinary activities before tax	448,748	494,577
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	134,624	148,373
Effects of:		
- capital transactions	3,571	-
- non deductible expenditure	2,060	-
- tax at marginal rates	(2,171)	(534)
- excess capital allowances over depreciation	(4,686)	(781)
- group relief claimed	(69,235)	(63,431)
Current tax charge for the year (note 6a)	64,163	83,627

Newcross Nursing Agency Limited

7 Dividends

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

	2004	2003
	£	£
Proposed dividend on ordinary shares	-	400,000

8 Tangible fixed assets

	Equipment fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation				
At 1 May 2003	-	-	-	-
Additions	25,467	20,921	5,080	51,468
Transfer from group companies	37,944	8,809	8,036	54,789
At 30 April 2004	63,411	29,730	13,116	106,257
Depreciation				
At 1 May 2003	-	-	-	-
Charge for the year	5,756	6,125	3,358	15,239
At 30 April 2004	5,756	6,125	3,358	15,239
Net book value At 30 April 2004	57,655	23,605	9,758	91,018
At 30 April 2003	-	-	-	-

Hire Purchase Agreements

Included within the net book value of £91,018 is £34,226 (2003: £nil) relating to the assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £6,125 (2003: £nil).

9 Stocks

	2004	2003
	£	£
Staff uniforms	18,373	-

Newcross Nursing Agency Limited

10 Debtors

	2004 £	2003 £
Trade debtors	1,266,682	438,921
Amounts owed by group undertakings	382,446	189,416
Directors' current accounts	9,027	-
Prepayments and accrued income	165,859	163,195
	1,824,014	791,532

The overdrawn directors' current accounts have been cleared after the year end by payment of a bonus to the respective directors.

11 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	169,981	306,420
Trade creditors	190,172	1,037
Amounts owed to group undertakings	-	96,828
Finance leases	8,589	-
Corporation tax	84,577	83,627
PAYE and social security	231,885	91,220
Other creditors	110,121	59,685
Accruals and deferred income	716,803	99,796
	1,512,128	738,613

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

	2004 £	2003 £
Bank loans and overdrafts	169,981	306,420
Finance leases	8,589	-
	178,570	306,420

The companies bank loans and overdrafts of £169,981 are secured by a floating charge over the company's assets.

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12 Creditors: amounts falling due after more than one year

	2004	2003 £
Bank loans and overdrafts	19,951	31,724
Finance leases	22,970	-
	42,921	31,724

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

	2004	2003 £
Bank loans and overdrafts	19,951	31,724
Finance leases	22,970	-
	42,921	31,724

Finance leases

Finance leases relate to hire purchase liabilities which are secured over the specific assets to which they relate. Future minimum payments under finance leases are as follows:

	2004 £	2003 £
Within one year	8,589	-
After one year but not more than five	30,577	-
Total gross payments	39,166	-
Less finance charges included above	(7,607)	-
	31,559	-

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13 Operating lease commitments

As at 30 April 2004 the company has non-cancellable operating leases as follows:

	Property		Other	
	2004	2003	2004	2003
	£	£	£	£
Within one year	34,425	-	14,231	-
Within two to five years	156,800	-	1,727	-
After five years	82,000	-	-	-
	273,225	-	15,958	-

14 Called up share capital

	2004	2003
	£	£
Authorised shares		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100

15 Profit and loss account

	2004	2003
	£	£
Balance brought forward	22,780	11,830
Retained profit for financial year	384,585	10,950
Balance carried forward	407,365	22,780

Newcross Nursing Agency Limited

16 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the year after taxation	384,585	410,950
Dividends	-	(400,000)
	384,585	10,950
Opening shareholders' funds	22,880	11,930
Closing shareholders' funds	407,465	22,880

17 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	2004 £	2003 £
Operating profit	464,816	497,456
Depreciation	15,239	-
Increase in stocks	(18,373)	18,829
Increase in debtors	(1,032,482)	(425,995)
Increase/(decrease) in creditors	900,415	(224,768)
Net cash inflow/(outflow) from operating activities	329,615	(134,478)

18 Reconciliation of net cash flow to movement in net debt

	2004 £	2003 £
Increase/(decrease) in cash in the period	163,863	(152,976)
Net cash (outflow)/inflow from bank loans and finance leases	(19,786)	8,772
Change in net debt	144,077	(144,204)
Net debt at 1 May 2003	(336,459)	(192,255)
Net debt at 30 April 2004	(192,382)	(336,459)

Newcross Nursing Agency Limited

19 Analysis of changes in net debt

	At 1 May 2003 £	Cash flow £	At 30 April 2004 £
Net Cash:			
- Cash in hand at bank	1,685	27,424	29,109
- Overdrafts	(296,916)	136,439	(160,477)
	(295,231)	163,863	(131,368)
Debt:			
- Debt due within one year	(9,504)	(8,589)	(18,093)
- Debt due after one year	(31,724)	(11,197)	(42,921)
	(41,228)	(19,786)	(61,014)
Net debt	(336,459)	(144,077)	(192,382)

20 Ultimate parent company

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

21 Related party transactions

The company was under the control of Newcross Nursing Group Limited throughout the year.

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 traded with the following undertakings:

	Sales £	Purchases £	Year end debtor/ (creditor) £
Newcross Nursing Group (parent)	-	-	382,446
Newcross International Nursing Services Limited (fellow subsidiary)	-	-	-
Newcross Homecare Services Ltd (fellow subsidiary)	-	-	-
Newcross Franchise Services Ltd (fellow subsidiary)	-	-	-