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QUALITY LOCUM HOLDINGS LIMITED
CONSOLIDATED ACCOUNTS
FOR THE YEAR ENDED 30TH APRIL 2000



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QUALITY LOCUM HOLDINGS LIMITED

COMPANY INFORMATION

Directors	T Turner-Boutle N Nicholls D Reisman
Secretary	N Nicholls
Company number	3434321
Registered office	Folio House Salisbury Square Old Hatfield Herts AL9 5BE
Auditors	Fisher Morris Folio House Salisbury Square Old Hatfield Herts AL9 5BE
Bankers	National Westminster Bank PLC P O Box No 4RY 250 Regent Street London W1A 4RY

QUALITY LOCUM HOLDINGS LIMITED

COMPANY INFORMATION

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QUALITY LOCUM HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH APRIL 2000

The directors present their report and the audited accounts for the group and company for the year ended 30th April 2000.

Principal activities and review of the business

The group's principal activity continued to be the provision of medical and teaching personnel.

Results and dividends

The results for the year are set out in the consolidated profit and loss account on page 4.

The directors consider the state of the group's affairs to be satisfactory.

The directors recommend dividends amounting to £600,000 (1999 - £Nil).

Directors and their interests

The directors who held office during the year and their beneficial interests in the holding company's issued share capital are given below:

Director	Ordinary £1 shares	
	At 30th April 2000	At 1st May 1999
T Turner-Boutle	-	4
N Nicholls	-	6
D Reisman	-	-

Year 2000

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

The company suffered no impact from the Year 2000 date change nor did any of its major customers, suppliers or trading partners.

QUALITY LOCUM HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH APRIL 2000

Statement of 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 group and of the company and of the group profit and loss for the year. In preparing those accounts the directors are required to:

Select suitable accounting policies and 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 group and company and 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



N Nicholls, Secretary

Date: 18th October 2000

Folio House
Salisbury Square
Old Hatfield
Herts
AL9 5BE

AUDITORS' REPORT TO THE SHAREHOLDERS OF QUALITY LOCUM HOLDINGS LIMITED

We have audited the accounts on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the group and company as at 30th April 2000, and of the group profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Fisher Morris
Chartered Accountants and Registered Auditors

Folio House
Salisbury Square
Old Hatfield
Herts
AL9 5BE

Date: 18th October 2000

QUALITY LOCUM HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH APRIL 2000

	Notes	2000 £	1999 £
Turnover		20,541,874	-
Cost of sales		16,292,229	-
Gross profit		<u>4,249,645</u>	<u>-</u>
Administrative expenses		3,363,008	-
Operating profit	3	<u>886,637</u>	<u>-</u>
Interest payable and similar charges	4	1,028	-
		<u>885,609</u>	<u>-</u>
Interest receivable	5	3,255	-
Profit on ordinary activities before taxation		<u>888,864</u>	<u>-</u>
Tax on profit on ordinary activities	7	279,154	-
Profit for the financial year		<u>609,710</u>	<u>-</u>
Dividends	8	600,000	-
Retained profit for the year		<u><u>9,710</u></u>	<u><u>-</u></u>

All amounts relate to continuing activities

There were no recognised gains or losses for 2000 or 1999 other than those included in the consolidated profit and loss account

The notes on pages 8 to 14 form part of these accounts

QUALITY LOCUM HOLDINGS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH APRIL 2000

	Notes	2000 £	1999 £
Reconciliation of operating profit to net cash flow from operating activities			
Operating profit		886,637	-
Depreciation		44,534	-
Loss on sale of fixed assets		39	-
Increase in debtors		(2,106,113)	(10)
Increase in creditors		388,372	-
Net cash outflow from operating activities		(786,531)	(10)

CASH FLOW STATEMENT

Net cash outflow from operating activities		(786,531)	(10)
Returns on investment and servicing of finance	9	2,227	-
Capital expenditure and financial investment	9	(96,828)	-
Acquisitions	9	(81,604)	-
	9	<u>(962,736)</u>	<u>(10)</u>
Financing		386,131	10
Decrease/Increase in cash		<u>(576,605)</u>	<u>-</u>
Reconciliation of net cash flow to movement in net debt			
Decrease/Increase in cash in the year		(576,605)	-
Increase in loans	10	(385,141)	-
Increase in net debt		<u>(961,746)</u>	<u>-</u>
Net debt at 1st May 1999		-	-
Net debt at 30th April 2000		<u>(961,746)</u>	<u>-</u>

The notes on pages 8 to 14 form part of these accounts

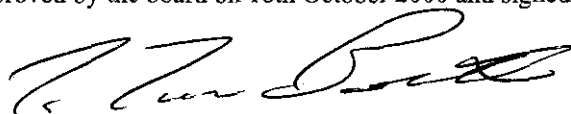
QUALITY LOCUM HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 30TH APRIL 2000

	Notes	2000 £	1999 £
Fixed Assets			
Tangible assets	12	132,396	-
Current Assets			
Debtors	13	4,423,233	10
Cash at bank and in hand		<u>29,243</u>	<u>-</u>
		4,452,476	10
Creditors: amounts falling due within one year	14&15	<u>4,554,132</u>	<u>-</u>
Net current assets (liabilities)		(101,656)	10
Total assets less current liabilities		<u>30,740</u>	<u>10</u>
Creditors: amounts falling due after more than one year	15&16	10,042	-
		<u>20,698</u>	<u>10</u>
Capital and reserves			
Share capital	18	1,000	10
Consolidated profit and loss account		9,710	-
Capital reserve on consolidation	19	9,988	-
Shareholders' funds	20	<u>20,698</u>	<u>10</u>

These accounts were approved by the board on 18th October 2000 and signed on its behalf by:



T Turner-Boutle
Director

The notes on pages 8 to 14 form part of these accounts

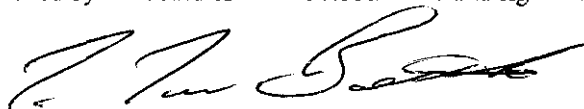
QUALITY LOCUM HOLDINGS LIMITED

BALANCE SHEET

AS AT 30TH APRIL 2000

	Notes	2000 £	1999 £
Investment			
Subsidiary companies	21	3,800	-
Current Assets			
Debtors	13	600,000	10
Creditors: amounts falling due within one year	14	<u>602,800</u>	<u>-</u>
Net current assets (liabilities)		(2,800)	10
Total assets less current liabilities		<u>1,000</u>	<u>10</u>
Capital and reserves			
Share capital	18	1,000	10
Profit and loss account		-	-
		<u>1,000</u>	<u>10</u>

These accounts were approved by the board on 18th October 2000 and signed on its behalf by:



T Turner-Boutle
Director

The notes on pages 8 to 14 form part of these accounts

QUALITY LOCUM HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 2000

1 Accounting policies

Basis of accounting

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

Basis of consolidation

The consolidated accounts include the accounts of the holding company and the UK subsidiaries made up to 30th April each year.

Consolidated turnover

Consolidated turnover comprises the value of sales excluding value added tax and trade discounts made outside the group.

Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by reducing balance method over their respective useful lives.

The rates and periods generally applicable are:

Motor vehicles	25%
Furniture & equipment	15%
Fixtures & fittings	15%
Computer equipment	25%

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Hire purchase and leased assets

Assets held under finance lease and hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

QUALITY LOCUM HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 2000

2 Consolidated turnover

The consolidated turnover was derived from the group's principal activity which was carried out wholly in the UK.

3 Consolidated operating profit

The consolidated operating profit is stated after charging or crediting

	2000 £	1999 £
Depreciation of tangible fixed assets:		
owned assets	44,534	-
Loss on disposal of fixed assets	39	-
Operating leases:		
land and buildings	59,495	-
other assets	129,323	-
Auditors remuneration	12,000	-

Operating profit of £ Nil (1999 - £Nil) has been dealt with in the holding company's own profit and loss account.

4 Interest payable and similar charges

	2000 £	1999 £
Finance leases and hire purchase contracts	1,028	-

5 Interest receivable

	2000 £	1999 £
Bank interest receivable	3,255	-

6 Directors and employees

Staff costs, including director' remuneration, were as follows:

	2000 £	1999 £
Wages and salaries	13,383,868	-
Social security costs	1,598,715	-
	14,982,583	-

The average weekly number of employees was as follows:

	2000	1999
Locum wages	565	-
Sales	68	-
Administration	11	-
	644	-

QUALITY LOCUM HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 2000

6 Directors and employees - continued

Directors' emoluments	2000	1999
	£	£
Aggregate emoluments	820,417	-

Highest paid director	2000	1999
	£	£
Aggregate emoluments	380,000	-

7 Taxation	2000	1999
	£	£
Based on the profit for the year:		
UK corporation tax at 30%	279,154	-

8 Dividends	2000	1999
	£	£
Equity dividends		
Ordinary dividends - proposed	600,000	-

9 Gross cash flows	2000	1999
	£	£
Returns on investments and servicing of finance		
Interest received	3,255	-
Interest element of finance lease rentals payment	(1,028)	-
	2,227	-

Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(103,328)	-
Proceeds from the sale of tangible assets	6,500	-
	(96,828)	-

Acquisitions		
Purchase of subsidiary undertakings	(3,800)	-
Net overdrafts acquired with subsidiary	(77,804)	-
	(81,604)	-

Financing		
Issue of ordinary share capital	990	10
Increase in directors loans due within one year	367,420	-
Capital element of finance lease rentals payments	17,721	-
	386,131	10

QUALITY LOCUM HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 2000

10 Analysis of changes in net debt

	1999	Cash flows	2000
	£	£	£
Cash at bank and in hand	-	(576,605)	(576,605)
Debt due within one year	-	(367,420)	(367,420)
Finance leases	-	(17,721)	(17,721)
	-	(385,141)	(385,141)
	-	(961,746)	(961,746)

11 Purchase of subsidiary undertaking

Tangible fixed assets	80,139
Debtors	2,317,110
Creditors	(2,014,710)
Bank overdrafts	(77,804)
Corporation tax	(6,028)
Directors loans	(284,919)
	13,788
Capital reserve on consolidation	(9,988)
	3,800
Satisfied by	
Cash	3,800

12 Tangible fixed assets - Group and company

	Motor vehicles	Furniture and equipment	Fixtures and fittings	Computer Equipment	Total
	£	£	£	£	£
Cost					
At 1st May 1999	15,500	16,958	775	91,119	124,352
Additions		9,800	3,373	90,155	103,328
Disposals	(15,500)				(15,500)
At 30th April 2000	-	26,758	4,148	181,274	212,180
Depreciation					
At 1st May 1999	8,961	4,527	215	30,509	44,212
Charge for the year		4,147	590	39,796	44,533
Disposals	(8,961)				(8,961)
At 30th April 2000	-	8,674	805	70,305	79,784
Net book value					
At 30th April 2000	-	18,084	3,343	110,969	132,396
<i>At 30th April 1999</i>	6,539	12,431	560	60,610	80,140

Assets held under finance leases and hire purchase originally cost £21,265 (1999: £Nil) and have a net book value of £15,949 (1999: £Nil). Depreciation charged for the year was £5,316 (1999: £Nil)

QUALITY LOCUM HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 2000

13 Debtors

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Trade debtors	4,296,331	-	-	-
Amounts owed by associated undertakings	55,905	-	-	-
Other debtors	38,281	10	-	10
Prepayments and accrued income	32,716	-	-	-
Dividend receivable	-	-	600,000	-
	<u>4,423,233</u>	<u>10</u>	<u>600,000</u>	<u>10</u>

14 Creditors: amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Bank overdraft	606,838	-	-	-
Obligations under hire purchase and finance leases	7,679	-	-	-
Trade creditors	18,549	-	-	-
Amounts due to associated undertakings	-	-	2,800	-
Corporation tax	279,154	-	-	-
Other taxes and social security	1,695,774	-	-	-
Other creditors	872,625	-	-	-
Accruals and deferred income	106,093	-	-	-
Directors' loans	367,420	-	-	-
Proposed dividend	600,000	-	600,000	-
	<u>4,554,132</u>	<u>-</u>	<u>602,800</u>	<u>-</u>

The bank overdraft is secured by a fixed and floating charge over the current and future assets of Quality Locum Services Ltd

15 Creditors: amounts due after more than one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Obligations under hire purchase and finance leases	10,042	-	-	-

16 Obligations under hire purchase and finance leases

	Group		Company	
	2000	1999	2000	1999
Obligations under hire purchase and finance leases are analysed between amounts payable:				
In the next year	7,679	-	-	-
In the second to fifth years inclusive	10,042	-	-	-
	<u>17,721</u>	<u>-</u>	<u>-</u>	<u>-</u>

QUALITY LOCUM HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 2000

17 Operating leases

At 30th April 2000 the group had the following annual commitments under non-cancellable operating lease as follows:-

	Land & Buildings	Other	Total
Operating leases which expire within one year	53,540	56,040	109,580
between two and five years	214,260	32,118	246,378
after five years	236,567	-	236,567

18 Share capital

	2000 £	1999 £
Authorised Equity shares		
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>
Allotted Equity shares		
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>10</u>

During the year the company issued 990 Ordinary £1 shares at par.

19 Capital reserve on consolidation

Capital reserve on consolidation represents the excess of the assets of the acquired subsidiary (Quality Locum Services Ltd) over the purchase price at the date of acquisition, as follows:
For consolidation purposes the deemed date of acquisition is 1st May 1999.

Quality Locum Services Ltd	£
Tangible assets	80,139
Current assets	2,239,006
Creditors due within one year	<u>(2,305,657)</u>
	13,488
Acquisition price	<u>3,500</u>
Reserve on consolidation	<u>9,988</u>

The other subsidiary companies were non trading companies at the date of acquisition, and any issued share capital acquisitions were made at par.

QUALITY LOCUM HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH APRIL 2000

20 Reconciliation of movement in shareholders' funds

	2000	1999
	£	£
Profit for the financial year	609,710	-
Dividends	600,000	-
	<u>9,710</u>	<u>-</u>
Issue of share capital	990	10
Capital reserve on consolidation	9,988	-
Increase in shareholders' funds	<u>20,688</u>	<u>10</u>

21 Subsidiary companies

During the year the company acquired shareholdings in the following subsidiary companies:

Subsidiary	Country of Incorporation	Percentage of ordinary share capital held	Status
Quality Locum Services Limited	England	100%	Trading
Quality Education Limited	England	100%	Trading
Quality IT People Limited	England	100%	Dormant
Quality Locum Staff Limited	England	100%	Dormant

Quality Locum Services Ltd holds the entire share capital of Quality Locum (Proprietary) Ltd, a company incorporated in South Africa, and Quality Locum Services (Pty) Ltd, a company incorporated in Australia. Both the above overseas sub-subsidiaries have been excluded from consolidation due to the disproportionate expense and unreasonable delay in obtaining accounts for the companies.

The following balances are due from the sub-subsidiaries that have been excluded from consolidation:

	Group		Company	
	2000	1999	2000	1999
Quality Locum (Proprietary) Ltd - <i>South Africa</i>	8,897	-	-	-
Quality Locum Services (Pty) Ltd - <i>Australia</i>	47,008	-	-	-
	<u>55,905</u>	<u>-</u>	<u>-</u>	<u>-</u>

22 Ultimate holding company

At 30th April 2000 the ultimate holding company was Uplink Investments Group Ltd, a company registered in the British Virgin Islands.