

Company Registration No. 2666923

Frontline Staffing Limited

Report and Financial Statements

31 December 2013



Frontline Staffing Limited

Report and financial statements 2013

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Frontline Staffing Limited

Officers and professional advisors

Directors

G W Spellins
R P T MacMillan
R A McBride
S L James

Registered Office

Caledonia House
223 Pentonville Road
London
N1 9NG

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

Frontline Staffing Limited

Strategic report

Principal activity

The principal activity of the company continues to be the provision of staffing services to the healthcare sector.

Business review

As set out in the profit and loss account on page 6, turnover has decreased from £5,808,000 in 2012 to £5,504,000 in 2013 and gross profit has decreased from £1,407,000 in 2012 to £1,259,000 in 2013. The continued success of the company is due to a successful strategy to grow through continual organic investment. Net assets as at 31 December was £4,227,000 (2012: £3,769,000). The directors expect the level of activity in 2014 to be similar to that in 2013.

The group is managed on an aggregate basis and further detail is available in the consolidated financial statements of Independent Clinical Services Group Limited.

Risk management

The company actively considers and manages its risks. These include risks associated with:

- Generating revenue from its clients: in order to maintain the company's client base and geographical coverage, management perform regular business reviews to monitor performance against expectations.
- Credit risk: the group's principal financial assets are bank balances and cash and trade and other receivables. The group's credit risk is primarily attributable to its trade receivables. This is managed by regular monitoring of client trade receivable accounts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

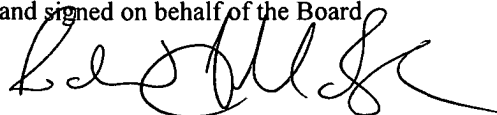
The group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

- Liquidity risk: in order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company regularly review the cash flows of the business and where deficits are forecast, the company is able to draw on group funding.

Political and charitable donations

The company made no political or charitable donations during the year (2012: £nil).

Approved by the Board of Directors
and signed on behalf of the Board



R A McBride
Director
27 March 2014

Frontline Staffing Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

Directors

The following directors who held office throughout the year and to the date of signing this report were:

G W Spellins
R P T MacMillan
R A McBride
S L James

Going concern

The company is a subsidiary company and its funding is therefore part of the funding of the wider group. The directors have reviewed the cash flow forecasts for the company and group for the foreseeable future and, taking account of reasonably possible changes in trading, are satisfied that the company will be able to settle its liabilities as they fall due for payment and continue in operation for a period of at least twelve months from the date of signing of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements as detailed in note 1.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been made for them to be deemed reappointed in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



R A McBride
Director

27 March 2014

Frontline Staffing Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions 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 2006. 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.

Independent auditor's report to the members of Frontline Staffing Limited

We have audited the financial statements of Frontline Staffing Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

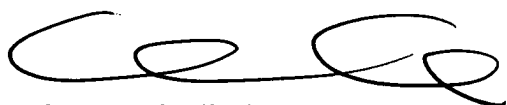
Opinion on matters prescribed by the Companies Act 2006

In our opinion the information in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Emma Cox BA ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

31 March 2014

Frontline Staffing Limited

Profit and loss account Year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Turnover	1	5,504	5,808
Cost of sales		(4,245)	(4,401)
Gross profit		1,259	1,407
Administrative expenses		(801)	(900)
Profit on ordinary activities before taxation	2	458	507
Tax charge on profit on ordinary activities	3	-	-
Profit on ordinary activities after taxation	7	458	507

All amounts relate to continuing operations.

There are no recognised gains or losses in either period other than those reflected in the profit and loss account. Accordingly no separate statement of total recognised gains or losses is presented.

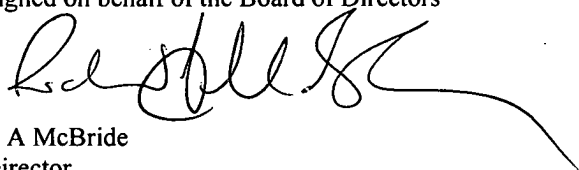
Frontline Staffing Limited

Balance sheet 31 December 2013

	Notes	2013 £'000	2012 £'000
Current assets			
Debtors: amounts due within one year	4	4,388	3,930
Creditors: amounts falling due within one year	5	(161)	(161)
Net assets		<u>4,227</u>	<u>3,769</u>
Capital and reserves			
Called up share capital	6	-	-
Profit and loss account	7	4,227	3,769
Total shareholder's funds	8	<u>4,227</u>	<u>3,769</u>

The financial statements of Frontline Staffing Limited registered number 2666923 were approved by the Board of Directors on 27 March 2014.

Signed on behalf of the Board of Directors



R A McBride
Director

Frontline Staffing Limited

Notes to the accounts

Year ended 31 December 2013

1. Accounting policies

The following accounting policies have been applied consistently throughout the year and the preceding year in dealing with items which are considered material in relation to the financial statements.

Accounting convention

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

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its published consolidated financial statements.

The accounts present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Independent Clinical Services Group Limited, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company.

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 recognised on a weekly basis and on an accruals basis. Turnover from the placement of permanent staff and bank staff represents the commission receivable and is recognised at the commencement of placement.

Related parties

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

Taxation

The charge for taxation is based on the result for the year and tax rates and laws that have been enacted or substantively enacted at the balance sheet date. It takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. The company is part of a UK group for tax related purposes. No payment is made for tax losses surrendered under the group relief provisions.

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. A deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Going concern

The directors have prepared the financial statements on a going concern basis which they consider appropriate for the following reasons. The directors have reviewed the cash flow forecasts for the group and company for a period of twelve months from the date these financial statements are signed. Taking account of inherent market uncertainties and of reasonably possible changes in trading performance, the directors are satisfied that the group will generate sufficient cash flows to allow the group to operate within the covenants on its senior loan facility and allows the group and company to meet their liabilities as they fall due for payment for the foreseeable future.

Frontline Staffing Limited

Notes to the accounts

Year ended 31 December 2013

1. Accounting policies (continued)

Going concern (continued)

Accordingly the directors continue to adopt the going concern basis in preparing the financial statements.

Further disclosure is provided in the consolidated financial statements of Independent Clinical Services Group Limited.

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.

2. Notes to the profit and loss account

The directors were paid through ICSG Ltd and Independent Clinical Services Ltd, fellow group companies, for their services to the entire group throughout the year. Other than the directors, the company has no employees.

The audit fee of £3,000 (2012: £3,000) has been borne by the parent undertaking in both years. A management recharge of £801,000 (2012: £900,000) has been made from fellow group undertakings.

3. Taxation

Analysis of charges in the year:

	2013 £'000	2012 £'000
<i>UK corporation tax</i>		
Current tax relating to prior years	-	-

Factors affecting the tax charge for the current year

The current tax charge for the year differs from the standard rate of corporation tax in the UK at 23.3% (2012: 24.5%). The differences are explained below:

	2013 £'000	2012 £'000
Profit before taxation	458	507
At standard UK corporation tax rate of 23.3% (2012: 24.5%)	107	124
Group relief	(107)	(124)
Total current tax charge for the current year	-	-

Frontline Staffing Limited

Notes to the accounts

Year ended 31 December 2013

4. Debtors

	2013 £'000	2012 £'000
Amounts owed by fellow group undertakings	4,388	3,930

The amounts owed by fellow group undertakings are subject to interest charged at 5.0% above LIBOR (2012: between 5.0 and 6.5% above LIBOR) and are repayable on demand.

5. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed to fellow group undertakings	161	161

The amounts owed to fellow group undertakings are subject to interest charged at 5.0% above LIBOR (2012: between 5.0 and 6.5% above LIBOR) and are repayable on demand.

6. Share capital

	2013 £	2012 £
Allotted, called up and fully paid 100 ordinary shares of £1 each	100	100

7. Profit and loss account

	2013 £'000	2012 £'000
At 1 January	3,769	3,262
Profit for the financial year	458	507
At 31 December	4,227	3,769

8. Reconciliation in shareholder's funds

	2013 £'000	2012 £'000
At 1 January	3,769	3,262
Profit for the financial year	458	507
At 31 December	4,227	3,769

Frontline Staffing Limited

Notes to the accounts

Year ended 31 December 2013

9. Guarantees

The company and group have provided to Lloyds TSB Bank Plc, as Security Agent, an “all assets debenture” which includes cross guarantees and provides a fixed charge over the assets of the company and group. The total amount covered by this guarantee is £141,610,000 (2012: £65,242,000).

10. Ultimate parent company and controlling party

The immediate parent undertaking is Pulse Staffing Limited, a company incorporated in England and Wales.

Independent Clinical Services Group Limited is the ultimate parent company of Frontline Staffing Limited. The smallest and largest group in which the results of the company are consolidated is that headed by Independent Clinical Services Group Limited, a company incorporated in England and Wales.

100% of the shares in Independent Clinical Services Group Limited are held by ICS Cayco LP, a Cayman Limited Partnership. The ultimate controlling parties are funds advised by affiliates of The Blackstone Group L.P. The consolidated accounts of the group headed by Independent Clinical Services Group are available to the public and may be obtained from Caledonia House, 223 Pentonville Road, London, N1 9NG.