

Company Registration No. 05927852

Accident & Emergency Agency Limited

Report and Financial Statements

15 month period ended

31 December 2013



Accident & Emergency Agency Limited

Report and financial statements 31 December 2013

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Accident & Emergency Agency Limited

Company information

Directors

R P T MacMillan
R A McBride

Secretary

R A McBride

Registered Office

Caledonia House
223 Pentonville Road
London
N1 9NG

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

Bank

HSBC plc
62 George White Street
Bristol
BS1 3BA
United Kingdom

Registered number

05927852

Accident & Emergency Agency Limited

Strategic report

On 23 October 2013, the immediate parent undertaking of company, Pathology Group Limited, was acquired by ICSG Limited, a member of the group headed by Independent Clinical Services Group Limited. Subsequent to the acquisition, the company changed its accounting reference date to 31 December.

Principal activity

The principal activity of the company is the provision of staffing services of doctors to the healthcare sector in the United Kingdom.

Business review

As set out in the profit and loss account on page 7, turnover has increased from £26,376,699 in the year ending 30 September 2012 to £33,170,830 in the 15 month period ending 31 December 2013 and gross profit has increased from £1,680,076 in the year ending 30 September 2012 to £2,122,220 in the 15 month period ending 31 December 2013. These increases are due to the success of the company's strategy to grow through continual organic investment. Net assets as at 31 December 2013 were £1,062,755 (30 September 2012: £987,269). The directors expect the level of activity in 2014 to be similar to that in the period ended 31 December 2013.

The group is managed on an aggregate basis; further information 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 company's principal financial assets are bank balances and cash, and trade and other receivables. The company'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.

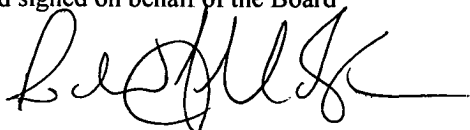
The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

- 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.

Charitable and political donations

The company made no charitable or political donations during the period (2012: £5,460).

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



R A McBride
Director

✓ May 2014

Accident & Emergency Agency Limited

Directors' report

The directors present their annual report and the audited financial statements for the 15 month period ended 31 December 2013.

Dividends

A dividend of £400,000 was paid during the period (2012: £500,000).

Directors

The following directors held office throughout the period and to the date of signing this report, except as noted:

R P T MacMillan (appointed 23 October 2013)

R A McBride (appointed 23 October 2013)

L A Evans (resigned 23 October 2013)

Z R Feather (resigned 23 October 2013)

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

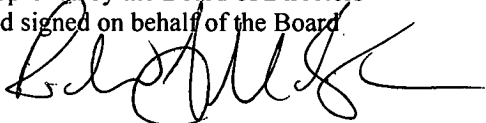
Each of the persons who is a director at the date of approval of this report confirms that:

- 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 were appointed as auditor during the period and have expressed their willingness to continue in office as auditor and appropriate arrangements have been made for them to be deemed reappointed as auditor 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

2 May 2014

Accident & Emergency Agency Limited

Statement of directors' responsibilities

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 period. 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;
- state whether applicable UK 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 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 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 Accident & Emergency Agency Limited

We have audited the financial statements of Accident & Emergency Agency Limited for the 15 month period ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 17. 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 Statement of directors' responsibilities, 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 period 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 period 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

2 May 2014

Accident & Emergency Agency Limited

Profit and loss account

15 month period ended 31 December 2013

	Notes	Period ended 31 December 2013 £	Year ended 30 September 2012 £
Turnover	2	33,170,830	26,376,699
Cost of sales		(31,048,610)	(24,696,623)
Gross profit		2,122,220	1,680,076
Administrative expenses		(1,437,224)	(443,271)
Profit on ordinary activities before finance charges and taxation		684,996	1,236,805
Interest payable and similar charges	6	(114,278)	(94,314)
Profit on ordinary activities before taxation	3	570,718	1,142,491
Tax charge on profit on ordinary activities	7	(95,232)	(294,873)
Profit for the financial period / year	14	475,486	847,618

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.

Accident & Emergency Agency Limited

Balance sheet 31 December 2013

	Notes	31 December 2013 £	30 September 2012 £
Fixed assets			
Tangible fixed assets	9	2,115	1,558
Current assets			
Debtors	10	7,122,611	5,833,547
Cash at bank and in hand		1,470,941	23,612
		<u>8,593,552</u>	<u>5,857,159</u>
Creditors: amounts falling due within one year	11	<u>(7,532,912)</u>	<u>(4,871,448)</u>
Net current assets		<u>1,060,640</u>	<u>985,711</u>
Net assets		<u>1,062,755</u>	<u>987,269</u>
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account	14	1,062,754	987,268
Total shareholder's funds	15	<u>1,062,755</u>	<u>987,269</u>

The financial statements were approved by the Board and authorised for issue on 2 May 2014 and signed on its behalf by:



R A McBride
Director

Accident & Emergency Agency Limited

Notes to the accounts 15 month period ended 31 December 2013

1. Accounting policies

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

Basis of preparation

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.

Going concern

The directors have prepared the financial statements on a going concern basis which they consider appropriate for the following reasons. The company is a subsidiary company and is therefore reliant on the group to operate within the facilities in place with the group's banks. 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.

The directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

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

Related party transactions

As the company is a wholly owned subsidiary of Independent Clinical Services Group Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

The consolidated financial statements of Independent Clinical Services Group Limited can be obtained from the address given in note 16.

Turnover

Turnover represents the amounts, excluding value added tax, derived from the provision of medical staff to customers. Turnover from the placement of temporary staff represents the gross sales value of hours worked and is recognised weekly on an accruals basis. All turnover arose in the United Kingdom and relates to a single class of business.

Fixed assets and depreciation

Depreciation is provided to write off the cost less their estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives on the following bases:

Equipment	-	3 years straight line
Furniture and fixtures and fittings	-	3 years straight line
Premises	-	3 years straight line

Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Accident & Emergency Agency Limited

Notes to the accounts

15 month period ended 31 December 2013

1. Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the period 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. 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.

Dividends

Dividends unpaid at the balance sheet date are only recognised at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2. Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3. Notes to the profit and loss account

	Period ended 31 December 2013	Year ended 30 September 2012
Profit on ordinary activities before taxation is stated after charging:		
Depreciation of tangible fixed assets	2,643	851
Auditor's remuneration	9,000	8,250

4. Staff costs

The average number of persons employed by the company (including directors) during the period, analysed by category, was as follows:

	Number of employees	
	Period ended 31 December 2013	Year ended 30 September 2012
Administration	2	1
Sales	32	26
	34	27

Accident & Emergency Agency Limited

Notes to the accounts 15 month period ended 31 December 2013

4. Staff costs (continued)

The aggregate payroll costs of these persons were as follows:

	Period ended 31 December 2013	Year ended 30 September 2012
Wages and salaries	1,949,547	1,218,727
Social security costs	226,267	135,821
	<u>2,175,814</u>	<u>1,354,548</u>

5. Directors' emoluments

The directors were paid by fellow group companies for services to the entire group.

No directors were accruing benefits under money purchase pension schemes (2012: none).

6. Interest payable

	31 December 2013 £	30 September 2012 £
Payable to fellow group undertakings	21,364	-
Debt financing interest	92,914	94,314
	<u>114,278</u>	<u>94,314</u>

For part of the period the company's trade debtors were under a financing agreement whereby an advance was received based upon and secured against trade receivables. The interest element of the finance charge was recognised as it accrued and is included in the profit and loss account.

At the period end there was no such arrangement in place.

7. Taxation

Analysis of charge in period / year:

	31 December 2013 £	30 September 2012 £
<i>UK corporation tax</i>		
Current tax on income for the period / year	102,956	292,253
Current tax on income for the prior year	(7,620)	2,620
	<u>95,336</u>	<u>294,873</u>
<i>Deferred tax</i>		
Credit for the period / year (note 12)	(104)	-
	<u>95,232</u>	<u>294,873</u>
Tax charge on profit on ordinary activities		
	<u>95,232</u>	<u>294,873</u>

Accident & Emergency Agency Limited

Notes to the accounts 15 month period ended 31 December 2013

7. Taxation (continued)

Factors affecting the tax charge for the current period / year

The current tax charge for the period differs from the standard rate of corporation tax in the UK at 20.45% (2012: 25%). The differences are explained below:

	31 December 2013 £	30 September 2012 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before taxation	570,718	1,142,491
Current tax at 20.45% (2012: 25%)	116,712	285,623
<i>Effect of:</i>		
Expenses not deductible for tax purposes	-	6,887
Capital allowances in excess of depreciation	(13,756)	(257)
Total current tax	102,956	292,253

8. Dividends

	31 December 2013 £	30 September 2012 £
Dividends paid	400,000	500,000

On 21 October 2013, a dividend of £400,000 was declared and paid to Pathology Group Limited, the sole shareholder.

Accident & Emergency Agency Limited

Notes to the accounts 15 month period ended 31 December 2013

9. Tangible fixed assets

	Furniture, fixtures & fittings £	Equipment £	Total £
Cost			
At 1 October 2012	3,357	2,658	6,015
Additions	3,200	-	3,200
At 31 December 2013	<u>6,557</u>	<u>2,658</u>	<u>9,215</u>
Depreciation			
At 1 October 2012	1,799	2,658	4,457
Charge for the period	2,643	-	2,643
At 31 December 2013	<u>4,442</u>	<u>2,658</u>	<u>7,100</u>
Net book value			
At 31 December 2013	<u>2,115</u>	<u>-</u>	<u>2,115</u>
At 30 September 2012	<u>1,558</u>	<u>-</u>	<u>1,558</u>

10. Debtors

	31 December 2013 £	30 September 2012 £
Trade debtors	4,682,321	4,649,907
Amounts owed from fellow group undertakings	1,271,233	980,985
Deferred tax asset (note 12)	104	-
Prepayments and accrued income	1,168,870	202,655
Other debtors	83	-
	<u>7,122,611</u>	<u>5,833,547</u>

The amounts owed from fellow group undertakings are interest free and repayable on demand.

Accident & Emergency Agency Limited

Notes to the accounts 15 month period ended 31 December 2013

11. Creditors: amounts falling due within one year

	31 December 2013 £	30 September 2012 £
Trade creditors	349,391	30,803
Amounts owed to fellow group undertakings	5,219,027	689,728
Corporation tax	99,384	164,882
Social security and other taxes	518,212	652,692
Accruals and deferred income	1,346,898	456,778
Other creditors	-	2,876,565
	<u>7,532,912</u>	<u>4,871,448</u>

The amounts owed to fellow group undertakings include an amount of £2,332,491 (2012: £nil) that is subject to interest charged at 5.0% above LIBOR; this amount is repayable on demand. The remainder is interest free and repayable on demand.

12. Deferred tax

	Capital allowances £
At 1 October 2012	-
Credit to the profit and loss account (note 7)	104
At 31 December 2013 (note 10)	<u>104</u>

The deferred tax asset of £104 (2012: £nil) has been recognised as this relates to accelerated capital allowances. Suitable future taxable profits are expected to arise against which these will be offset. There are no unrecognised amounts relating to deferred taxation.

The standard rate of corporation tax reduced from 24% to 23% from 1 April 2013 in accordance with the Finance Act 2012. The Finance Act 2013 was substantively enacted on 2 July 2013 to reduce the main rate of UK corporation tax from 23% to 21% with effect from 1 April 2014, and then to further reduce it to 20% from 1 April 2015. The reduced rate of 20% has therefore been reflected in calculation of deferred tax.

13. Share capital

	31 December 2013 £	30 September 2012 £
Allotted, called up and fully paid 1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

Accident & Emergency Agency Limited

Notes to the accounts

15 month period ended 31 December 2013

14. Profit and loss account

	31 December 2013 £	30 September 2012 £
At the beginning of the period / year	987,268	639,650
Profit for the financial period / year	475,486	847,618
Dividends (note 8)	(400,000)	(500,000)
At the end of the period / year	<u>1,062,754</u>	<u>987,268</u>

15. Reconciliation of shareholder's funds

	31 December 2013 £	30 September 2012 £
At the beginning of the period / year	987,269	639,651
Profit for the period / year	475,486	847,618
Dividends paid (note 8)	(400,000)	(500,000)
At the end of the period / year	<u>1,062,755</u>	<u>987,269</u>

16. Ultimate controlling party

The immediate parent undertaking is Pathology Group Limited, a company incorporated in England and Wales.

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

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 Limited are available to the public and may be obtained from Caledonia House, 223 Pentonville Road, London, N1 9NG.

17. Guarantees

The company and group have provided to Lloyds 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 (30 September 2012: £nil).