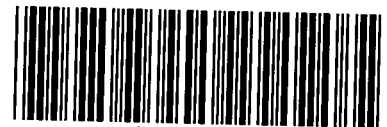


COMPANY REGISTRATION NUMBER 01288293

H. CARSON LIMITED
FINANCIAL STATEMENTS
31ST MARCH 2014

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COMPANIES HOUSE

MMA PARTNERSHIP LLP

Chartered Certified Accountants & Statutory Auditor
6 Bruce Grove
London
N17 6RA

H. CARSON LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2014

CONTENTS	PAGES
Strategic report	1 to 2
Directors' report	3 to 4
Independent auditor's report to the shareholders	5 to 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 to 17
The following pages do not form part of the financial statements	
Detailed profit and loss account	18 to 19
Notes to the detailed profit and loss account	20

H. CARSON LIMITED

STRATEGIC REPORT

YEAR ENDED 31ST MARCH 2014

BUSINESS REVIEW

The company acquired two companies last year which traded in four pharmacies. All four pharmacies have been hived into the company and are now performing above budget. The strategic position for the company will continue driving value and growth through its existing portfolio.

Retail

The English pharmacy sector represents a secure, growing market, underpinned by an increasing need for dispensing of prescription drugs and a government that wants to see community pharmacies expand and improve the range of services they offer to relieve the burden on an overstretched NHS.

The company is a patient orientated service provider which dispenses pharmaceutical and other retail and over the counter products and provides a wide range of clinical services to its patients. Its pharmacies are typically located in local communities, in or near health centres and GP surgeries, helping to deliver increased footfall amongst customers and develop strong relationships with the local healthcare community.

Prescription dispensing across the country has grown steadily at a rate of 5% over the last ten years. This growth is forecast to continue, driven by an ageing population, an increased prevalence of long term conditions and advancements in drugs. The company as a business is well positioned to take advantage of this growth and continue driving its retail business going forward.

PRINCIPAL RISKS AND UNCERTAINTIES

Principal risks and uncertainties and risk management objectives and policies

Price risk

The company, through its investments, is exposed to the inherent risks of economic and financial market developments, including recession, inflation, availability of affordable credit and currency fluctuations that could lower revenues and reduce income. The current system of correcting generic reimbursement prices through the mechanism of "Category M" has continued through the current financial year. The claw back period has now been reduced to a monthly basis, resulting in no requirement for a lagged Category M provision to be in place. Through a continual business review process and monitoring of the business environment, the Directors of the company seek to mitigate these potential risks.

Liquidity risk

The company is financed by way of bank loans and overdrafts of £4.0m as at 31 March 2014 (2013: £5.8m) at the year end. Banking facilities on competitive terms are secured until April 2022. The Directors believe the company has sufficient current and future cash reserves and facilities available for it to meet its liabilities including financing obligations for at least twelve months from the signing of the financial statements.

Interest rate risk

The company has various loan agreements in place, none of which have been hedged. The Directors believe that this is appropriate given the nature of the company's business and

H. CARSON LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31ST MARCH 2014

long term financing agreement in place.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables. The credit risk on trade and other receivables is limited as the company's exposure is with Department of Health and customers. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

FINANCIAL KEY PERFORMANCE INDICATORS

Turnover in the year increased by 5.4% to £10.7m (2013: £10.1m). The increase in turnover was as a result of acquisitions of new branches, increases in prescription numbers and increases in the wholesale and overseas businesses.

Prescription items increased by 7.2% (2013: 4.2%) and on a like for like basis the increase was 3.2% (2013: 2.5%).

Gross margins increased by £0.3m to £3.6m (2013: £3.3m). The percentage gross margin increased by 1.2% to 34.5% (2013: 33.3%).

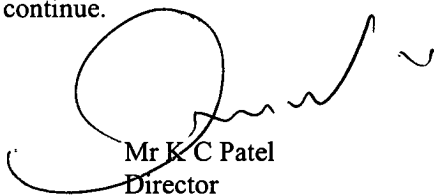
Total administrative costs increased by £19K to £2.14m (2013: £2.12m). The business has enhanced its group infrastructure and support office function during the year to enable sustained future progress.

Overall these actions have enabled the company with an operating profit of £1.54m (2013: £1.26m).

Interest costs have risen by 6% or £11K to £197K (2013: £186K).

Despite the challenging economic conditions, 2013/14 marked a further year of significant profit growth for the Group. It is worth noting that over the last two years gross profits of above 30% were achieved and operating profits increased by double digit figures for the last 2 consecutive years. The Directors are confident that this trend will continue.

Signed on behalf of the directors



Mr K C Patel
Director

Approved by the directors on 1st December 2014

H. CARSON LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 2014

The directors present their report and the financial statements of the company for the year ended 31st March 2014.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,025,495. The directors have not recommended a dividend.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

DIRECTORS

The directors who served the company during the year were as follows:

Mr K C Patel
Miss R. L. Myers
Mr J Patel - Junior
Miss H Patel
Mr K Patel -Junior

Miss H Patel was appointed as a director on 31st March 2014.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' 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 year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 and 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 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.

H. CARSON LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST MARCH 2014

STRATEGIC REPORT

The company has in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 set out in the company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This includes information that would have been included in the business review and the principal risks and uncertainties.

AUDITOR

MMA Partnership LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
Lion House
Red Lion Street
London
WC1R 4GB

Signed on behalf of the directors



Mr K C Patel
Director

Approved by the directors on 1st December 2014

H. CARSON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF H. CARSON LIMITED

YEAR ENDED 31ST MARCH 2014

We have audited the financial statements of H. CARSON LIMITED for the year ended 31st March 2014. 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 shareholders, 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 shareholders 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 shareholders 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 set out on page 3, 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 THE 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31st March 2014 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 OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

H. CARSON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF H. CARSON LIMITED *(continued)*

YEAR ENDED 31ST MARCH 2014

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.



MR JAYANTKUMAR DASUBHAI MEHTA
(Senior Statutory Auditor)
For and on behalf of
MMA PARTNERSHIP LLP
Chartered Certified Accountants
& Statutory Auditor

6 Bruce Grove
London
N17 6RA

1st December 2014

H. CARSON LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 2014

	Note	2014 £	2013 £
TURNOVER	2	10,700,459	10,152,330
Cost of sales		<u>7,013,176</u>	<u>6,770,997</u>
GROSS PROFIT		3,687,283	3,381,333
Administrative expenses		<u>2,139,420</u>	<u>2,120,648</u>
OPERATING PROFIT	3	1,547,863	1,260,685
Interest receivable and similar income		394	343
Amounts written off investments in subsidiary companies net of group income	5	–	(82,952)
Interest payable and similar charges	6	<u>(197,436)</u>	<u>(186,178)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,350,821	991,898
Tax on profit on ordinary activities	7	<u>325,326</u>	<u>240,635</u>
PROFIT FOR THE FINANCIAL YEAR		1,025,495	751,263
Balance brought forward		<u>2,614,908</u>	<u>1,863,645</u>
Balance carried forward		<u>3,640,403</u>	<u>2,614,908</u>

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

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

The notes on pages 9 to 17 form part of these financial statements.

H. CARSON LIMITED

BALANCE SHEET

31ST MARCH 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Intangible assets	8	7,683,484	7,683,484
Tangible assets	9	149,476	176,171
Investments	10	350	249,989
		<u>7,833,310</u>	<u>8,109,644</u>
CURRENT ASSETS			
Stocks	11	657,993	603,323
Debtors	12	2,214,284	1,938,046
Cash in hand		5,276	2,417
		<u>2,877,553</u>	<u>2,543,786</u>
CREDITORS: Amounts falling due within one year	13	<u>4,414,966</u>	<u>3,424,467</u>
NET CURRENT LIABILITIES		<u>(1,537,413)</u>	<u>(880,681)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,295,897</u>	<u>7,228,963</u>
CREDITORS: Amounts falling due after more than one year	14	2,631,674	4,599,031
PROVISIONS FOR LIABILITIES			
Deferred taxation	15	23,720	14,924
		<u>3,640,503</u>	<u>2,615,008</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	100	100
Profit and loss account		3,640,403	2,614,908
SHAREHOLDERS' FUNDS	19	<u>3,640,503</u>	<u>2,615,008</u>

These accounts were approved by the directors and authorised for issue on 1st December 2014, and are signed on their behalf by:



MR K C PATEL

Company Registration Number: 01288293

The notes on pages 9 to 17 form part of these financial statements.

H. CARSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2014

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Revenue recognition

The turnover shown in the profit and loss account represents amounts receivable for the sale of prescriptions and other counter goods exclusive of Value Added tax.

Revenue from NHS goods and services are recognised on a receivable basis and counter goods are recognised at the point of cash receipt.

Wholesale sales are recognised as revenue when goods are dispatched, exclusive of Value Added tax.

Goodwill

Goodwill arising on an acquisition of a business is capitalised and is subject to an annual impairment review by the directors in accordance with FRS10. The directors consider that the goodwill, which includes the cost of pharmacy licences has an indefinite life and is therefore not amortised. The directors believe that the right for dispensing UK NHS prescriptions, being the pharmacy licence which is attached to a particular pharmacy, has a continuing value. Such rights, conferred by the Department of Health as contracts to dispense prescriptions, are not generally granted to new pharmacies in the same locality. Any deficiency arising from the impairment review is written off to the profit and loss account in the year in which it arises and any increases in the value are not recognised in the financial statements. This departure from the previously adopted accounting policy and the requirements of the Companies Act 2006, is, in the opinion of the directors, necessary to give a true and fair view.

Fixed assets

All fixed assets are initially recorded at cost.

H. CARSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2014

1. ACCOUNTING POLICIES *(continued)*

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:

Leasehold Property	-	Straight line over the life of the lease
Fixtures, fittings & equipment	-	15% reducing balance

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.

Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

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:

	2014 £	2013 £
United Kingdom	<u>10,700,459</u>	<u>10,152,330</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2014 £	2013 £
Directors' remuneration	—	—
Depreciation of owned fixed assets	26,695	30,899
Auditor's remuneration - as auditor	<u>7,810</u>	<u>10,325</u>

H. CARSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2014

4. PARTICULARS OF EMPLOYEES

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

	2014	2013
	No	No
Number of distribution staff	85	82
Number of administrative staff	11	9
	<u>96</u>	<u>91</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	1,528,302	1,434,418
Social security costs	107,400	95,100
Other pension costs	4,575	2,250
	<u>1,640,277</u>	<u>1,531,768</u>

5. AMOUNTS WRITTEN OFF INVESTMENTS IN SUBSIDIARY COMPANIES NET OF GROUP INCOME

	2014	2013
	£	£
Amount written off investments	<u>-</u>	<u>82,952</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest payable on bank borrowing	147,479	130,654
Other similar charges payable	49,957	55,524
	<u>197,436</u>	<u>186,178</u>

H. CARSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2014

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 23% (2013 - 24%)	296,989	233,363
Group relief claimed	<u>19,541</u>	<u>22,323</u>
Total current tax	316,530	255,686
Deferred tax:		
Origination and reversal of timing differences	<u>8,796</u>	<u>(15,051)</u>
Tax on profit on ordinary activities	<u>325,326</u>	<u>240,635</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 23% (2013 - 24%).

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>1,350,821</u>	<u>991,898</u>
Profit on ordinary activities by rate of tax	310,689	238,056
Expenses not deductible for tax purposes	1,237	19,907
Capital allowances for period in excess of depreciation	<u>4,604</u>	<u>(2,277)</u>
Total current tax (note 7(a))	<u>316,530</u>	<u>255,686</u>

8. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st April 2013 and 31st March 2014	<u>7,683,484</u>
AMORTISATION	
At 1st April 2013 and 31st March 2014	<u>—</u>
NET BOOK VALUE	
At 31st March 2014	<u>7,683,484</u>
At 31st March 2013	<u>7,683,484</u>

H. CARSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2014

9. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Total £
COST			
At 1st April 2013 and 31st March 2014	<u>16,911</u>	<u>270,232</u>	<u>287,143</u>
DEPRECIATION			
At 1st April 2013	6,015	104,957	110,972
Charge for the year	<u>1,634</u>	<u>25,061</u>	<u>26,695</u>
At 31st March 2014	<u>7,649</u>	<u>130,018</u>	<u>137,667</u>
NET BOOK VALUE			
At 31st March 2014	<u>9,262</u>	<u>140,214</u>	<u>149,476</u>
At 31st March 2013	<u>10,896</u>	<u>165,275</u>	<u>176,171</u>

10. INVESTMENTS

Investment in subsidiary companies

	£
COST	
At 1st April 2013	249,989
Disposals	<u>(249,639)</u>
At 31st March 2014	<u>350</u>
NET BOOK VALUE	
At 31st March 2014	<u>350</u>
At 31st March 2013	<u>249,989</u>

The Company's investment consists of 100% of the issued share capital of Siddys Limited and Downton Pharmacy Limited, companies registered in England and Wales. These companies are now dormant.

	2013 £	2012 £
Aggregate capital and reserves		
Siddys Limited	250	250
Downton Pharmacy Limited	100	100
Profit and (loss) for the year		
Siddys Limited	—	3,006,614
Downton Pharmacy Limited	—	234,734

H. CARSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2014

11. STOCKS

	2014 £	2013 £
Stock	<u>657,993</u>	<u>603,323</u>

12. DEBTORS

	2014 £	2013 £
Trade debtors	1,479,027	1,570,183
Amounts owed by group undertakings	433,935	149,533
VAT recoverable	252,248	85,969
Other debtors	3,040	90,315
Prepayments and accrued income	46,034	42,046
	<u>2,214,284</u>	<u>1,938,046</u>

13. CREDITORS: Amounts falling due within one year

	2014 £	2013 £
Bank loans and overdrafts	1,368,707	1,252,489
Trade creditors	2,716,897	1,615,299
Amounts owed to group undertakings	72	245,754
Corporation tax	217,489	104,286
PAYE and social security	29,396	27,649
Other creditors	8,168	105,371
Accruals and deferred income	74,237	73,619
	<u>4,414,966</u>	<u>3,424,467</u>

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

	2014 £	2013 £
Bank loans and overdrafts	<u>1,368,707</u>	<u>1,252,489</u>

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

	2014 £	2013 £
Bank loans and overdrafts	2,631,674	3,154,058
Other Loans	—	1,444,973
	<u>2,631,674</u>	<u>4,599,031</u>

H. CARSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2014

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:

	2014 £	2013 £
Bank loans and overdrafts	<u>2,631,674</u>	<u>3,154,058</u>

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date:

	2014 £	2013 £
Bank loans and overdrafts	774,229	1,359,330
Other: loans	<u>-</u>	<u>1,444,973</u>
	<u>774,229</u>	<u>2,804,303</u>

15. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2014 £	2013 £
Provision brought forward	14,924	24,832
DT Provn: Arising on acquisition of business	-	5,143
Profit and loss account movement arising during the year	<u>8,796</u>	<u>(15,051)</u>
Provision carried forward	<u>23,720</u>	<u>14,924</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2014 £	2013 £
Excess of taxation allowances over depreciation on fixed assets	<u>23,720</u>	<u>14,924</u>
	<u>23,720</u>	<u>14,924</u>

H. CARSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2014

16. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2014 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within 2 to 5 years	49,550	25,800
After more than 5 years	122,900	146,650
	<u>172,450</u>	<u>172,450</u>

17. RELATED PARTY TRANSACTIONS

The following transactions took place between H Carson Limited and other companies in which the directors, Mr K C Patel, Mr J Patel (jnr) and Mr K Patel (jnr) have a material interest:

1) The company provided funds of £443,570 (2013 £441,169) to its immediate parent company, Community Stores Limited. The balance due from Community Stores Limited at the balance sheet date is £430,432 and is receivable within 1 year (2013 balance payable £6,404). The loan provided to Community Stores Limited is interest free.

2) The company paid £24,000 (2013 £78,000) for management charges to Day Lewis Plc during the year in respect of accountancy, book keeping and general administration work carried out at their offices on behalf of H Carson Limited.

3) The company sold goods of £53,599 (2013 £30,851) to Day Lewis Plc and purchased goods from Day Lewis Plc of £23,777 (2013 £27,189) at market value. At the balance sheet date an amount of £3,218 was payable to Day Lewis Plc for expenses paid on behalf of H Carson Limited, (2013 amount receivable for trade discounts attributable to H Carson Limited £89,855).

4) The loan provided by Day Lewis Plc of £1.4m plus interest charged at 3.5% p.a. was repaid in full during the year. Interest paid during the year was £49,000 (2013 £44,973).

5) The company sold goods of £493,575 (2013 £525,485) to Day Lewis Medical Limited and purchased goods from Day Lewis Medical Limited of £2,224,612 (2013 £2,579,338) at market value. At the balance sheet date £1,663,079 (2013 £602,977) was payable to that company.

6) During the year rent of £14,000 (2013 £6,885) was paid to QH Estates Limited for the use of retail premises during the year.

18. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

H. CARSON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2014

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014	2013
	£	£
Profit for the financial year	1,025,495	751,263
Opening shareholders' funds	2,615,008	1,863,745
Closing shareholders' funds	<u>3,640,503</u>	<u>2,615,008</u>

20. ULTIMATE PARENT COMPANY

Community Stores Limited, a company incorporated in England and Wales, acquired 100% of issued share capital of the company on 1st January 2010.

The ultimate parent company is Horizon Healthcare Limited, a company incorporated in Jersey, Channel Islands. The company is controlled by Mr K. C Patel and family members.

H. CARSON LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH 2014

	2014	2013
	£	£
TURNOVER	10,700,459	10,152,330
COST OF SALES		
Opening stock	603,323	360,586
Purchases	7,067,846	6,708,633
Closing stock acquired from subsidiary companies	—	305,101
	<u>7,671,169</u>	<u>7,374,320</u>
Closing stock	<u>(657,993)</u>	<u>(603,323)</u>
	<u>7,013,176</u>	<u>6,770,997</u>
GROSS PROFIT	3,687,283	3,381,333
OVERHEADS		
Wages and salaries	1,369,676	1,267,031
Locums	158,626	167,387
Employers national insurance contributions	107,400	95,100
Staff pension contributions	4,575	2,250
Rent, Rates and Water	235,727	220,242
Light and heat	21,060	14,161
Insurance	10,017	15,620
Repairs and maintenance	21,717	23,092
Packing & carriage	30,185	28,186
Travel and subsistence	13,872	12,599
Telephone	9,769	10,355
Computer maintenance	(17,064)	5,404
Printing, stationery and postage	18,622	4,063
Staff training	6,149	3,118
Recruitment	6,831	3,972
Cash shortages	1,969	(1,938)
Cleaning and refuse	9,017	8,903
General expenses	15,403	13,975
Advertising	562	342
Subscriptions	12,299	12,218
Management charges payable	24,000	78,000
Legal and professional fees	8,989	27,336
Stock valuation fees	14,198	11,126
Auditors remuneration	7,810	10,325
Amortisation of short leasehold	1,634	1,480
Depreciation of fixtures and fittings	25,061	29,419
Credit card charges	15,567	15,740
Bank charges	5,749	41,142
	<u>2,139,420</u>	<u>2,120,648</u>
OPERATING PROFIT	1,547,863	1,260,685
Carried forward	<u>1,547,863</u>	<u>1,260,685</u>

H. CARSON LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH 2014

	2014	2013
	£	£
Brought forward	1,547,863	1,260,685
Interest receivable and similar income	394	343
	1,548,257	1,261,028
Amounts written off investments	—	(82,952)
Interest payable and similar charges	(197,436)	(186,178)
PROFIT ON ORDINARY ACTIVITIES	1,350,821	991,898

H. CARSON LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST MARCH 2014

	2014	2013
	£	£
INTEREST RECEIVABLE AND SIMILAR INCOME		
Bank interest receivable	–	12
Other similar income	<u>394</u>	<u>331</u>
	<u>394</u>	<u>343</u>
INTEREST PAYABLE AND SIMILAR CHARGES		
Bank interest payable	147,479	130,654
Interest on other loans	49,000	55,364
Other similar charges	<u>957</u>	<u>160</u>
	<u>197,436</u>	<u>186,178</u>