

Registration number 1768840

**PCT Healthcare Limited**  
**Directors' report and financial statements**  
**for the year ended 31 July 2006**

THURSDAY



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31/05/2007  
COMPANIES HOUSE

## **PCT Healthcare Limited**

### **Company information**

Directors	G A Tims A D Parker P Cattee Mrs A J Cattee
Secretary	Mrs A J Cattee
Company number	1768840
Registered office	11 Manchester Road Walkden Manchester M28 3NS
Auditors	Abrams Ashton LLP 77 Corporation Street St Helens Merseyside WA10 1SX

## **PCT Healthcare Limited**

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## **PCT Healthcare Limited**

### **Directors' report for the year ended 31 July 2006**

The directors present their report and the financial statements for the year ended 31 July 2006

#### **Principal activity and review of the business**

The principal activity of the company during the year was that of retail pharmacists

The company has continued to trade profitably in line with directors expectations

The company's key financial performance indicators were as follows

	<b>2006</b>	<b>2005</b>
Gross profit	<b>30.9%</b>	27.7%
Operating profit as a percentage of sales	<b>10.1%</b>	6.4%
Return on capital employed	<b>47.6%</b>	34.9%

#### **Results and dividends**

The profit for the year, after taxation, amounted to £4,304,000. Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

#### **Post balance sheet events**

Since the year end the company has acquired a number of pharmacies.

#### **Future developments**

The directors expect the company to remain profitable for the foreseeable future.

#### **Employment policy**

The company's employment policies are fair and equitable and consistent with the skills and abilities of the employees and the needs of the company's business. If any employee becomes disabled, the objective is the continued provision of suitable employment either in the same or an alternative position with appropriate training if necessary.

#### **Directors and their interests**

The directors who served during the year and their interests in the company are as stated below.

	<b>Class of share</b>	<b>31/07/06</b>	<b>01/08/05</b>
G A Tims	Ordinary shares	-	-
A D Parker	Ordinary shares	-	-
P Cattee	Ordinary shares	-	-
Mrs A J Cattee	Ordinary shares	-	-

**PCT Healthcare Limited**

**Directors' report  
for the year ended 31 July 2006**

continued

**Directors' responsibilities**

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these 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 financial statements,
- 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 proper accounting records which disclose 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

In so far as the directors are aware

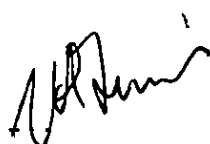
- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

**Auditors**

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Abrams Ashton LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 29.5.07, and signed on its behalf by

Director

  
GATILUS

## **PCT Healthcare Limited**

### **Independent auditors' report to the shareholders of PCT Healthcare Limited**

We have audited the financial statements of PCT Healthcare Limited for the year ended 31 July 2006 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

**PCT Healthcare Limited**

**Independent auditors' report to the shareholders of PCT Healthcare Limited continued**

**Opinion**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 July 2006 and of its profit for the year then ended,

the financial statements have been properly prepared in accordance with the Companies Act 1985 and

the information given in the Directors' Report is consistent with the financial statements for the year ended 31 July 2006



**Abrams Ashton LLP**  
**Chartered Accountants and**  
**Registered Auditors**

30-05-07

**77 Corporation Street**  
**St Helens**  
**Merseyside**  
**WA10 1SX**

**PCT Healthcare Limited**

**Profit and loss account  
for the year ended 31 July 2006**

		<b>Continuing operations</b>	
		<b>2006</b>	<b>2005</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	<b>82,490,406</b>	78,614,706
Cost of sales		<u>(56,970,755)</u>	<u>(56,881,606)</u>
<b>Gross profit</b>		<b>25,519,651</b>	21,733,100
Administrative expenses		<u>(17,334,200)</u>	<u>(16,701,238)</u>
Other operating income		<u>135,040</u>	<u>23,679</u>
<b>Operating profit</b>	<b>3</b>	<b>8,320,491</b>	5,055,541
Investment income	<b>4</b>	-	216,520
Other interest receivable and similar income	<b>6</b>	<b>140,210</b>	41,554
Amount written off investments	<b>5</b>	<b>117,484</b>	(180,402)
Interest payable and similar charges	<b>7</b>	<u>(1,195,519)</u>	<u>(1,248,114)</u>
<b>Profit on ordinary activities before taxation</b>		<b>7,382,666</b>	3,885,099
Tax on profit on ordinary activities	<b>10</b>	<u>(3,078,666)</u>	<u>(2,297,827)</u>
<b>Profit on ordinary activities after taxation being the profit for the financial year</b>	<b>22</b>	<u><b>4,304,000</b></u>	<u><b>1,587,272</b></u>

**Statement of total recognised gains and losses**

**The notes on pages 9 to 25 form an integral part of these financial statements.**



**PCT Healthcare Limited**  
**for the year ended 31 July 2006**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Profit on ordinary activities after taxation</b>	<b>4,304,000</b>	<b>1,587,272</b>
Unrealised movement on transfer of trade from/to group company	<u>74,376</u>	<u>715,782</u>
Total recognised gains relating to the year	<u><u>4,378,376</u></u>	<u><u>2,303,054</u></u>

**The notes on pages 9 to 25 form an integral part of these financial statements.**

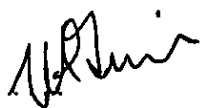
**PCT Healthcare Limited**

**Balance sheet  
as at 31 July 2006**

		2006		2005	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	12		25,981,175		19,080,048
Tangible assets	13		6,082,149		4,836,795
Investments	14		4,896,350		4,412,032
			<u>36,959,674</u>		<u>28,328,875</u>
<b>Current assets</b>					
Stocks	15	4,924,611		4,551,043	
Debtors	16	16,583,881		14,362,051	
Cash at bank and in hand		4,045,838		193,700	
		<u>25,554,330</u>		<u>19,106,794</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(26,676,798)</u>		<u>(20,628,762)</u>	
<b>Net current liabilities</b>			<u>(1,122,468)</u>		<u>(1,521,968)</u>
<b>Total assets less current liabilities</b>			<u>35,837,206</u>		<u>26,806,907</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(20,097,612)		(15,579,368)
<b>Provisions for liabilities</b>	19		<u>(216,820)</u>		<u>(83,141)</u>
<b>Net assets</b>			<u><u>15,522,774</u></u>		<u><u>11,144,398</u></u>
<b>Capital and reserves</b>					
Called up share capital	21		263,006		263,006
Profit and loss account	22		15,259,768		10,881,392
<b>Equity shareholders' funds</b>	23		<u><u>15,522,774</u></u>		<u><u>11,144,398</u></u>

The financial statements were approved by the Board on *22nd May 2007* and signed on its behalf by

Director



*G.A. TILKS,*

The notes on pages 9 to 25 form an integral part of these financial statements.

**PCT Healthcare Limited**

**Cash flow statement  
for the year ended 31 July 2006**

	<b>Notes</b>	<b>2006 £</b>	<b>2005 £</b>
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		8,320,491	5,055,541
Depreciation		4,152,008	4,741,385
(Increase) in stocks		(373,568)	(21,914)
(Increase) in debtors		(2,221,830)	(5,166,224)
Increase in creditors		5,154,577	4,333,209
Other non-cash changes		228,140	-
<b>Net cash inflow from operating activities</b>		<b>15,259,818</b>	<b>8,941,997</b>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		15,259,818	8,941,997
Returns on investments and servicing of finance	30	(1,055,309)	(990,040)
Taxation	30	(2,625,379)	(2,432,944)
Capital expenditure	30	(10,137,468)	(3,964,464)
Acquisitions and disposals	30	(2,674,841)	(1,422,133)
		(1,233,179)	132,416
Equity dividends paid		-	(1,122,746)
		(1,233,179)	(990,330)
Financing	30	5,069,976	(928,001)
<b>Increase in cash in the year</b>		<b>3,836,797</b>	<b>(1,918,331)</b>
<b>Reconciliation of net cash flow to movement in net funds (Note 31)</b>			
<b>Increase in cash in the year</b>		<b>3,836,797</b>	<b>(1,918,331)</b>
Cash inflow from decrease in debts and lease financing		(5,069,976)	928,001
Change in net funds resulting from cash flows		(1,233,179)	(990,330)
New finance leases and hire purchase contracts		(6,778)	-
<b>Movement in net funds in the year</b>		<b>(1,239,957)</b>	<b>(990,330)</b>
<b>Net debt at 1 August 2005</b>		<b>(19,860,816)</b>	<b>(18,870,486)</b>
<b>Net funds at 31 July 2006</b>		<b>(21,100,773)</b>	<b>(19,860,816)</b>

## **PCT Healthcare Limited**

### **Notes to the financial statements for the year ended 31 July 2006**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

The company has consistently applied all relevant accounting standards

##### **1.2. Turnover**

Turnover represents the total value of cash and credit sales made during the year, excluding value added tax

##### **1.3. Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years

##### **1.4. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows

Freehold properties	-	Nil
Long leasehold properties	-	Nil
Short leasehold properties	-	Straight line over the life of the lease
Fixtures, fittings and equipment	-	10% and 25% straight line
Motor vehicles	-	25% reducing balance
Improvements to properties	-	10% straight line

No depreciation charge is made on freehold and long leasehold properties on the grounds that it would be immaterial because the estimated residual value of the tangible fixed asset is not materially different from the carrying amount of the asset. The company undertakes regular impairment reviews and writes down properties where applicable to their open market values

##### **1.5. Leasing and hire purchase commitments**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciation is charged to the profit and loss account on the same basis as shown above. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account using the straight-line method

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

## **PCT Healthcare Limited**

### **Notes to the financial statements for the year ended 31 July 2006**

continued

#### **1.6. Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value

As part of the rationalisation of the group, the trades and net assets of subsidiary undertakings were transferred into the company in this and previous years. The consideration for this was based upon the book values and took no account of the goodwill inherent in those businesses. This has resulted in an apparent overvaluation of investments held in the company's books, though there has been no loss to the company and group. Schedule 4 to the Companies Act 1985 requires that, where such an overvaluation is expected to be permanent, the investments should be written down accordingly. The directors consider that as the substance of the transaction was merely to reorganise the company's and group's operations, such a treatment would fail to give a true and fair view and the value of investments has instead been allocated to goodwill. The effect on the company's balance sheet of this departure has been to recognise goodwill of £7,040,265 (2005 £Nil).

#### **1.7. Stock**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **1.8. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

#### **1.9. Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax has not been discounted.

#### **1.10. Group accounts**

The accounts present information about the individual undertaking and not about its group on the grounds that the company is included in the accounts of a larger EEC group.

#### **2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

<b>3. Operating profit</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging		
Depreciation and other amounts written off intangible assets	<b>3,877,376</b>	4,386,683
Depreciation and other amounts written off tangible assets	<b>350,187</b>	304,332
Operating lease rentals		
- Land and buildings	<b>567,253</b>	452,542
Auditors' remuneration	<b>29,500</b>	29,500
	<hr/>	<hr/>
and after crediting		
Profit on disposal of tangible fixed assets	<b>75,555</b>	(50,370)
Government grants	<b>-</b>	8,451
	<hr/>	<hr/>
<b>4. Income from investments</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Income from subsidiary undertakings	-	152,820
Income from participating interests	-	63,700
	<hr/>	<hr/>
	-	216,520
	<hr/>	<hr/>
<b>5. Amounts written off investments</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Amounts written off fixed asset investments		
- permanent diminution in value (see note 14)	<b>(117,484)</b>	180,402
	<hr/>	<hr/>
<b>6. Interest receivable and similar income</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Bank interest	<b>138,606</b>	41,536
Other interest	<b>1,604</b>	18
	<hr/>	<hr/>
	<b>140,210</b>	41,554
	<hr/>	<hr/>

**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

<b>7. Interest payable and similar charges</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
On bank overdrafts	5,409	1,375
On bank loans	1,168,219	1,176,244
Lease finance charges and hire purchase interest	2,110	3,437
Other interest	19,781	67,058
	<u>1,195,519</u>	<u>1,248,114</u>
<b>8. Employees</b>		
<b>Number of employees</b>	<b>2006</b>	<b>2005</b>
The average monthly numbers of employees (including the directors) during the year were		
Management and administration	22	23
Pharmacists, counter staff and drivers	633	597
	<u>655</u>	<u>620</u>
<b>Employment costs</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Wages and salaries	10,201,698	9,307,282
Social security costs	710,822	678,224
Pension costs-other operating charge	144,019	140,447
	<u>11,056,539</u>	<u>10,125,953</u>
<b>8.1. Directors' emoluments</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	<u>901,857</u>	<u>856,057</u>
<b>Highest paid director</b>	<b>£</b>	<b>£</b>
Amounts included above		
Emoluments and other benefits	<u>258,515</u>	<u>218,967</u>

**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

**9. Pension costs**

The company operates a defined contribution pension scheme in respect of the directors and employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £144,019 (2005 - £140,447)



**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

**10. Tax on profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2006 £</b>	<b>2005 £</b>
<b>Current tax</b>		
UK corporation tax	2,949,931	2,286,095
Adjustments in respect of previous periods	(145)	-
	<u>2,949,786</u>	<u>2,286,095</u>
Total current tax charge	<u>2,949,786</u>	<u>2,286,095</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	128,880	11,732
Total deferred tax	<u>128,880</u>	<u>11,732</u>
Tax on profit on ordinary activities	<u>3,078,666</u>	<u>2,297,827</u>

**Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below

	<b>2006 £</b>	<b>2005 £</b>
Profit on ordinary activities before taxation	<u>7,382,666</u>	<u>3,885,099</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 July 2005 30%)	2,214,800	1,165,530
<b>Effects of:</b>		
Expenses not deductible for tax purposes (primarily goodwill amortisation)	800,925	1,132,297
Capital allowances for period in excess of depreciation	(53,255)	(11,732)
Utilisation of tax losses	(9,606)	-
Property disposals	(6,839)	-
Fixed asset acquisitions from subsidiaries	3,906	-
Adjustments to tax charge in respect of previous periods	(145)	-
Current tax charge for period	<u>2,949,786</u>	<u>2,286,095</u>

**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

**11. Dividends**

**Dividends paid and proposed on equity shares**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Paid during the year		
Equity dividends on Ordinary shares	-	1,122,746
	-	1,122,746

**12. Intangible fixed assets**

	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
At 1 August 2005	31,473,161	31,473,161
Additions	10,841,421	10,841,421
At 31 July 2006	42,314,582	42,314,582
<b>Provision for diminution in value</b>		
At 1 August 2005	12,393,113	12,393,113
Charge for year	3,877,376	3,877,376
Adjustment to prior year acquisitions (see note 14)	62,918	62,918
At 31 July 2006	16,333,407	16,333,407
<b>Net book values</b>		
At 31 July 2006	25,981,175	25,981,175
At 31 July 2005	19,080,048	19,080,048

PCT Healthcare Limited

Notes to the financial statements  
for the year ended 31 July 2006

continued

13. Tangible fixed assets	Freehold land and properties £	Short leasehold properties £	Long leasehold properties £	Fixtures, fittings and equipment £	Motor vehicles £	Improvements to properties £	Total £
<b>Cost</b>							
At 1 August 2005	2,618,906	601,540	420,000	2,489,350	88,737	35,706	6,254,239
Additions	769,224	55,511	-	701,474	71,791	77,252	1,675,252
Disposals	(71,648)	-	-	-	(24,314)	-	(95,962)
At 31 July 2006	3,316,482	657,051	420,000	3,190,824	136,214	112,958	7,833,529
<b>Depreciation</b>							
At 1 August 2005	-	151,944	-	1,204,740	49,579	11,181	1,417,444
On disposals	-	-	-	-	(16,251)	-	(16,251)
Charge for the year	-	41,179	-	271,702	25,722	11,584	350,187
At 31 July 2006	-	193,123	-	1,476,442	59,050	22,765	1,751,380
<b>Net book values</b>							
At 31 July 2006	3,316,482	463,928	420,000	1,714,382	77,164	90,193	6,082,149
At 31 July 2005	2,618,906	449,596	420,000	1,284,610	39,158	24,525	4,836,795

**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

Included above are assets held under finance leases or hire purchase contracts as follows

<b>Asset description</b>	<b>2006</b>		<b>2005</b>	
	<b>Net book value £</b>	<b>Depreciation charge £</b>	<b>Net book value £</b>	<b>Depreciation charge £</b>
Motor vehicles	<u>7,615</u>	<u>2,539</u>	<u>6,065</u>	<u>2,022</u>

<b>14. Fixed asset investments</b>	<b>Subsidiary undertakings shares £</b>	<b>Participating interests shares £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 August 2005	3,633,641	958,793	4,592,434
Additions	2,674,841	-	2,674,841
Re-classification to goodwill	(1,412,132)	(958,793)	(2,370,925)
At 31 July 2006	<u>4,896,350</u>	<u>-</u>	<u>4,896,350</u>
<b>Provisions for diminution in value:</b>			
At 1 August 2005	62,918	117,484	180,402
Re-classification to goodwill	(62,918)	(117,484)	(180,402)
At 31 July 2006	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book values</b>			
At 31 July 2006	<u>4,896,350</u>	<u>-</u>	<u>4,896,350</u>
At 31 July 2005	<u>3,570,723</u>	<u>841,309</u>	<u>4,412,032</u>

**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

**14.1. Holdings of 20% or more**

The company holds 20% or more of the share capital of the following companies

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Nature of business</b>	<b>Shares held class</b>	<b>Proportion of shares held</b>
<b>Subsidiary undertaking</b>				
Grasmere Leigh Ltd	England	Retail pharmacists	Ordinary	85%
Wickersley and Ravenfield Consortium Ltd	England	Retail pharmacists	Ordinary A	52.5%
Peter Marks Chemists Ltd	England	Retail pharmacists	Ordinary	100%
Macclesfield Pharmacy Consortium Ltd	England	Dormant	Ordinary	100%
TV Pharmacy Ltd	England	Dormant	Ordinary	100%
Parks Pharmacy Ltd	England	Dormant	Ordinary	100%
Television Pharmacy Ltd	England	Dormant	Ordinary	100%
Telepharm Ltd	England	Dormant	Ordinary	100%
Freephone Pharmacy Ltd	England	Dormant	Ordinary	100%
Watsons Pharmacy Ltd	England	Dormant	Ordinary	100%
KT590 Ltd	England	Dormant	Ordinary	100%
Haslingden Health Centre Pharmacy Ltd	England	Dormant	Ordinary	100%
A D Parker and Company Ltd	England	Dormant	Ordinary	100%
H G Pilling (Chemists) Ltd	England	Dormant	Ordinary	100%
Marketbook Ltd	England	Dormant	Ordinary	100%
Assadim Ltd	England	Dormant	Ordinary	100%
Richard J Wakefield Pharmacy Ltd	England	Dormant	Ordinary	100%
Staveley Pharmacy Ltd	England	Dormant	Ordinary	100%
Paul Benson Ltd	England	Dormant	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	<b>Capital and reserves</b>	<b>Profit for the year</b>
	<b>£</b>	<b>£</b>
Grasmere Leigh Ltd	203,700	187,709
Wickersley and Ravenfield Consortium Ltd	3,996,879	9,099
Peter Marks Chemists Ltd	456,180	142,633

<b>15. Stocks</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<u>4,924,611</u>	<u>4,551,043</u>

**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

<b>16. Debtors</b>	<b>2006 £</b>	<b>2005 £</b>
Trade debtors	<b>14,200,472</b>	12,595,552
Amounts owed by group undertakings	<b>1,029,161</b>	518,822
Amount owed by participating interest	-	205,331
Other debtors	<b>993,671</b>	812,579
Prepayments and accrued income	<b>360,577</b>	229,767
	<b><u>16,583,881</u></b>	<b><u>14,362,051</u></b>
 <b>17. Creditors: amounts falling due within one year</b>	 <b>2006 £</b>	 <b>2005 £</b>
Bank overdraft	<b>1,211,121</b>	1,195,780
Bank loans	<b>3,744,556</b>	3,243,768
Other loans	<b>91,123</b>	24,000
Net obligations under finance leases and hire purchase contracts	<b>2,199</b>	11,600
Trade creditors	<b>5,469,224</b>	4,729,566
Amounts owed to group undertakings	<b>14,501,532</b>	10,211,573
Corporation tax	<b>905,703</b>	586,095
Other taxes and social security costs	<b>246,082</b>	204,230
Directors' current accounts	<b>7,499</b>	82,746
Other creditors	<b>173,383</b>	42,241
Accruals and deferred income	<b>324,376</b>	297,163
	<b><u>26,676,798</u></b>	<b><u>20,628,762</u></b>

Bank borrowings are secured by fixed charges over the properties, investments and book debts together with a floating charge over the other assets of the company. The hire purchase liability is secured over the relevant fixed asset.

**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

<b>18. Creditors: amounts falling due after more than one year</b>	<b>2006 £</b>	<b>2005 £</b>
Bank loans	19,763,642	15,568,897
Other loans	331,500	8,248
Net obligations under finance leases and hire purchase contracts	2,470	2,223
	<u>20,097,612</u>	<u>15,579,368</u>
<b>Loans</b>		
Repayable in one year or less, or on demand (Note 17)	3,835,679	3,267,768
Repayable between one and two years	3,579,875	3,243,768
Repayable between two and five years	7,242,625	6,487,536
Repayable in five years or more	9,272,642	5,845,841
	<u>23,930,821</u>	<u>18,844,913</u>
 Repayable in five years or more		
Bank loans	9,272,642	5,845,841
	<u>9,272,642</u>	<u>5,845,841</u>
 <b>Net obligations under finance leases and hire purchase contracts</b>		
Repayable within one year	2,199	11,600
Repayable between one and five years	2,470	2,223
	<u>4,669</u>	<u>13,823</u>

The company has a number of bank loans ranging from 3 to 10 years with interest being payable at 1% above LIBOR or bank base rate

**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

**19. Provisions for liabilities**

	<b>Deferred taxation (Note 20) £</b>	<b>Total £</b>
At 1 August 2005	83,141	83,141
Movements in the year	133,679	133,679
At 31 July 2006	<u>216,820</u>	<u>216,820</u>

**20. Provision for deferred taxation**

	<b>2006 £</b>	<b>2005 £</b>
Accelerated capital allowances	212,021	83,141
Subsidiary acquisitions	4,799	-
Undiscounted provision for deferred tax	<u>216,820</u>	<u>83,141</u>
Provision at 1 August 2005	83,141	
Deferred tax charge in profit and loss account	128,880	
Subsidiary acquisitions	4,799	
Provision at 31 July 2006	<u>216,820</u>	



**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

<b>21. Share capital</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Authorised equity</b>		
263,006 Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>
<b>Allotted, called up and fully paid equity</b>		
263,006 Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>
<b>Equity Shares</b>		
263,006 Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>
<b>22. Equity Reserves</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 1 August 2005</b>	<b>10,881,392</b>	<b>10,881,392</b>
Profit for the year	<b>4,304,000</b>	<b>4,304,000</b>
Unrealised movement on transfer of trade from group company	<u>74,376</u>	<u>74,376</u>
<b>At 31 July 2006</b>	<u><b>15,259,768</b></u>	<u><b>15,259,768</b></u>
<b>23. Reconciliation of movements in shareholders' funds</b>	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit for the year	<b>4,304,000</b>	1,587,272
Dividends	-	(1,122,746)
	<u><b>4,304,000</b></u>	464,526
Other recognised gains or losses	<u>74,376</u>	715,782
Net addition to shareholders' funds	<b>4,378,376</b>	1,180,308
Opening shareholders' funds	<u><b>11,144,398</b></u>	<u>9,964,090</u>
Closing shareholders' funds	<u><b>15,522,774</b></u>	<u>11,144,398</u>
<b>24. Contingent liabilities</b>		

The company's bankers hold a composite guarantee dated 21 August 2001 between the company and its fellow subsidiary undertakings, Tims and Parker Limited, P & A J Cattee (Wholesale) Limited and Haslingden Health Centre Pharmacy Limited

**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

**25. Transactions with directors**

The company occupies premises owned by P and A J Cattee (Directors) Pension Scheme under a sub-lease from an unconnected third party. Rent paid during the year in respect of this property amounted to £14,250.

The company also occupies premises owned by P & A J Cattee. Rent paid during the year in respect of these properties amounted to £15,000.

The amount due to the directors at the balance sheet date were as follows

	£
Mrs A J Cattee	-
P Cattee	7,499
G A Tims	-
A D Parker	-
	<u>7,499</u>

**26. Related party transactions**

The company does not disclose details of transactions with other group companies on the grounds that consolidated accounts are publicly available.

Trading transactions with associated undertaking, Paul Benson Limited (became a subsidiary undertaking with effect from 1 March 2006) were as follows

	£
Management charges paid	32,487
Management charges received	<u>5,480</u>

**27. Ultimate parent undertaking**

The company is a wholly owned subsidiary of PCT Healthcare (Holdings) Ltd.

**28. Controlling interest**

The company is ultimately controlled by Mr P Cattee and Mrs A J Cattee, as disclosed in the directors' report of the ultimate parent company.

**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

**29. Post balance sheet events**

Since the year end the company has acquired a number of pharmacies

**30. Gross cash flows**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	140,210	41,554
Interest paid	(1,195,519)	(1,248,114)
Dividends received from group undertakings	-	152,820
Dividends received from associated undertaking	-	63,700
	<u>(1,055,309)</u>	<u>(990,040)</u>
<b>Taxation</b>		
Corporation tax paid	<u>(2,625,379)</u>	<u>(2,432,944)</u>
<b>Capital expenditure</b>		
Payments to acquire intangible assets	(8,624,260)	(3,011,654)
Payments to acquire tangible assets	(1,668,474)	(964,642)
Receipts from sales of tangible assets	155,266	11,832
	<u>(10,137,468)</u>	<u>(3,964,464)</u>
<b>Acquisitions and disposals</b>		
Payments on acquisition of group interests	<u>(2,674,841)</u>	<u>(1,422,133)</u>
<b>Financing</b>		
New long term bank loans	12,016,782	3,260,000
Other new long term loans	414,375	-
Repayment of long term bank loans	(7,321,249)	(3,946,927)
Repayment of other short term loans	(24,000)	(229,000)
Capital element of finance leases and hire purchase contracts	(15,932)	(12,074)
	<u>5,069,976</u>	<u>(928,001)</u>

**PCT Healthcare Limited**

**Notes to the financial statements  
for the year ended 31 July 2006**

continued

**31. Analysis of changes in net funds**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Other changes</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	193,700	3,852,138		4,045,838
Overdrafts	(1,195,780)	(15,341)		(1,211,121)
	<u>(1,002,080)</u>	<u>3,836,797</u>		<u>2,834,717</u>
Debt due within one year	(3,267,768)	7,262,374	(7,830,285)	(3,835,679)
Debt due after one year	(15,577,145)	(12,348,282)	7,830,285	(20,095,142)
Finance leases and hire purchase contracts	(13,823)	15,932	(6,778)	(4,669)
	<u>(18,858,736)</u>	<u>(5,069,976)</u>	<u>(6,778)</u>	<u>(23,935,490)</u>
<b>Net funds</b>	<u><u>(19,860,816)</u></u>	<u><u>(1,233,179)</u></u>	<u><u>(6,778)</u></u>	<u><u>(21,100,773)</u></u>

**PCT Healthcare Limited**

**The following pages do not form part of the statutory accounts.**

**PCT Healthcare Limited**

**Detailed trading profit and loss account  
and expenses schedule  
for the year ended 31 July 2006**

	<b>2006</b>		<b>2005</b>	
	£	£	£	£
<b>Sales</b>		<b>82,490,406</b>		<b>78,614,706</b>
<b>Cost of sales</b>				
Opening stock	4,551,043		4,529,129	
Purchases	57,344,323		56,903,520	
	<u>61,895,366</u>		<u>61,432,649</u>	
Closing stock	(4,924,611)		(4,551,043)	
		<u>(56,970,755)</u>		<u>(56,881,606)</u>
<b>Gross profit</b>		<b>25,519,651</b>		<b>21,733,100</b>
<b>Administrative expenses</b>				
Wages and salaries	8,000,448		7,380,842	
Directors' remuneration	897,243		851,852	
Employer's NI contributions	710,822		678,224	
Staff money purchase pension costs	144,019		140,447	
Staff training	51,443		41,585	
Staff uniforms	19,992		31,738	
Management charges	32,487		53,937	
Locums	1,284,015		1,042,850	
Rent, rates and insurance	968,789		855,196	
Light and heat	106,434		95,010	
Repairs and maintenance	234,745		191,204	
Postage, stationery and advertising	51,476		42,418	
Telephone	89,162		71,124	
Motor and travel expenses	179,413		138,126	
Legal and professional fees	85,064		48,786	
Stocktaking fees	27,614		37,823	
Auditors' remuneration	29,500		29,500	
Bank charges	83,052		72,586	
Trade expenses	105,234		85,497	
Subscriptions	81,240		71,108	
Amortisation of goodwill	3,877,376		4,386,683	
Amortisation on short leasehold properties	41,179		37,420	
Depreciation on fixtures and fittings	271,702		249,553	
Depreciation on motor vehicles	25,722		13,053	
Profits/losses on disposal of tangible assets	(75,555)		50,370	
Depreciation on improvements to property	11,584		4,306	
		<u>17,334,200</u>		<u>16,701,238</u>
<b>Other operating income</b>				

**PCT Healthcare Limited**

**Detailed trading profit and loss account  
and expenses schedule  
for the year ended 31 July 2006**

	2006		2005	
	£	£	£	£
Management charges receivable	30,040		23,679	
Directors fees receivable	105,000		-	
		<u>135,040</u>		<u>23,679</u>
<b>Operating profit</b>		<b>8,320,491</b>		<b>5,055,541</b>
 <b>Income from investments</b>				
Group income	-		216,520	
		-		<u>216,520</u>
 <b>Interest receivable</b>				
Bank deposit interest	138,606		41,536	
Other interest	1,604		18	
		<u>140,210</u>		<u>41,554</u>
 <b>Amount written off investments</b>		<b>117,484</b>		<b>(180,402)</b>
 <b>Interest payable</b>				
Bank interest	5,409		1,375	
Interest on loans repayable in more than 5 years	1,168,219		1,176,244	
Other interest	19,781		67,058	
HP interest and fin lease charges	2,110		3,437	
		<u>(1,195,519)</u>		<u>(1,248,114)</u>
 <b>Net profit for the year</b>		<b><u>7,382,666</u></b>		<b><u>3,885,099</u></b>