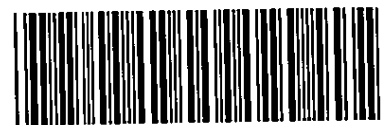


COMPANY REGISTRATION NUMBER 1768840

PCT HEALTHCARE LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2008

THURSDAY



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COMPANIES HOUSE

ABRAMS ASHTON
Chartered Accountants & Registered Auditor
77 Corporation Street
St. Helens
Merseyside
WA10 1SX

PCT HEALTHCARE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

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PCT HEALTHCARE LIMITED

COMPANY INFORMATION

The board of directors

Mr A D Parker
Mr G A Tims
Mrs A J Cattee
Mr P Cattee

Company secretary

Mrs A J Cattee

Registered office

11 Manchester Road
Walkden
Manchester
M28 3NS

Auditor

Abrams Ashton
Chartered Accountants
& Registered Auditor
77 Corporation Street
St.Helens
Merseyside
WA10 1SX

PCT HEALTHCARE LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 NOVEMBER 2008

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of retail pharmacy.

With effect from 30 November 2007 the company's branch network reduced from 96 retail pharmacy branches to 46 retail pharmacy branches.

During the current year the company has sought to expand organically with consideration to the communities in which it operates. Expansion of the company by acquisitions during 2007/08 has seen the branch network increase from 46 branches to 48 branches in the South Yorkshire, Derbyshire, Lancashire and Greater Manchester areas.

The company is committed to actively work in partnership with local PCT's in the promotion of additional healthcare services.

Qualitative measures relating to "improvements in service" are important measures of performance to the company and the community, however these are difficult to measure. Quantitative measures in terms of business performance and profitability are important to shareholders and provide assurances as to the continuing stability of the organisation.

Basic KPI's (Key Performance Indicators) which the company bases financial evaluations upon are gross profit, net profit and staff cost based. There is a direct link between profitability and branch staffing levels, which is reflected in the budgeting process.

Gross profit percentage decreased from 31.3% in the sixteen months to November 2007 to 29.6% in the year to November 2008, reflecting a reduced pay structure from the Department of Health.

Staff remain the greatest asset, but also the largest cost to the company, amounting to £8.7m in 2008 and £17.2m in 2007, the decrease represented by the reduction in branch numbers and a prolonged accounting period in the previous period, allowing for annual pay reviews. Staff costs as a percentage of turnover were 17.5% in 2008 compared to 14.3% in 2007.

Other costs are not significant to the profitability of the company and so are not deemed sufficient KPI's.

Net profit before tax is a KPI. In 2008 PBIT cover, (being Profit before interest, depreciation, exceptional items and tax over net interest costs) was 4 compared to 10.5 in 2007. Company shareholders will note that the company made a profit after tax of £618,407. Profit is expected to increase over the forthcoming year, as will the margin.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £618,407. The directors have not recommended a dividend.

PCT HEALTHCARE LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2008

DIRECTORS

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

Mr A D Parker
Mr G A Tims
Mrs A J Cattee
Mr P Cattee

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 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). The financial statements are required by law to 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 those 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;
- 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 that 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DISABLED EMPLOYEES

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.

PCT HEALTHCARE LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2008

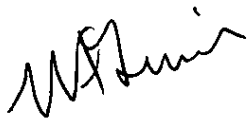
EMPLOYEE INVOLVEMENT

Information on matters of concern to employees is given through internal bulletins and a website which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance. Arrangements exist to consult and discuss with employees on matters likely to affect their interests.

AUDITOR

Abrams Ashton are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors



G A Tims

Director

Approved by the directors on 08/07/2009

PCT HEALTHCARE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PCT HEALTHCARE LIMITED
YEAR ENDED 30 NOVEMBER 2008

We have audited the financial statements of PCT Healthcare Limited for the year ended 30 November 2008, which have been prepared on the basis of the accounting policies set out on pages 11 to 13.

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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PCT HEALTHCARE LIMITED *(continued)*
YEAR ENDED 30 NOVEMBER 2008

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 30 November 2008 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.

Abrams Ashton

ABRAMS ASHTON
Chartered Accountants & Registered Auditor

77 Corporation Street
St. Helens
Merseyside
WA10 1SX

8/7/09

PCT HEALTHCARE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2008

		Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
TURNOVER	Note 2	49,432,294	119,968,167
Cost of sales		(34,782,486)	(82,427,432)
GROSS PROFIT		14,649,808	37,540,735
Administrative expenses		(13,282,238)	(48,433,918)
Other operating income		279,590	230,796
OPERATING PROFIT/(LOSS)	3	1,647,160	(10,662,387)
Attributable to:			
Operating profit before exceptional items		447,407	10,003,472
Exceptional items	3	1,199,753	(20,665,859)
		1,647,160	(10,662,387)
Income from shares in group undertakings	6	254,700	157,065
Interest receivable	7	276,038	317,842
Interest payable and similar charges	8	(1,334,551)	(1,950,619)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		843,347	(12,138,099)
Tax on profit/(loss) on ordinary activities	9	(224,940)	(4,087,580)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		618,407	(16,225,679)

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

The notes on pages 11 to 27 form part of these financial statements.

PCT HEALTHCARE LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 30 NOVEMBER 2008

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Profit/(Loss) for the financial year attributable to the shareholders	618,407	(16,225,679)
Unrealised profit on revaluation of freehold and long leasehold properties	<u>—</u>	<u>2,507,723</u>
Total gains and losses recognised since the last annual report	<u>618,407</u>	<u>(13,717,956)</u>

The notes on pages 11 to 27 form part of these financial statements.

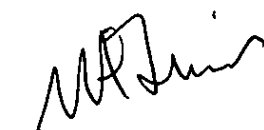
PCT HEALTHCARE LIMITED

BALANCE SHEET

30 NOVEMBER 2008

	Note	2008 £	2007 £
FIXED ASSETS			
Intangible assets	11	19,173,906	16,160,623
Tangible assets	12	2,718,899	8,893,157
Investments	13	<u>121,517</u>	<u>1,824,602</u>
		22,014,322	26,878,382
CURRENT ASSETS			
Stocks	14	2,789,504	2,773,724
Debtors	15	13,447,111	13,181,165
Cash at bank and in hand		<u>7,270,616</u>	<u>4,271,703</u>
		23,507,231	20,226,592
CREDITORS: Amounts falling due within one year	16	<u>(29,212,967)</u>	<u>(28,611,479)</u>
NET CURRENT LIABILITIES		(5,705,736)	(8,384,887)
TOTAL ASSETS LESS CURRENT LIABILITIES		16,308,586	18,493,495
CREDITORS: Amounts falling due after more than one year	17	(15,364,355)	(18,037,482)
PROVISIONS FOR LIABILITIES			
Deferred taxation	19	<u>(83,626)</u>	<u>(213,815)</u>
		860,605	242,198
CAPITAL AND RESERVES			
Called-up equity share capital	23	263,006	263,006
Revaluation reserve	24	—	2,507,723
Profit and loss account	24	<u>597,599</u>	<u>(2,528,531)</u>
SHAREHOLDERS' FUNDS	25	860,605	242,198

These financial statements were approved by the directors and authorised for issue on 08/07/2009, and are signed on their behalf by:



G A Tims
Director

The notes on pages 11 to 27 form part of these financial statements.

PCT HEALTHCARE LIMITED
CASH FLOW STATEMENT
YEAR ENDED 30 NOVEMBER 2008

	Note	Year to 30 Nov 08 £	£	Period from 1 Aug 06 to 30 Nov 07 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	26		12,715,335		25,846,769
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	26		(803,813)		(1,475,712)
TAXATION	26		635,422		(6,570,157)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	26		(6,408,982)		(3,646,551)
ACQUISITIONS AND DISPOSALS	26		—		(8,628,583)
EQUITY DIVIDENDS PAID			—		(1,562,620)
CASH INFLOW BEFORE FINANCING			6,137,962		3,963,146
FINANCING	26		(3,139,049)		(2,526,160)
INCREASE IN CASH	26		<u>2,998,913</u>		<u>1,436,986</u>

The notes on pages 11 to 27 form part of these financial statements.

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold and long leasehold properties and in accordance with applicable accounting standards.

1.2 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 228 of the Companies Act 1985, is not required to produce, and has not published, consolidated accounts.

1.3 Turnover

Revenue comprises the fair value of the sale of goods and services net of value added tax, rebates and discounts. Sales of goods are recognised either at point of sale or when the company has delivered the goods to the customer.

1.4 Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

1.5 Amortisation

Amortisation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Goodwill	- 10 years straight line
----------	--------------------------

1.6 Fixed assets

All fixed assets are initially recorded at cost.

1.7 Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

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

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

1.8 Stocks

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

1.9 Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

1.10 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.

1.11 Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1.12 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.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

1. ACCOUNTING POLICIES *(continued)*

1.13 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

1.14 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 investment's 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 £1,521,307 (2007 £11,154,437).

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

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:

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
United Kingdom	<u>49,432,294</u>	<u>119,968,167</u>

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Amortisation of intangible assets	3,138,499	6,295,261
Depreciation of owned fixed assets	324,042	665,097
Depreciation of assets held under hire purchase agreements	—	1,271
Loss/(Profit) on disposal of fixed assets	66,584	(21,615)
Operating lease rentals - land and buildings	632,120	897,927
Auditor's remuneration	<u>29,500</u>	<u>38,100</u>
Amounts due to/from group/connected companies written off	(1,199,753)	17,166,538
Loss on transfer of group assets	<u>—</u>	<u>3,499,321</u>
	2008 £	2007 £
Auditor's remuneration - audit of the financial statements	<u>29,500</u>	<u>38,100</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

4. PARTICULARS OF EMPLOYEES

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

	Year to 30 Nov 08 No	Period from 1 Aug 06 to 30 Nov 07 No
Number of administrative staff	23	24
Number of management staff	4	4
Pharmacists, counter staff and drivers	385	695
	<u>412</u>	<u>723</u>

The aggregate payroll costs of the above were:

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Wages and salaries	7,042,797	13,817,397
Social security costs	587,665	1,086,150
Other pension costs	95,534	189,974
	<u>7,725,996</u>	<u>15,093,521</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Aggregate emoluments	<u>846,214</u>	<u>1,183,187</u>

Emoluments of highest paid director:

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Total emoluments (excluding pension contributions)	<u>257,986</u>	<u>323,374</u>

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Income from group undertakings	<u>254,700</u>	<u>157,065</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

7. INTEREST RECEIVABLE

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Bank interest receivable	107,245	290,546
Other interest receivable	168,793	27,296
	<u>276,038</u>	<u>317,842</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Interest payable on bank borrowing	3,451	8,986
Finance charges	287	509
Interest on bank loans	1,315,791	1,939,684
Other interest payable	15,022	1,440
	<u>1,334,551</u>	<u>1,950,619</u>

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	451,092	4,100,000
Over/under provision in prior year	(95,963)	-
Total current tax	355,129	4,100,000
Deferred tax:		
Origination and reversal of timing differences	(130,189)	(12,420)
Total deferred tax (note 19)	(130,189)	(12,420)
Tax on profit/(loss) on ordinary activities	<u>224,940</u>	<u>4,087,580</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

9. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28.66% (2007 - 30%).

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Profit/(loss) on ordinary activities before taxation	<u>843,347</u>	<u>(12,138,099)</u>
Profit/(loss) on ordinary activities by rate of tax	241,703	(3,641,430)
Expenses not deductible for tax purposes	558,564	1,596,665
Capital allowances for period in excess of depreciation	(15,657)	(73,945)
Adjustments to tax charge in respect of previous periods	(95,963)	-
Property disposals	4,816	4,342
Fixed asset acquisitions from subsidiaries	5,515	14,610
Amounts due to/from group/connected companies written off	(343,849)	5,149,962
Transfer of group assets	-	1,049,796
Total current tax (note 9(a))	<u>355,129</u>	<u>4,100,000</u>

10. DIVIDENDS

Equity dividends

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Paid during the year:		
Equity dividends on ordinary shares	<u>-</u>	<u>1,562,620</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

11. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 December 2007	27,522,348
Additions	4,630,475
Transfers	1,521,307
At 30 November 2008	<u>33,674,130</u>
AMORTISATION	
At 1 December 2007	11,361,725
Charge for the year	3,138,499
At 30 November 2008	<u>14,500,224</u>
NET BOOK VALUE	
At 30 November 2008	<u>19,173,906</u>
At 30 November 2007	<u>16,160,623</u>

12. TANGIBLE FIXED ASSETS

	Long Leasehold & Freehold Property £	Short Leasehold Property £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Improvements to Property £	Total £
COST						
At 1 Dec 2007	6,992,631	697,122	2,268,963	166,565	338,731	10,464,012
Additions	589,508	771,781	373,521	51,510	25,396	1,811,716
Disposals	(20,000)	(47,159)	–	(97,738)	(47,302)	(212,199)
Transfers	(7,562,139)	–	–	–	–	(7,562,139)
At 30 Nov 2008	<u>–</u>	<u>1,421,744</u>	<u>2,642,484</u>	<u>120,337</u>	<u>316,825</u>	<u>4,501,390</u>
DEPRECIATION						
At 1 Dec 2007	–	251,122	1,169,958	82,034	67,741	1,570,855
Charge for the year	–	53,359	221,887	23,638	25,158	324,042
On disposals	–	(44,254)	–	(56,249)	(11,903)	(112,406)
At 30 Nov 2008	<u>–</u>	<u>260,227</u>	<u>1,391,845</u>	<u>49,423</u>	<u>80,996</u>	<u>1,782,491</u>
NET BOOK VALUE						
At 30 Nov 2008	<u>–</u>	<u>1,161,517</u>	<u>1,250,639</u>	<u>70,914</u>	<u>235,829</u>	<u>2,718,899</u>
At 30 Nov 2007	<u>6,992,631</u>	<u>446,000</u>	<u>1,099,005</u>	<u>84,531</u>	<u>270,990</u>	<u>8,893,157</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

12. TANGIBLE FIXED ASSETS *(continued)*

In respect of freehold and long leasehold properties stated at valuations, the comparable historical cost and depreciation values are as follows:

	2007 £
Historical cost	<u>-</u>
	<u>4,484,908</u>

Hire purchase agreements

Included within the net book value of £2,718,899 is £Nil (2007 - £3,812) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2007 - £1,271).

13. INVESTMENTS

	Subsidiary undertaking shares £
COST	
At 1 December 2007	1,824,602
Re-classification of goodwill and other assets	<u>(1,703,085)</u>
At 30 November 2008	<u>121,517</u>
NET BOOK VALUE	
At 30 November 2008	<u>121,517</u>
At 30 November 2007	<u>1,824,602</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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13. INVESTMENTS *(continued)*

The company owns 85% of the issued share capital of the following company, that also trades as a retail pharmacy:

	2008 £	2007 £
Aggregate capital and reserves		
Grasmere Leigh Ltd	205,045	328,725
Profit for the year		
Grasmere Leigh Ltd	176,320	310,024

The company also owns 100% of the issued share capital of the following dormant companies:

C&C Familycare Ltd
Wickersley and Ravenfield Consortium Ltd
TV Pharmacy Ltd
Parks Pharmacy Ltd
Television Pharmacy Ltd
Telepharm Ltd
Freephone Pharmacy Ltd
Watsons Pharmacy Ltd
KT590 Ltd
Haslingden Health Centre Pharmacy Ltd
A D Parker and Company Ltd
H G Pilling (Chemists) Ltd
Marketbook Ltd
Assadim Ltd
Richard J Wakefield Pharmacy Ltd
Staveley Pharmacy Ltd
Paul Benson Ltd
Peter Marks Chemists Ltd
Rhodes Chemist Ltd
Goldstone and Watson Ltd

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

14. STOCKS

	2008 £	2007 £
Finished goods	<u>2,789,504</u>	<u>2,773,724</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2008

15. DEBTORS

	2008 £	2007 £
Trade debtors	4,961,564	8,053,725
Amounts owed by group undertakings	7,348,671	—
Corporation tax repayable	346,121	1,336,672
Other debtors	499,201	1,159,632
Directors' loan accounts	—	1,741,937
Prepayments and accrued income	291,554	889,199
	<u>13,447,111</u>	<u>13,181,165</u>

16. CREDITORS: Amounts falling due within one year

	2008 £	2007 £
Other loans	239,874	331,500
Bank loans	2,666,052	3,038,654
Trade creditors	4,345,958	8,400,622
Amounts owed to group undertakings	19,258,175	15,465,199
Other taxation and social security	153,469	335,856
Hire purchase agreements	—	1,694
Other creditors	94,274	630,381
Directors' loan accounts	2,082,147	—
Accruals and deferred income	373,018	407,573
	<u>29,212,967</u>	<u>28,611,479</u>

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

	2008 £	2007 £
Bank loans	2,666,052	3,038,654
Other loans	2,327,873	—
	<u>4,993,925</u>	<u>3,038,654</u>

Bank borrowings are secured by fixed charges over the investments and book debts together with a floating charge over the other assets of the company. The directors and other loans are secured by a debenture.

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

	2008 £	2007 £
Other loans	605,126	—
Bank loans and overdrafts	9,492,128	18,037,482
Directors' loan accounts	5,267,101	—
	<u>15,364,355</u>	<u>18,037,482</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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17. 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:

	2008 £	2007 £
Bank loans and overdrafts	9,492,128	18,037,482
Other loans	5,872,227	—
	<u>15,364,355</u>	<u>18,037,482</u>

Bank borrowings are secured by fixed charges over the investments and book debts together with a floating charge over the other assets of the company. The directors and other loans are secured by a debenture.

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:

	2008 £	2007 £
Bank loans and overdrafts	5,446,072	6,011,482

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.

18. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2008 £	2007 £
Amounts payable within 1 year	-	1,981
Less interest and finance charges relating to future periods	-	(287)
	<u>-</u>	<u>1,694</u>
Hire purchase agreements are analysed as follows:		
Current obligations	-	1,694
	<u>-</u>	<u>1,694</u>

PCT HEALTHCARE LIMITED
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19. DEFERRED TAXATION

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

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Provision brought forward	213,815	216,820
DT Provn: Arising on acquisition of business	-	9,415
Profit and loss account movement arising during the year	(130,189)	(12,420)
Provision carried forward	<u>83,626</u>	<u>213,815</u>

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

	2008 £	2007 £
Excess of taxation allowances over depreciation on fixed assets	83,626	204,400
Other timing differences	-	9,415
	<u>83,626</u>	<u>213,815</u>

20. CONTINGENCIES

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.

21. TRANSACTIONS WITH THE DIRECTORS

The company occupied premises owned by Mr P and Mrs A J Cattee. Rent paid during the year/period in respect of these properties amounted to £18,250 (2007 £27,375).

The following directors had interest free loans at the balance sheet date:

	2008 £	2007 £
A D Parker	-	618,000
P Cattee	-	1,123,937

The above were the maximum amounts owing to the company during the year.

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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22. RELATED PARTY TRANSACTIONS

The company was under the control of Mr P Cattee and Mrs A J Cattee (directors) throughout the current year and previous period, by virtue of their shareholding in the ultimate parent company.

The amount due to/(from) the directors at the balance sheet date were as follows:

	2008 £	2007 £
G A Tims	1,845,000	–
A D Parker	1,000,000	(618,000)
P Cattee	4,504,248	(1,123,937)
Total	<u>7,349,248</u>	<u>(1,741,937)</u>

Included within creditors at the balance sheet date is a loan totalling £845,000 from the A D Parker Discretionary Settlement Trust.

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

23. SHARE CAPITAL

Authorised share capital:

	2008 £	2007 £
263,006 Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>

Allotted, called up and fully paid:

	2008 No	£	2007 No	£
Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>

24. RESERVES

	Revaluation reserve £	Profit and loss account £
Balance brought forward	2,507,723	(2,528,531)
Profit for the year	–	618,407
Other movements		
- transfer to/from revaluation reserve	<u>(2,507,723)</u>	<u>2,507,723</u>
Balance carried forward	<u>–</u>	<u>597,599</u>

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NOTES TO THE FINANCIAL STATEMENTS
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25. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit/(Loss) for the financial year	618,407	(16,225,679)
Other net recognised gains and losses	–	2,507,723
Equity dividends	–	(1,562,620)
Transfer from revaluation reserve	2,507,723	–
Transfer to profit and loss account	(2,507,723)	–
Net addition/(reduction) to shareholders' funds	618,407	(15,280,576)
Opening shareholders' funds	242,198	15,522,774
Closing shareholders' funds	<u>860,605</u>	<u>242,198</u>

26. NOTES TO THE STATEMENT OF CASH FLOWS

**RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW
FROM OPERATING ACTIVITIES**

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Operating profit/(loss)	1,647,160	(10,662,387)
Amortisation	3,138,499	6,295,261
Depreciation	324,042	666,368
Loss/(Profit) on disposal of fixed assets	66,584	(21,615)
(Increase)/decrease in stocks	(15,780)	2,452,046
(Increase)/decrease in debtors	(1,256,497)	6,166,191
Increase in creditors	1,067,410	3,202,954
Transfer of assets to group companies	7,562,139	581,240
Transfer of other assets from prior year acquisition	181,778	–
Amounts due from connected companies	–	17,166,538
Other non-cash changes	–	173
Net cash inflow from operating activities	<u>12,715,335</u>	<u>25,846,769</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Income from group undertakings	254,700	157,065
Interest received	276,038	317,842
Interest paid	(1,334,264)	(1,950,110)
Interest element of hire purchase	(287)	(509)
Net cash outflow from returns on investments and servicing of finance	<u>(803,813)</u>	<u>(1,475,712)</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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26. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

TAXATION

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Taxation	<u>635,422</u>	<u>(6,570,157)</u>

CAPITAL EXPENDITURE

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Payments to acquire intangible fixed assets	(4,630,475)	(1,672,250)
Payments to acquire tangible fixed assets	(1,811,716)	(2,124,381)
Receipts from sale of fixed assets	<u>33,209</u>	<u>150,080</u>
Net cash outflow from capital expenditure	<u>(6,408,982)</u>	<u>(3,646,551)</u>

ACQUISITIONS AND DISPOSALS

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
Acquisition of shares in group undertakings	<u>—</u>	<u>(8,628,583)</u>
Net cash outflow from acquisitions and disposals	<u>—</u>	<u>(8,628,583)</u>

FINANCING

	Year to 30 Nov 08 £	Period from 1 Aug 06 to 30 Nov 07 £
New debenture loans	845,000	—
Repayment of debenture loans	(331,500)	(91,123)
New bank loans	4,875,000	5,145,000
Repayment of bank loans	(13,792,956)	(7,577,062)
Capital element of hire purchase	(1,694)	(2,975)
New directors' long-term loans	<u>5,267,101</u>	<u>—</u>
Net cash outflow from financing	<u>(3,139,049)</u>	<u>(2,526,160)</u>

PCT HEALTHCARE LIMITED
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26. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2008		2007
	£	£	£
Increase in cash in the period	2,998,913		1,436,986
Net cash (inflow) from/outflow from debenture loans	(513,500)		91,123
Net cash outflow from bank loans	8,917,956		2,432,062
Cash outflow in respect of hire purchase	1,694		2,975
Cash (inflow) from directors' long- term loans	(5,267,101)		—
	<u>6,137,962</u>		<u>3,963,146</u>
Change in net debt	6,137,962		3,963,146
Net debt at 1 December 2007	(17,137,627)		(21,100,773)
Net debt at 30 November 2008	<u>(10,999,665)</u>		<u>(17,137,627)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Dec 2007 £	Cash flows £	At 30 Nov 2008 £
Net cash:			
Cash in hand and at bank	4,271,703	2,998,913	7,270,616
Debt:			
Debt due within 1 year	(3,370,154)	464,228	(2,905,926)
Debt due after 1 year	(18,037,482)	2,673,127	(15,364,355)
Hire purchase agreements	(1,694)	1,694	—
	<u>(21,409,330)</u>	<u>3,139,049</u>	<u>(18,270,281)</u>
Net debt	<u>(17,137,627)</u>	<u>6,137,962</u>	<u>(10,999,665)</u>

27. ULTIMATE PARENT COMPANY

The company's ultimate parent company is PCT Healthcare (Holdings) Limited, registered in England and Wales,