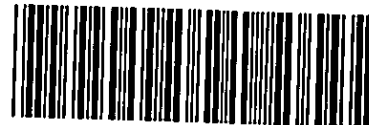


COMPANY REGISTRATION NUMBER 1768840

PCT HEALTHCARE LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2010

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COMPANIES HOUSE

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

PCT HEALTHCARE LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

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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 & Statutory Auditor 77 Corporation Street St Helens Merseyside WA10 1SX

PCT HEALTHCARE LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2010

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2010

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

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 2009/10 resulted in the branch network increasing from 48 branches to 49 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 has been maintained at 33% in the year to November 2010, reflecting a similar remuneration structure from the Department of Health and an increase in script growth in line with company expectations and the national average

Staff remain the greatest asset, but also the largest cost to the company, amounting to £8.7m in 2010 and £8.9m in 2009. Staff costs as a percentage of turnover were 17% in 2009 and 16% in 2010

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 2010 PBIT cover, (being Profit before interest, depreciation, exceptional items and tax over net interest costs) was 14 compared to 8 in 2009. Company shareholders will note that the company made a profit after tax of £1.5m. In the forthcoming year the script growth is expected to increase at a reduced rate. Also, the expected turnover is anticipated to reflect the overall level of government funding to pharmacy

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,502,515. The directors have not recommended a dividend

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

PCT HEALTHCARE LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2010

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 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 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.

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.

EMPLOYEE INVOLVEMENT

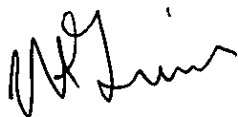
Information on matters of concern to employees is given through internal bulletins and a website which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance. Arrangements exist to consult and discuss with employees on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

PCT HEALTHCARE LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2010

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 15/8/11

PCT HEALTHCARE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PCT HEALTHCARE LIMITED
YEAR ENDED 30 NOVEMBER 2010

We have audited the financial statements of PCT Healthcare Limited for the year ended 30 November 2010 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and the related notes. 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 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 (APB'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 directors, and the overall presentation of the financial statements.

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 30 November 2010 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

PCT HEALTHCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PCT HEALTHCARE LIMITED *(continued)*

YEAR ENDED 30 NOVEMBER 2010

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



DAVID WILLIAMS (Senior Statutory Auditor)
For and on behalf of
ABRAMS ASHTON
Chartered Accountants & Statutory Auditor

77 Corporation Street
St Helens
Merseyside
WA10 1SX

15 August 2011

PCT HEALTHCARE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2010

	Note	2010 £	2009 £
TURNOVER	2	54,972,981	53,979,588
Cost of sales		<u>(37,079,457)</u>	<u>(36,360,918)</u>
GROSS PROFIT		17,893,524	17,618,670
Administrative expenses		<u>(14,862,438)</u>	<u>(14,579,948)</u>
Other operating income		<u>148,021</u>	<u>160,244</u>
OPERATING PROFIT	3	3,179,107	3,198,966
Income from shares in group undertakings	6	169,800	148,575
Interest receivable	7	7,533	36,075
Amounts written off investments	8	—	(13)
Interest payable and similar charges	9	<u>(512,619)</u>	<u>(842,033)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,843,821	2,541,570
Tax on profit on ordinary activities	10	<u>(1,341,306)</u>	<u>(1,232,467)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,502,515</u>	<u>1,309,103</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 10 to 23 form part of these financial statements

PCT HEALTHCARE LIMITED

BALANCE SHEET

30 NOVEMBER 2010

	Note	2010 £	2009 £
FIXED ASSETS			
Intangible assets	11	13,890,175	15,901,186
Tangible assets	12	2,713,435	5,890,827
Investments	13	121,505	121,504
		<u>16,725,115</u>	<u>21,913,517</u>
CURRENT ASSETS			
Stocks	14	2,936,646	2,787,204
Debtors	15	26,771,775	12,713,712
Cash at bank and in hand		1,214,857	1,868,843
		<u>30,923,278</u>	<u>17,369,759</u>
CREDITORS. Amounts falling due within one year	16	<u>(35,597,539)</u>	<u>(25,357,480)</u>
NET CURRENT LIABILITIES		<u>(4,674,261)</u>	<u>(7,987,721)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,050,854</u>	<u>13,925,796</u>
CREDITORS: Amounts falling due after more than one year	17	(8,237,914)	(11,634,468)
PROVISIONS FOR LIABILITIES			
Deferred taxation	18	<u>(140,717)</u>	<u>(121,620)</u>
		<u>3,672,223</u>	<u>2,169,708</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	263,006	263,006
Profit and loss account	23	3,409,217	1,906,702
SHAREHOLDERS' FUNDS	24	<u>3,672,223</u>	<u>2,169,708</u>

These financial statements were approved by the directors and authorised for issue on 15/8/11, and are signed on their behalf by



G A Tims
Director

Company Registration Number 1768840

The notes on pages 10 to 23 form part of these financial statements

PCT HEALTHCARE LIMITED
CASH FLOW STATEMENT
YEAR ENDED 30 NOVEMBER 2010

	Note	2010 £	£	2009 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	25		2,405,971		4,890,847
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	25		(335,286)		(657,383)
TAXATION	25		(1,051,215)		(728,941)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	25		(422,622)		(3,651,905)
ACQUISITIONS AND DISPOSALS	25		(1,326,013)		—
CASH OUTFLOW BEFORE FINANCING			(729,165)		(147,382)
FINANCING	25		(2,811,348)		(5,254,391)
DECREASE IN CASH	25		<u>(3,540,513)</u>		<u>(5,401,773)</u>

The notes on pages 10 to 23 form part of these financial statements

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention 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 400 of the Companies Act 2006, 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

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

1. ACCOUNTING POLICIES *(continued)*

1.8 Investment properties

No depreciation is provided on the company's investment properties. In accordance with SSAP 19 'Accounting for Investment Properties', they are included in the balance sheet at their open market value at the year end, as valued annually by the directors. Increases or decreases in the value of the properties are taken to the investment property revaluation reserve.

Depreciation is not provided on the properties. This treatment may be a requirement of the Companies Act 2006 concerning depreciation of fixed assets. However, the properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy is therefore necessary to give a true and fair view.

1.9 Stocks

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

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 2010

1. ACCOUNTING POLICIES *(continued)*

1.13 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 2006 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 £1,320,000 (2009 £Nil).

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

	2010 £	2009 £
United Kingdom	<u>54,972,981</u>	<u>53,979,588</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Amortisation of intangible assets	3,337,023	3,272,720
Depreciation of owned fixed assets	380,042	288,883
(Profit)/Loss on disposal of fixed assets	(345)	2,074
Operating lease rentals - land and buildings	680,611	666,233
Auditor's remuneration	<u>31,300</u>	<u>31,300</u>

	2010 £	2009 £
Auditor's remuneration - audit of the financial statements	<u>31,300</u>	<u>31,300</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

4. PARTICULARS OF EMPLOYEES

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

	2010	2009
	No	No
Number of administrative staff	19	22
Number of management staff	4	4
Pharmacists, counter staff and drivers	400	388
	<u>423</u>	<u>414</u>

The aggregate payroll costs of the above were

	2010	2009
	£	£
Wages and salaries	7,483,517	7,355,410
Social security costs	547,795	592,535
Other pension costs	89,681	96,574
	<u>8,120,993</u>	<u>8,044,519</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2010	2009
	£	£
Aggregate remuneration	<u>609,497</u>	<u>857,782</u>

Remuneration of highest paid director:

	2010	2009
	£	£
Total remuneration (excluding pension contributions)	<u>228,857</u>	<u>267,871</u>

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2010	2009
	£	£
Income from group undertakings	<u>169,800</u>	<u>148,575</u>

7. INTEREST RECEIVABLE

	2010	2009
	£	£
Bank interest receivable	6,466	26,156
Other interest receivable	1,067	9,919
	<u>7,533</u>	<u>36,075</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

8. AMOUNTS WRITTEN OFF INVESTMENTS

	2010 £	2009 £
Amount written off investments	<u>—</u>	<u>13</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Interest payable on bank borrowing	229	1,704
Interest on bank loans	138,917	180,821
Other interest payable	373,473	659,508
	<u>512,619</u>	<u>842,033</u>

10. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2010 £	2009 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year	1,323,525	1,200,349
Over/under provision in prior year	(273)	(5,876)
	<u>1,323,252</u>	<u>1,194,473</u>
Other adjustments	(1,043)	—
Total current tax	<u>1,322,209</u>	<u>1,194,473</u>
Deferred tax		
Origination and reversal of timing differences (note 18)		
Capital allowances	19,097	37,994
Tax on profit on ordinary activities	<u>1,341,306</u>	<u>1,232,467</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

10 TAXATION ON ORDINARY ACTIVITIES *(continued)*

(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 28% (2009 - 28%)

	2010 £	2009 £
Profit on ordinary activities before taxation	<u>2,843,821</u>	<u>2,541,570</u>
Profit on ordinary activities by rate of tax	796,270	711,639
Expenses not deductible for tax purposes (primarily goodwill amortisation)	544,724	527,709
Capital allowances for period in excess of depreciation	(18,860)	(38,999)
Adjustments to tax charge in respect of previous periods	(273)	(5,876)
Fixed asset acquisitions from subsidiaries	348	-
Total current tax (note 10(a))	<u>1,322,209</u>	<u>1,194,473</u>

11 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 December 2009	33,674,130
Transfers	<u>1,326,012</u>
At 30 November 2010	<u>35,000,142</u>
AMORTISATION	
At 1 December 2009	17,772,944
Charge for the year	<u>3,337,023</u>
At 30 November 2010	<u>21,109,967</u>
NET BOOK VALUE	
At 30 November 2010	<u>13,890,175</u>
At 30 November 2009	<u>15,901,186</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

12. TANGIBLE FIXED ASSETS

	Investment Property £	Short Leasehold Property £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Improvements to Property £	Total £
COST						
At 1 Dec 2009	3,220,317	1,421,744	3,023,472	139,297	155,757	7,960,587
Additions	–	–	407,877	18,121	–	425,998
Disposals	–	–	–	(12,203)	–	(12,203)
Transfers	(3,220,317)	–	–	–	–	(3,220,317)
At 30 Nov 2010	<u>–</u>	<u>1,421,744</u>	<u>3,431,349</u>	<u>145,215</u>	<u>155,757</u>	<u>5,154,065</u>
DEPRECIATION						
At 1 Dec 2009	–	334,586	1,609,614	70,681	54,879	2,069,760
Charge for the year	–	74,359	269,181	20,926	15,576	380,042
On disposals	–	–	–	(9,172)	–	(9,172)
At 30 Nov 2010	<u>–</u>	<u>408,945</u>	<u>1,878,795</u>	<u>82,435</u>	<u>70,455</u>	<u>2,440,630</u>
NET BOOK VALUE						
At 30 Nov 2010	<u>–</u>	<u>1,012,799</u>	<u>1,552,554</u>	<u>62,780</u>	<u>85,302</u>	<u>2,713,435</u>
At 30 Nov 2009	<u>3,220,317</u>	<u>1,087,158</u>	<u>1,413,858</u>	<u>68,616</u>	<u>100,878</u>	<u>5,890,827</u>

13. INVESTMENTS

	Shares in group companies brought forward £
Cost	
Balance brought forward	121,504
Additions	1,428,413
Transfers	(1,428,412)
Balance carried forward	<u>121,505</u>
Net book value	
Balance carried forward	<u>121,505</u>
Balance brought forward	<u>121,504</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

13. INVESTMENTS *(continued)*

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

	2010 £	2009 £
Aggregate capital and reserves		
Grasmere Leigh Ltd	230,915	231,593
Profit for the year		
Grasmere Leigh Ltd	199,322	201,548

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

C&C Familycare Ltd
TV Pharmacy Ltd
Television Pharmacy Ltd
Telepharm Ltd
Freephone Pharmacy Ltd
Staveley Pharmacy Ltd
Paul Benson Ltd
Cooper's Chemist Ltd

Under the provision of section 400 of the Companies Act 2006 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

	2010 £	2009 £
Finished goods	<u>2,936,646</u>	<u>2,787,204</u>

15 DEBTORS

	2010 £	2009 £
Trade debtors	4,913,303	4,955,730
Amounts owed by group undertakings	21,007,288	6,960,796
Other debtors	552,549	477,589
Prepayments and accrued income	298,635	319,597
	<u>26,771,775</u>	<u>12,713,712</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

16 CREDITORS: Amounts falling due within one year

	2010 £	2009 £
Other loans	254,900	239,022
Other taxes and social security costs	297,811	348,084
Bank loans and overdrafts	4,460,058	1,142,400
Trade creditors	5,507,533	5,299,137
Amounts owed to group undertakings	11,585,155	15,886,719
Corporation tax	390,405	119,411
Other creditors	1,728	14,962
Directors' loan accounts	12,920,725	2,080,485
Accruals and deferred income	179,224	227,260
	<u>35,597,539</u>	<u>25,357,480</u>

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

	2010 £	2009 £
Bank loans and overdrafts	4,460,058	1,142,400
Other loans	13,175,625	2,319,507
	<u>17,635,683</u>	<u>3,461,907</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

	2010 £	2009 £
Other loans	111,204	366,103
Bank loans and overdrafts	7,158,775	8,081,748
Directors' loan accounts	967,935	3,186,617
	<u>8,237,914</u>	<u>11,634,468</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	2010 £	2009 £
Bank loans and overdrafts	7,158,775	8,081,748
Other loans	1,079,139	3,552,720
	<u>8,237,914</u>	<u>11,634,468</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.

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

17. CREDITORS: Amounts falling due after more than one year *(continued)*

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

	2010 £	2009 £
Bank loans and overdrafts	<u>440,247</u>	<u>3,512,148</u>

The company has a number of bank loans ranging from 3 to 10 years with interest being payable at 2.5% above LIBOR or 1% above bank base rate

18. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2010 £	2009 £
Provision brought forward	121,620	83,626
Profit and loss account movement arising during the year	<u>19,097</u>	<u>37,994</u>
Provision carried forward	<u>140,717</u>	<u>121,620</u>

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

	2010 £	2009 £
Excess of taxation allowances over depreciation on fixed assets	<u>140,717</u>	<u>121,620</u>
	<u>140,717</u>	<u>121,620</u>

19. 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

20. TRANSACTIONS WITH THE DIRECTORS

The company occupied premises owned by Mr P and Mrs A J Cattee. Rent paid during the year in respect of these properties amounted to £18,250 (2009 £18,250)

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

The company is controlled by its directors

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

	2010 £	2009 £
G A Tims	3,199,889	1,321,251
A D Parker	2,833,761	716,125
P Cattee	7,855,010	3,229,726
Total	<u>13,888,660</u>	<u>5,267,102</u>

Included within creditors at the balance sheet date is a loan totalling £366,104 (2009 £605,125) from the A D Parker Discretionary Settlement Trust

During the year the company paid interest to the directors and the A D Parker Discretionary Settlement Trust totalling £334,987 (2009 £591,547) and £38,486 (2009 £67,961), respectively

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

22. SHARE CAPITAL

Authorised share capital:

	2010 £	2009 £
263,006 Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>

Allotted, called up and fully paid:

	2010 No	£	2009 No	£
263,006 Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>

23. RESERVES

	Profit and loss account £
Balance brought forward	1,906,702
Profit for the year	<u>1,502,515</u>
Balance carried forward	<u>3,409,217</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit for the financial year	1,502,515	1,309,103
Opening shareholders' funds	2,169,708	860,605
Closing shareholders' funds	<u>3,672,223</u>	<u>2,169,708</u>

25. NOTES TO THE CASH FLOW STATEMENT

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

	2010 £	2009 £
Operating profit	3,179,107	3,198,966
Amortisation	3,337,023	3,272,720
Depreciation	380,042	330,576
(Profit)/Loss on disposal of fixed assets	(345)	2,074
(Increase)/decrease in stocks	(149,442)	2,300
(Increase)/decrease in debtors	(3,058,063)	387,278
Decrease in creditors	(4,502,668)	(2,450,394)
Transfer of assets to group companies	3,220,317	147,327
Net cash inflow from operating activities	<u>2,405,971</u>	<u>4,890,847</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2010 £	2009 £
Income from group undertakings	169,800	148,575
Interest received	7,533	36,075
Interest paid	(512,619)	(842,033)
Net cash outflow from returns on investments and servicing of finance	<u>(335,286)</u>	<u>(657,383)</u>

TAXATION

	2010 £	2009 £
Taxation	<u>(1,051,215)</u>	<u>(728,941)</u>

CAPITAL EXPENDITURE

	2010 £	2009 £
Payments to acquire tangible fixed assets	(425,998)	(3,651,905)
Receipts from sale of fixed assets	3,376	-
Net cash outflow from capital expenditure	<u>(422,622)</u>	<u>(3,651,905)</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2010

25. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ACQUISITIONS AND DISPOSALS

	2010 £	2009 £
Acquisition of shares in group undertakings	(1,326,013)	—
Net cash outflow from acquisitions and disposals	<u>(1,326,013)</u>	<u>—</u>

FINANCING

	2010 £	2009 £
Repayment of debenture loans	(239,021)	(239,875)
New bank loans	1,000,000	—
Repayment of bank loans	(1,491,842)	(2,934,032)
Repayment of directors' long-term loans	<u>(2,080,485)</u>	<u>(2,080,484)</u>
Net cash outflow from financing	<u>(2,811,348)</u>	<u>(5,254,391)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010 £	2009 £
Decrease in cash in the period	(3,540,513)	(5,401,773)
Net cash outflow from debenture loans	239,021	239,875
Net cash outflow from bank loans	491,842	2,934,032
Cash outflow from directors' long-term loans	<u>2,080,485</u>	<u>2,080,484</u>
Change in net debt resulting from cash flows	(729,165)	(147,382)
Non-cash adj to L/T Directors loans	<u>138,197</u>	<u>—</u>
Movement in net debt in the period	<u>(590,968)</u>	<u>(147,382)</u>
Net debt at 1 December 2009	<u>(11,147,047)</u>	<u>(10,999,665)</u>
Net debt at 30 November 2010	<u>(11,738,015)</u>	<u>(11,147,047)</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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25. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Dec 2009 £	Cash flows £	Other changes £	At 30 Nov 2010 £
Net cash				
Cash in hand and at bank	1,868,843	(653,986)	—	1,214,857
Overdrafts	—	(2,886,527)	—	(2,886,527)
	<u>1,868,843</u>	<u>(3,540,513)</u>	<u>—</u>	<u>(1,671,670)</u>
Debt				
Debt due within 1 year	(1,381,422)	(447,009)	—	(1,828,431)
Debt due after 1 year	(11,634,468)	3,258,357	138,197	(8,237,914)
	<u>(13,015,890)</u>	<u>2,811,348</u>	<u>138,197</u>	<u>(10,066,345)</u>
Net debt	<u>(11,147,047)</u>	<u>(729,165)</u>	<u>138,197</u>	<u>(11,738,015)</u>

26. ULTIMATE PARENT COMPANY

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