

COMPANY REGISTRATION NUMBER 01768840

PCT HEALTHCARE LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2012

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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 2012

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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 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2012

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. The branch network has remained at 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 increased from 31.7% in 2011 to 36.2% in 2012. During the course of the year a significant number of high value patented products came off patent becoming generic resulting in both sales and purchase prices being significantly reduced

Staff remain the greatest asset, but also the largest cost to the company, amounting to £8.7m in 2012 and £8.4m in 2011. Staff costs as a percentage of turnover were 16% in 2011 and 17% in 2012

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 2012 PBIT cover, (being Profit before interest, depreciation, exceptional items and tax over net interest costs) was 47 compared to 16 in 2011. Company shareholders will note that the company made a profit after tax of £2.4m. In the forthcoming year the company does not expect profitability to change significantly from current levels

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,429,782. 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 2012

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 year.

In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

POST BALANCE SHEET EVENT

Since the year end the company has acquired three new pharmacy branches for a consideration of £4.4m.

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

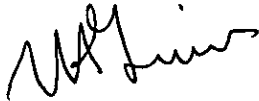
Information on matters of concern to employees is given through internal bulletins and a website which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance. Arrangements exist to consult and discuss with employees on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

PCT HEALTHCARE LIMITED
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 30 NOVEMBER 2012

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 28/8/13

PCT HEALTHCARE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PCT HEALTHCARE LIMITED
YEAR ENDED 30 NOVEMBER 2012

We have audited the financial statements of PCT Healthcare Limited for the year ended 30 November 2012 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (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 the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 November 2012 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 2012

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

 FCA

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

77 Corporation Street
St Helens
Merseyside
WA10 1SX

28/8/13

PCT HEALTHCARE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2012

	Note	2012 £	2011 £
TURNOVER	2	50,530,154	52,865,925
Cost of sales		<u>(32,240,188)</u>	<u>(36,107,107)</u>
GROSS PROFIT		18,289,966	16,758,818
Administrative expenses		<u>(14,590,216)</u>	<u>(15,068,062)</u>
Other operating income		<u>25,200</u>	<u>105,200</u>
OPERATING PROFIT	3	3,724,950	1,795,956
Income from shares in group undertakings	6	—	169,800
Interest receivable	7	24,587	44,596
Interest payable and similar charges	8	<u>(139,117)</u>	<u>(326,307)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,610,420	1,684,045
Tax on profit on ordinary activities	9	<u>(1,180,638)</u>	<u>(868,305)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,429,782</u>	<u>815,740</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 21 form part of these financial statements

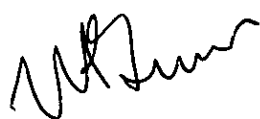
PCT HEALTHCARE LIMITED

BALANCE SHEET

30 NOVEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Intangible assets	10	8,481,898	10,865,556
Tangible assets	11	2,747,417	2,881,916
Investments	12	<u>397,093</u>	<u>121,505</u>
		11,626,408	13,868,977
CURRENT ASSETS			
Stocks	13	3,044,421	3,049,598
Debtors	14	27,393,542	26,717,453
Cash at bank and in hand		<u>6,780,238</u>	<u>849,713</u>
		37,218,201	30,616,764
CREDITORS: Amounts falling due within one year	15	<u>(37,484,672)</u>	<u>(33,884,885)</u>
NET CURRENT LIABILITIES		<u>(266,471)</u>	<u>(3,268,121)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,359,937	10,600,856
CREDITORS: Amounts falling due after more than one year	16	(4,328,648)	(5,983,575)
PROVISIONS FOR LIABILITIES			
Deferred taxation	17	<u>(113,544)</u>	<u>(129,318)</u>
		<u>6,917,745</u>	<u>4,487,963</u>
CAPITAL AND RESERVES			
Called-up equity share capital	20	263,006	263,006
Profit and loss account	21	<u>6,654,739</u>	<u>4,224,957</u>
SHAREHOLDERS' FUNDS	22	<u>6,917,745</u>	<u>4,487,963</u>

These financial statements were approved by the directors and authorised for issue on 28/8/13, and are signed on their behalf by



G A Tims
Director

Company Registration Number 01768840

The notes on pages 10 to 21 form part of these financial statements

PCT HEALTHCARE LIMITED
CASH FLOW STATEMENT
YEAR ENDED 30 NOVEMBER 2012

	Note	2012 £	£	2011 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	23		5,413,163		5,425,967
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	23		(114,530)		(111,911)
TAXATION	23		(979,704)		(990,405)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	23		(299,825)		(603,988)
ACQUISITIONS AND DISPOSALS	23		(275,588)		—
CASH INFLOW BEFORE FINANCING			<u>3,743,516</u>		<u>3,719,663</u>
FINANCING	23		(1,766,131)		(2,330,573)
INCREASE IN CASH	23		<u>1,977,385</u>		<u>1,389,090</u>

The notes on pages 10 to 21 form part of these financial statements

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

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
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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

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

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

1 ACCOUNTING POLICIES *(continued)*

1.9 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

1.10 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.

1.11 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.

1.12 Investments

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

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:

	2012 £	2011 £
United Kingdom	<u>50,530,154</u>	<u>52,865,925</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Amortisation of intangible assets	2,383,658	3,024,619
Depreciation of owned fixed assets	422,494	435,551
Loss/(Profit) on disposal of fixed assets	886	(44)
Operating lease rentals - land and buildings	720,349	728,741
Auditor's remuneration - audit of the financial statements	22,000	22,000
Auditor's remuneration - other accountancy fees	<u>9,700</u>	<u>9,500</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

4. PARTICULARS OF EMPLOYEES

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

	2012	2011
	No	No
Number of administrative staff	20	20
Number of management staff	4	4
Pharmacists, counter staff and drivers	407	401
	<u>431</u>	<u>425</u>

The aggregate payroll costs of the above were

	2012	2011
	£	£
Wages and salaries	7,919,056	7,665,747
Social security costs	647,412	635,820
Other pension costs	102,269	98,295
	<u>8,668,737</u>	<u>8,399,862</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011
	£	£
Aggregate remuneration	<u>451,238</u>	<u>461,079</u>

Remuneration of highest paid director.

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	<u>168,156</u>	<u>176,193</u>

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2012	2011
	£	£
Income from group undertakings	<u>-</u>	<u>169,800</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

7. INTEREST RECEIVABLE

	2012	2011
	£	£
Bank interest receivable	11,462	9,588
Other interest receivable	<u>13,125</u>	<u>35,008</u>
	<u>24,587</u>	<u>44,596</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Interest on bank loans	123,299	144,303
Other interest payable	<u>15,818</u>	<u>182,004</u>
	<u>139,117</u>	<u>326,307</u>

9. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2012	2011
	£	£
Current tax:		
In respect of the year		
UK Corporation tax based on the results for the year	<u>1,196,412</u>	<u>879,704</u>
Total current tax	1,196,412	879,704
Deferred tax		
Origination and reversal of timing differences (note 17)		
Capital allowances	<u>(15,774)</u>	<u>(11,399)</u>
Tax on profit on ordinary activities	<u>1,180,638</u>	<u>868,305</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

9. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 24 67% (2011 - 26 67%)

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>3,610,420</u>	<u>1,684,045</u>
Profit on ordinary activities by rate of tax	890,691	449,135
Expenses not deductible for tax purposes (primarily goodwill amortisation)	296,434	419,170
Capital allowances for period in excess of depreciation	<u>9,287</u>	<u>11,399</u>
Total current tax (note 9(a))	<u>1,196,412</u>	<u>879,704</u>

10. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 December 2011 and 30 November 2012	<u>35,000,142</u>
AMORTISATION	
At 1 December 2011	24,134,586
Charge for the year	<u>2,383,658</u>
At 30 November 2012	<u>26,518,244</u>
NET BOOK VALUE	
At 30 November 2012	<u>8,481,898</u>
At 30 November 2011	<u>10,865,556</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

11. TANGIBLE FIXED ASSETS

	Short Leasehold Property £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Improvements to Property £	Total £
COST					
At 1 December 2011	1,512,573	3,924,548	147,093	169,764	5,753,978
Additions	68,682	186,864	56,063	—	311,609
Disposals	—	—	(46,407)	—	(46,407)
Transfers	—	—	(22,251)	—	(22,251)
At 30 November 2012	<u>1,581,255</u>	<u>4,111,412</u>	<u>134,498</u>	<u>169,764</u>	<u>5,996,929</u>
DEPRECIATION					
At 1 December 2011	482,003	2,207,117	95,511	87,431	2,872,062
Charge for the year	62,486	322,024	21,008	16,976	422,494
On disposals	—	—	(33,737)	—	(33,737)
Transfers	—	—	(11,307)	—	(11,307)
At 30 November 2012	<u>544,489</u>	<u>2,529,141</u>	<u>71,475</u>	<u>104,407</u>	<u>3,249,512</u>
NET BOOK VALUE					
At 30 November 2012	<u>1,036,766</u>	<u>1,582,271</u>	<u>63,023</u>	<u>65,357</u>	<u>2,747,417</u>
At 30 November 2011	<u>1,030,570</u>	<u>1,717,431</u>	<u>51,582</u>	<u>82,333</u>	<u>2,881,916</u>

12. INVESTMENTS

	Subsidiary undertaking shares £
COST	
At 1 December 2011	121,505
Additions	275,588
At 30 November 2012	<u>397,093</u>
NET BOOK VALUE	
At 30 November 2012	<u>397,093</u>
At 30 November 2011	<u>121,505</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

12. INVESTMENTS *(continued)*

The company owns 100% (2011 84.9%) of the issued share capital of Grasmere Leigh Ltd, that trades as a retail pharmacy

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

13. STOCKS

	2012 £	2011 £
Finished goods	<u>3,044,421</u>	<u>3,049,598</u>

14. DEBTORS

	2012 £	2011 £
Trade debtors	4,462,337	4,813,021
Amounts owed by group undertakings	21,907,442	21,003,298
Other debtors	619,550	592,053
Prepayments and accrued income	404,213	309,081
	<u>27,393,542</u>	<u>26,717,453</u>

15. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Other loans	—	111,204
Other taxes and social security costs	224,317	252,154
Bank loans and overdrafts	6,726,426	2,773,286
Trade creditors	4,724,205	4,416,222
Amounts owed to group undertakings	15,337,282	14,644,097
Corporation tax	496,412	279,704
Directors' loan accounts	9,808,375	11,223,145
Accruals and deferred income	167,655	185,073
	<u>37,484,672</u>	<u>33,884,885</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

15. CREDITORS: Amounts falling due within one year *(continued)*

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

	2012 £	2011 £
Bank loans and overdrafts	6,726,426	2,773,286
Other loans	<u>9,808,375</u>	<u>11,223,145</u>
	<u>16,534,801</u>	<u>13,996,431</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

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

	2012 £	2011 £
Bank loans and overdrafts	<u>4,328,648</u>	<u>5,983,575</u>

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

	2012 £	2011 £
Bank loans and overdrafts	<u>4,328,648</u>	<u>5,983,575</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 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

17. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2012 £	2011 £
Provision brought forward	129,318	140,717
Profit and loss account movement arising during the year	<u>(15,774)</u>	<u>(11,399)</u>
Provision carried forward	<u>113,544</u>	<u>129,318</u>

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

	2012 £	2011 £
Excess of taxation allowances over depreciation on fixed assets	<u>113,544</u>	<u>129,318</u>
	<u>113,544</u>	<u>129,318</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

18. COMMITMENTS UNDER OPERATING LEASES

At 30 November 2012 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings	
	2012	2011
	£	£
Operating leases which expire		
Within 1 year	10,125	14,250
Within 2 to 5 years	136,603	87,603
After more than 5 years	596,756	606,306
	<u>743,484</u>	<u>708,159</u>

19. RELATED PARTY TRANSACTIONS

The company is controlled by its directors

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

	2012	2011
	£	£
G A Tims	2,177,110	2,531,625
A D Parker	2,177,087	2,420,397
P Cattee	5,454,178	6,271,123
Total	<u>9,808,375</u>	<u>11,223,145</u>

Included within creditors at the balance sheet date is a loan totalling £Nil (2011 £111,204) 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 £13,247 (2011 £162,240) and £1,522 (2011 £18,639), respectively

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 (2011 £18,250)

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

20. SHARE CAPITAL

Authorised share capital:

	2012	2011
	£	£
263,006 Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>

PCT HEALTHCARE LIMITED
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20. SHARE CAPITAL *(continued)*

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
263,006 Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>

21. RESERVES

	Profit and loss account £
Balance brought forward	4,224,957
Profit for the year	<u>2,429,782</u>
Balance carried forward	<u>6,654,739</u>

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Profit for the financial year	2,429,782	815,740
Opening shareholders' funds	<u>4,487,963</u>	<u>3,672,223</u>
Closing shareholders' funds	<u>6,917,745</u>	<u>4,487,963</u>

23. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	3,724,950	1,795,956
Amortisation	2,383,658	3,024,619
Depreciation	422,494	435,551
Loss/(Profit) on disposal of fixed assets	886	(44)
Decrease/(increase) in stocks	5,177	(112,952)
(Increase)/decrease in debtors	(676,089)	54,322
(Decrease)/increase in creditors	(458,857)	228,515
Transfer of assets to group companies	10,944	—
Net cash inflow from operating activities	<u>5,413,163</u>	<u>5,425,967</u>

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

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2012 £	2011 £
Income from group undertakings	–	169,800
Interest received	24,587	44,596
Interest paid	<u>(139,117)</u>	<u>(326,307)</u>
Net cash outflow from returns on investments and servicing of finance	<u>(114,530)</u>	<u>(111,911)</u>

TAXATION

	2012 £	2011 £
Taxation	<u>(979,704)</u>	<u>(990,405)</u>

CAPITAL EXPENDITURE

	2012 £	2011 £
Payments to acquire tangible fixed assets	(311,609)	(607,038)
Receipts from sale of fixed assets	11,784	3,050
Net cash outflow from capital expenditure	<u>(299,825)</u>	<u>(603,988)</u>

ACQUISITIONS AND DISPOSALS

	2012 £	2011 £
Acquisition of shares in group undertakings	(275,588)	–
Net cash outflow from acquisitions and disposals	<u>(275,588)</u>	<u>–</u>

FINANCING

	2012 £	2011 £
Repayment of debenture loans	(111,204)	(254,900)
New bank loans	–	500,000
Repayment of bank loans	(1,654,927)	(1,607,738)
Repayment of directors' long-term loans	–	(967,935)
Net cash outflow from financing	<u>(1,766,131)</u>	<u>(2,330,573)</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2012

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2012	2011
	£	£
Increase in cash in the period	1,977,385	1,389,090
Net cash outflow from debenture loans	111,204	254,900
Net cash outflow from bank loans	1,654,927	1,107,738
Cash outflow from directors' long-term loans	—	967,935
	<u>3,743,516</u>	<u>3,719,663</u>
Change in net debt	3,743,516	3,719,663
Net debt at 1 December 2011	(8,018,352)	(11,738,015)
Net debt at 30 November 2012	<u>(4,274,836)</u>	<u>(8,018,352)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Dec 2011	Cash flows	At 30 Nov 2012
	£	£	£
Net cash			
Cash in hand and at bank	849,713	5,930,525	6,780,238
Overdrafts	(1,132,293)	(3,953,140)	(5,085,433)
	<u>(282,580)</u>	<u>1,977,385</u>	<u>1,694,805</u>
Debt			
Debt due within 1 year	(1,752,197)	111,204	(1,640,993)
Debt due after 1 year	(5,983,575)	1,654,927	(4,328,648)
	<u>(7,735,772)</u>	<u>1,766,131</u>	<u>(5,969,641)</u>
Net debt	<u>(8,018,352)</u>	<u>3,743,516</u>	<u>(4,274,836)</u>

24. ULTIMATE PARENT COMPANY

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

25. POST BALANCE SHEET EVENTS

Since the year end the company has acquired three new pharmacy branches for a consideration of £4.4m