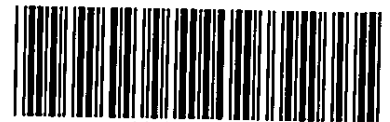


COMPANY REGISTRATION NUMBER 1768840

PCT HEALTHCARE LIMITED
FINANCIAL STATEMENTS
30 NOVEMBER 2009

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28/08/2010

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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 2009

CONTENTS	PAGES
Company information	1
The directors' report	2 to 4
Independent auditor's report to the shareholders	5 to 6
Profit and loss account	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	10 to 23

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 2009

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 November 2009

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 2007/08 resulted in the branch network increasing 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 increased from 30% in the year to November 2008 to 33% in the year to November 2009, reflecting a slightly improved 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 £9m in 2009 and £8.7m in 2008. Staff costs as a percentage of turnover were 17% in 2009 and 2008

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 2009 PBIT cover, (being Profit before interest, depreciation, exceptional items and tax over net interest costs) was 8 compared to 4 in 2008. Company shareholders will note that the company made a profit after tax of £1.3m. Profit and the margin are expected to remain at similar levels over the forthcoming year

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,309,103. 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 2009

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 2009

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 27/8/10

PCT HEALTHCARE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PCT HEALTHCARE LIMITED

YEAR ENDED 30 NOVEMBER 2009

We have audited the financial statements of PCT Healthcare Limited for the year ended 30 November 2009 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 Section 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 2009 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 2009

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

27 August 2010

PCT HEALTHCARE LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2009

	Note	2009 £	2008 £
TURNOVER	2	53,979,588	49,432,294
Cost of sales		<u>(36,360,918)</u>	<u>(34,782,486)</u>
GROSS PROFIT		17,618,670	14,649,808
Administrative expenses		<u>(14,579,948)</u>	<u>(13,282,238)</u>
Other operating income		<u>160,244</u>	<u>279,590</u>
OPERATING PROFIT	3	3,198,966	1,647,160
Attributable to			
Operating profit before exceptional items		3,198,966	447,407
Exceptional items	3	<u>—</u>	<u>1,199,753</u>
		3,198,966	1,647,160
Income from shares in group undertakings	6	148,575	254,700
Interest receivable	7	36,075	276,038
Amounts written off investments	8	(13)	—
Interest payable and similar charges	9	<u>(842,033)</u>	<u>(1,334,551)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,541,570	843,347
Tax on profit on ordinary activities	10	<u>(1,232,467)</u>	<u>(224,940)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,309,103</u>	<u>618,407</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 2009

	Note	2009 £	£	2008 £	£
FIXED ASSETS					
Intangible assets	11	15,901,186		19,173,906	
Tangible assets	12	5,890,827		2,718,899	
Investments	13	121,504		121,517	
		<u>21,913,517</u>		<u>22,014,322</u>	
CURRENT ASSETS					
Stocks	14	2,787,204		2,789,504	
Debtors	15	12,713,712		13,447,111	
Cash at bank and in hand		1,868,843		7,270,616	
		<u>17,369,759</u>		<u>23,507,231</u>	
CREDITORS: Amounts falling due within one year	16	(25,357,480)		(29,212,967)	
NET CURRENT LIABILITIES			<u>(7,987,721)</u>		<u>(5,705,736)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,925,796		16,308,586	
CREDITORS: Amounts falling due after more than one year	17	(11,634,468)		(15,364,355)	
PROVISIONS FOR LIABILITIES					
Deferred taxation	18	(121,620)		(83,626)	
		<u>2,169,708</u>		<u>860,605</u>	
CAPITAL AND RESERVES					
Called-up equity share capital	22	263,006		263,006	
Profit and loss account	23	1,906,702		597,599	
SHAREHOLDERS' FUNDS	24	<u>2,169,708</u>		<u>860,605</u>	

These financial statements were approved by the directors and authorised for issue on 27/11/10, 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 2009

	Note	2009 £	£	2008 £	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	25		4,890,847		12,715,335
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	25		(657,383)		(803,813)
TAXATION	25		(728,941)		635,422
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	25		(3,651,905)		(6,408,982)
ACQUISITIONS AND DISPOSALS	25		—		—
CASH (OUTFLOW)/INFLOW BEFORE FINANCING			(147,382)		6,137,962
FINANCING	25		(5,254,391)		(3,139,049)
(DECREASE)/INCREASE IN CASH	25		<u>(5,401,773)</u>		<u>2,998,913</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 2009

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 2009

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 2009

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 £Nil (2008 £1,521,307)

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

	2009 £	2008 £
United Kingdom	<u>53,979,588</u>	<u>49,432,294</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2009 £	2008 £
Amortisation of intangible assets	3,272,720	3,138,499
Depreciation of owned fixed assets	288,883	324,042
Loss on disposal of fixed assets	2,074	66,584
Operating lease rentals - land and buildings	666,233	632,120
Auditor's remuneration	31,300	29,500
Amounts due to/from group/connected companies written off	<u>—</u>	<u>(1,199,753)</u>
	2009 £	2008 £
Auditor's remuneration - audit of the financial statements	<u>31,300</u>	<u>29,500</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

4. PARTICULARS OF EMPLOYEES

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

	2009	2008
	No	No
Number of administrative staff	22	23
Number of management staff	4	4
Pharmacists, counter staff and drivers	388	385
	<u>414</u>	<u>412</u>

The aggregate payroll costs of the above were

	2009	2008
	£	£
Wages and salaries	7,355,410	7,042,797
Social security costs	592,535	587,665
Other pension costs	96,574	95,534
	<u>8,044,519</u>	<u>7,725,996</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2009	2008
	£	£
Aggregate remuneration	<u>857,782</u>	<u>846,214</u>

Remuneration of highest paid director:

	2009	2008
	£	£
Total remuneration (excluding pension contributions)	<u>267,871</u>	<u>257,986</u>

6. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2009	2008
	£	£
Income from group undertakings	<u>148,575</u>	<u>254,700</u>

7. INTEREST RECEIVABLE

	2009	2008
	£	£
Bank interest receivable	26,156	107,245
Other interest receivable	9,919	168,793
	<u>36,075</u>	<u>276,038</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

8. AMOUNTS WRITTEN OFF INVESTMENTS

	2009	2008
	£	£
Amount written off investments	<u>13</u>	<u>-</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Interest payable on bank borrowing	1,704	3,451
Finance charges	-	287
Interest on bank loans	180,821	1,315,791
Other interest payable	659,508	15,022
	<u>842,033</u>	<u>1,334,551</u>

10. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009		2008
	£	£	£
Current tax			
In respect of the year			
UK Corporation tax based on the results for the year	1,200,349		451,092
Over/under provision in prior year	(5,876)		(95,963)
Total current tax	1,194,473		355,129
Deferred tax			
Origination and reversal of timing differences (note 18)			
Capital allowances	37,994		(120,774)
Other	-		(9,415)
Total deferred tax (note 18)	37,994		(130,189)
Tax on profit on ordinary activities	<u>1,232,467</u>		<u>224,940</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

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% (2008 - 28.66%)

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>2,541,570</u>	<u>843,347</u>
Profit on ordinary activities by rate of tax	711,639	241,703
Expenses not deductible for tax purposes (primarily goodwill amortisation)	527,709	558,564
Capital allowances for period in excess of depreciation	(38,999)	(15,657)
Adjustments to tax charge in respect of previous periods	(5,876)	(95,963)
Property disposals	-	4,816
Fixed asset acquisitions from subsidiaries	-	5,515
Amounts due to/from group/connected companies written off	-	(343,849)
Total current tax (note 10(a))	<u>1,194,473</u>	<u>355,129</u>

11. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 December 2008 and 30 November 2009	<u>33,674,130</u>
AMORTISATION	
At 1 December 2008	14,500,224
Charge for the year	<u>3,272,720</u>
At 30 November 2009	<u>17,772,944</u>
NET BOOK VALUE	
At 30 November 2009	<u>15,901,186</u>
At 30 November 2008	<u>19,173,906</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

12. TANGIBLE FIXED ASSETS

	Investment Property £	Short Leasehold Property £	Fixtures, Fittings & Equipment £	Motor Vehicles £	Improvements to Property £	Total £
COST						
At 1 Dec 2008	–	1,421,744	2,642,484	120,337	316,825	4,501,390
Additions	3,220,317	–	380,988	22,648	27,952	3,651,905
Disposals	–	–	–	(3,688)	–	(3,688)
Transfers	–	–	–	–	(189,020)	(189,020)
At 30 Nov 2009	3,220,317	1,421,744	3,023,472	139,297	155,757	7,960,587
DEPRECIATION						
At 1 Dec 2008	–	260,227	1,391,845	49,423	80,996	1,782,491
Charge for the year	–	74,359	217,769	22,872	15,576	330,576
On disposals	–	–	–	(1,614)	–	(1,614)
Transfers	–	–	–	–	(41,693)	(41,693)
At 30 Nov 2009	–	334,586	1,609,614	70,681	54,879	2,069,760
NET BOOK VALUE						
At 30 Nov 2009	3,220,317	1,087,158	1,413,858	68,616	100,878	5,890,827
At 30 Nov 2008	–	1,161,517	1,250,639	70,914	235,829	2,718,899

The investment property was valued by the directors as at 30 November 2009

13. INVESTMENTS

	Subsidiary undertaking shares £
COST	
At 1 December 2008	121,517
Disposals	(13)
At 30 November 2009	121,504
NET BOOK VALUE	
At 30 November 2009	121,504
At 30 November 2008	121,517

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

13. INVESTMENTS *(continued)*

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

	2009 £	2008 £
Aggregate capital and reserves		
Grasmere Leigh Ltd	231,593	205,045
Profit for the year		
Grasmere Leigh Ltd	201,548	176,320

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

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

	2009 £	2008 £
Finished goods	<u>2,787,204</u>	<u>2,789,504</u>

15. DEBTORS

	2009 £	2008 £
Trade debtors	4,955,730	4,961,564
Amounts owed by group undertakings	6,960,796	7,348,671
Corporation tax repayable	—	346,121
Other debtors	477,589	499,201
Prepayments and accrued income	319,597	291,554
	<u>12,713,712</u>	<u>13,447,111</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

16. CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Other loans	239,022	239,874
Other taxes and social security costs	348,084	153,469
Bank loans	1,142,400	2,666,052
Trade creditors	5,299,137	4,345,958
Amounts owed to group undertakings	15,886,719	19,258,175
Corporation tax	119,411	—
Other creditors	14,962	94,274
Directors' loan accounts	2,080,485	2,082,147
Accruals and deferred income	227,260	373,018
	<u>25,357,480</u>	<u>29,212,967</u>

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

	2009 £	2008 £
Bank loans	1,142,400	2,666,052
Other loans	2,319,507	2,327,873
	<u>3,461,907</u>	<u>4,993,925</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

	2009 £	2008 £
Other loans	366,103	605,126
Bank loans and overdrafts	8,081,748	9,492,128
Directors' loan accounts	3,186,617	5,267,101
	<u>11,634,468</u>	<u>15,364,355</u>

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

	2009 £	2008 £
Bank loans and overdrafts	8,081,748	9,492,128
Other loans	3,552,720	5,872,227
	<u>11,634,468</u>	<u>15,364,355</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 2009

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

	2009 £	2008 £
Bank loans and overdrafts	<u>3,512,148</u>	<u>5,446,072</u>

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

18. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2009 £	2008 £
Provision brought forward	83,626	213,815
Profit and loss account movement arising during the year	<u>37,994</u>	<u>(130,189)</u>
Provision carried forward	<u>121,620</u>	<u>83,626</u>

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

	2009 £	2008 £
Excess of taxation allowances over depreciation on fixed assets	<u>121,620</u>	<u>83,626</u>
	<u>121,620</u>	<u>83,626</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 (2008 £18,250)

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

21. RELATED PARTY TRANSACTIONS

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

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

	2009 £	2008 £
G A Tims	1,321,251	1,845,000
A D Parker	716,125	1,000,000
P Cattee	<u>3,229,726</u>	<u>4,504,280</u>
Total	<u>5,267,102</u>	<u>7,349,248</u>

Included within creditors at the balance sheet date is a loan totalling £605,125 (2008 £845,000) 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 £591,547 and £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:

	2009 £	2008 £
263,006 Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>

Allotted, called up and fully paid:

	2009 No	£	2008 No	£
263,006 Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

23. RESERVES

	Profit and loss account £
Balance brought forward	597,599
Profit for the year	<u>1,309,103</u>
Balance carried forward	<u>1,906,702</u>

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Profit for the financial year	1,309,103	618,407
Opening shareholders' funds	<u>860,605</u>	<u>242,198</u>
Closing shareholders' funds	<u>2,169,708</u>	<u>860,605</u>

25. NOTES TO THE CASH FLOW STATEMENT

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES**

	2009 £	2008 £
Operating profit	3,198,966	1,647,160
Amortisation	3,272,720	3,138,499
Depreciation	330,576	324,042
Loss on disposal of fixed assets	2,074	66,584
Decrease/(increase) in stocks	2,300	(15,780)
Decrease/(increase) in debtors	387,278	(1,256,497)
(Decrease)/increase in creditors	(2,450,394)	1,067,410
Transfer of assets to group companies	147,327	7,562,139
Transfer of other assets from prior year acquisition	—	181,778
Net cash inflow from operating activities	<u>4,890,847</u>	<u>12,715,335</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2009 £	2008 £
Income from group undertakings	148,575	254,700
Interest received	36,075	276,038
Interest paid	(842,033)	(1,334,264)
Interest element of hire purchase and finance lease	—	(287)
Net cash outflow from returns on investments and servicing of finance	<u>(657,383)</u>	<u>(803,813)</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

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

TAXATION

	2009 £	2008 £
Taxation	<u>(728,941)</u>	<u>635,422</u>

CAPITAL EXPENDITURE

	2009 £	2008 £
Payments to acquire intangible fixed assets	–	(4,630,475)
Payments to acquire tangible fixed assets	<u>(3,651,905)</u>	(1,811,716)
Receipts from sale of fixed assets	–	<u>33,209</u>
Net cash outflow from capital expenditure	<u>(3,651,905)</u>	<u>(6,408,982)</u>

ACQUISITIONS AND DISPOSALS

	2009 £	2008 £
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FINANCING

	2009 £	2008 £
New debenture loans	–	845,000
Repayment of debenture loans	<u>(239,875)</u>	(331,500)
New bank loans	–	4,875,000
Repayment of bank loans	<u>(2,934,032)</u>	(13,792,956)
Capital element of hire purchase and finance lease	–	(1,694)
New directors' long-term loans	–	5,267,101
Repayment of directors' long-term loans	<u>(2,080,484)</u>	–
Net cash outflow from financing	<u>(5,254,391)</u>	<u>(3,139,049)</u>

PCT HEALTHCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2009

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2009		2008
	£	£	£
(Decrease)/increase in cash in the period	(5,401,773)		2,998,913
Net cash outflow from/(inflow) from debenture loans	239,875		(513,500)
Net cash outflow from bank loans	2,934,032		8,917,956
Cash outflow in respect of hire purchase and finance lease	—		1,694
Cash outflow from/(inflow) from directors' long-term loans	2,080,484		(5,267,101)
	<u>(147,382)</u>		<u>6,137,962</u>
Change in net debt	<u>(147,382)</u>		<u>6,137,962</u>
Net debt at 1 December 2008	<u>(10,999,665)</u>		<u>(17,137,627)</u>
Net debt at 30 November 2009	<u>(11,147,047)</u>		<u>(10,999,665)</u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Dec 2008 £	Cash flows £	At 30 Nov 2009 £
Net cash			
Cash in hand and at bank	<u>7,270,616</u>	<u>(5,401,773)</u>	<u>1,868,843</u>
Debt			
Debt due within 1 year	<u>(2,905,926)</u>	<u>1,524,504</u>	<u>(1,381,422)</u>
Debt due after 1 year	<u>(15,364,355)</u>	<u>3,729,887</u>	<u>(11,634,468)</u>
	<u>(18,270,281)</u>	<u>5,254,391</u>	<u>(13,015,890)</u>
Net debt	<u>(10,999,665)</u>	<u>(147,382)</u>	<u>(11,147,047)</u>

26. POST BALANCE SHEET EVENTS

Since the year end the company has acquired one further branch for a consideration of £1.4m and also transferred its investment property to a fellow group company at its book value of £3.2m

27. ULTIMATE PARENT COMPANY

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