

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 30 June 2021
for
Living Care Pharmacy Group Limited



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for the Year Ended 30 June 2021**

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Living Care Pharmacy Group Limited

Company Information
for the Year Ended 30 June 2021

DIRECTORS:

J E Lestner
D A Lestner

REGISTERED OFFICE:

8 Manor Road
Leeds
United Kingdom
West Yorkshire
LS11 9AH

REGISTERED NUMBER:

10208356 (England and Wales)

SENIOR STATUTORY AUDITOR: Richard William Smedley

AUDITORS:

Richard Smedley Limited
Chartered Accountants & Registered Auditors
2nd Floor, Woodside House
261 Low Lane
Horsforth
Leeds
West Yorkshire
LS18 5NY

Living Care Pharmacy Group Limited (Registered number: 10208356)

Group Strategic Report
for the Year Ended 30 June 2021

The directors present their strategic report of the company and the group for the year ended 30 June 2021.

The Living Care Pharmacy Group Limited and its subsidiaries operate a chain of retail pharmacies located within health centres and local communities.

REVIEW OF BUSINESS

The company's key financial performance indicators during the year were as follows.

Turnover £8,505,754 (2020 - £8,013,817)

Operating profit £1,401,961 (2020 - £839,175)

Gross profit percentage 39.79% (2020 - 42.8%)

The group concentrates on the complexities of operating a retail pharmacy business and the specific issues which arise.

The business environment in which we operate continues to be challenging and the market in the UK is highly competitive.

The Living Care Pharmacy Group Limited is committed to a responsible approach to business and seeks to manage the impact of its business activities and, in doing so, makes a positive contribution to the well being of the customers and the communities it operates in.

Living Care Pharmacy Group Limited (Registered number: 10208356)

Group Strategic Report
for the Year Ended 30 June 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The group is subject to a number of key risks which are reviewed in formal meetings, and where appropriate, assessments and procedures are discussed to mitigate their effect.

Key performance indicators

The board monitors progress by reference to a number of key performance indicators, produced alongside monthly management accounts.

Financial risk management

The company and its subsidiaries financial risk analysis implementation is under constant review and is subject to regular appraisal and improvement.

Exposure to risks such as liquidity and interest rate rises have been dealt with and the directors consider that the company and its subsidiaries have a sound base for the future.

Regulation

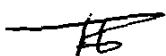
The Living Care Pharmacy Group Limited operates in a highly regulated market and government changes to funding can impact on future results. The directors monitor the situation on an ongoing basis as part of its financial risk management programme.

Going concern

The directors and management have recognised the principal risks and uncertainties which could affect the business and have considered the extent to which they may materialise.

Consequently the group has implemented procedures and policies which will mitigate the risks as much as possible and ensure the company continues to trade throughout these uncertain economic conditions. The group is well placed to deal with the difficulties all companies are incurring during this difficult time.

ON BEHALF OF THE BOARD:



J E Lestner - Director

27 June 2022

Living Care Pharmacy Group Limited (Registered number: 10208356)

Report of the Directors
for the Year Ended 30 June 2021

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2021.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of dispensing pharmacy's. The principle activity of the company is that of a holding company.

DIVIDENDS

An interim dividend of £32.27 per share was paid on 31 March 2021. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 30 June 2021 will be £32,273.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2020 to the date of this report.

J E Lestner

D A Lestner

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

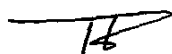
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:



J E Lestner - Director

27 June 2022

Report of the Independent Auditors to the Members of Living Care Pharmacy Group Limited

Opinion

We have audited the financial statements of Living Care Pharmacy Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 June 2021 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Living Care Pharmacy Group Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of Living Care Pharmacy Group Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for Directors' remuneration;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, UK Corporate Governance Code and local tax legislation.

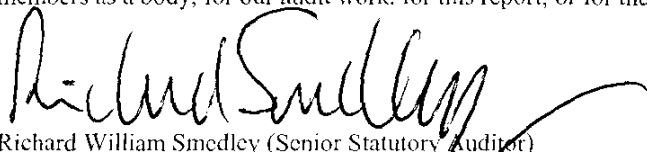
In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Living Care Pharmacy Group Limited**

Use of our report

This report is made solely to the company's members, 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 members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



Richard William Smedley (Senior Statutory Auditor)
for and on behalf of Richard Smedley Limited
Chartered Accountants & Registered Auditors
2nd Floor, Woodside House
261 Low Lane
Horsforth
Leeds
West Yorkshire
LS18 5NY

27 June 2022

Living Care Pharmacy Group Limited (Registered number: 10208356)

Consolidated Income Statement
for the Year Ended 30 June 2021

	Notes	30.6.21 £	30.6.20 £
TURNOVER		8,505,754	8,013,817
Cost of sales		<u>5,121,165</u>	<u>4,577,706</u>
GROSS PROFIT		3,384,589	3,436,111
Distribution costs		1,693,295	2,157,108
Administrative expenses		<u>726,117</u>	<u>677,863</u>
		2,419,412	2,834,971
		965,177	601,140
Other operating income		<u>436,784</u>	<u>238,035</u>
OPERATING PROFIT	4	1,401,961	839,175
Interest payable and similar expenses	5	<u>410,475</u>	<u>377,478</u>
PROFIT BEFORE TAXATION		991,486	461,697
Tax on profit	6	<u>196,250</u>	<u>(34)</u>
PROFIT FOR THE FINANCIAL YEAR		795,236	461,731
Profit attributable to:			
Owners of the parent		<u>795,236</u>	<u>461,731</u>

The notes form part of these financial statements

Living Care Pharmacy Group Limited (Registered number: 10208356)

**Consolidated Other Comprehensive Income
for the Year Ended 30 June 2021**

	Notes	30.6.21 £	30.6.20 £
PROFIT FOR THE YEAR		795,236	461,731
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		795,236	461,731
Total comprehensive income attributable to: Owners of the parent		795,236	461,731


The notes form part of these financial statements

Living Care Pharmacy Group Limited (Registered number: 10208356)

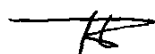
Consolidated Balance Sheet
30 June 2021

	Notes	30.6.21		30.6.20	
		£	£	£	£
FIXED ASSETS					
Intangible assets	9		13,951,033		13,940,833
Tangible assets	10		2,001,003		1,965,308
Investments	11		-		-
			<u>15,952,036</u>		<u>15,906,141</u>
CURRENT ASSETS					
Stocks	12	663,384		825,099	
Debtors	13	9,301,141		8,220,075	
Cash at bank and in hand		256,925		62,566	
			<u>10,221,450</u>		<u>9,107,740</u>
CREDITORS					
Amounts falling due within one year	14	8,550,313		7,491,464	
NET CURRENT ASSETS			<u>1,671,137</u>		<u>1,616,276</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>17,623,173</u>		<u>17,522,417</u>
CREDITORS					
Amounts falling due after more than one year	15		(7,248,360)		(7,953,860)
PROVISIONS FOR LIABILITIES	19		(63,384)		(20,091)
NET ASSETS			<u><u>10,311,429</u></u>		<u><u>9,548,466</u></u>
CAPITAL AND RESERVES					
Called up share capital	20		1,000		1,000
Retained earnings	21		10,310,429		9,547,466
SHAREHOLDERS' FUNDS			<u><u>10,311,429</u></u>		<u><u>9,548,466</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 June 2022 and were signed on its behalf by:



D A Lestner - Director



J E Lestner - Director

The notes form part of these financial statements

Living Care Pharmacy Group Limited (Registered number: 10208356)

Company Balance Sheet

30 June 2021

	Notes	30.6.21 £	£	30.6.20 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		3,853,962		3,853,962
			3,853,962		3,853,962
CURRENT ASSETS					
Debtors	13	1,960,557		832,331	
Cash at bank		1,090		1,090	
		1,961,647		833,421	
CREDITORS					
Amounts falling due within one year	14	2,060,211		899,712	
NET CURRENT LIABILITIES			(98,564)		(66,291)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,755,398		3,787,671
CAPITAL AND RESERVES					
Called up share capital	20		1,000		1,000
Retained earnings	21		3,754,398		3,786,671
SHAREHOLDERS' FUNDS			3,755,398		3,787,671
Company's profit for the financial year			-		-

The financial statements were approved by the Board of Directors and authorised for issue on 27 June 2022 and were signed on its behalf by:



D A Lestner - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2019	-	9,124,735	9,124,735
Changes in equity			
Issue of share capital	1,000	-	1,000
Dividends	-	(39,000)	(39,000)
Total comprehensive income	-	461,731	461,731
Balance at 30 June 2020	<u>1,000</u>	<u>9,547,466</u>	<u>9,548,466</u>
Changes in equity			
Dividends	-	(32,273)	(32,273)
Total comprehensive income	-	795,236	795,236
Balance at 30 June 2021	<u>1,000</u>	<u>10,310,429</u>	<u>10,311,429</u>

Living Care Pharmacy Group Limited (Registered number: 10208356)

Company Statement of Changes in Equity
for the Year Ended 30 June 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2019	-	3,825,671	3,825,671
Changes in equity			
Issue of share capital	1,000	-	1,000
Dividends	-	(39,000)	(39,000)
Balance at 30 June 2020	<u>1,000</u>	<u>3,786,671</u>	<u>3,787,671</u>
Changes in equity			
Dividends	-	(32,273)	(32,273)
Balance at 30 June 2021	<u>1,000</u>	<u>3,754,398</u>	<u>3,755,398</u>

The notes form part of these financial statements

Living Care Pharmacy Group Limited (Registered number: 10208356)

Consolidated Cash Flow Statement
for the Year Ended 30 June 2021

	Notes	30.6.21 £	30.6.20 £
Cash flows from operating activities			
Cash generated from operations	1	857,153	1,302,452
Interest paid		(410,475)	(377,478)
Tax paid		46,037	24,874
Net cash from operating activities		492,715	949,848
Cash flows from investing activities			
Purchase of intangible fixed assets		(10,200)	(42,000)
Purchase of tangible fixed assets		(140,252)	(199,658)
Sale of tangible fixed assets		-	11,828
Net cash from investing activities		(150,452)	(229,830)
Cash flows from financing activities			
Capital repayments in year		42,939	(763,952)
Amount introduced by directors		747,399	191,966
Amount withdrawn by directors		(905,969)	(46,466)
Equity dividends paid		(32,273)	(39,000)
Net cash from financing activities		(147,904)	(657,452)
Increase in cash and cash equivalents		194,359	62,566
Cash and cash equivalents at beginning of year	2	62,566	-
Cash and cash equivalents at end of year	2	256,925	62,566

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.6.21	30.6.20
	£	£
Profit before taxation	991,486	461,697
Depreciation charges	104,557	106,230
Profit on disposal of fixed assets	-	(1,813)
Finance costs	410,475	377,478
	1,506,518	943,592
Decrease/(increase) in stocks	161,715	(82,086)
(Increase)/decrease in trade and other debtors	(1,082,264)	3,030,066
Increase/(decrease) in trade and other creditors	271,184	(2,589,120)
Cash generated from operations	857,153	1,302,452

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 June 2021

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	256,925	62,566

Year ended 30 June 2020

	30.6.20	1.7.19
	£	£
Cash and cash equivalents	62,566	-

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.20	Cash flow	At 30.6.21
	£	£	£
Net cash			
Cash at bank and in hand	62,566	194,359	256,925
	62,566	194,359	256,925
Debt			
Finance leases	(112,325)	44,192	(68,133)
Debts falling due within 1 year	(1,265,094)	(988,246)	(2,253,340)
Debts falling due after 1 year	(7,887,963)	678,912	(7,209,051)
	(9,265,382)	(265,142)	(9,530,524)
Total	(9,202,816)	(70,783)	(9,273,599)

The notes form part of these financial statements

Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2021

1. STATUTORY INFORMATION

Living Care Pharmacy Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the group.

The consolidated financial statements incorporate those of Living Care Pharmacy Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

Basis of consolidation

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from the estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible fixed assets and Intangible assets

The annual depreciation charge for tangible assets and amortisation charge for intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful lives and residual values are re-assessed annually and are amended when necessary to reflect current estimates. No such amendments were deemed necessary during the year ended 30 June 2021. See notes 9 and 10 for the carrying amount of fixed asset and intangible assets, and note 2 for the useful economic lives for each class of asset.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover incorporates script income and over the counter sales and recognises them as part of the revenue at the point of supply.

Goodwill

Purchased goodwill is subject to an annual impairment review, and any change to the useful economic life will be reflected by an amortisation charge.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Short leasehold	- 5% on reducing balance and 5% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Depreciation has not been provided on the freehold properties as it is not considered necessary by the directors. the value of the properties is considered to be in excess of the original cost, which the freehold properties are carried at in the financial statements.

Government grants

Government grants are accounted for under the performance model. In the year under review, a total of £328,585 grants were received by the group.

Stocks

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

Financial instruments

Basic financial instruments are recognised at amortised cost with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Assets held under finance leases are recognised as assets. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement using the effective rate method.

Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021**

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

At the time of approving the financial statements the directors have assessed the future trading position of the group and consider that there is a reasonable expectation that adequate financial resources are available to enable operating activities to be continued for a period of at least twelve months due to the financial support which the directors are committed to provide and with continuing levels of bank facilities. As a consequence, the directors believe that it continues to be appropriate for the financial statements to be prepared on a going concern basis.

Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at fair value.

3. EMPLOYEES AND DIRECTORS

	30.6.21	30.6.20
	£	£
Wages and salaries	1,379,963	1,163,383
Other pension costs	25,719	15,432
	<u>1,405,682</u>	<u>1,178,815</u>

The average number of employees during the year was as follows:

	30.6.21	30.6.20
Employees	<u>69</u>	<u>59</u>

	30.6.21	30.6.20
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	30.6.21	30.6.20
	£	£
Hire of plant and machinery	39,245	44,721
Other operating leases	332,964	262,428
Depreciation - owned assets	104,557	106,230
Profit on disposal of fixed assets	-	(1,813)
Audit fee	6,000	-
Depreciation on assets under finance leases	<u>10,183</u>	<u>13,117</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.21	30.6.20
	£	£
Bank interest	68,229	59,937
Bank loan interest	338,807	312,547
HP Interest	3,439	4,994
	<u>410,475</u>	<u>377,478</u>

6. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	30.6.21	30.6.20
	£	£
Current tax:		
UK corporation tax	(70,496)	-
Deferred tax	266,746	(34)
Tax on profit	<u>196,250</u>	<u>(34)</u>

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.21	30.6.20
	£	£
Profit before tax	<u>991,486</u>	<u>461,697</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	188,382	87,722
Effects of:		
Expenses not deductible for tax purposes	13	6,017
Capital allowances in excess of depreciation	(2,035)	(26,953)
Utilisation of tax losses	(256,856)	(66,786)
Deferred tax	266,746	(34)
Total tax charge/(credit)	<u>196,250</u>	<u>(34)</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	30.6.21	30.6.20
	£	£
Ordinary shares of £1 each		
Interim	<u>32,273</u>	<u>39,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 July 2020	13,940,833
Additions	10,200
At 30 June 2021	<u>13,951,033</u>
NET BOOK VALUE	
At 30 June 2021	<u>13,951,033</u>
At 30 June 2020	<u>13,940,833</u>

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 July 2020	1,280,868	356,223	56,701
Additions	43,620	-	-
At 30 June 2021	<u>1,324,488</u>	<u>356,223</u>	<u>56,701</u>
DEPRECIATION			
At 1 July 2020	-	119,365	50,909
Charge for year	-	15,333	869
At 30 June 2021	<u>-</u>	<u>134,698</u>	<u>51,778</u>
NET BOOK VALUE			
At 30 June 2021	<u>1,324,488</u>	<u>221,525</u>	<u>4,923</u>
At 30 June 2020	<u>1,280,868</u>	<u>236,858</u>	<u>5,792</u>

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021

10. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 July 2020	767,183	165,675	2,626,650
Additions	96,632	-	140,252
At 30 June 2021	863,815	165,675	2,766,902
DEPRECIATION			
At 1 July 2020	401,306	89,762	661,342
Charge for year	69,377	18,978	104,557
At 30 June 2021	470,683	108,740	765,899
NET BOOK VALUE			
At 30 June 2021	393,132	56,935	2,001,003
At 30 June 2020	365,877	75,913	1,965,308

The net book value of assets held under finance leases or HP is £38,378 (2020: £48,561). The depreciation charge for these assets is £10,183 (2020: £13,117).

11. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

	30.6.21	30.6.20
	£	£
Other investments in subsidiaries	3,853,962	3,853,962

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Grandlane Limited

Registered office: 8 Manor Road, Leeds. LS11 9AH

Nature of business: Holding company

Class of shares:	%
Ordinary	holding 100.00

Living Care (Leeds) Limited

Registered office: 8 Manor Road, Leeds, LS11 9AH

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021

11. FIXED ASSET INVESTMENTS - continued

Living Care Limited

Registered office: 8 Manor Road, Leeds, LS11 9AH

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

Living Care Pharmacy (East Leeds) Limited

Registered office: 8 Manor Road, Leeds, LS11 9AH

Nature of business: Dispensing pharmacy

	%
Class of shares:	holding
Ordinary	100.00

Living Care Pharmacy (North Leeds) Limited

Registered office: 8 Manor Road, Leeds, LS11 9AH

Nature of business: Dispensing pharmacy

	%
Class of shares:	holding
Ordinary	100.00

Living Care Pharmacy (South Leeds) Limited

Registered office: 8 Manor Road, Leeds, LS11 9AH

Nature of business: Dispensing pharmacy

	%
Class of shares:	holding
Ordinary	100.00

Living Care Pharmacy (Wakefield) Limited

Registered office: 8 Manor Road, Leeds, LS11 9AH

Nature of business: Dispensing pharmacy

	%
Class of shares:	holding
Ordinary	100.00

Living Care Pharmacy Limited

Registered office: 8 Manor Road, Leeds, LS11 9AH

Nature of business: Dispensing pharmacy

	%
Class of shares:	holding
Ordinary	100.00

Portkeel Limited

Registered office: 8 Manor Road, Leeds, LS11 9AH

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

12. STOCKS

	Group	
	30.6.21	30.6.20
	£	£
Stocks	663,384	825,099
	<hr/> <hr/>	<hr/> <hr/>

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.21	30.6.20	30.6.21	30.6.20
	£	£	£	£
Trade debtors	1,756,649	1,681,132	-	-
Owed by Associated companies	6,980,373	5,952,809	-	-
Amounts owed by group undertakings	-	-	1,960,557	832,331
Other debtors	37,968	7,524	-	-
Deferred tax asset	-	223,453	-	-
Directors' loan accounts	-	1,198	-	-
VAT	193,871	139,823	-	-
Prepayments	332,280	214,136	-	-
	<u>9,301,141</u>	<u>8,220,075</u>	<u>1,960,557</u>	<u>832,331</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.21	30.6.20	30.6.21	30.6.20
	£	£	£	£
Bank loans and overdrafts (see note 16)	2,253,340	1,265,094	1,577,467	845,000
Finance leases (see note 17)	28,824	46,428	-	-
Trade creditors	5,261,008	4,820,648	-	-
Tax	415	24,874	415	415
Social security and other taxes	76,585	70,818	-	-
Other creditors	328,530	453,610	35	35
Directors' current accounts	483,106	642,874	482,294	54,262
Accrued expenses	118,505	167,118	-	-
	<u>8,550,313</u>	<u>7,491,464</u>	<u>2,060,211</u>	<u>899,712</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	30.6.21	30.6.20
	£	£
Bank loans (see note 16)	7,209,051	7,887,963
Finance leases (see note 17)	39,309	65,897
	<u>7,248,360</u>	<u>7,953,860</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.6.21	30.6.20	30.6.21	30.6.20
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	675,873	421,551	-	-
Invoice financing	1,577,467	843,543	1,577,467	845,000
	<u>2,253,340</u>	<u>1,265,094</u>	<u>1,577,467</u>	<u>845,000</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	2,426,745	2,518,802	-	-
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	4,782,306	5,369,161	-	-
	<u>4,782,306</u>	<u>5,369,161</u>	<u>-</u>	<u>-</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Finance leases	
	30.6.21	30.6.20
	£	£
Net obligations repayable:		
Within one year	28,824	46,428
Between one and five years	39,309	65,897
	<u>68,133</u>	<u>112,325</u>

Group

	Non-cancellable operating leases	
	30.6.21	30.6.20
	£	£
Within one year	123,000	123,000
Between one and five years	153,277	276,277
	<u>276,277</u>	<u>399,277</u>

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	30.6.21	30.6.20
	£	£
Bank loans	9,462,391	9,153,057
Finance leases	68,133	112,325
	<u>9,530,524</u>	<u>9,265,382</u>

There is a fixed and floating charge over the group companies held by Lloyds Bank PLC; a fixed and floating charge held by Lloyds Bank Commercial Finance Ltd and a fixed and floating charge held by RX Bridge Ltd.

19. PROVISIONS FOR LIABILITIES

	Group	
	30.6.21	30.6.20
	£	£
Deferred tax	<u>63,384</u>	<u>20,091</u>

Group

	Deferred tax
	£
Balance at 1 July 2020	20,091
Charge to Income Statement during year	43,293
Balance at 30 June 2021	<u>63,384</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			Group	
Number:	Class:	Nominal value:	30.6.21	30.6.20
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

21. RESERVES

Group

	Retained earnings
	£
At 1 July 2020	9,547,466
Profit for the year	795,236
Dividends	(32,273)
At 30 June 2021	<u>10,310,429</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2021

21. RESERVES - continued

Company	Retained earnings £
At 1 July 2020	3,786,671
Profit for the year	-
Dividends	(32,273)
	<hr/>
At 30 June 2021	<u>3,754,398</u>

22. PENSION COMMITMENTS

The assets of the pension scheme are held separately from those of the group in an independently administered fund. The pension cost represents contributions payable to the fund and amounted to £25,719 (2020- £15,432)

23. RELATED PARTY DISCLOSURES

The following subsidiaries are exempt from the requirements of the Act relating to the audit of its individual accounts by virtue of s479A of the Companies Act 2006.

Grandlane Limited (Company no 03149482)
Living Care (Leeds) Limited ((Company no 00650015)
Living Care Limited (Company no 04485213)
Living Care Pharmacy (East Leeds) Limited (Company no 02287319)
Living Care Pharmacy (North Leeds) Limited (Company no 03966969)
Living Care Pharmacy (South Leeds) Limited (Company no 04680838)
Living Care Pharmacy (Wakefield) Limited (Company no 003533665)
Living Care Pharmacy Limited (Company no 04932381)
Portkeel Limited (Company no 03289406)

Living Care Pharmacy Group Limited (10208356) has provided a guarantee for the above subsidiaries for the year ending 30th June 2021 by virtue of s479C of the Companies Act 2006.

Living Care Pharmacy Group Limited guarantees all outstanding liabilities to which the subsidiary companies are subject to at 30th June 2021, until they are satisfied in full. The guarantee is enforceable against Living Care Pharmacy Group Limited by any person to whom the subsidiaries are liable in respect of those liabilities.

24. ULTIMATE CONTROLLING PARTY

The directors are considered to be the group's ultimate controlling party.