

Living Care Health Limited Group
Group Strategic Report, Report of the Directors and
Audited Consolidated Financial Statements for the Year Ended 30 September 2015



Gleek Cadman Ross LLP
Chartered Accountants and Statutory Auditor
96 Marsh Lane
Leeds
West Yorkshire
LS9 8SR

Living Care Health Limited Group

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Living Care Health Limited Group
Company Information
for the year ended 30 September 2015

DIRECTORS:

D A Lestner
Dr S M Feldman
J E Lestner

REGISTERED OFFICE:

96 Marsh Lane
Leeds
West Yorkshire
LS9 8SR

REGISTERED NUMBER:

08510730 (England and Wales)

AUDITORS:

Gleek Cadman Ross LLP
Chartered Accountants and Statutory Auditor
96 Marsh Lane
Leeds
West Yorkshire
LS9 8SR

BANKERS:

Lloyds Bank Plc
65-68 Briggate
Leeds
West Yorkshire
LS1 6LH

Living Care Health Limited Group

Group Strategic Report for the year ended 30 September 2015

The directors present their strategic report of the company and the group for the year ended 30 September 2015.

The principal activity of the Living Care Pharmacy Group throughout the year was the operation of a chain of retail pharmacies, located within health centres and local communities.

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and highlights the risks and uncertainties we face.

The business environment in which we operate continues to be challenging. The market in the UK is highly competitive. The Living Care Pharmacy Group has concentrated on the operation of its chain of retail pharmacies which has performed well in spite of a small reduction in its overall gross profit margins. Costs throughout the pharmacies and support network remain tightly controlled.

The Living Care Pharmacy Group has now benefited from a reorganisation process that took place largely in the two preceding financial years. The previous year's accounts included significant costs of a non-recurring nature. This year's financial statements reflect the effects of that reorganisation and show considerable improvement in the profitability and the overall result of the Living Care Pharmacy Group for the current financial year.

The Living Care Pharmacy Group 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 customers and the communities it operates in. Investing in low emission assets to minimise the carbon footprint has been implemented.

As part of the reorganisation, the head office had been relocated to new premises where there is more space and improved conditions to facilitate the expansion of its operations.

PRINCIPAL RISKS AND UNCERTAINTIES

The management is subject to a number of key risks which are reviewed in formal meetings. When 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.

There was a small increase in overall turnover and a small reduction in gross profit margins.

Turnover continues to be affected by reductions in the drugs tariff directly affecting NHS sales income. The margin has again been affected by the continuing reductions in the drugs tariff.

The improvement to overall operating profit is a reflection of the elimination of non-recurring reorganisation costs and improved efficiencies.

REGULATION

The Living Care Pharmacy Group operates in a highly regulated market and governmental changes to funding or the pharmacy entry regulations could adversely affect future results. The GPHC regulations on premises introduced in 2014 have been actively adopted.

STAFF

A staff development programme is in place with particular emphasis on self-development, health & safety and customer service. Staff retention is monitored by the directors and senior management as continuity of staff is considered to be one of the strengths of the business.

Living Care Health Limited Group

**Group Strategic Report
for the year ended 30 September 2015**

FINANCIAL RISK MANAGEMENT

Exposures to risks such as liquidity and interest rate rises have been adequately dealt with.


The fixed asset base had been expanded through the purchase of freehold premises from which some pharmacies operate.

The Living Care Pharmacy Group's financial risk analysis implementation is under constant review and is subject to regular appraisal and improvement.

The directors consider that the business has a sound financial base for the future.

With these risks and uncertainties in mind, we are aware that the plans for future development of the business may be subject to unforeseen future events outside of our control. Nevertheless, we consider that the Living Care Pharmacy Group's size and structure provides a strong base to compete in this market.

ON BEHALF OF THE BOARD:



D A Lestner - Director

20 June 2016

Living Care Health Limited Group

Report of the Directors for the year ended 30 September 2015

The directors present their report with the financial statements of the company and the group for the year ended 30 September 2015.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of holding of investments and the operation of retail pharmacies.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2015.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2014 to the date of this report.

D A Lestner
Dr S M Feldman
J E Lestner

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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

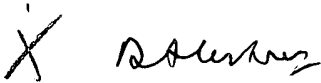
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

Living Care Health Limited Group
Report of the Directors
for the year ended 30 September 2015

AUDITORS

The auditors, Gleek Cadman Ross LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'D A Lestner', is written over a large 'X' mark.

D A Lestner - Director

20 June 2016

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

We have audited the financial statements of Living Care Health Limited Group for the year ended 30 September 2015 on pages eight to thirty. 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 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.

Respective responsibilities of directors and auditors

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. 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 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 group's and the parent 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 Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and of the parent company's affairs as at 30 September 2015 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

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

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 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.

David Gleek (Senior Statutory Auditor)
for and on behalf of Gleek Cadman Ross LLP
Chartered Accountants and Statutory Auditor
96 Marsh Lane
Leeds
West Yorkshire
LS9 8SR



Date: 23/6/2016

Living Care Health Limited Group

**Consolidated Profit and Loss Account
for the year ended 30 September 2015**

	Notes	2015 £	2014 £
TURNOVER		9,056,993	8,979,466
Cost of sales		<u>5,919,884</u>	<u>5,807,460</u>
GROSS PROFIT		3,137,109	3,172,006
Distribution costs		1,764,562	1,742,793
Administrative expenses		<u>1,268,362</u>	<u>1,534,021</u>
		<u>3,032,924</u>	<u>3,276,814</u>
		104,185	(104,808)
Other operating income		<u>518,643</u>	<u>364,871</u>
OPERATING PROFIT	3	622,828	260,063
Amounts written off investments	4	<u>-</u>	<u>144,943</u>
		622,828	115,120
Interest payable and similar charges	5	<u>373,908</u>	<u>281,158</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		248,920	(166,038)
Tax on profit/(loss) on ordinary activities	6	<u>24,565</u>	<u>25,901</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR FOR THE GROUP		<u>224,355</u>	<u>(191,939)</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profit for the current year and the loss for the previous year.


The notes form part of these financial statements

Living Care Health Limited Group (Registered number: 08510730)

**Consolidated Balance Sheet
30 September 2015**

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	8	8,087,452	8,193,318
Tangible assets	9	4,962,550	4,986,348
Investments	10	<u>700</u>	<u>700</u>
		13,050,702	13,180,366
CURRENT ASSETS			
Stocks	11	602,783	617,345
Debtors	12	1,588,495	1,632,691
Cash at bank and in hand		<u>420,101</u>	<u>645,698</u>
		2,611,379	2,895,734
CREDITORS			
Amounts falling due within one year	13	<u>3,738,351</u>	<u>3,916,482</u>
NET CURRENT LIABILITIES		<u>(1,126,972)</u>	<u>(1,020,748)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,923,730	12,159,618
CREDITORS			
Amounts falling due after more than one year	14	(6,989,763)	(7,436,135)
PROVISIONS FOR LIABILITIES	18	<u>(12,030)</u>	<u>(25,901)</u>
NET ASSETS		<u><u>4,921,937</u></u>	<u><u>4,697,582</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	200	200
Profit and loss account	20	<u>4,921,737</u>	<u>4,697,382</u>
SHAREHOLDERS' FUNDS	23	<u><u>4,921,937</u></u>	<u><u>4,697,582</u></u>

The financial statements were approved by the Board of Directors on 20 June 2016 and were signed on its behalf by:



D A Lestner - Director

The notes form part of these financial statements

Company Balance Sheet
30 September 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	4,808,128	4,809,556
Investments	10	<u>7,435,599</u>	<u>7,435,599</u>
		12,243,727	12,245,155
CURRENT ASSETS			
Debtors	12	2,170,595	2,429,025
Cash at bank and in hand		<u>329,671</u>	<u>513,942</u>
		2,500,266	2,942,967
CREDITORS			
Amounts falling due within one year	13	<u>7,452,603</u>	<u>7,499,102</u>
NET CURRENT LIABILITIES		<u>(4,952,337)</u>	<u>(4,556,135)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,291,390	7,689,020
CREDITORS			
Amounts falling due after more than one year	14	(6,989,763)	(7,436,135)
PROVISIONS FOR LIABILITIES	18	<u>-</u>	<u>(11,490)</u>
NET ASSETS		<u>301,627</u>	<u>241,395</u>
CAPITAL AND RESERVES			
Called up share capital	19	200	200
Profit and loss account	20	<u>301,427</u>	<u>241,195</u>
SHAREHOLDERS' FUNDS	23	<u>301,627</u>	<u>241,395</u>

The financial statements were approved by the Board of Directors on 20 June 2016 and were signed on its behalf by:

X 

D A Lestner - Director

The notes form part of these financial statements

Living Care Health Limited Group

**Consolidated Cash Flow Statement
for the year ended 30 September 2015**

	Notes	2015 £	£	2014 £	£
Net cash inflow from operating activities	1		912,533		642,460
Returns on investments and servicing of finance	2		(373,908)		(281,158)
Capital expenditure	2		<u>(10,596)</u>		<u>(4,649,722)</u>
			528,029		(4,288,420)
Financing	2		<u>(753,626)</u>		<u>4,316,375</u>
(Decrease)/increase in cash in the period			<u>(225,597)</u>		<u>27,955</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/increase in cash in the period		(225,597)		27,955	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>577,590</u>		<u>(4,363,854)</u>	
Change in net debt resulting from cash flows			351,993		(4,335,899)
New finance leases			<u>(26,296)</u>		<u>(31,810)</u>
Movement in net debt in the period			325,697		(4,367,709)
Net debt at 1 October			<u>(8,455,211)</u>		<u>(4,087,502)</u>
Net debt at 30 September			<u>(8,129,514)</u>		<u>(8,455,211)</u>

The notes form part of these financial statements

Living Care Health Limited Group

**Notes to the Consolidated Cash Flow Statement
for the year ended 30 September 2015**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Operating profit	622,828	260,063
Depreciation charges	165,942	168,762
Loss on disposal of fixed assets	614	2,106
Amounts owed by participating interests	3	(19,204)
Amounts owed by related undertaking	(43,143)	140,914
Decrease/(increase) in stocks	14,562	(62,985)
Decrease/(increase) in debtors	133,808	(117,564)
Increase in creditors	<u>17,919</u>	<u>270,368</u>
Net cash inflow from operating activities	<u><u>912,533</u></u>	<u><u>642,460</u></u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest paid	(365,517)	(278,028)
Interest element of hire purchase payments	<u>(8,391)</u>	<u>(3,130)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(373,908)</u></u>	<u><u>(281,158)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	(18,546)	(4,673,830)
Sale of tangible fixed assets	<u>7,950</u>	<u>24,108</u>
Net cash outflow for capital expenditure	<u><u>(10,596)</u></u>	<u><u>(4,649,722)</u></u>
Financing		
Loan advances in the year	128,550	4,818,481
Loan repayments in year	(661,720)	(391,818)
Hire purchase repayments in the year	(44,420)	(62,810)
Directors loan account	120,090	207,434
Directors loan account	<u>(296,126)</u>	<u>(254,912)</u>
Net cash (outflow)/inflow from financing	<u><u>(753,626)</u></u>	<u><u>4,316,375</u></u>

The notes form part of these financial statements

Living Care Health Limited Group

**Notes to the Consolidated Cash Flow Statement
for the year ended 30 September 2015**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1/10/14 £	Cash flow £	Other non-cash changes £	At 30/9/15 £
Net cash:				
Cash at bank and in hand	<u>645,698</u>	<u>(225,597)</u>		<u>420,101</u>
	<u>645,698</u>	<u>(225,597)</u>		<u>420,101</u>
Debt:				
Hire purchase	(71,522)	44,420	(26,296)	(53,398)
Debts falling due within one year	(1,624,703)	95,291	-	(1,529,412)
Debts falling due after one year	<u>(7,404,684)</u>	<u>437,879</u>	<u>-</u>	<u>(6,966,805)</u>
	<u>(9,100,909)</u>	<u>577,590</u>	<u>(26,296)</u>	<u>(8,549,615)</u>
Total	<u>(8,455,211)</u>	<u>351,993</u>	<u>(26,296)</u>	<u>(8,129,514)</u>

The notes form part of these financial statements

Living Care Health Limited Group

Notes to the Consolidated Financial Statements for the year ended 30 September 2015

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis assuming the continued support of the directors. The directors have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is an appropriate basis of preparation of the financial statements. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The consolidated financial statements of Living Care Health group incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. They are de-consolidated from date on which control ceases.

The acquisition method of accounting is applied to all business combinations made by the Group. The cost of the acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest. The excess of the cost of the acquisition over the fair value of the group's share of identifiable net assets, including intangible assets acquired, is recorded as goodwill. If the cost of the acquisition is less than the fair value of the Group's share of net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies used into line with those used by the Group. On consolidation, all intra-group transactions, balances, income and expenditure are eliminated.

Turnover

Turnover represents sales of goods and services, excluding value added tax, from the ordinary trading activities of the group. Turnover incorporates script income and over the counter sales and recognises them as part of the revenue at the point of supply.

Goodwill

The company

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the identifiable net assets, including intangible assets, of the acquired subsidiary at the date of acquisition. The directors believe the current value of this goodwill to be in excess of the cost and as such do not consider it necessary to provide amortisation. This is a departure from Financial Reporting Standard 10.

The group

Goodwill, being the amount paid in connection with the acquisition of businesses by the subsidiary companies, continues to be amortised evenly over its estimated useful life of 20 years and has been consolidated accordingly into these accounts.

Living Care Health Limited Group

Notes to the Consolidated Financial Statements - continued for the year ended 30 September 2015

1. 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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- Straight line over 20 years
Short leasehold	- Straight line over 20 years and Straight Line over the life of the lease
Plant and machinery	- 30% on cost and 15% on reducing balance
Fixtures and fittings	- 25% on reducing balance and 15% on reducing balance
Motor vehicles	- 25% on reducing balance

Depreciation has not been provided on the freehold properties. The directors believe the current market value to be in excess of the original cost and as such believe that depreciation should not be provided in order for the financial statements to show a true and fair view. This is a departure from Financial Reporting Standard 15.

Stocks

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

Deferred tax

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

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 the profit and loss account in the period to which they relate.

Operating leases

Rental paid under operating lease are charged to the profit and loss account on a straight line basis over the period of the lease.

2. STAFF COSTS

	2015	2014
	£	£
Wages and salaries	1,713,513	1,708,871
Other pension costs	<u>1,658</u>	<u>1,688</u>
	<u>1,715,171</u>	<u>1,710,559</u>

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

2. STAFF COSTS - continued

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

	2015	2014
Administration	7	6
Pharmacy staff	<u>85</u>	<u>81</u>
	<u>92</u>	<u>87</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2015	2014
	£	£
Depreciation - owned assets	30,564	34,312
Depreciation - assets on hire purchase contracts	29,512	28,585
Loss on disposal of fixed assets	614	2,106
Goodwill amortisation	105,866	105,865
Auditors' remuneration	<u>62,850</u>	<u>57,030</u>
	<u>10,912</u>	<u>10,633</u>
Directors' remuneration	<u>10,912</u>	<u>10,633</u>

4. AMOUNTS WRITTEN OFF INVESTMENTS

	2015	2014
	£	£
Amounts w/o invs	<u>-</u>	<u>144,943</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Bank interest	8,023	36,985
Bank loan interest	324,395	241,043
Other interest	33,099	-
Hire purchase	<u>8,391</u>	<u>3,130</u>
	<u>373,908</u>	<u>281,158</u>

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2015 £	2014 £
Current tax:		
UK corporation tax	38,436	-
Deferred tax	<u>(13,871)</u>	<u>25,901</u>
Tax on profit/(loss) on ordinary activities	<u>24,565</u>	<u>25,901</u>

UK corporation tax has been charged at 20.22% (2014 - 21%).

Factors affecting the tax charge

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

	2015 £	2014 £
Profit/(loss) on ordinary activities before tax	<u>248,920</u>	<u>(166,038)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.224% (2014 - 20%)	50,342	(33,208)
Effects of:		
Expenses not deductible for tax purposes	41,894	56,493
Capital allowances in excess of depreciation	(16,578)	(10,016)
Utilisation of tax losses	(37,346)	(5,258)
Loss on disposal	124	421
Amounts written off investments	-	28,989
Bad debt provision crystallised	<u>-</u>	<u>(37,421)</u>
Current tax charge	<u>38,436</u>	<u>-</u>

7. PROFIT OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £60,232 (2014 - £192,120).

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 October 2014 and 30 September 2015	<u>8,325,649</u>
AMORTISATION	
At 1 October 2014	132,331
Amortisation for year	<u>105,866</u>
At 30 September 2015	<u>238,197</u>
NET BOOK VALUE	
At 30 September 2015	<u>8,087,452</u>
At 30 September 2014	<u>8,193,318</u>

Amortisation has not been provided on the group goodwill as the directors believe the current goodwill valuation to be in excess of the original cost. This is a departure from Financial Reporting Standard 10.

Amortisation charge has been restricted to the aggregate amounts provided within the subsidiary companies. Impairment reviews confirm that the value of goodwill is considerably in excess of the written down values in those companies.

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Long leasehold £
COST			
At 1 October 2014	<u>4,673,830</u>	<u>73,825</u>	<u>36,328</u>
At 30 September 2015	<u>4,673,830</u>	<u>73,825</u>	<u>36,328</u>
DEPRECIATION			
At 1 October 2014	-	10,953	-
Charge for year	-	8,143	-
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>-</u>
At 30 September 2015	<u>-</u>	<u>19,096</u>	<u>-</u>
NET BOOK VALUE			
At 30 September 2015	<u>4,673,830</u>	<u>54,729</u>	<u>36,328</u>
At 30 September 2014	<u>4,673,830</u>	<u>62,872</u>	<u>36,328</u>

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

9. TANGIBLE FIXED ASSETS - continued

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 October 2014	2,380	217,747	62,944	5,067,054
Additions	-	18,546	26,296	44,842
Disposals	-	-	(12,368)	(12,368)
At 30 September 2015	<u>2,380</u>	<u>236,293</u>	<u>76,872</u>	<u>5,099,528</u>
DEPRECIATION				
At 1 October 2014	443	51,780	17,530	80,706
Charge for year	291	35,854	15,788	60,076
Eliminated on disposal	-	-	(3,804)	(3,804)
At 30 September 2015	<u>734</u>	<u>87,634</u>	<u>29,514</u>	<u>136,978</u>
NET BOOK VALUE				
At 30 September 2015	<u>1,646</u>	<u>148,659</u>	<u>47,358</u>	<u>4,962,550</u>
At 30 September 2014	<u>1,937</u>	<u>165,967</u>	<u>45,414</u>	<u>4,986,348</u>

Depreciation has not been provided on the freehold properties. The directors believe the current market value to be in excess of the original cost and as such believe that depreciation should not be provided in order for the financial statements to show a true and fair view. This is a departure from Financial Reporting Standard 15.

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

9. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 October 2014	58,276	62,944	121,220
Additions	14,549	26,296	40,845
Disposals	-	(12,368)	(12,368)
At 30 September 2015	<u>72,825</u>	<u>76,872</u>	<u>149,697</u>
DEPRECIATION			
At 1 October 2014	17,931	17,530	35,461
Charge for year	13,724	15,788	29,512
Eliminated on disposal	-	(3,804)	(3,804)
At 30 September 2015	<u>31,655</u>	<u>29,514</u>	<u>61,169</u>
NET BOOK VALUE			
At 30 September 2015	<u>41,170</u>	<u>47,358</u>	<u>88,528</u>
At 30 September 2014	<u>40,345</u>	<u>45,414</u>	<u>85,759</u>

Company

	Freehold property £	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 October 2014	4,673,830	29,647	91,282	62,944	4,857,703
Additions	-	-	18,546	26,296	44,842
Disposals	-	-	-	(12,368)	(12,368)
At 30 September 2015	<u>4,673,830</u>	<u>29,647</u>	<u>109,828</u>	<u>76,872</u>	<u>4,890,177</u>
DEPRECIATION					
At 1 October 2014	-	2,531	28,086	17,530	48,147
Charge for year	-	1,482	20,436	15,788	37,706
Eliminated on disposal	-	-	-	(3,804)	(3,804)
At 30 September 2015	-	<u>4,013</u>	<u>48,522</u>	<u>29,514</u>	<u>82,049</u>
NET BOOK VALUE					
At 30 September 2015	<u>4,673,830</u>	<u>25,634</u>	<u>61,306</u>	<u>47,358</u>	<u>4,808,128</u>
At 30 September 2014	<u>4,673,830</u>	<u>27,116</u>	<u>63,196</u>	<u>45,414</u>	<u>4,809,556</u>

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

9. TANGIBLE FIXED ASSETS - continued

Company

Depreciation has not been provided on the freehold properties. The directors believe the current market value to be in excess of the original cost and as such believe that depreciation should not be provided in order for the financial statements to show a true and fair view. This is a departure from Financial Reporting Standard 15.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 October 2014	58,276	62,944	121,220
Additions	14,549	26,296	40,845
Disposals	-	(12,368)	(12,368)
At 30 September 2015	<u>72,825</u>	<u>76,872</u>	<u>149,697</u>
DEPRECIATION			
At 1 October 2014	17,931	17,530	35,461
Charge for year	13,724	15,788	29,512
Eliminated on disposal	-	(3,804)	(3,804)
At 30 September 2015	<u>31,655</u>	<u>29,514</u>	<u>61,169</u>
NET BOOK VALUE			
At 30 September 2015	<u>41,170</u>	<u>47,358</u>	<u>88,528</u>
At 30 September 2014	<u>40,345</u>	<u>45,414</u>	<u>85,759</u>

10. FIXED ASSET INVESTMENTS

Group

	Unlisted investments £
COST	
At 1 October 2014 and 30 September 2015	<u>700</u>
NET BOOK VALUE	
At 30 September 2015	<u>700</u>
At 30 September 2014	<u>700</u>

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

10. FIXED ASSET INVESTMENTS - continued

Company

Shares in
group
undertakings
£

COST

At 1 October 2014
and 30 September 2015

7,435,599

NET BOOK VALUE

At 30 September 2015

7,435,599

At 30 September 2014

7,435,599

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

Subsidiaries

BC & DA Lestner Limited

Nature of business: Retail pharmacy

	%
Class of shares:	holding
£1 Ordinary	100.00

T W Leach Limited

Nature of business: Retail pharmacy

	%
Class of shares:	holding
£1 Ordinary	100.00

Gowerglen Limited

Nature of business: Retail pharmacy

	%
Class of shares:	holding
£1 Ordinary	100.00

Sandbeds Pharmacy Limited

Nature of business: Retail pharmacy

	%
Class of shares:	holding
£1 Ordinary	100.00

Richard Deadman Limited

Nature of business: Retail pharmacy

	%
Class of shares:	holding
£1 Ordinary	100.00

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

10. FIXED ASSET INVESTMENTS - continued

Mixing Time Limited

Nature of business: Retail pharmacy

	%
Class of shares:	holding
£1 Ordinary	100.00

S P Rowlay (Pharmacy) Limited

Nature of business: Retail pharmacy

	%
Class of shares:	holding
£1 Ordinary	100.00

Living Care (Leeds) Limited

Nature of business: Retail pharmacy

	%
Class of shares:	holding
£1 Ordinary	100.00

Grandlane Limited

Nature of business: Management Company

	%
Class of shares:	holding
£0.10 Ordinary	100.00

Polegate Limited

Nature of business: Retail pharmacy

	%
Class of shares:	holding
£1 Ordinary	100.00

Living Care Pharmacy Limited

Nature of business: Retail pharmacy

	%
Class of shares:	holding
£1 Ordinary	100.00

Portkeel Limited

Nature of business: Property rental

	%
Class of shares:	holding
£1 Ordinary	100.00

Living Care Limited

Nature of business: Dormant company

	%
Class of shares:	holding
£1 Ordinary	100.00

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

11. STOCKS

	Group	
	2015	2014
	£	£
Stocks	<u>602,783</u>	<u>617,345</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	877,597	838,220	73,041	52,023
Amounts owed by group undertakings	-	-	2,082,320	2,243,249
Amounts owed by participating interests	454,706	454,709	-	-
Amounts owed by related undertaking	57,451	14,308	-	-
Other debtors	36,652	31,883	14,309	9,835
Directors' current accounts	46,287	-	740	-
Tax	4,036	4,036	-	-
S455 tax recoverable	185	-	185	-
VAT	66,813	156,721	-	-
Prepayments and accrued income	<u>44,768</u>	<u>132,814</u>	<u>-</u>	<u>123,918</u>
	<u>1,588,495</u>	<u>1,632,691</u>	<u>2,170,595</u>	<u>2,429,025</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans and overdrafts (see note 15)	464,669	559,960	464,669	439,047
Other loans (see note 15)	1,064,743	1,064,743	1,064,743	1,064,743
Hire purchase contracts (see note 16)	30,440	40,071	30,440	40,071
Trade creditors	1,520,417	1,516,471	124,636	90,177
Amounts owed to group undertakings	-	-	5,450,033	5,576,268
Tax	38,436	-	5,917	-
S455 tax payable	185	-	185	-
Social security and other taxes	32,776	36,143	30,110	33,076
Other creditors	301,107	318,709	96,753	131,790
Directors' current accounts	78,968	208,717	-	-
Accruals and deferred income	<u>206,610</u>	<u>171,668</u>	<u>185,117</u>	<u>123,930</u>
	<u>3,738,351</u>	<u>3,916,482</u>	<u>7,452,603</u>	<u>7,499,102</u>

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

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

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans (see note 15)	6,966,805	7,404,684	6,966,805	7,404,684
Hire purchase contracts (see note 16)	<u>22,958</u>	<u>31,451</u>	<u>22,958</u>	<u>31,451</u>
	<u><u>6,989,763</u></u>	<u><u>7,436,135</u></u>	<u><u>6,989,763</u></u>	<u><u>7,436,135</u></u>

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	464,669	559,960	464,669	439,047
Other loans	<u>1,064,743</u>	<u>1,064,743</u>	<u>1,064,743</u>	<u>1,064,743</u>
	<u><u>1,529,412</u></u>	<u><u>1,624,703</u></u>	<u><u>1,529,412</u></u>	<u><u>1,503,790</u></u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>929,337</u>	<u>878,094</u>	<u>929,337</u>	<u>878,094</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>1,394,006</u>	<u>1,317,141</u>	<u>1,394,006</u>	<u>1,317,141</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u><u>4,643,462</u></u>	<u><u>5,209,449</u></u>	<u><u>4,643,462</u></u>	<u><u>5,209,449</u></u>

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2015	2014
	£	£
Gross obligations repayable:		
Within one year	35,671	47,530
Between one and five years	<u>26,968</u>	<u>36,882</u>
	<u>62,639</u>	<u>84,412</u>
Finance charges repayable:		
Within one year	5,231	7,459
Between one and five years	<u>4,010</u>	<u>5,431</u>
	<u>9,241</u>	<u>12,890</u>
Net obligations repayable:		
Within one year	30,440	40,071
Between one and five years	<u>22,958</u>	<u>31,451</u>
	<u>53,398</u>	<u>71,522</u>

Company

	Hire purchase contracts	
	2015	2014
	£	£
Gross obligations repayable:		
Within one year	35,671	47,530
Between one and five years	<u>26,968</u>	<u>36,882</u>
	<u>62,639</u>	<u>84,412</u>
Finance charges repayable:		
Within one year	5,231	7,459
Between one and five years	<u>4,010</u>	<u>5,431</u>
	<u>9,241</u>	<u>12,890</u>
Net obligations repayable:		
Within one year	30,440	40,071
Between one and five years	<u>22,958</u>	<u>31,451</u>
	<u>53,398</u>	<u>71,522</u>

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following operating lease payments are committed to be paid within one year:

Company

	Other operating leases	
	2015	2014
	£	£
Expiring:		
Within one year	1,279	3,836
Between one and five years	<u>-</u>	<u>2,557</u>
	<u>1,279</u>	<u>6,393</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans	<u>7,431,474</u>	<u>7,964,644</u>	<u>7,431,474</u>	<u>7,843,731</u>

The bank loan is secured by a fixed and floating charge over the assets of the group.

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Deferred tax	<u>12,030</u>	<u>25,901</u>	<u>-</u>	<u>11,490</u>

Group

	Deferred tax £
Balance at 1 October 2014	25,901
Credit to Profit and Loss Account during year	<u>(13,871)</u>
Balance at 30 September 2015	<u>12,030</u>

Company

	Deferred tax £
Balance at 1 October 2014	11,490
Credit to Profit and Loss Account during year	<u>(11,490)</u>
Balance at 30 September 2015	<u>-</u>

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £	2014 £
2,000	Ordinary	10p	<u>200</u>	<u>200</u>

20. RESERVES

Group

Profit
and loss
account
£

At 1 October 2014	4,697,382
Profit for the year	<u>224,355</u>

At 30 September 2015	<u>4,921,737</u>
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Company

Profit
and loss
account
£

At 1 October 2014	241,195
Profit for the year	<u>60,232</u>

At 30 September 2015	<u>301,427</u>
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21. TRANSACTIONS WITH DIRECTORS

The following advances and credits to directors subsisted during the years ended 30 September 2015 and 30 September 2014:

	2015 £	2014 £
J E Lestner		
Balance outstanding at start of year	1,335	-
Amounts advanced	6,959	1,335
Amounts repaid	(7,554)	-
Balance outstanding at end of year	<u>740</u>	<u>1,335</u>

Living Care Health Limited Group

Notes to the Consolidated Financial Statements - continued for the year ended 30 September 2015

21. TRANSACTIONS WITH DIRECTORS - continued

D A Lestner

Balance outstanding at start of year	-	-
Amounts advanced	64,874	-
Amounts repaid	(18,515)	-
Balance outstanding at end of year	<u>46,359</u>	<u>-</u>

During the year the group paid property rents of £Nil (2014: £41,250) to a partnership controlled by the directors.

22. RELATED PARTY DISCLOSURES

During the year the group paid consultancy fees amounting to £107,882 (2014: £131,085) to Missionstart Limited, a company in which J E Lestner is a director.

During the year the group paid loan interest amounting to £33,099 (2014: £11,370) to Fountain Diagnostic Limited, a company in which D A Lestner and Dr S M Feldman are directors.

The balance owed from Fountain Diagnostic Limited by the group at the balance sheet date amounted to £471,759 (2014: £1,050,435 owed to Fountain Diagnostic Limited).

The balance owed to Dr S M Feldman by the group at the balance sheet date amounted to £1,143,711 (2014: £75,133).

The balance owed from Living Care Group Limited to the group at the balance sheet date, a company in which D A Lestner and Dr S M Feldman are directors, amounted to £Nil (2014: £454,706).

During the year the group paid for goods amounting to £40,397 (2014: £Nil) on behalf of Averagedream Limited, a company in which D A Lestner and J E Lestner are directors.

The balance owed from Averagedream Limited at the balance sheet date amounted to £40,397 (2014: £Nil).

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2015 £	2014 £
Profit/(loss) for the financial year	<u>224,355</u>	<u>(191,939)</u>
Net addition/(reduction) to shareholders' funds	224,355	(191,939)
Opening shareholders' funds	<u>4,697,582</u>	<u>4,889,521</u>
Closing shareholders' funds	<u>4,921,937</u>	<u>4,697,582</u>

Living Care Health Limited Group

**Notes to the Consolidated Financial Statements - continued
for the year ended 30 September 2015**

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	2015 £	2014 £
Profit for the financial year	<u>60,232</u>	<u>192,120</u>
Net addition to shareholders' funds	60,232	192,120
Opening shareholders' funds	<u>241,395</u>	<u>49,275</u>
Closing shareholders' funds	<u><u>301,627</u></u>	<u><u>241,395</u></u>