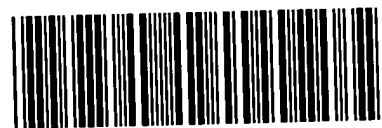


REGISTERED NUMBER: 10208356 (England and Wales)

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 30 June 2022
for
Living Care Pharmacy Group Limited

THURSDAY



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Living Care Pharmacy Group Limited (Registered number: 10208356)

**Contents of the Consolidated Financial Statements
for the Year Ended 30 June 2022**

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Living Care Pharmacy Group Limited

Company Information
for the Year Ended 30 June 2022

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
Richmond House
Lawnswood Business Park
Redvers Close
Leeds
West Yorkshire
LS16 6QY

Living Care Pharmacy Group Limited (Registered number: 10208356)

Group Strategic Report
for the Year Ended 30 June 2022

The directors present their strategic report of the company and the group for the year ended 30 June 2022.

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 £10,018,593 (2021 - £8,505,754)

Operating loss £344,312 (2021 profit - £1,401,960)

Gross profit percentage 48.19% (2021 - 39.79%)

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 2022

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

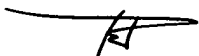
The Living Care Pharmacy Group Limited operates in a highly regulated market and government changes to funding can impact on future results. The directors monitor the situation on an ongoing basis as part of its financial risk management programme.

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

23 June 2023

Living Care Pharmacy Group Limited (Registered number: 10208356)

Report of the Directors
for the Year Ended 30 June 2022

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2022.

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

No dividends will be distributed for the year ended 30 June 2022.

FUTURE DEVELOPMENTS

The following group companies were sold on 15th March 2023

Living Care Pharmacy (Wakefield) Limited
Living Care Pharmacy (South Leeds) Limited
Living Care Pharmacy (North Leeds) Limited
Living Care Pharmacy (East Leeds) Limited
Living Care Pharmacy Limited

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2021 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.

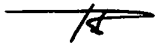
Living Care Pharmacy Group Limited (Registered number: 10208356)

Report of the Directors
for the Year Ended 30 June 2022

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

23 June 2023

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 2022 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 2022 and of the group's loss 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.

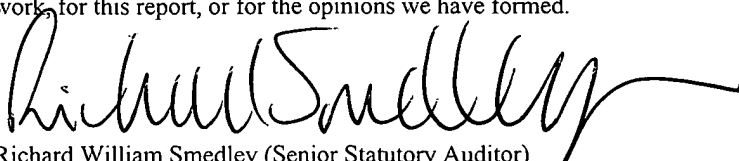
In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

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.

A handwritten signature in black ink, appearing to read 'Richard Smedley', with a long horizontal flourish extending to the right.

Richard William Smedley (Senior Statutory Auditor)
for and on behalf of Richard Smedley Limited
Chartered Accountants & Registered Auditors
Richmond House
Lawnswood Business Park
Redvers Close
Leeds
West Yorkshire
LS16 6QY

23 June 2023

Living Care Pharmacy Group Limited (Registered number: 10208356)

Consolidated Income Statement
for the Year Ended 30 June 2022

	Notes	30.6.22	30.6.21
		£	£
TURNOVER	3	10,018,593	8,505,754
Cost of sales		5,191,079	5,121,165
GROSS PROFIT		4,827,514	3,384,589
Distribution costs		4,696,003	1,693,295
Administrative expenses		930,450	726,117
		5,626,453	2,419,412
		(798,939)	965,177
Other operating income		452,277	436,784
OPERATING (LOSS)/PROFIT	5	(346,662)	1,401,961
Interest receivable and similar income		2,350	-
		(344,312)	1,401,961
Interest payable and similar expenses	6	475,029	410,475
(LOSS)/PROFIT BEFORE TAXATION		(819,341)	991,486
Tax on (loss)/profit	7	(37,248)	196,250
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(782,093)	795,236
(Loss)/profit attributable to:			
Owners of the parent		(782,093)	795,236

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 2022

	Notes	30.6.22 £	30.6.21 £
(LOSS)/PROFIT FOR THE YEAR		(782,093)	795,236
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(782,093)</u>	<u>795,236</u>
Total comprehensive income attributable to: Owners of the parent		<u>(782,093)</u>	<u>795,236</u>

The notes form part of these financial statements

Living Care Pharmacy Group Limited (Registered number: 10208356)

Consolidated Balance Sheet
30 June 2022

	Notes	30.6.22	30.6.21
		£	£
FIXED ASSETS			
Intangible assets	10	13,951,033	13,951,033
Tangible assets	11	2,049,656	2,001,003
Investments	12	-	-
		<u>16,000,689</u>	<u>15,952,036</u>
CURRENT ASSETS			
Stocks	13	897,598	663,384
Debtors	14	8,607,261	9,301,141
Cash at bank and in hand		1,401,363	256,925
		<u>10,906,222</u>	<u>10,221,450</u>
CREDITORS			
Amounts falling due within one year	15	10,709,619	8,550,313
NET CURRENT ASSETS		<u>196,603</u>	<u>1,671,137</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,197,292</u>	<u>17,623,173</u>
CREDITORS			
Amounts falling due after more than one year	16	(6,641,820)	(7,248,360)
PROVISIONS FOR LIABILITIES	20	(26,136)	(63,384)
NET ASSETS		<u>9,529,336</u>	<u>10,311,429</u>
CAPITAL AND RESERVES			
Called up share capital	21	1,000	1,000
Retained earnings	22	9,528,336	10,310,429
SHAREHOLDERS' FUNDS		<u>9,529,336</u>	<u>10,311,429</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 June 2023 and were signed on its behalf by:



D A Lestner - Director



J E Lestner - Director

The notes form part of these financial statements

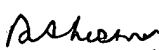
Living Care Pharmacy Group Limited (Registered number: 10208356)

Company Balance Sheet
30 June 2022

	Notes	30.6.22 £	£	30.6.21 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		<u>3,853,962</u>		<u>3,853,962</u>
			<u>3,853,962</u>		<u>3,853,962</u>
CURRENT ASSETS					
Debtors	14	<u>3,669,357</u>		<u>1,960,557</u>	
Cash at bank and in hand		<u>1,090</u>		<u>1,090</u>	
		<u>3,670,447</u>		<u>1,961,647</u>	
CREDITORS					
Amounts falling due within one year	15	<u>3,769,011</u>		<u>2,060,211</u>	
NET CURRENT LIABILITIES			<u>(98,564)</u>		<u>(98,564)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>3,755,398</u></u>		<u><u>3,755,398</u></u>
CAPITAL AND RESERVES					
Called up share capital	21		<u>1,000</u>		<u>1,000</u>
Retained earnings			<u>3,754,398</u>		<u>3,754,398</u>
SHAREHOLDERS' FUNDS			<u><u>3,755,398</u></u>		<u><u>3,755,398</u></u>
Company's profit for the financial year			<u><u>-</u></u>		<u><u>-</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 28/06/2023
and were signed on its behalf by:


.....
D A Lestner - Director

The notes form part of these financial statements

Living Care Pharmacy Group Limited (Registered number: 10208356)

Consolidated Statement of Changes in Equity
for the Year Ended 30 June 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2020	1,000	9,547,466	9,548,466
Changes in equity			
Dividends	-	(32,273)	(32,273)
Total comprehensive income	-	795,236	795,236
Balance at 30 June 2021	1,000	10,310,429	10,311,429
Changes in equity			
Total comprehensive income	-	(782,093)	(782,093)
Balance at 30 June 2022	1,000	9,528,336	9,529,336

The notes form part of these financial statements

Living Care Pharmacy Group Limited (Registered number: 10208356)

Company Statement of Changes in Equity
for the Year Ended 30 June 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2020	1,000	3,786,671	3,787,671
Changes in equity			
Dividends	-	(32,273)	(32,273)
Balance at 30 June 2021	1,000	3,754,398	3,755,398
Changes in equity			
Balance at 30 June 2022	1,000	3,754,398	3,755,398

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 2022

	Notes	30.6.22 £	30.6.21 £
Cash flows from operating activities			
Cash generated from operations	1	728,794	857,153
Interest paid		(474,194)	(407,036)
Interest element of finance lease payments paid		(835)	(3,439)
Tax paid		-	46,037
Net cash from operating activities		<u>253,765</u>	<u>492,715</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(10,200)
Purchase of tangible fixed assets		(147,619)	(140,252)
Interest received		2,350	-
Net cash from investing activities		<u>(145,269)</u>	<u>(150,452)</u>
Cash flows from financing activities			
Capital repayments in year		634,676	42,939
Amount introduced by directors		950,651	747,399
Amount withdrawn by directors		(549,385)	(905,969)
Equity dividends paid		-	(32,273)
Net cash from financing activities		<u>1,035,942</u>	<u>(147,904)</u>
Increase in cash and cash equivalents		<u>1,144,438</u>	<u>194,359</u>
Cash and cash equivalents at beginning of year	2	<u>256,925</u>	<u>62,566</u>
Cash and cash equivalents at end of year	2	<u><u>1,401,363</u></u>	<u><u>256,925</u></u>

The notes form part of these financial statements

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Cash Flow Statement
for the Year Ended 30 June 2022

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.6.22	30.6.21
	£	£
(Loss)/profit before taxation	(819,341)	991,486
Depreciation charges	98,966	104,557
Finance costs	475,029	410,475
Finance income	(2,350)	-
	<u>(247,696)</u>	<u>1,506,518</u>
(Increase)/decrease in stocks	(234,214)	161,715
Decrease/(increase) in trade and other debtors	693,880	(1,082,264)
Increase in trade and other creditors	516,824	271,184
	<u>728,794</u>	<u>857,153</u>
Cash generated from operations	728,794	857,153

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 2022

	30.6.22	1.7.21
	£	£
Cash and cash equivalents	<u>1,401,363</u>	<u>256,925</u>

Year ended 30 June 2021

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	<u>256,925</u>	<u>62,566</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.21	Cash flow	At 30.6.22
	£	£	£
Net cash			
Cash at bank and in hand	<u>256,925</u>	<u>1,144,438</u>	<u>1,401,363</u>
	<u>256,925</u>	<u>1,144,438</u>	<u>1,401,363</u>
Debt			
Finance leases	(68,133)	38,337	(29,796)
Debts falling due within 1 year	(2,253,340)	(1,256,137)	(3,509,477)
Debts falling due after 1 year	(7,209,051)	583,124	(6,625,927)
	<u>(9,530,524)</u>	<u>(634,676)</u>	<u>(10,165,200)</u>
Total	<u>(9,273,599)</u>	<u>509,762</u>	<u>(8,763,837)</u>

The notes form part of these financial statements

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements
for the Year Ended 30 June 2022

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).

Going Concern

In carrying out their duties in respect of going concern, the directors have carried out a review of the group's financial position for a period of 12 months from the date of signing these financial statements. These have been based on a comprehensive review of revenue, the expenditure and cash position, and take into account the specific business risks and the uncertainties brought about by the current economic environment. The group currently meets its day-to-day working capital requirements through its cash balance, which is sufficient to cover working capital requirements.

Having taken all the above factors into consideration, the directors have reached a conclusion that the group is able to manage its business risk despite the current challenging nature within this sector. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

2. ACCOUNTING POLICIES - continued

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 2022. 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.

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 using the performance basis. In the year under review the following grants were recognised:

Covid business rates grant	£63,750
Job retention scheme grants	£19,291
Leeds City Council grants	£12,617
Kickstart Scheme grants	£198,940

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Stocks

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

Stocks have been counted and valued by an external stock taker.

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.

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.

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

2. ACCOUNTING POLICIES - continued

Fixed asset investments

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

3. TURNOVER

The turnover and loss (2021 - profit) before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	30.6.22	30.6.21
	£	£
Pharmacy shop income	10,018,593	8,505,754
	<u>10,018,593</u>	<u>8,505,754</u>

An analysis of turnover by geographical market is given below:

	30.6.22	30.6.21
	£	£
United Kingdom	10,018,593	8,505,754
	<u>10,018,593</u>	<u>8,505,754</u>

4. EMPLOYEES AND DIRECTORS

	30.6.22	30.6.21
	£	£
Wages and salaries	1,440,255	1,379,963
Other pension costs	27,034	25,719
	<u>1,467,289</u>	<u>1,405,682</u>

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

	30.6.22	30.6.21
Employees	<u>68</u>	<u>69</u>
	30.6.22	30.6.21
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

5. OPERATING (LOSS)/PROFIT

The operating loss (2021 - operating profit) is stated after charging:

	30.6.22	30.6.21
	£	£
Hire of plant and machinery	63,226	39,245
Other operating leases	236,940	332,964
Depreciation - owned assets	98,966	104,557
Audit fee	8,000	6,000
	<u> </u>	<u> </u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.22	30.6.21
	£	£
Bank interest	121,976	68,229
Bank loan interest	352,218	338,807
Hire purchase	835	3,439
	<u> </u>	<u> </u>
	<u>475,029</u>	<u>410,475</u>

7. TAXATION

Analysis of the tax (credit)/charge

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

	30.6.22	30.6.21
	£	£
Current tax:		
UK corporation tax	-	(70,496)
Deferred tax	(37,248)	266,746
	<u> </u>	<u> </u>
Tax on (loss)/profit	<u>(37,248)</u>	<u>196,250</u>

UK corporation tax has been charged at 19% (2021 - 19%).

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

7. TAXATION - continued

Reconciliation of total tax (credit)/charge 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:

	30.6.22	30.6.21
	£	£
(Loss)/profit before tax	<u>(819,341)</u>	<u>991,486</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	<u>(155,675)</u>	188,382
Effects of:		
Expenses not deductible for tax purposes	2,975	13
Capital allowances in excess of depreciation	-	(2,035)
Depreciation in excess of capital allowances	5,457	-
Utilisation of tax losses	147,243	(256,856)
Deferred tax	<u>(37,248)</u>	<u>266,746</u>
Total tax (credit)/charge	<u>(37,248)</u>	<u>196,250</u>

8. 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.

9. DIVIDENDS

	30.6.22	30.6.21
	£	£
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>32,273</u>

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill
	£
COST	
At 1 July 2021	
and 30 June 2022	<u>13,951,033</u>
NET BOOK VALUE	
At 30 June 2022	<u>13,951,033</u>
At 30 June 2021	<u>13,951,033</u>

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

11. TANGIBLE FIXED ASSETS

Group	Freehold property £	Short leasehold £	Plant and machinery £
COST			
At 1 July 2021	1,324,488	356,223	56,701
Additions	94,438	-	1,484
At 30 June 2022	1,418,926	356,223	58,185
DEPRECIATION			
At 1 July 2021	-	134,698	51,778
Charge for year	-	15,331	961
At 30 June 2022	-	150,029	52,739
NET BOOK VALUE			
At 30 June 2022	1,418,926	206,194	5,446
At 30 June 2021	1,324,488	221,525	4,923
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 July 2021	863,815	165,675	2,766,902
Additions	34,547	17,150	147,619
At 30 June 2022	898,362	182,825	2,914,521
DEPRECIATION			
At 1 July 2021	470,683	108,740	765,899
Charge for year	64,152	18,522	98,966
At 30 June 2022	534,835	127,262	864,865
NET BOOK VALUE			
At 30 June 2022	363,527	55,563	2,049,656
At 30 June 2021	393,132	56,935	2,001,003

The net book value of assets held under finance leases or HP is £27,002 (2021: £38,378). The depreciation charge for these assets is £9,724 (2021: £10,183).

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

12. FIXED ASSET INVESTMENTS

Investments (neither listed nor unlisted) were as follows:

	30.6.22	30.6.21
	£	£
Other investments in subsidiaries	<u>3,853,962</u>	<u>3,853,962</u>

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 Limited

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

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Living Care Pharmacy (East Leeds) Limited

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

Nature of business: Dispensing pharmacy

Class of shares:	%
Ordinary	holding 100.00

Living Care Pharmacy (North Leeds) Limited

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

Nature of business: Dispensing pharmacy

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 2022

12. FIXED ASSET INVESTMENTS - continued

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

13. STOCKS

	Group	
	30.6.22	30.6.21
	£	£
Stocks	897,598	663,384

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.22	30.6.21	30.6.22	30.6.21
	£	£	£	£
Trade debtors	1,305,077	1,756,649	-	-
Owed by Associated companies	6,515,276	6,980,373	-	-
Amounts owed by group undertakings	-	-	3,669,357	1,960,557
Other debtors	341,656	37,968	-	-
VAT	287,956	193,871	-	-
Prepayments	157,296	332,280	-	-
	8,607,261	9,301,141	3,669,357	1,960,557

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.6.22	30.6.21	30.6.22	30.6.21
	£	£	£	£
Bank loans and overdrafts (see note 17)	3,509,477	2,253,340	2,885,000	1,577,467
Finance leases (see note 18)	13,903	28,824	-	-
Trade creditors	5,604,599	5,261,008	-	-
Tax	415	415	415	415
Social security and other taxes	103,603	76,585	-	-
Other creditors	503,573	328,530	36	35
Directors' current accounts	884,372	483,106	883,560	482,294
Accrued expenses	89,677	118,505	-	-
	<u>10,709,619</u>	<u>8,550,313</u>	<u>3,769,011</u>	<u>2,060,211</u>

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

	Group	
	30.6.22	30.6.21
	£	£
Bank loans (see note 17)	6,625,927	7,209,051
Finance leases (see note 18)	15,893	39,309
	<u>6,641,820</u>	<u>7,248,360</u>

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	30.6.22	30.6.21	30.6.22	30.6.21
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	624,477	675,873	-	-
Invoice financing	2,885,000	1,577,467	2,885,000	1,577,467
	<u>3,509,477</u>	<u>2,253,340</u>	<u>2,885,000</u>	<u>1,577,467</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	596,331	-	-	-
Amounts falling due between two and five years:				
Bank loans - 2-5 years	1,793,906	2,426,745	-	-
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	4,235,690	4,782,306	-	-

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Finance leases	
	30.6.22	30.6.21
	£	£
Net obligations repayable:		
Within one year	13,903	28,824
Between one and five years	15,893	39,309
	<u>29,796</u>	<u>68,133</u>

Group

	Non-cancellable operating leases	
	30.6.22	30.6.21
	£	£
Within one year	192,488	123,000
Between one and five years	151,777	153,277
In more than five years	67,500	-
	<u>411,765</u>	<u>276,277</u>

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	30.6.22	30.6.21
	£	£
Bank loans	10,135,404	9,462,391
Finance leases	29,796	68,133
	<u>10,165,200</u>	<u>9,530,524</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.

The long-term loans are secured by a fixed and floating charge over the assets of the group. A director has provided Lloyds Bank with an all moneys guarantee for a principal amount of £1,900,000 plus interest and other costs. Invoice finance is secured on the value of book debts.

20. PROVISIONS FOR LIABILITIES

	Group	
	30.6.22	30.6.21
	£	£
Deferred tax	<u>26,136</u>	<u>63,384</u>
Group		
		Deferred tax
		£
Balance at 1 July 2021		63,384
Credit to Income Statement during year		<u>(37,248)</u>
Balance at 30 June 2022		<u>26,136</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.6.22	30.6.21
Number:	Class:	Nominal value:	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

22. RESERVES

Group

	Retained earnings £
At 1 July 2021	10,310,429
Deficit for the year	(782,093)
At 30 June 2022	<u>9,528,336</u>

23. 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 £27,034 (2021- £25,719)

24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 30 June 2022 and 30 June 2021:

	30.6.22 £	30.6.21 £
J E Lestner		
Balance outstanding at start of year	(812)	(25,812)
Amounts advanced	25,877	107,642
Amounts repaid	-	(82,642)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>25,065</u>	<u>(812)</u>

Living Care Pharmacy Group Limited (Registered number: 10208356)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 June 2022

25. 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 2022 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 2022, 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.

Other related parties

	30.6.22	30.6.21
	£	£
Management charges	3,090,175	112,463
Amount due from related party	6,119,306	6,980,373

26. POST BALANCE SHEET EVENTS

The following group companies were sold on 15th March 2023

Living Care Pharmacy (Wakefield) Limited
Living Care Pharmacy (South Leeds) Limited
Living Care Pharmacy (North Leeds) Limited
Living Care Pharmacy (East Leeds) Limited
Living Care Pharmacy Limited

27. ULTIMATE CONTROLLING PARTY

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