

Registered number: 01728619 (England and Wales)

HARLEY MEDICAL CENTRE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

FRIDAY



A40 *A15T63Y3* #480
30/03/2012
COMPANIES HOUSE

HARLEY MEDICAL CENTRE LIMITED

COMPANY INFORMATION

DIRECTORS	M Braham P Guillot L Guillot
COMPANY NUMBER	01728619 (England and Wales)
REGISTERED OFFICE	11 Queen Anne Street London W1G 9LJ
AUDITORS	Wellers 1 Vincent Square London SW1P 2PN
BANKERS	Barclays Bank PLC 7th Floor United Kingdom House 180 Oxford Street London W1D 1EA

HARLEY MEDICAL CENTRE LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 18
The following pages do not form part of the statutory financial statements	
Detailed profit and loss account and summaries	19 - 21

HARLEY MEDICAL CENTRE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011

Company number: 01728619

The directors present their report and the financial statements for the year ended 30 June 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of cosmetic surgery services.

BUSINESS REVIEW

The trading environment continued to be challenging during the year ended 30th June 2011 reflecting the general economic climate.

The key financial highlights are as follows:

	2011	2010	2009
	£	£	£
Turnover	26,187,772	29,301,665	32,469,223
Gross Profit	13,263,828	14,581,269	18,660,658
Gross Profit %	50.6%	49.8%	57.5%
Profit before tax	(516,258)	802,280	1,764,232

Turnover decreased in the financial year reflecting the general business environment and the increased competition within the market.

Margins have been improved slightly over the prior year as operational efficiencies start to be reflected in the reported figures.

HARLEY MEDICAL CENTRE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2011

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £446,542 (2010 - profit £489,490)

The total distribution of dividends for the year ended 30th June 2011 will be £Nil (2010 - £1,030,000)

DIRECTORS

The directors who served during the year were

M Braham
P Guillot
L Guillot

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year £8,486 was donated to various charities (2010 - £21,200)

FUTURE DEVELOPMENTS

The Harley Medical Centre Limited opened a further clinic in Guildford during the year and will look to consolidate the geographical base over the next year

New treatments in both the surgical and non-surgical sectors of the business are expected to be introduced across the next twelve months to increase the reach of the business

Profitability is expected to be improved across the business as result of ongoing cost and efficiency reviews which will increase gross margins and decrease general overheads

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances and trade creditors. The main purpose of these instruments is to finance the company's operations. Due to the short term nature of the financial instruments used by the company we believe there is a very limited exposure to risk. The company's approach to managing risks applicable to the financial instruments concerned is shown below

The company manages any liquidity and cash flow risks through the maintaining positive cash balances

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due and by negotiating extended credit terms with suppliers

The company's exposure to foreign exchange risk is considered negligible

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

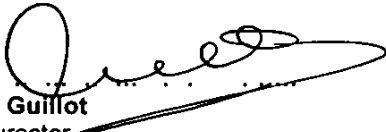
HARLEY MEDICAL CENTRE LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

AUDITORS

The auditors, Wellers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf


P Guillot
Director

Date 30 March 2012

HARLEY MEDICAL CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HARLEY MEDICAL CENTRE LIMITED

We have audited the financial statements of Harley Medical Centre Limited for the year ended 30 June 2011, set out on pages 6 to 18. 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 an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's 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 Directors' responsibilities statement, 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 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 Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 and of its 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.

EMPHASIS OF MATTER

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. Post year end concerns relating to products previously supplied to the company indicate the existence of a material uncertainty which may cast doubt upon this ability. At present it is impossible to reliably ascertain the costs associated with this issue and we are therefore unable to accurately state what loss the company may suffer as a result. Because there is no way to reliably ascertain the potential liability the financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

HARLEY MEDICAL CENTRE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HARLEY MEDICAL CENTRE LIMITED

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Benjamin Morris (Senior statutory auditor)
for and on behalf of

Wellers
Statutory Auditors
1 Vincent Square
London
SW1P 2PN

30 March 2012

HARLEY MEDICAL CENTRE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 £	2010 £
TURNOVER	1	26,187,772	29,301,665
Cost of sales		(12,923,944)	(14,720,396)
GROSS PROFIT		13,263,828	14,581,269
Administrative expenses		(13,805,754)	(13,769,173)
Other operating income	2	38,000	38,000
Other operating charges		6,293	(70,460)
OPERATING (LOSS)/PROFIT	3	(497,633)	779,636
Interest receivable and similar income		1,180	31,938
Interest payable and similar charges	6	(19,805)	(9,294)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(516,258)	802,280
Tax on (loss)/profit on ordinary activities	7	69,716	(312,790)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	15	(446,542)	489,490

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

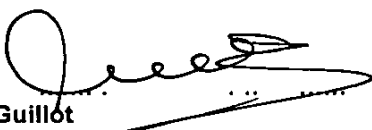
The notes on pages 9 to 18 form part of these financial statements

HARLEY MEDICAL CENTRE LIMITED
REGISTERED NUMBER: 01728619 (ENGLAND AND WALES)

BALANCE SHEET
AS AT 30 JUNE 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	8		5,243,118		5,428,090
CURRENT ASSETS					
Stocks	9	419,767		514,307	
Debtors	10	2,705,309		2,638,836	
Cash at bank and in hand		655,346		1,208,482	
		<u>3,780,422</u>		<u>4,361,625</u>	
CREDITORS , amounts falling due within one year	11	(5,910,316)		(6,496,825)	
NET CURRENT LIABILITIES			<u>(2,129,894)</u>		<u>(2,135,200)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,113,224</u>		<u>3,292,890</u>
CREDITORS , amounts falling due after more than one year	12		(293,071)		-
PROVISIONS FOR LIABILITIES					
Deferred tax	13		(173,993)		(200,188)
NET ASSETS			<u>2,646,160</u>		<u>3,092,702</u>
CAPITAL AND RESERVES					
Called up share capital	14		1,000		1,000
Capital redemption reserve	15		600,000		600,000
Profit and loss account	15		2,045,160		2,491,702
SHAREHOLDERS' FUNDS	16		<u>2,646,160</u>		<u>3,092,702</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


P Guillot
 Director

Date 30 March 2012

The notes on pages 9 to 18 form part of these financial statements

HARLEY MEDICAL CENTRE LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	18	378,741	1,508,389
Returns on investments and servicing of finance	19	(18,625)	22,644
Taxation	19	(352,356)	(182,771)
Capital expenditure and financial investment	19	(938,013)	(1,503,595)
Equity dividends paid		-	(1,030,000)
CASH OUTFLOW BEFORE FINANCING		(930,253)	(1,185,333)
Financing	19	316,547	(119,215)
DECREASE IN CASH IN THE YEAR		(613,706)	(1,304,548)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 £	2010 £
Decrease in cash in the year	(613,706)	(1,304,548)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(316,547)	119,215
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	(930,253)	(1,185,333)
Other non-cash changes	(1)	-
MOVEMENT IN NET DEBT IN THE YEAR	(930,254)	(1,185,333)
Net funds at 1 July 2010	722,439	1,907,772
NET (DEBT)/FUNDS AT 30 JUNE 2011	(207,815)	722,439

The notes on pages 9 to 18 form part of these financial statements

HARLEY MEDICAL CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Going concern

Post year end it has emerged that MHRA approved and CE marked PIP implants of the type used by the company until 2010 were found not to be constructed from the approved silicone. The company is currently removing and replacing these implants under its current terms and conditions. There is currently no way of assessing what the liability may be in relation to PIP implants, or to establish the extent to which these costs may be recovered under insurance or legal redress, so no costs have been provided for in these financial statements. Given the reserves of the company and the facilities available it may be possible that this would materially affect the company as a going concern.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

The whole of the turnover is attributable to the provision of cosmetic services.

All turnover arose within the United Kingdom.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short-term leasehold property	-	evenly over the period of the lease
Surgical equipment	-	25% reducing balance
Fixtures and fittings	-	15% reducing balance
Computer equipment	-	33% reducing balance

1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

HARLEY MEDICAL CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1. ACCOUNTING POLICIES (continued)

1.8 Deferred taxation

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

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2. OTHER OPERATING INCOME

	2011	2010
	£	£
Sundry receipts	38,000	38,000

3 OPERATING (LOSS)/PROFIT

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

	2011	2010
	£	£
Depreciation of tangible fixed assets		
- owned by the company	1,040,484	932,555
- held under finance leases	82,501	47,263
Auditors' remuneration	29,507	30,015
Operating lease rentals		
- other operating leases	1,375,644	1,225,001
Difference on foreign exchange	(6,293)	70,460
Hire of plant and machinery	72,789	48,945

HARLEY MEDICAL CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	6,904,577	7,074,330
Social security costs	723,070	733,917
Other pension costs	157,511	140,129
	<u>7,785,158</u>	<u>7,948,376</u>

The average monthly number of employees, including the directors, during the year was as follows

	2011 No.	2010 No
Head office	65	74
Clinic staff	146	131
	<u>211</u>	<u>205</u>

5 DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>815,288</u>	<u>791,615</u>
Company pension contributions to defined contribution pension schemes	<u>19,468</u>	<u>15,300</u>

During the year retirement benefits were accruing to 1 director (2010 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £571,766 (2010 - £524,564)

Company pension contributions to defined contribution schemes in respect of the highest paid director totalled £Nil (2010 - £Nil)

6. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	2,578	9,294
On finance leases and hire purchase contracts	17,227	-
	<u>19,805</u>	<u>9,294</u>

HARLEY MEDICAL CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

7 TAXATION

	2011 £	2010 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	(43,521)	272,725
Deferred tax (see note 13)		
Origination and reversal of timing differences	(26,195)	40,065
Tax on (loss)/profit on ordinary activities	<u>(69,716)</u>	<u>312,790</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - *higher than*) the standard rate of corporation tax in the UK of 28% (2010 - 28%) The differences are explained below

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	<u>(516,258)</u>	<u>802,280</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2010 - 28%)	(144,552)	224,638
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	9,564	2,857
Capital allowances for year in excess of depreciation	91,467	45,230
Current tax (credit)/charge for the year (see note above)	<u>(43,521)</u>	<u>272,725</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges

HARLEY MEDICAL CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

8. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Surgical equipment £	Fixtures & fittings £	Computer equipment £	Total £
Cost					
At 1 July 2010	3,193,694	2,884,639	1,794,461	1,981,026	9,853,820
Additions	(14,984)	631,809	113,013	208,175	938,013
At 30 June 2011	<u>3,178,710</u>	<u>3,516,448</u>	<u>1,907,474</u>	<u>2,189,201</u>	<u>10,791,833</u>
Depreciation					
At 1 July 2010	1,059,669	1,420,213	879,621	1,066,227	4,425,730
Charge for the year	286,772	423,417	136,452	276,344	1,122,985
At 30 June 2011	<u>1,346,441</u>	<u>1,843,630</u>	<u>1,016,073</u>	<u>1,342,571</u>	<u>5,548,715</u>
Net book value					
At 30 June 2011	<u>1,832,269</u>	<u>1,672,818</u>	<u>891,401</u>	<u>846,630</u>	<u>5,243,118</u>
At 30 June 2010	<u>2,134,025</u>	<u>1,464,426</u>	<u>914,840</u>	<u>914,799</u>	<u>5,428,090</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2011 £	2010 £
Surgical equipment	<u>405,379</u>	<u>142,869</u>

Fixed assets held under finance leases amounted to £487,880

Fixed assets held for use in operating leases amounted to £842,648 and the associated depreciation was £652,886

9. STOCKS

	2011 £	2010 £
Consumable goods and goods for resale	<u>419,767</u>	<u>514,307</u>

HARLEY MEDICAL CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

10 DEBTORS

	2011 £	2010 £
Loans to associated companies	2,207,464	2,160,746
Corporation tax repayable	62,593	-
Other debtors	41,952	55,588
Prepayments and accrued income	393,300	422,502
	<u>2,705,309</u>	<u>2,638,836</u>

**11. CREDITORS:
Amounts falling due within one year**

	2011 £	2010 £
Bank loans and overdrafts	493,916	433,346
Payments received in advance	2,066,515	2,474,237
Hire purchase contracts	76,174	52,697
Trade creditors	1,437,992	1,694,827
Corporation tax	-	333,283
Social security and other taxes	247,362	64,227
Other creditors	13,584	-
Accrued expenses	1,574,773	1,444,208
	<u>5,910,316</u>	<u>6,496,825</u>

The banking facilities with Barclays are secured via an unlimited guarantee given by The Harley Medical Group (Ireland) Limited and a further unlimited guarantee given by Brava UK Distributors Limited

**12. CREDITORS:
Amounts falling due after more than one year**

	2011 £	2010 £
Net obligations under finance leases and hire purchase contracts	<u>293,071</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2011 £	2010 £
Between two and five years	<u>293,071</u>	<u>-</u>

HARLEY MEDICAL CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

13. DEFERRED TAXATION

	2011 £	2010 £
At beginning of year	200,188	160,123
(Released during)/charge for year	(26,195)	40,065
At end of year	<u>173,993</u>	<u>200,188</u>

The provision for deferred taxation is made up as follows

	2011 £	2010 £
Accelerated capital allowances	<u>173,993</u>	<u>200,188</u>

14 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £0.01 each	<u>1,000</u>	<u>1,000</u>

15. RESERVES

	Capital redempt'n reserve £	Profit and loss account £
At 1 July 2010	600,000	2,491,702
Loss for the year		(446,542)
At 30 June 2011	<u>600,000</u>	<u>2,045,160</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	3,092,702	3,633,212
(Loss)/profit for the year	(446,542)	489,490
Dividends (Note 17)	-	(1,030,000)
Closing shareholders' funds	<u>2,646,160</u>	<u>3,092,702</u>

HARLEY MEDICAL CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

17. DIVIDENDS

	2011 £	2010 £
Dividends paid on equity capital	-	1,030,000

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating (loss)/profit	(497,633)	779,636
Depreciation of tangible fixed assets	1,122,985	979,818
Decrease in stocks	94,538	42,205
Decrease in debtors	42,839	167,650
Increase in amounts owed by associates	(46,717)	(188,124)
Decrease in creditors	(423,417)	(272,796)
Increase in provisions	86,146	-
Net cash inflow from operating activities	378,741	1,508,389

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	1,180	31,938
Interest paid	(2,578)	(9,294)
Hire purchase interest	(17,227)	-
Net cash (outflow)/inflow from returns on investments and servicing of finance	(18,625)	22,644

	2011 £	2010 £
Taxation		
Corporation tax	(352,356)	(182,771)

	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(938,013)	(1,503,595)

HARLEY MEDICAL CENTRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)

	2011 £	2010 £
Financing		
New/(repayment of) finance leases	<u>316,547</u>	<u>(119,215)</u>

20. ANALYSIS OF CHANGES IN NET DEBT

	1 July 2010 £	Cash flow £	Other non-cash changes £	30 June 2011 £
Cash at bank and in hand	1,208,482	(553,136)	-	655,346
Bank overdraft	(433,346)	(60,570)	-	(493,916)
	<u>775,136</u>	<u>(613,706)</u>	<u>-</u>	<u>161,430</u>
Debt:				
Debts due within one year	(52,697)	(316,547)	293,070	(76,174)
Debts falling due after more than one year	-	-	(293,071)	(293,071)
	<u>722,439</u>	<u>(930,253)</u>	<u>(1)</u>	<u>(207,815)</u>

21. CAPITAL COMMITMENTS

At 30 June 2011 the company had capital commitments as follows

	2011 £	2010 £
Contracted for but not provided in these financial statements	<u>-</u>	<u>635,088</u>

22. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £157,511 (2010 - £140,129). Contributions totalling £13,584 (2010 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

HARLEY MEDICAL CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

23 OPERATING LEASE COMMITMENTS

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings	
	2011	2010
	£	£
Expiry date:		
Within 1 year	122,450	109,000
Between 2 and 5 years	1,063,657	1,017,181
After more than 5 years	72,300	120,276

24 RELATED PARTY TRANSACTIONS

The amount owed to the company by Mr M Braham, the Chairman, at 30th June 2011 was £358 (2010 - £3,746) The maximum owed by the Chairman during the year was £5,402

Mr M Braham is the owner of Sunshine Leasing Limited

Transactions with Sunshine Leasing Limited were as follows

Equipment leased from Sunshine Leasing Limited - £109,236 (2010 - £109,236)

Equipment leased to Sunshine Leasing Limited - £104,034 (2010 - £104,034)

The Harley Medical Group (Ireland) Limited is an associated company by virtue of its common directors

Amount owed by The Harley Medical Group (Ireland) Limited at 30th June 2011 was £144,443 (2010 - £94,283)

Interest receivable on this balance during the year was £Nil (2010 - £164)

Brava UK Distributors Limited is also an associated party

Amount owed by Brava UK Distributors Limited at 30th June 2011 was £2,063,020 (2010 - £2,066,463)

No interest is accruing on this balance

25. CONTROLLING PARTY

The ultimate controlling party is Praxis Trustees Limited, a company registered in Guernsey, by virtue of its 100% ownership of the ordinary shares