

Company registration number: 4461838

**GENERAL PRACTICE INVESTMENT CORPORATION LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 March 2005**

---

Registered Office: 32 Grosvenor Gardens  
London  
SW1W 0DH

Directors: R G Kelvin Hughes  
P J J Radcliffe  
M F Sheardown  
The Hon C W Cayzer

Secretary: J C Fairbairn

Bankers: Royal Bank of Scotland  
62/63 Threadneedle Street  
London  
EC2R 8LA

Solicitors: S J Berwin  
222 Gray's Inn Road  
London  
WC1X 8HS

Auditors: Nexia Audit Ltd.  
25 Moorgate  
London  
EC2R 6AY

Tax & Accountancy Advisers: Smith & Williamson Ltd.  
25 Moorgate  
London  
EC2R 6AY



L43  
COMPANIES HOUSE

\*LYB44CJ1\*

115  
31/01/2006



# **GENERAL PRACTICE INVESTMENT CORPORATION LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 March 2005

---

<b>INDEX</b>	<b>PAGE</b>
Chairman's statement	3
Report of the directors	4 - 7
Report of the auditors	8 - 9
Profit and loss account	10
Balance sheet	11
Cash flow statement	12
Notes to the financial statements	13 - 21

# **GENERAL PRACTICE INVESTMENT CORPORATION LIMITED**

## **CHAIRMAN'S STATEMENT**

---

It has been an excellent year for GPI with turnover increasing to £2.2m and a most satisfactory profit before tax of £393,000, after investing significant resources to fund future growth.

GPI is one of the country's leading specialist developers of Primary Care Centres, staffed by qualified professionals, with five regional offices thereby offering a combination of local knowledge with national expertise and experience. The forward pipeline of potential future developments continues to grow in all regions, with 12 developments being commenced in this past year and currently 11 on site, with more than a further 30 developments planned for commencement later in the year.

GPI is committed to support the government's aim of increasing the number of new Primary Care Centres through Public Private Partnership (PPP). The Government continues to be supportive in the resources it is allocating to the NHS. The new funding procedures cause GPI and PCTs to work even closer together in progressing new schemes and the new GP contract makes the requirement for quality premises with added services even more important to GPs.

The company has delivered all new schemes on time and within budget in this financial year and has received considerable recommendations for this and the design of the new buildings.

GPI continues to provide new services for GPs to assist with changes or improvements to their buildings and business.

We are continually seeing an increase in new relationships and projects and combined with our successful recruitment and training programme look forward to another year of significant growth.

We are grateful for the excellent support and commitment we receive from both our staff and our institutional investor, Caledonia Investments Plc.

**RICHARD KELVIN HUGHES**  
**CHAIRMAN**

# **GENERAL PRACTICE INVESTMENT CORPORATION LIMITED**

## **REPORT OF THE DIRECTORS**

---

The directors present their report together with the audited financial statements for the year ended 31 March 2005.

### **Principal activity**

The company's principal activity is the supply of project management and consultancy services to the provision of primary care facilities.

### **Business review**

The profit and loss account for the year is set out on page 10.

A review of developments affecting the Company during the year and its prospects for the future appears in the Chairman's statement.

### **Dividends**

Preference dividends of £71,601 (2004: £63,750) were accrued during the year of which £53,513 (2004: £15,894) were paid. No dividend on ordinary shares has been paid or proposed.

### **Directors**

The present membership of the Board is set out below:

R G Kelvin Hughes

P J J Radcliffe

M F Sheardown

The Hon C W Cayzer

### **Supplier payment policy**

The Company's policy is to settle suppliers' accounts in accordance with their individual terms of business. At 31 March 2005 the Company had of £153,304 creditors (2004: £238,176) representing 25 creditor days (2004: 43).

# **GENERAL PRACTICE INVESTMENT CORPORATION LIMITED**

## **REPORT OF THE DIRECTORS**

---

### **Directors' responsibilities**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts for each financial year which 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 year. In preparing those accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the accounts;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position for the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and thence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# GENERAL PRACTICE INVESTMENT CORPORATION LIMITED

## REPORT OF THE DIRECTORS

### Service agreement

No directors have contracts of service with notice periods that exceed 12 months.

### Directors' emoluments

	2005			2004		
	£			£		
Aggregate emoluments	<u>410,055</u>			<u>427,859</u>		
	Salaries fees and benefits £	Bonus £	2005 Total £	Salaries fees and benefits £	Bonus £	2004 Total £
Executive	<u>410,055</u>	<u>-</u>	<u>410,055</u>	<u>427,859</u>	<u>-</u>	<u>427,859</u>
Non-executive	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group made contributions during the year of £nil (2004: £5,000) to a funded unapproved retirement benefits scheme (FURBS) for Mr P J J Radcliffe.

### Directors' interests

A funded unapproved retirement benefits scheme (FURBS) for Mr P J J Radcliffe owned 30 shares at 31 March 2005.

The directors who held office at the end of the financial year had the following beneficial interest in the ordinary share capital of General Practice Investment Corporation Limited at 31 March 2005 according to the register of directors' interests:

	Number of ordinary shares of 1p held at 31 March 2005	Percentage of issued share capital (%)	Acquired/ (disposed) during the period	Number of ordinary shares of 1p held at 31 March 2004
R Kelvin Hughes	5,100	51.00	-	5,100
P Radcliffe	750	7.50	-	750
M Sheardown	1,650	16.50	-	1,650

Refer to Note 13 of the financial statements.

## **GENERAL PRACTICE INVESTMENT CORPORATION LIMITED**

### **REPORT OF THE DIRECTORS**

---

#### **Connected persons' interest in share capital or options thereto:**

Caledonia Investments Plc, of which The Hon C W Cayzer is also a director, holds 2,500 ordinary shares, representing 25% of the ordinary share capital of the company. Caledonia Investments Plc also hold 1,275,000 £1 preference shares.

#### **Auditors**

Nexia Audit Limited offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

#### **ON BEHALF OF THE BOARD**



P J J Radcliffe



***Independent auditors' report to the shareholders of General Practice Investment Corporation Limited***

We have audited the accounts of General Practice Investment Corporation Limited for the year ended 31 March 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 23. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited accounts. This other information comprises only the Directors' Report and the Chairman's Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information.

**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or

other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### **Opinion**

*In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.*

*Nexia Audit Limited*

**Nexia Audit Limited**

Chartered Accountants  
Registered Auditors

25 Moorgate  
London  
EC2R 6AY

Date     *31 / 1 / 06*

# GENERAL PRACTICE INVESTMENT CORPORATION LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2005

---

	Notes	2005 £	2004 £
<b>Turnover</b>	2	2,566,412	2,220,777
Administrative expenses	2 & 3	<u>(2,220,683)</u>	<u>(2,032,704)</u>
<b>Operating profit</b>	2	<b>345,729</b>	<b>188,073</b>
Interest receivable	4	51,083	44,251
Interest payable	5	<u>(3,965)</u>	<u>(5,323)</u>
<b>Profit on ordinary activities before taxation</b>		<b>392,847</b>	<b>227,001</b>
Taxation	6	<u>(93,814)</u>	<u>(58,758)</u>
<b>Profit on ordinary activities after taxation</b>		<b>299,033</b>	<b>168,243</b>
Preference dividends payable	7	<u>(71,601)</u>	<u>(63,750)</u>
<b>Profit retained and transferred to reserves</b>	14	<b><u>227,432</u></b>	<b><u>104,493</u></b>

All the company's operations are classified as continuing.

There were no gains or losses other than those included in the above profit and loss account

# GENERAL PRACTICE INVESTMENT CORPORATION LIMITED

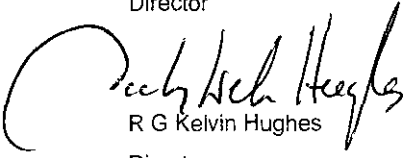
## BALANCE SHEET at 31 March 2005

	Notes	2005 £	2004 £
<b>Fixed assets</b>			
Intangible	8	243,335	262,668
Tangible	8	<u>330,810</u>	<u>90,070</u>
		<u>574,145</u>	<u>352,738</u>
<b>Current assets</b>			
Debtors	9	865,624	339,807
Cash at bank and in hand		<u>1,229,642</u>	<u>1,581,780</u>
		2,095,266	1,921,587
<b>Creditors: amounts falling due within one year</b>	10	<u>(529,943)</u>	<u>(561,470)</u>
<b>Net current assets</b>		<u>1,565,323</u>	<u>1,360,117</u>
<b>Total assets less current liabilities</b>		2,139,468	1,712,855
<b>Creditors: amounts falling due after more than one year</b>	11	<u>(228,153)</u>	<u>(28,972)</u>
<b>Net assets</b>		<u>1,911,315</u>	<u>1,683,883</u>
<b>Capital and reserves</b>			
Ordinary Shares	13	100	100
Preference shares	13	1,275,000	1,275,000
Profit and loss account	14	<u>636,215</u>	<u>408,783</u>
<b>Shareholders' funds</b>	16	<u>1,911,315</u>	<u>1,683,883</u>

The financial statements were approved by the Board of Directors on:

01 DECEMBER 2005

  
P. J. Radcliffe  
Director

  
R G Kelvin Hughes  
Director

## GENERAL PRACTICE INVESTMENT CORPORATION LIMITED

### CASH FLOW STATEMENT

For the year ended 31 March 2005

---

	Notes	2005 £	2004 £
Net cash (outflow)/inflow from operating activities	15 a	(219,460)	968,037
Net cash (outflow)/inflow from returns on investments and servicing of finance	15 b	(54,250)	3,821
Taxation		(8,408)	-
Capital expenditure	15 c	<u>(276,928)</u>	<u>(42,511)</u>
		(559,046)	929,347
Net cash inflow/(outflow) from financing	15 d	<u>206,908</u>	<u>(8,552)</u>
(Decrease)/increase in cash		<u>(352,138)</u>	<u>920,795</u>

**GENERAL PRACTICE INVESTMENT CORPORATION LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For year ended 31 March 2005

**1. Principal Accounting Policies**

**Basis of preparation**

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

The principal accounting policies of the Company are set out below.

**Turnover**

Turnover is the total of amounts invoiced for goods and services provided, excluding value added tax and trade discounts.

In the case of long term contracts turnover reflects the contract activity during the year.

**Long term Contracts**

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

**Tangible fixed assets and depreciation**

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, on the reducing balance basis over their expected useful lives. The periods generally applicable are:

Computers	3 years
Office equipment, furniture and fixtures	5 years
Motor vehicles	5 years

**Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Any assets and liabilities recognised have not been discounted.

**Leases**

Assets held under finance leases and hire purchase agreements are included in tangible fixed assets and are amortised in accordance with the depreciation policies detailed above. Obligations under such agreements are included in creditors net of finance charges allocated to future years. Finance charges are debited to the profit and loss account so that the annual rate of charge on the outstanding obligations is approximately constant.

Rentals under operating leases are charged on a straight line basis over the lease term.

**Financial instruments**

Income and expenditure arising on financial instruments is recognised on the accruals basis and credited or charged to the profit and loss account in the financial period to which it relates.

**Intangible assets – goodwill**

Goodwill, representing the excess of the fair value of consideration given over the fair values of the identifiable net assets acquired, is capitalised and amortised on a straight line basis over its estimated economic life of 15 years.

**GENERAL PRACTICE INVESTMENT CORPORATION LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For year ended 31 March 2005

2. **Turnover and profit on ordinary activities before taxation**

The Company operates entirely in the project management and consultancy class of business in the United Kingdom.

	2005 £	2004 £
Profit on ordinary activities before taxation is arrived at after charging:		
Depreciation of tangible fixed assets		
- Assets owned by the company	24,434	18,034
- Assets under hire purchase agreement	11,754	11,754
Operating leases:		
- Land & Buildings	119,136	116,841
- Plant and Machinery	8,146	11,803
Interest charged under hire purchase agreements	3,295	5,323
Amortisation of goodwill	19,333	19,334
Auditors' remuneration:		
- audit services	7,200	11,550
- non-audit services (paid to related companies)	5,000	10,285

3. **Directors and employees**

Staff costs during the year were as follows:

	£	£
Wages and salaries	1,503,287	1,254,169
Social security costs	154,638	138,724
Other pension costs	-	5,000
	<u>1,657,925</u>	<u>1,397,893</u>

The average number of employees of the Company during the year to 31 March 2005 was .

	2005	2004
Average number of employees		
Management	4	4
Professional	13	10
Administration	8	7
	<u>25</u>	<u>21</u>

Details of emoluments paid to directors are contained in the report of the directors on page 6.

The amount above includes remuneration in respect of the highest paid director as follows:

	2005 £	2004 £
Emoluments for services as director	135,433	147,800
Pension contributions made to the highest paid director amounted to	-	-
	<u>135,433</u>	<u>147,800</u>

**GENERAL PRACTICE INVESTMENT CORPORATION LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For year ended 31 March 2005

**4. Interest receivable**

	2005 £	2004 £
Bank interest	<u>51,083</u>	<u>44,251</u>

**5. Interest payable**

	£	£
Bank interest	-	-
Hire purchase interest	<u>3,965</u>	<u>5,323</u>
	<u>3,965</u>	<u>5,323</u>

**6. Tax on profit on ordinary activities**

	£	£
UK Corporation Tax		
- current year	34,383	8,408
- prior year	-	170
Decrease/(increase) in deferred tax asset		
- current year	59,431	44,321
- prior year	-	5,859
	<u>93,814</u>	<u>58,758</u>

The effective rate of UK corporation tax is calculated as the lower rate of UK corporation tax of 19%. The difference between the total current tax shown above and the amount calculated applying the effective rate of UK corporation tax, to the profit before tax is as follows:

	2005 £	2004 £
Profit on ordinary activities before tax	<u>392,847</u>	<u>227,001</u>
Tax on profit at UK corporation tax rate at 19% (2004:19%)	117,854	43,130
Small companies relief	(892)	-
Expenses not deductible for tax purposes	5,739	5,926
Depreciation in excess of capital allowances	6,804	(2,615)
Tax losses not utilised	(100,922)	-
Tax losses utilised	-	(41,706)
Non qualifying depreciation	5,800	3,673
Current tax charge for the year	<u>34,383</u>	<u>8,408</u>

**7. Dividends**

	£	£
Paid – preference shares	53,513	15,894
Accrued – preference shares	<u>18,088</u>	<u>47,856</u>
	<u>71,601</u>	<u>63,750</u>



**GENERAL PRACTICE INVESTMENT CORPORATION LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For year ended 31 March 2005

8. **Intangible fixed assets**

	<b>Goodwill</b> £
Net book value at 1 April 2004	262,668
Amortised during the year	<u>(19,333)</u>
Net book value at 31 March 2005	<u>243,335</u>

**Tangible fixed assets**

	<b>Freehold property £</b>	<b>Office equipment, furniture &amp; fittings £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
Cost				
At 1 April 2004	-	69,317	58,771	128,088
Additions	<u>257,640</u>	<u>19,288</u>	<u>-</u>	<u>276,928</u>
At 31 March 2005	<u>257,640</u>	<u>88,605</u>	<u>58,771</u>	<u>405,016</u>
Depreciation				
At 1 April 2004	-	21,366	16,652	38,018
Provided in the year	<u>-</u>	<u>24,434</u>	<u>11,754</u>	<u>36,188</u>
At 31 March 2005	<u>-</u>	<u>45,800</u>	<u>28,406</u>	<u>74,206</u>
Net book value at 1 April 2004	<u>-</u>	<u>47,951</u>	<u>42,119</u>	<u>90,070</u>
Net book value at 31 March 2005	<u>257,640</u>	<u>42,805</u>	<u>30,365</u>	<u>330,810</u>

Included within motor vehicles is an asset with net book value of £30,365 (2004: £42,119) acquired under a hire purchase agreement.

**GENERAL PRACTICE INVESTMENT CORPORATION LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For year ended 31 March 2005

9. **Debtors**

	<b>2005</b>	<b>2004</b>
	£	£
Trade debtors	222	2,797
Prepayments and accrued income	72,124	21,432
Amounts due from related parties	690,695	172,179
Deferred taxation	389	59,820
Other debtors	102,194	83,579
<b>Total</b>	<b>865,624</b>	<b>339,807</b>

The directors have assessed that the Company will generate sufficient taxable future profits to utilise all the tax losses, based on the performance of the Company.

10. **Creditors: amount falling due within one year**

	<b>2005</b>	<b>2004</b>
	£	£
Amounts outstanding on finance leases	10,714	9,870
Bank loans	6,882	-
Trade creditors	153,304	238,176
Taxation and social security	80,678	48,134
Other creditors	2,360	26,313
Accrued expenses & deferred income	257,917	191,121
Preference dividend accrued	18,088	47,856
	<b>529,943</b>	<b>561,470</b>

Included in accrued creditors is an amount of £5,422 (2004: £2,072) owed to the Directors of the Company.

11. **Creditors: amounts falling due after more than one year**

	<b>2005</b>	<b>2004</b>
	£	£
Bank loans	210,851	-
Amounts outstanding on finance leases	17,302	28,972
	<b>228,153</b>	<b>28,972</b>

The amount outstanding is secured over the vehicle acquired under the agreement

Borrowings are repayable as follows:

	<b>2005</b>	<b>2004</b>
	£	£
Within one year	17,596	9,870
After one year and within two years	24,637	10,728
After two and within five years	25,033	18,244
After five years	178,483	-
	<b>245,749</b>	<b>38,842</b>

**GENERAL PRACTICE INVESTMENT CORPORATION LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For year ended 31 March 2005

12. **Deferred taxation**

Deferred tax (liability)/asset is provided for in the financial statements as follows:

	2005 £	2004 £
Fixed asset timing differences	(389)	(4,098)
Tax losses acquired with consultancy business (at 19%)	-	63,918
	<u>(389)</u>	<u>59,820</u>

13. **Share capital**

	£	£
Authorised		
10,000 ordinary shares of 1pence each	100	100
1,275,000 convertible & redeemable preference shares of £1 each	1,275,000	1,275,000
	<u>1,275,100</u>	<u>1,275,100</u>
	£	£
Allotted called up and fully paid		
10,000 ordinary shares of 1pence each	100	100
1,275,000 convertible & redeemable preference shares of £1 each	1,275,000	1,275,000
	<u>1,275,100</u>	<u>1,275,100</u>

Preference shares have no voting rights and accrue a dividend at an annual rate of the higher of 5% and 1% above Royal Bank of Scotland plc base rate.

The preference shares are redeemable on the fifth anniversary at par, or earlier if a realisation event occurs. If the preference shares are not redeemed at such time, holders have the right to convert into ordinary shares of the company on a formula. Full details of what constitutes a realisation event and the formula are given in the company's Articles of Association, available at the company's registered office. These include any return of capital by the company to equity shareholders, liquidation and listing the company's shares.

14. **Reserves**

	Profit and loss account £
At 1 April 2004	408,783
Profit for the year	<u>227,432</u>
At 31 March 2005	<u>636,215</u>

**GENERAL PRACTICE INVESTMENT CORPORATION LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For year ended 31 March 2005

15. **Notes to cash flow statement**

**(a) Reconciliation of operating profit to net cash inflow/(outflow) from operating activities**

	<b>2005</b>	<b>2004</b>
	£	£
Operating profit	345,729	188,074
Depreciation	36,188	29,788
Amortisation	19,333	19,333
Decrease/(increase) in debtors	(585,249)	493,989
Increase in creditors	(35,461)	236,853
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(219,460)</u>	<u>968,037</u>
<b>(b) Returns on investments and servicing of finance</b>		
Bank interest paid	-	-
Interest element of finance	(3,965)	(5,324)
Preference dividends paid	(101,368)	(35,106)
Interest received	51,083	44,251
<b>Net cash (outflow)/inflow from returns on investments</b>	<u>(54,250)</u>	<u>3,821</u>
<b>(c) Capital expenditure and financial investments</b>		
Purchase of tangible fixed assets	<u>(276,928)</u>	<u>(42,511)</u>
<b>(d) Financing</b>		
Increase in secured loans	217,733	-
Capital element of hire purchase payments	(10,826)	(8,552)
<b>Net cash inflow/(outflow) from financing</b>	<u>206,907</u>	<u>(8,552)</u>

**GENERAL PRACTICE INVESTMENT CORPORATION LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For year ended 31 March 2005

**16. Reconciliation of movements in shareholders' funds**

	<b>2005</b>	<b>2004</b>
	£	£
Profit for the year after taxation	299,033	168,243
Preference share dividends	(71,601)	(63,750)
Net additions to shareholders funds	<u>227,432</u>	<u>104,493</u>
Shareholders' funds at 1 April 2004	<u>1,683,883</u>	<u>1,579,390</u>
Shareholders' funds at 31 March 2005	<u>1,911,315</u>	<u>1,683,883</u>
Equity shareholders' funds	636,315	408,883
Non-equity shareholders' funds	<u>1,275,000</u>	<u>1,275,000</u>
	<u>1,911,315</u>	<u>1,683,883</u>

**17. Reconciliation of net cash flow to movement in net funds**

	£	£
(Decrease)/Increase in cash in period	(352,138)	
Cash inflow from new loans	(216,777)	
Cash outflow from Hire purchase agreement	<u>9,870</u>	
Change in net debt arising from cash flow		(559,045)
Net funds at 1 April 2004		<u>1,542,938</u>
Net funds at 31 March 2005		<u>983,893</u>

**18. Analysis of movement in net funds**

	<b>At 1 April 2004</b>	<b>Cash Flows</b>	<b>Non Cash Flows</b>	<b>At 31 March 2005</b>
	£	£	£	£
Cash at bank and in hand	1,581,780	(352,138)	-	1,229,642
Debt due within 1 year	(9,870)	9,870	(17,596)	(17,596)
Debt due after 1 year	(28,972)	(216,777)	17,596	(228,153)
Total	<u>1,542,938</u>	<u>(559,045)</u>	<u>-</u>	<u>983,893</u>

**GENERAL PRACTICE INVESTMENT CORPORATION LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For year ended 31 March 2005

19. **Capital commitments**

The Company had no capital commitments at 31 March 2005.

20. **Operating leases**

The company had annual commitments under operating leases as follows:

	<b>2005</b>	<b>2004</b>
	£	£
Land & building (expiring within one year)	100,600	118,617
Other (expiring within 2 to 5 years)	-	-
	<u>100,600</u>	<u>118,617</u>

21. **Contingent liabilities**

The Company had no contingent liabilities at 31 March 2005

22. **Related party transactions**

General Practice Investment Corporation Limited and General Practice Group Limited have the same shareholders and directors. During the year ended 31 March 2005 GPI provided working capital finance and consultancy services and to GPG and its subsidiaries. Consultancy fees for the year ended 31 March 2005 were:

	<b>2005</b>	<b>2004</b>
	£	£
General Practice Group Limited	263,585	415,766
GPG No1 Limited	1,897,078	1,573,198
General Practice Group Scotland Limited	194,428	-
	<u>2,355,091</u>	<u>1,988,964</u>

At 31 March 2005 amounts owed to General Practice Investment Corporation Limited were:

	<b>2005</b>	<b>2004</b>
	£	£
General Practice Group Limited	594,077	23,518
GPG No1 Limited	14,212	127,150
General Practice Group Scotland Limited	61,377	21,511
	<u>669,666</u>	<u>172,179</u>

General Practice Investment Corporation Limited and GPGL Limited have the same shareholders and directors. During the year ended 31 March 2005 GPI provided working capital finance to GPGL Limited. At 31 March 2005 £21,028 (2004: nil) was due from GPGL Limited.

23. **Controlling interest**

R Kelvin Hughes, a director of the company, beneficially owns 51.0% of the company's ordinary share capital.