

COMPANY REGISTRATION NUMBER 06399469

PCT HEALTHCARE (HOLDINGS) LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
30 NOVEMBER 2011

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COMPANIES HOUSE

ABRAMS ASHTON
Chartered Accountants & Statutory Auditor
77 Corporation Street
St Helens
Merseyside
WA10 1SX

PCT HEALTHCARE (HOLDINGS) LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

CONTENTS	PAGES
Company information	1
The directors' report	2 to 4
Independent auditor's report to the shareholders	5 to 6
Consolidated profit and loss account	7
Consolidated balance sheet	8
Company balance sheet	9
Consolidated cash flow statement	10
Notes to the consolidated financial statements	11 to 25

PCT HEALTHCARE (HOLDINGS) LIMITED

COMPANY INFORMATION

The board of directors

Mr P Cattee
Mrs A J Cattee
Mr G A Tims
Mr A D Parker

Company secretary

Mrs A J Cattee

Registered office

11 Manchester Road
Walkden
Manchester
M28 3NS

Auditor

Abrams Ashton
Chartered Accountants
& Statutory Auditor
77 Corporation Street
St Helens
Merseyside
WA10 1SX

PCT HEALTHCARE (HOLDINGS) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2011

The directors have pleasure in presenting their report and the consolidated financial statements of the group for the year ended 30 November 2011

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of a holding company

The principal activities of the group during the year were those of retail pharmacy, pharmaceutical wholesale and property rental

In the current year the company has sought to expand organically and with consideration to the communities in which it operates

The branch network has remained at 50 branches in the South Yorkshire, Derbyshire, Lancashire and Greater Manchester areas

The company is committed to actively work in partnership with local PCT's in the promotion of additional healthcare services

Qualitative measures relating to "improvements in service" are important measures of performance to the company and the community, however these are difficult to measure. Quantitative measures in terms of business performance and profitability are important to shareholders and provide assurances as to the continuing stability of the organisation

Basic KPI's (Key Performance Indicators) which the company bases financial evaluations are gross profit, net profit and staff cost based. There is a direct link between profitability and branch staffing levels, which is reflected in the budgeting process

Gross profit decreased slightly from 33.4% in 2010 to 32.6% in 2011, reflecting a reduction in the overall level of government funding to pharmacy

Staffing remains the greatest asset, but also the largest cost to the company, amounting to £8.6m in 2010 and £8.9m in 2011. Staff costs as a percentage of turnover were 13.3% in 2010 and 14.8% in 2011

Other costs are not significant to the profitability of the company and so are not deemed sufficient KPI's

Net profit before tax is considered a KPI. In 2010 PBIT cover, (being Profit before interest, depreciation, exceptional items and tax over net interest costs) was 16 compared to 15 in 2011. Company shareholders will note that net profit before depreciation, exceptional items and tax as a percentage of turnover has decreased from 15.1% in 2010 to 12.3% in 2011. In the forthcoming year the company does not expect profitability to decline from current levels

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,229,994. Particulars of dividends paid are detailed in note 10 to the consolidated financial statements

DIRECTORS

The directors who served the company during the year were as follows

Mr P Cattee
Mrs A J Cattee
Mr G A Tims
Mr A D Parker

PCT HEALTHCARE (HOLDINGS) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2011

DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the consolidated 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 consolidated 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 year. In preparing those consolidated financial statements, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the consolidated financial statements,
- prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

DISABLED EMPLOYEES

The company's employment policies are fair and equitable and consistent with the skills and abilities of the employees and the needs of the company's business. If any employee becomes disabled, the objective is the continued provision of suitable employment either in the same or an alternative position with alternative training if necessary.

EMPLOYEE INVOLVEMENT

Information on matters of concern to employees is given through internal bulletins and website which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance. Arrangements exist to consult and discuss with employees on matters likely to affect their interests.

PCT HEALTHCARE (HOLDINGS) LIMITED

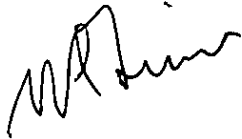
THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2011

AUDITOR

Abrams Ashton are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors



G A Tims

Director

Approved by the directors on 30/8/12

PCT HEALTHCARE (HOLDINGS) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PCT HEALTHCARE (HOLDINGS) LIMITED
YEAR ENDED 30 NOVEMBER 2011

We have audited the group and parent company consolidated financial statements ("the consolidated financial statements") of PCT Healthcare (Holdings) Limited for the year ended 30 November 2011 which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet and Company Company Balance Sheet, Consolidated Cash Flow Statement and the related notes. 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 shareholders, 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 shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the consolidated 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 consolidated 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 (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the consolidated financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited consolidated financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON CONSOLIDATED FINANCIAL STATEMENTS

In our opinion the consolidated financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 30 November 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

PCT HEALTHCARE (HOLDINGS) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PCT HEALTHCARE (HOLDINGS) LIMITED *(continued)*

YEAR ENDED 30 NOVEMBER 2011

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company consolidated financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



DAVID WILLIAMS (Senior Statutory Auditor)
For and on behalf of
ABRAMS ASHTON
Chartered Accountants & Statutory Auditor

77 Corporation Street
St Helens
Merseyside
WA10 1SX

30/8/12

PCT HEALTHCARE (HOLDINGS) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2011

	Note	2011 £	2010 £
GROUP TURNOVER	2	60,371,166	64,501,406
Cost of sales		(40,685,723)	(42,961,166)
GROSS PROFIT		19,685,443	21,540,240
Administrative expenses		(16,150,228)	(15,688,807)
Other operating income		780,068	667,752
OPERATING PROFIT	3	4,315,283	6,519,185
Interest receivable	6	9,653	7,714
Interest payable and similar charges	7	(524,842)	(667,949)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,800,094	5,858,950
Tax on profit on ordinary activities	8	(1,574,619)	(2,333,560)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,225,475	3,525,390
Minority interests		4,519	(30,098)
PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY	9	2,229,994	3,495,292
PROFIT FOR THE FINANCIAL YEAR		<u>2,229,994</u>	<u>3,495,292</u>

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the
year as set out above

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 11 to 25 form part of these consolidated financial statements

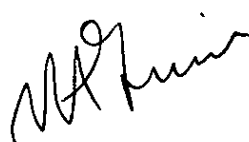
PCT HEALTHCARE (HOLDINGS) LIMITED

CONSOLIDATED BALANCE SHEET

30 NOVEMBER 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Intangible assets	11	11,839,362	15,026,281
Tangible assets	12	<u>18,560,030</u>	<u>17,280,459</u>
		30,399,392	32,306,740
CURRENT ASSETS			
Stocks	14	5,389,276	5,036,752
Debtors	15	6,067,257	6,077,042
Cash at bank and in hand		<u>5,142,673</u>	<u>5,631,676</u>
		16,599,206	16,745,470
CREDITORS: Amounts falling due within one year	16	<u>(21,319,807)</u>	<u>(24,171,621)</u>
NET CURRENT LIABILITIES		<u>(4,720,601)</u>	<u>(7,426,151)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		25,678,791	24,880,589
CREDITORS: Amounts falling due after more than one year	17	(10,085,564)	(11,477,396)
PROVISIONS FOR LIABILITIES			
Deferred taxation	19	<u>(146,663)</u>	<u>(151,904)</u>
		15,446,564	13,251,289
MINORITY INTERESTS		<u>(21,392)</u>	<u>(56,111)</u>
		<u>15,425,172</u>	<u>13,195,178</u>
CAPITAL AND RESERVES			
Called-up equity share capital	21	5,000	5,000
Profit and loss account	22	<u>15,420,172</u>	<u>13,190,178</u>
SHAREHOLDERS' FUNDS	23	<u>15,425,172</u>	<u>13,195,178</u>

These consolidated financial statements were approved by the directors and authorised for issue on 30/8/12, and are signed on their behalf by



G A Tims

Director

The notes on pages 11 to 25 form part of these consolidated financial statements

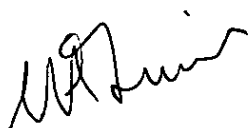
PCT HEALTHCARE (HOLDINGS) LIMITED

COMPANY BALANCE SHEET

30 NOVEMBER 2011

	Note	2011 £	2010 £
FIXED ASSETS			
Investments	13	17,801,000	17,801,000
CURRENT ASSETS			
Debtors	15	1,467,000	1,467,000
CREDITORS: Amounts falling due within one year	16	<u>(1,000)</u>	<u>(1,000)</u>
NET CURRENT ASSETS		<u>1,466,000</u>	<u>1,466,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>19,267,000</u>	<u>19,267,000</u>
CREDITORS: Amounts falling due after more than one year	17	<u>(1,462,000)</u>	<u>(1,462,000)</u>
		<u>17,805,000</u>	<u>17,805,000</u>
CAPITAL AND RESERVES			
Called-up equity share capital	21	5,000	5,000
Profit and loss account	22	<u>17,800,000</u>	<u>17,800,000</u>
SHAREHOLDERS' FUNDS		<u>17,805,000</u>	<u>17,805,000</u>

These consolidated financial statements were approved by the directors and authorised for issue on 30/11/12, and are signed on their behalf by



G A Tims

Director

Company Registration Number 06399469

The notes on pages 11 to 25 form part of these consolidated financial statements

PCT HEALTHCARE (HOLDINGS) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 NOVEMBER 2011

	Note	2011 £	2010 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	24	6,488,529	9,292,681
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	24	(545,389)	(690,435)
TAXATION	24	(1,984,379)	(1,658,839)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	24	(1,858,947)	(5,044,285)
CASH INFLOW BEFORE FINANCING		2,099,814	1,899,122
FINANCING	24	(2,588,817)	(962,063)
(DECREASE)/INCREASE IN CASH	24	(489,003)	937,059

The notes on pages 11 to 25 form part of these consolidated financial statements

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

1. ACCOUNTING POLICIES

1.1 Basis of accounting

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

1.2 Basis of consolidation

The consolidated financial statements incorporate the consolidated financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over 10 years from the year of acquisition. The results of the companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group consolidated financial statements by virtue of section 408 of the Companies Act 2006.

1.3 Turnover

Revenue comprises the fair value of the sale of goods and services net of value added tax, rebates and discounts. Sales of goods are recognised either at point of sale or when the company has delivered the goods to the customer.

1.4 Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

1.5 Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	- 10 years straight line
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1.6 Fixed assets

All fixed assets are initially recorded at cost.

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

1.7 Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Land & buildings	- 2% straight line
Fixtures, fittings & equipment	- 10% & 25% straight line
Motor vehicles	- 25% reducing balance
Short leasehold property	- straight line over the life of the lease
Improvements to property	- 10% straight line

Development property (assets under construction) is not depreciated until completion

1.8 Investment properties

No depreciation is provided on the company's investment properties. In accordance with SSAP 19 'Accounting for Investment Properties', they are included in the balance sheet at their open market value at the year end as valued annually by the directors. Increases or decreases in the value of the properties are taken to the investment property revaluation reserve.

Depreciation is not provided on the properties. This treatment may be a requirement of the Companies Act 2006 concerning depreciation of fixed assets. However, the properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy is therefore necessary to give a true and fair view.

1.9 Stocks

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

1.10 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

1.11 Pension costs

The company operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year.

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

1. ACCOUNTING POLICIES *(continued)*

1.12 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

1.13 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

1.14 Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below:

	2011	2010
	£	£
United Kingdom	<u>60,371,166</u>	<u>64,501,406</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2011 £	2010 £
Amortisation of intangible assets	3,186,919	3,499,323
Depreciation of owned fixed assets	574,951	491,804
Loss/(Profit) on disposal of fixed assets	4,425	(345)
Operating lease rentals - land and buildings	559,741	500,345
Auditor's remuneration	<u>46,700</u>	<u>45,060</u>
	2011 £	2010 £
Auditor's remuneration - audit of the consolidated financial statements	<u>46,700</u>	<u>45,060</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to

	2011 No	2010 No
Number of administrative staff	20	19
Number of management staff	4	4
Number of other staff	<u>422</u>	<u>420</u>
	<u>446</u>	<u>443</u>

The aggregate payroll costs of the above were

	2011 £	2010 £
Wages and salaries	8,245,557	7,899,158
Social security costs	596,914	571,449
Other pension costs	<u>98,961</u>	<u>90,539</u>
	<u>8,941,432</u>	<u>8,561,146</u>

5. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were

	2011 £	2010 £
Aggregate remuneration	<u>461,079</u>	<u>609,497</u>

Remuneration of highest paid director:

	2011 £	2010 £
Total remuneration (excluding pension contributions)	<u>176,193</u>	<u>228,857</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

6. INTEREST RECEIVABLE

	2011	2010
	£	£
Bank interest receivable	9,619	6,484
Other interest receivable	<u>34</u>	<u>1,230</u>
	<u>9,653</u>	<u>7,714</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2011	2010
	£	£
Interest payable on bank borrowing	732	484
Interest on bank loans	225,146	176,744
Finance charges on shares classed as financial liabilities	116,960	116,960
Other interest payable	<u>182,004</u>	<u>373,761</u>
	<u>524,842</u>	<u>667,949</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2011	2010
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 26.67% (2010 - 28%)	1,579,860	2,317,474
(Over)/under provision in prior year	<u>-</u>	<u>(273)</u>
	1,579,860	2,317,201
Other adjustments	<u>-</u>	<u>(1,043)</u>
Total current tax	1,579,860	2,316,158
Deferred tax		
Origination and reversal of timing differences (note 19)		
Capital allowances	<u>(5,241)</u>	<u>17,402</u>
Tax on profit on ordinary activities	<u>1,574,619</u>	<u>2,333,560</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

8. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 26 67% (2010 - 28%)

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>3,800,094</u>	<u>5,858,950</u>
Profit on ordinary activities by rate of tax	1,013,485	1,640,506
Expenses not deductible for tax purposes	560,041	692,742
Capital allowances for period in excess of depreciation	7,445	(17,165)
Adjustments to tax charge in respect of previous periods	(1,111)	(273)
Subsidiary acquisitions	-	348
Total current tax (note 8(a))	<u>1,579,860</u>	<u>2,316,158</u>

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the consolidated financial statements of the parent company was £Nil (2010 - £Nil)

10. DIVIDENDS

Equity dividends

	2011 £	2010 £
Paid during the year		
Dividends on equity shares	<u>-</u>	<u>11,000,000</u>

Dividends on shares classed as financial liabilities

	2011 £	2010 £
Paid during the year		
Preference A shares	<u>116,960</u>	<u>116,960</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

11. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 December 2010 and 30 November 2011	<u>25,261,423</u>
AMORTISATION	
At 1 December 2010	10,235,142
Charge for the year	<u>3,186,919</u>
At 30 November 2011	<u>13,422,061</u>
NET BOOK VALUE	
At 30 November 2011	<u>11,839,362</u>
At 30 November 2010	<u>15,026,281</u>

12. TANGIBLE FIXED ASSETS

Group						
	Freehold Property £	Long Leasehold Property £	Short Leasehold Property £	Fixtures, Fittings & Equipment £	Other Assets £	Total £
COST						
At 1 Dec 2010	10,029,512	4,620,317	1,421,744	3,629,149	395,755	20,096,477
Additions	274,632	–	900,693	637,735	49,354	1,862,414
Disposals	–	–	–	–	(24,500)	(24,500)
At 30 Nov 2011	<u>10,304,144</u>	<u>4,620,317</u>	<u>2,322,437</u>	<u>4,266,884</u>	<u>420,609</u>	<u>21,934,391</u>
DEPRECIATION						
At 1 Dec 2010	169,545	–	408,945	2,012,464	225,064	2,816,018
Charge for the year	86,261	–	83,266	360,236	45,188	574,951
On disposals	–	–	–	–	(16,608)	(16,608)
At 30 Nov 2011	<u>255,806</u>	<u>–</u>	<u>492,211</u>	<u>2,372,700</u>	<u>253,644</u>	<u>3,374,361</u>
NET BOOK VALUE						
At 30 Nov 2011	<u>10,048,338</u>	<u>4,620,317</u>	<u>1,830,226</u>	<u>1,894,184</u>	<u>166,965</u>	<u>18,560,030</u>
At 30 Nov 2010	<u>9,859,967</u>	<u>4,620,317</u>	<u>1,012,799</u>	<u>1,616,685</u>	<u>170,691</u>	<u>17,280,459</u>

Included within freehold and long leasehold properties are investment and development properties (assets under construction) totalling £10,611,426 (2010 £10,341,068)

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

13. INVESTMENTS

Company	Group companies £
COST	
At 1 December 2010 and 30 November 2011	<u>17,801,000</u>
NET BOOK VALUE	
At 30 November 2011 and 30 November 2010	<u>17,801,000</u>

At 30 November 2011 the company owns more than 20% of the issued share capital of the trading companies listed below

	Country of incorporation	Holding	Proportion of voting rights	Nature of business
Subsidiary undertakings				
All held by the company				
PCT Healthcare Limited	England	Ordinary shares	100%	Retail pharmacy
P & A J Cattee (Wholesale) Limited	England	Ordinary shares	100%	Pharmaceutical wholesalers
PCT Healthcare (Properties) Limited	England	Ordinary shares	100%	Property rental
Grasmere Leigh Limited	England	Ordinary shares	85%	Retail pharmacy

14. STOCKS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Finished goods	<u>5,389,276</u>	<u>5,036,752</u>	<u>—</u>	<u>—</u>

15. DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	5,260,871	5,312,954	—	—
Amounts owed by group undertakings	—	—	1,467,000	1,467,000
Other debtors	421,738	255,064	—	—
Prepayments and accrued income	384,648	509,024	—	—
	<u>6,067,257</u>	<u>6,077,042</u>	<u>1,467,000</u>	<u>1,467,000</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

16. CREDITORS: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Debenture loans	111,204	254,900	—	—
Bank loans	1,980,989	1,783,531	—	—
Trade creditors	6,480,953	7,318,986	—	—
Amounts owed to group undertakings	—	—	1,000	1,000
Directors' loan accounts	11,223,145	12,920,725	—	—
Other creditors including taxation and social security	—	—	—	—
Corporation tax	979,889	1,384,408	—	—
PAYE and social security	252,154	298,139	—	—
Other creditors	1,720	1,728	—	—
Accruals and deferred income	289,753	209,204	—	—
	21,319,807	24,171,621	1,000	1,000

The following liabilities disclosed under creditors falling due within one year are secured by the company

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	1,980,989	1,783,531	—	—
Directors' and connected party loans	11,334,349	13,175,625	—	—
	13,315,338	14,959,156	—	—

Bank borrowings are secured by fixed charges over the investments and book debts together with a floating charge over the other assets of the company. The directors and other loans are secured by a debenture.

17 CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Debenture loans	—	111,204	—	—
Bank loans and overdrafts	8,623,564	8,936,257	—	—
Directors' loan accounts	—	967,935	—	—
Shares classed as financial liabilities	1,462,000	1,462,000	1,462,000	1,462,000
	10,085,564	11,477,396	1,462,000	1,462,000

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

17. CREDITORS: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	8,623,564	8,936,257	-	-
Directors and connected party loans	-	1,079,139	-	-
	<u>8,623,564</u>	<u>10,015,396</u>	<u>-</u>	<u>-</u>

Bank borrowings are secured by fixed charges over the investments and book debts together with a floating charge over the other assets of the company. The directors and other loans are secured by a debenture.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date.

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	-	440,247	-	-
	<u>-</u>	<u>440,247</u>	<u>-</u>	<u>-</u>

The company has a number of bank loans ranging from 3 to 10 years with interest being payable at 2.5% above LIBOR or 1% above bank base rate.

18. PENSIONS

The group operates a defined contribution pension scheme in respect of its employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the group and amounted to £98,961 (2010 £90,539).

19. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Provision brought forward	151,904	134,502	-	-
(Decrease)/Increase in provision	(5,241)	17,402	-	-
Provision carried forward	<u>146,663</u>	<u>151,904</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
	<u>146,663</u>	<u>151,904</u>	<u>-</u>	<u>-</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

20. RELATED PARTY TRANSACTIONS

The company is under the control of its directors

The amount due to the directors at the balance sheet date were as follows

	2011	2010
	£	£
Mr G A Tims	2,531,625	3,199,889
Mr A D Parker	2,420,397	2,833,761
Mr P Cattee & Mrs A J Cattee	6,271,123	7,855,010
	<u>11,223,145</u>	<u>13,888,660</u>

Included within creditors at the balance sheet date is a loan totalling £111,204 (2010 £366,104) from the A D Parker Discretionary Settlement Trust

During the year the company paid Preference A share dividends as follows

	2011	2010
	£	£
Mrs J A Tims	52,000	52,000
Mrs A Parker	8,800	8,800
Mr P Cattee & Mrs A J Cattee	56,160	56,160
	<u>116,960</u>	<u>116,960</u>

During the year the company paid Ordinary share dividends as follows

	2011	2010
	£	£
Mr P Cattee & Mrs A J Cattee	–	6,050,000
Mr G A Tims	–	2,475,000
Mr A D Parker	–	2,475,000
	<u>–</u>	<u>11,000,000</u>

21. SHARE CAPITAL

Authorised share capital:

	2011	2010
	£	£
275,000 Ordinary A shares of £1 each	275,000	275,000
225,000 Ordinary B shares of £1 each	225,000	225,000
1,462,000 Preference A shares of £1 each	1,462,000	1,462,000
4,000,000 Preference B shares of £1 each	4,000,000	4,000,000
	<u>5,962,000</u>	<u>5,962,000</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

21. SHARE CAPITAL *(continued)*

Allotted and called up:

	2011		2010	
	No	£	No	£
275,000 Ordinary A shares - £0 01 paid of £1 each	275,000	2,750	275,000	2,750
225,000 Ordinary B shares - £0 01 paid of £1 each	225,000	2,250	225,000	2,250
1,462,000 Preference A shares fully paid of £1 each	1,462,000	1,462,000	1,462,000	1,462,000
	<u>1,962,000</u>	<u>1,467,000</u>	<u>1,962,000</u>	<u>1,467,000</u>

	2011	2010
	£	£
Amounts presented in equity:		
275,000 Ordinary A shares - £0 01 paid of £1 each	2,750	2,750
225,000 Ordinary B shares - £0 01 paid of £1 each	2,250	2,250
	<u>5,000</u>	<u>5,000</u>

Amounts presented in liabilities:

1,462,000 Preference A shares fully paid of £1 each	<u>1,462,000</u>	<u>1,462,000</u>
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The Preference A shares have a right to a fixed cumulative preferential dividend at the rate of 8% per annum. They are non-voting and have no rights on winding up other than to be redeemed at par prior to any distribution to the ordinary shareholders.

22. RESERVES

Group	Profit and loss account
	£
Balance brought forward	13,190,178
Profit for the year	<u>2,229,994</u>
Balance carried forward	<u>15,420,172</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

22. RESERVES *(continued)*

Company	Profit and loss account £
Balance brought forward	17,800,000
Balance carried forward	<u>17,800,000</u>

23. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit for the financial year	2,229,994	3,495,292
Equity dividends	—	(11,000,000)
Net addition/(reduction) to shareholders' funds	<u>2,229,994</u>	<u>(7,504,708)</u>
Opening shareholders' funds	13,195,178	20,699,886
Closing shareholders' funds	<u>15,425,172</u>	<u>13,195,178</u>

24. NOTES TO THE CASH FLOW STATEMENT

**RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM
OPERATING ACTIVITIES**

	2011 £	2010 £
Operating profit	4,315,283	6,519,185
Amortisation	3,186,919	3,499,323
Depreciation	574,951	491,804
Loss/(Profit) on disposal of fixed assets	4,425	(345)
Increase in stocks	(352,524)	(187,311)
Decrease in debtors	9,785	203,240
Decrease in creditors	(1,250,310)	(1,233,215)
Net cash inflow from operating activities	<u>6,488,529</u>	<u>9,292,681</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2011 £	2010 £
Interest received	9,653	7,714
Interest paid	(407,882)	(550,989)
Dividends on shares classed as financial liabilities	(116,960)	(116,960)
Dividends paid to minority interest	(30,200)	(30,200)
Net cash outflow from returns on investments and servicing of finance	<u>(545,389)</u>	<u>(690,435)</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

24. NOTES TO THE CASH FLOW STATEMENT *(continued)*

TAXATION

	2011 £	2010 £
Taxation	<u>(1,984,379)</u>	<u>(1,658,839)</u>

CAPITAL EXPENDITURE

	2011 £	2010 £
Payments to acquire intangible fixed assets	—	(1,326,012)
Payments to acquire tangible fixed assets	(1,862,414)	(3,721,649)
Receipts from sale of fixed assets	3,467	3,376
Net cash outflow from capital expenditure	<u>(1,858,947)</u>	<u>(5,044,285)</u>

FINANCING

	2011 £	2010 £
Repayment of debenture loans	(254,900)	(239,021)
New bank loans	1,800,000	3,100,000
Repayment of bank loans	(1,915,235)	(1,604,360)
Repayment of directors' long-term loans	(2,218,682)	(2,218,682)
Net cash outflow from financing	<u>(2,588,817)</u>	<u>(962,063)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2011 £	2010 £
(Decrease)/increase in cash in the period	(489,003)	937,059
Net cash outflow from debenture loans	254,900	239,021
Net cash outflow from/(inflow) from bank loans	115,235	(1,495,640)
Cash outflow from directors' long-term loans	<u>2,218,682</u>	<u>2,218,682</u>
Change in net debt resulting from cash flows	2,099,814	1,899,122
Non-cash adj to L/T Directors loans	(1,250,747)	—
Movement in net debt in the period	<u>849,067</u>	<u>1,899,122</u>
Net debt at 1 December 2010	(7,884,151)	(9,783,273)
Net debt at 30 November 2011	<u>(7,035,084)</u>	<u>(7,884,151)</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2011

24. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Dec 2010 £	Cash flows £	Other changes £	At 30 Nov 2011 £
Net cash				
Cash in hand and at bank	<u>5,631,676</u>	<u>(489,003)</u>	<u>—</u>	<u>5,142,673</u>
Debt				
Debt due within 1 year	<u>(2,038,431)</u>	<u>(53,762)</u>	<u>—</u>	<u>(2,092,193)</u>
Debt due after 1 year	<u>(11,477,396)</u>	<u>2,642,579</u>	<u>(1,250,747)</u>	<u>(10,085,564)</u>
	<u>(13,515,827)</u>	<u>2,588,817</u>	<u>(1,250,747)</u>	<u>(12,177,757)</u>
Net debt	<u>(7,884,151)</u>	<u>2,099,814</u>	<u>(1,250,747)</u>	<u>(7,035,084)</u>