

COMPANY REGISTRATION NUMBER 06399469

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**30 NOVEMBER 2015**



**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 2015**

| <b>CONTENTS</b>                                  | <b>PAGES</b>    |
|--|-----------------|
| Company information                              | <b>1</b>        |
| Strategic report                                 | <b>2</b>        |
| Directors' report                                | <b>3 to 4</b>   |
| Independent auditor's report to the shareholders | <b>5 to 6</b>   |
| Consolidated profit and loss account             | <b>7</b>        |
| Consolidated balance sheet                       | <b>8</b>        |
| Company balance sheet                            | <b>9</b>        |
| Consolidated cash flow statement                 | <b>10</b>       |
| Notes to the consolidated financial statements   | <b>11 to 26</b> |

# **PCT HEALTHCARE (HOLDINGS) LIMITED**

## **COMPANY INFORMATION**

### **The board of directors**

Mr P Cattee  
Mrs A J Cattee  
Mr G A Tims

### **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**

## **STRATEGIC REPORT**

### **YEAR ENDED 30 NOVEMBER 2015**

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 increased from 54 to 64 branches in the South Yorkshire, Derbyshire, Lancashire, Merseyside, Greater Manchester and Midlands areas.

The company is committed to actively work in partnership with local clinical commissioning groups 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 has increased from 33.5% in 2014 to 34.8% in 2015.

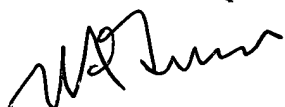
Staffing remains the greatest asset, but also the largest cost to the company, amounting to £11.2m in 2014 and £13.3m in 2015. Staff costs as a percentage of turnover were 17% in 2014 and 17% in 2015 and as a percentage of gross profit 51% in 2014 and 2015.

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 2014 PBIT cover, (being Profit before interest, depreciation, exceptional items and tax over net interest costs) was 28 compared to 17 in 2015. Company shareholders will note that net profit before depreciation, exceptional items and tax as a percentage of turnover has increased from 11.9% in 2014 to 12.6% in 2015. In the forthcoming year the company expects profitability to increase primarily due to a number of branch acquisitions both during the current year and after the year end.

The company has a strong balance sheet with net assets of £13.5m at the year end.

Signed on behalf of the directors



G A Tims

Director

Approved by the directors on 25/8/16

# **PCT HEALTHCARE (HOLDINGS) LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 30 NOVEMBER 2015**

The directors present their report and the consolidated financial statements of the group for the year ended 30 November 2015.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £3,891,344. 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

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 these consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

#### **POST BALANCE SHEET EVENT**

Since the year end the group has acquired a further 55 pharmacy branches for a total consideration of £64m funded by a new bank loan and monies introduced by a director.

# **PCT HEALTHCARE (HOLDINGS) LIMITED**

## **DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 30 NOVEMBER 2015**

### **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.

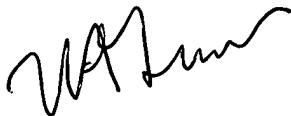
### **AUDITOR**

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

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Signed on behalf of the directors



G A Tims

Director

Approved by the directors on 25/8/16

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**YEAR ENDED 30 NOVEMBER 2015**

We have audited the group and parent company consolidated financial statements of PCT Healthcare (Holdings) Limited for the year ended 30 November 2015 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 Statement of Directors' Responsibilities 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 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 the 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON 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 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

**YEAR ENDED 30 NOVEMBER 2015**

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Strategic Report and 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.

 FCA

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

77 Corporation Street  
St Helens  
Merseyside  
WA10 1SX

25/8/16



**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 NOVEMBER 2015**

|  | Note     | 2015<br>£           | 2014<br>£           |
|--|----------|---------------------|---------------------|
| <b>GROUP TURNOVER</b>                                | <b>2</b> | <b>74,563,716</b>   | <b>65,842,608</b>   |
| Cost of sales  |          | <b>(48,606,778)</b> | <b>(43,803,326)</b> |
| <b>GROSS PROFIT</b>                                  |          | <b>25,956,938</b>   | <b>22,039,282</b>   |
| Administrative expenses                              |          | <b>(21,072,069)</b> | <b>(19,448,780)</b> |
| Other operating income                               |          | <b>1,214,546</b>    | <b>1,190,043</b>    |
| <b>OPERATING PROFIT</b>                              | <b>3</b> | <b>6,099,415</b>    | <b>3,780,545</b>    |
| Interest receivable                                  | <b>6</b> | <b>13,086</b>       | <b>8,524</b>        |
| Interest payable and similar charges                 | <b>7</b> | <b>(600,970)</b>    | <b>(292,280)</b>    |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |          | <b>5,511,531</b>    | <b>3,496,789</b>    |
| Tax on profit on ordinary activities                 | <b>8</b> | <b>(1,620,187)</b>  | <b>(1,409,832)</b>  |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>                 | <b>9</b> | <b>3,891,344</b>    | <b>2,086,957</b>    |

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 26 form part of these consolidated financial statements.

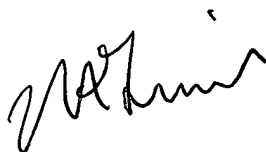
**PCT HEALTHCARE (HOLDINGS) LIMITED**

**CONSOLIDATED BALANCE SHEET**

**30 NOVEMBER 2015**

|  | Note | 2015<br>£                | 2014<br>£               |
|--|------|--------------------------|-------------------------|
| <b>FIXED ASSETS</b>  |      |                          |                         |
| Intangible assets  | 11   | 17,210,884               | 10,178,755              |
| Tangible assets  | 12   | <u>22,912,115</u>        | <u>22,062,563</u>       |
|  |      | <b>40,122,999</b>        | <b>32,241,318</b>       |
| <b>CURRENT ASSETS</b>  |      |                          |                         |
| Stocks   | 14   | 9,173,663                | 7,070,509               |
| Debtors  | 15   | 9,043,051                | 8,914,315               |
| Cash at bank and in hand                                       |      | <u>7,953,711</u>         | <u>4,667,965</u>        |
|  |      | <b>26,170,425</b>        | <b>20,652,789</b>       |
| <b>CREDITORS: Amounts falling due within one year</b>          | 17   | <u>(31,559,483)</u>      | <u>(23,351,300)</u>     |
| <b>NET CURRENT LIABILITIES</b>                                 |      | <b>(5,389,058)</b>       | <b>(2,698,511)</b>      |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | <b>34,733,941</b>        | <b>29,542,807</b>       |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 18   | <u>(21,235,971)</u>      | <u>(19,936,181)</u>     |
|  |      | <b><u>13,497,970</u></b> | <b><u>9,606,626</u></b> |
| <b>CAPITAL AND RESERVES</b>                                    |      |                          |                         |
| Called up equity share capital                                 | 22   | 3,875                    | 3,875                   |
| Other reserves   | 23   | 111,125                  | 111,125                 |
| Profit and loss account  | 23   | <u>13,382,970</u>        | <u>9,491,626</u>        |
| <b>SHAREHOLDERS' FUNDS</b>                                     | 24   | <b><u>13,497,970</u></b> | <b><u>9,606,626</u></b> |

These accounts were approved by the directors and authorised for issue on 25/8/16, and are signed on their behalf by:



G A Tims

Director

The notes on pages 11 to 26 form part of these consolidated financial statements.

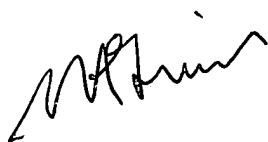
# PCT HEALTHCARE (HOLDINGS) LIMITED

## COMPANY BALANCE SHEET

**30 NOVEMBER 2015**

|  | Note | 2015<br>£                | 2014<br>£                |
|--|------|--------------------------|--------------------------|
| <b>FIXED ASSETS</b>  |      |                          |                          |
| Investments  | 13   | 17,801,000               | 17,801,000               |
| <b>CURRENT ASSETS</b>  |      |                          |                          |
| Debtors  | 15   | 1,467,000                | 1,467,000                |
| <b>CREDITORS: Amounts falling due within one year</b>          | 17   | <u>(1,000)</u>           | <u>(1,000)</u>           |
| <b>NET CURRENT ASSETS</b>                                      |      | <u>1,466,000</u>         | <u>1,466,000</u>         |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |      | <b>19,267,000</b>        | <b>19,267,000</b>        |
| <b>CREDITORS: Amounts falling due after more than one year</b> | 18   | <u>(1,352,000)</u>       | <u>(1,352,000)</u>       |
|  |      | <u><b>17,915,000</b></u> | <u><b>17,915,000</b></u> |
| <b>CAPITAL AND RESERVES</b>                                    |      |                          |                          |
| Called up equity share capital                                 | 22   | 3,875                    | 3,875                    |
| Other reserves   | 23   | 111,125                  | 111,125                  |
| Profit and loss account  | 23   | <u>17,800,000</u>        | <u>17,800,000</u>        |
| <b>SHAREHOLDERS' FUNDS</b>                                     |      | <u><b>17,915,000</b></u> | <u><b>17,915,000</b></u> |

These accounts were approved by the directors and authorised for issue on 28/8/16, and are signed on their behalf by:



G A Tims

Director

Company Registration Number: 06399469

The notes on pages 11 to 26 form part of these consolidated financial statements.

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**YEAR ENDED 30 NOVEMBER 2015**

|  | Note | 2015<br>£               | 2014<br>£               |
|--|------|-------------------------|-------------------------|
| NET CASH INFLOW FROM<br>OPERATING ACTIVITIES       | 25   | 16,369,001              | 6,820,594               |
| RETURNS ON INVESTMENTS<br>AND SERVICING OF FINANCE | 25   | (587,884)               | (283,756)               |
| TAXATION   | 25   | (1,335,264)             | (1,253,334)             |
| CAPITAL EXPENDITURE AND<br>FINANCIAL INVESTMENT    | 25   | (11,730,660)            | (4,712,309)             |
| CASH INFLOW BEFORE FINANCING                       |      | <u>2,715,193</u>        | <u>571,195</u>          |
| FINANCING  | 25   | 570,553                 | 3,892,571               |
| INCREASE IN CASH                                   | 25   | <u><u>3,285,746</u></u> | <u><u>4,463,766</u></u> |

The notes on pages 11 to 26 form part of these consolidated financial statements.

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

**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 |
|----------|---|------------------------|

**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 2015**

**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 lease | - | straight line over the life of the lease |
| Improvements to property       | - | 10% straight line                        |

**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 and professionally every five years. Increases in the value of the properties are taken to the investment property revaluation reserve. Permanent decreases in the values of properties are taken to the profit and loss account.

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 2015**

**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 assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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:

|                | <b>2015</b>              | <b>2014</b>              |
|----------------|--------------------------|--------------------------|
|                | <b>£</b>                 | <b>£</b>                 |
| United Kingdom | <b><u>74,563,716</u></b> | <b><u>65,842,608</u></b> |

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

**3. OPERATING PROFIT**

Operating profit is stated after charging:

|   | 2015<br>£     | 2014<br>£     |
|---|---------------|---------------|
| Amortisation of intangible assets                                       | 3,217,761     | 2,858,978     |
| Depreciation of owned fixed assets                                      | 629,762       | 617,765       |
| Impairment of owned fixed assets  | —             | 902,698       |
| Loss on disposal of fixed assets  | 1,456         | 4,069         |
| Operating lease rentals - land and buildings                            | 966,436       | 816,776       |
| Auditor's remuneration - audit of the consolidated financial statements | 45,600        | 38,380        |
| Auditor's remuneration - other fees                                     | <u>13,000</u> | <u>13,500</u> |
|   | 2015<br>£     | 2014<br>£     |
| Auditor's remuneration - audit of the consolidated financial statements | <u>45,600</u> | <u>38,380</u> |
| Auditor's remuneration - other fees:                                    |               |               |
| - Accountancy and other related services                                | <u>13,000</u> | <u>13,500</u> |

**4. PARTICULARS OF EMPLOYEES**

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

|                      | 2015<br>No. | 2014<br>No. |
|----------------------|-------------|-------------|
| Administrative staff | 28          | 25          |
| Management staff     | 3           | 4           |
| Other staff          | <u>635</u>  | <u>537</u>  |
|                      | <u>666</u>  | <u>566</u>  |

The aggregate payroll costs of the above were:

|                       | 2015<br>£         | 2014<br>£         |
|-----------------------|-------------------|-------------------|
| Wages and salaries    | 11,946,941        | 10,221,903        |
| Social security costs | 927,077           | 820,023           |
| Other pension costs   | 177,216           | 151,036           |
|                       | <u>13,051,234</u> | <u>11,192,962</u> |



**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

**5. DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were:

|                        | 2015<br>£      | 2014<br>£      |
|------------------------|----------------|----------------|
| Aggregate remuneration | <u>432,912</u> | <u>468,517</u> |

**Remuneration of highest paid director:**

|  | 2015<br>£      | 2014<br>£      |
|--|----------------|----------------|
| Total remuneration (excluding pension contributions) | <u>151,467</u> | <u>176,571</u> |

**6. INTEREST RECEIVABLE**

|                           | 2015<br>£     | 2014<br>£    |
|---------------------------|---------------|--------------|
| Bank interest receivable  | 11,417        | 6,343        |
| Other interest receivable | <u>1,669</u>  | <u>2,181</u> |
|                           | <u>13,086</u> | <u>8,524</u> |

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

|  | 2015<br>£      | 2014<br>£      |
|--|----------------|----------------|
| Interest payable on bank borrowing                         | 6,109          | 14,961         |
| Interest on bank loans                                     | 485,583        | 164,759        |
| Finance charges on shares classed as financial liabilities | 108,160        | 112,560        |
| Other interest payable                                     | <u>1,118</u>   | <u>—</u>       |
|  | <u>600,970</u> | <u>292,280</u> |

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

**8. TAXATION ON ORDINARY ACTIVITIES**

**(a) Analysis of charge in the year**

|  | 2015<br>£        | 2014<br>£        |
|--|------------------|------------------|
| Current tax:   |                  |                  |
| In respect of the year:  |                  |                  |
| UK Corporation tax based on the results for the year at 20.33% (2014 - 21.67%) | 1,547,596        | 1,291,138        |
| Other adjustments  | <u>(30,775)</u>  | <u>(10,597)</u>  |
| Total current tax  | 1,516,821        | 1,280,541        |
| Deferred tax:  |                  |                  |
| Origination and reversal of timing differences (note 16)                       |                  |                  |
| Capital allowances   | <u>103,366</u>   | <u>129,291</u>   |
| Tax on profit on ordinary activities   | <u>1,620,187</u> | <u>1,409,832</u> |

**(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 20.33% (2014 - 21.67%).

|   | 2015<br>£        | 2014<br>£        |
|---|------------------|------------------|
| Profit on ordinary activities before taxation           | <u>5,511,531</u> | <u>3,496,789</u> |
| Profit on ordinary activities by rate of tax            | 1,120,494        | 757,404          |
| Expenses not deductible for tax purposes                | 531,100          | 435,773          |
| Capital allowances for period in excess of depreciation | (93,729)         | 97,961           |
| Subsidiary acquisitions                                 | <u>(41,044)</u>  | <u>(10,597)</u>  |
| Total current tax (note 8(a))                           | <u>1,516,821</u> | <u>1,280,541</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 (2014 - £11,592,179).

**10. DIVIDENDS**

**Dividends on shares classed as financial liabilities**

|                       | 2015<br>£      | 2014<br>£      |
|-----------------------|----------------|----------------|
| Paid during the year: |                |                |
| Preference A shares   | <u>108,160</u> | <u>112,560</u> |

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

**11. INTANGIBLE ASSETS**

| <b>Group</b>               | <b>Goodwill<br/>£</b>    |
|----------------------------|--------------------------|
| <b>COST</b>                |                          |
| At 1 December 2014         | 31,676,997               |
| Additions                  | <u>10,249,890</u>        |
| <b>At 30 November 2015</b> | <u><b>41,926,887</b></u> |
| <b>AMORTISATION</b>        |                          |
| At 1 December 2014         | 21,498,242               |
| Charge for the year        | <u>3,217,761</u>         |
| <b>At 30 November 2015</b> | <u><b>24,716,003</b></u> |
| <b>NET BOOK VALUE</b>      |                          |
| <b>At 30 November 2015</b> | <u><b>17,210,884</b></u> |
| At 30 November 2014        | <u>10,178,755</u>        |

During the year the company has acquired one un-incorporated business and four incorporated businesses for a total consideration of £12,649,617. The fair values of the identifiable net current assets acquired were £1,565,740 and tangible fixed assets £833,987 resulting in goodwill of £10,249,890 being recognised.

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

**12. TANGIBLE ASSETS**

**Group**

|                       | Freehold<br>Property<br>£ | Long<br>Leasehold<br>Property<br>£ | Short<br>Leasehold<br>Property<br>£ | Fixtures,<br>Fittings &<br>Equipment<br>£ | Other<br>Assets<br>£ | Total<br>£        |
|-----------------------|---------------------------|------------------------------------|-------------------------------------|---|----------------------|-------------------|
| <b>COST</b>           |                           |                                    |                                     |   |                      |                   |
| At 1 Dec 2014         | 15,260,566                | 6,845,225                          | 2,873,369                           | 5,880,992                                 | 632,559              | 31,492,711        |
| Additions             | 624,558                   | 139,314                            | 4                                   | 645,386                                   | 131,322              | 1,540,584         |
| Disposals             | —                         | (80,000)                           | —                                   | —   | (51,814)             | (131,814)         |
| <b>At 30 Nov 2015</b> | <b>15,885,124</b>         | <b>6,904,539</b>                   | <b>2,873,373</b>                    | <b>6,526,378</b>                          | <b>712,067</b>       | <b>32,901,481</b> |
| <b>DEPRECIATION</b>   |                           |                                    |                                     |   |                      |                   |
| At 1 Dec 2014         | 3,379,116                 | 1,169,265                          | 843,581                             | 3,675,230                                 | 362,956              | 9,430,148         |
| Charge for the year   | 57,408                    | —                                  | 116,434                             | 368,019                                   | 87,901               | 629,762           |
| On disposals          | —                         | (30,000)                           | —                                   | —   | (40,544)             | (70,544)          |
| <b>At 30 Nov 2015</b> | <b>3,436,524</b>          | <b>1,139,265</b>                   | <b>960,015</b>                      | <b>4,043,249</b>                          | <b>410,313</b>       | <b>9,989,366</b>  |
| <b>NET BOOK VALUE</b> |                           |                                    |                                     |   |                      |                   |
| <b>At 30 Nov 2015</b> | <b>12,448,600</b>         | <b>5,765,274</b>                   | <b>1,913,358</b>                    | <b>2,483,129</b>                          | <b>301,754</b>       | <b>22,912,115</b> |
| At 30 Nov 2014        | 11,881,450                | 5,675,960                          | 2,029,788                           | 2,205,762                                 | 269,603              | 22,062,563        |

Included within freehold and long leasehold properties are investment properties totalling £15,108,524 (2014 £15,019,210).

**13. INVESTMENTS**

**Company**

**Group  
companies  
£**

**COST**

At 1 December 2014 and 30 November 2015 **17,801,000**

**NET BOOK VALUE**

At 30 November 2015 and 30 November 2014 **17,801,000**

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

At 30 November 2015 the company owns more than 20% of the issued share capital of the trading companies listed below:

|                                     | Country of<br>incorporation | Holding         | Proportion<br>of voting<br>rights | Nature of business         |
|-------------------------------------|-----------------------------|-----------------|-----------------------------------|----------------------------|
| <b>Subsidiary undertakings</b>      |                             |                 |                                   |                            |
| 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 | 100%                              | Retail pharmacy            |
| Medex Health Limited                | England                     | Ordinary shares | 100%                              | Retail pharmacy            |

**14. STOCKS**

|                | <b>Group</b>     |                  | <b>Company</b> |          |
|----------------|------------------|------------------|----------------|----------|
|                | 2015             | 2014             | 2015           | 2014     |
|                | £                | £                | £              | £        |
| Finished goods | <u>9,173,663</u> | <u>7,070,509</u> | <u>—</u>       | <u>—</u> |

**15. DEBTORS**

|                                    | <b>Group</b>     |                  | <b>Company</b>   |                  |
|------------------------------------|------------------|------------------|------------------|------------------|
|                                    | 2015             | 2014             | 2015             | 2014             |
|                                    | £                | £                | £                | £                |
| Trade debtors                      | 6,555,391        | 4,822,383        | —                | —                |
| Amounts owed by group undertakings | —                | —                | 1,467,000        | 1,467,000        |
| Other debtors                      | 783,719          | 3,162,167        | —                | —                |
| Deferred taxation (Note 16)        | 68,029           | 171,395          | —                | —                |
| Prepayments and accrued income     | <u>1,635,912</u> | <u>758,370</u>   | <u>—</u>         | <u>—</u>         |
|                                    | <u>9,043,051</u> | <u>8,914,315</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 2015**

**16. DEFERRED TAXATION**

The movement in the deferred taxation asset during the year was:

|                       | <b>Group</b>         |                | <b>Company</b> |             |
|-----------------------|----------------------|----------------|----------------|-------------|
|                       | <b>2015</b>          | <b>2014</b>    | <b>2015</b>    | <b>2014</b> |
|                       | <b>£</b>             | <b>£</b>       | <b>£</b>       | <b>£</b>    |
| Asset brought forward | <b>171,395</b>       | 300,686        | -              | -           |
| Decrease in asset     | <b>(103,366)</b>     | (129,291)      | -              | -           |
| Asset carried forward | <b><u>68,029</u></b> | <u>171,395</u> | <u>-</u>       | <u>-</u>    |

|   | <b>Group</b>         |                | <b>Company</b> |             |
|---|----------------------|----------------|----------------|-------------|
|   | <b>2015</b>          | <b>2014</b>    | <b>2015</b>    | <b>2014</b> |
|   | <b>£</b>             | <b>£</b>       | <b>£</b>       | <b>£</b>    |
| Provision for deferred tax; FA allowances | <b><u>68,029</u></b> | <u>171,395</u> | <u>-</u>       | <u>-</u>    |

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

|                                    | <b>Group</b>             |                   | <b>Company</b>      |              |
|------------------------------------|--------------------------|-------------------|---------------------|--------------|
|                                    | <b>2015</b>              | <b>2014</b>       | <b>2015</b>         | <b>2014</b>  |
|                                    | <b>£</b>                 | <b>£</b>          | <b>£</b>            | <b>£</b>     |
| Other loans                        | <b>1,154,661</b>         | 1,585,473         | -                   | -            |
| Bank loans                         | <b>2,774,352</b>         | 3,503,589         | -                   | -            |
| Trade creditors                    | <b>10,817,587</b>        | 8,962,125         | -                   | -            |
| Amounts owed to group undertakings | -                        | -                 | <b>1,000</b>        | 1,000        |
| Directors' loan accounts           | <b>13,644,183</b>        | 6,552,550         | -                   | -            |
| Corporation tax                    | <b>739,913</b>           | 558,356           | -                   | -            |
| Other taxes and social security    | <b>289,433</b>           | 257,848           | -                   | -            |
| Other creditors                    | <b>1,622,499</b>         | 1,407,692         | -                   | -            |
| Accruals and deferred income       | <b>516,855</b>           | 523,667           | -                   | -            |
|                                    | <b><u>31,559,483</u></b> | <u>23,351,300</u> | <u><b>1,000</b></u> | <u>1,000</u> |

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

|            | <b>Group</b>            |                  | <b>Company</b> |             |
|------------|-------------------------|------------------|----------------|-------------|
|            | <b>2015</b>             | <b>2014</b>      | <b>2015</b>    | <b>2014</b> |
|            | <b>£</b>                | <b>£</b>         | <b>£</b>       | <b>£</b>    |
| Bank loans | <b><u>2,774,352</u></b> | <u>3,503,589</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.

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

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

|   | <b>Group</b>             |                   | <b>Company</b>          |                  |
|---|--------------------------|-------------------|-------------------------|------------------|
|   | <b>2015</b>              | <b>2014</b>       | <b>2015</b>             | <b>2014</b>      |
|   | <b>£</b>                 | <b>£</b>          | <b>£</b>                | <b>£</b>         |
| Bank loans and overdrafts               | <b>19,883,971</b>        | 18,584,181        | —                       | —                |
| Shares classed as financial liabilities | <b>1,352,000</b>         | 1,352,000         | <b>1,352,000</b>        | 1,352,000        |
|   | <b><u>21,235,971</u></b> | <u>19,936,181</u> | <b><u>1,352,000</u></b> | <u>1,352,000</u> |

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

|                           | <b>Group</b>             |                   | <b>Company</b> |             |
|---------------------------|--------------------------|-------------------|----------------|-------------|
|                           | <b>2015</b>              | <b>2014</b>       | <b>2015</b>    | <b>2014</b> |
|                           | <b>£</b>                 | <b>£</b>          | <b>£</b>       | <b>£</b>    |
| Bank loans and overdrafts | <b><u>19,883,971</u></b> | <u>18,584,181</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.

**19. 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 £177,216 (2014 £151,036).

**20. COMMITMENTS UNDER OPERATING LEASES**

At 30 November 2015 the group had annual commitments under non-cancellable operating leases as set out below.

| <b>Group</b>                   | <b>Land and buildings</b> |                |
|--------------------------------|---------------------------|----------------|
|                                | <b>2015</b>               | <b>2014</b>    |
|                                | <b>£</b>                  | <b>£</b>       |
| Operating leases which expire: |                           |                |
| Within 1 year                  | <b>15,320</b>             | 21,554         |
| Within 2 to 5 years            | <b>107,303</b>            | 87,075         |
| After more than 5 years        | <b>825,679</b>            | 632,850        |
|                                | <b><u>948,302</u></b>     | <u>741,479</u> |

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

**21. 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:

|                              | <b>2015</b>              | 2014                    |
|------------------------------|--------------------------|-------------------------|
|                              | <b>£</b>                 | <b>£</b>                |
| Mr G A Tims                  | <b>3,151,180</b>         | 1,585,496               |
| Mr P Cattee & Mrs A J Cattee | <b>10,493,003</b>        | 4,967,054               |
|                              | <b><u>13,644,183</u></b> | <b><u>6,552,550</u></b> |

The group occupied three properties owned by Mr P and Mrs A J Cattee and one properties owned by the P & A J Cattee (Directors) Pension Scheme. Rent paid in respect of these properties amounted to £43,950 and £27,000, respectively (2014 £43,950 and £27,000).

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

|                              | <b>2015</b>           | 2014                  |
|------------------------------|-----------------------|-----------------------|
|                              | <b>£</b>              | <b>£</b>              |
| Mrs J A Tims                 | <b>52,000</b>         | 52,000                |
| Mrs A Parker                 | —                     | 4,400                 |
| Mr P Cattee & Mrs A J Cattee | <b>56,160</b>         | 56,160                |
|                              | <b><u>108,160</u></b> | <b><u>112,560</u></b> |



**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

**22. SHARE CAPITAL**

**Authorised share capital:**

|  | 2015<br>£        | 2014<br>£        |
|--|------------------|------------------|
| 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> |

**Allotted and called up:**

|   | 2015<br>No.      | £                | 2014<br>No.      | £                |
|---|------------------|------------------|------------------|------------------|
| Ordinary A shares - £0.01 paid of £1 each | 275,000          | 2,750            | 275,000          | 2,750            |
| Ordinary B shares - £0.01 paid of £1 each | 112,500          | 1,125            | 112,500          | 1,125            |
| Preference A shares fully paid of £1 each | 1,352,000        | 1,352,000        | 1,352,000        | 1,352,000        |
|   | <u>1,739,500</u> | <u>1,355,875</u> | <u>1,739,500</u> | <u>1,355,875</u> |

|   | 2015<br>£    | 2014<br>£    |
|---|--------------|--------------|
| <b>Amounts presented in equity:</b>               |              |              |
| 275,000 Ordinary A shares - £0.01 paid of £1 each | 2,750        | 2,750        |
| 112,500 Ordinary B shares - £0.01 paid of £1 each | 1,125        | 1,125        |
|   | <u>3,875</u> | <u>3,875</u> |

**Amounts presented in liabilities:**

|   |                  |                  |
|---|------------------|------------------|
| 1,352,000 Preference A shares fully paid of £1 each | <u>1,352,000</u> | <u>1,352,000</u> |
|---|------------------|------------------|

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.

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

**23. RESERVES**

| <b>Group</b>            | <b>Capital<br/>redemption<br/>reserve<br/>£</b> | <b>Profit and<br/>loss account<br/>£</b> |
|-------------------------|---|--|
| Balance brought forward | 111,125   | 9,491,626                                |
| Profit for the year     | —   | 3,891,344                                |
| Balance carried forward | <u>111,125</u>                                  | <u>13,382,970</u>                        |
| <b>Company</b>          | <b>Capital<br/>redemption<br/>reserve<br/>£</b> | <b>Profit and<br/>loss account<br/>£</b> |
| Balance brought forward | 111,125   | 17,800,000                               |
| Balance carried forward | <u>111,125</u>                                  | <u>17,800,000</u>                        |

**24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|   | <b>2015</b>       | <b>2014</b>         |
|---|-------------------|---------------------|
|   | <b>£</b>          | <b>£</b>            |
| Profit for the financial year                   | 3,891,344         | 2,086,957           |
| Purchase of own ordinary shares                 | —                 | (1,125)             |
| Premium on purchase of own ordinary shares      | —                 | (11,481,054)        |
|   | <u>—</u>          | <u>(11,482,179)</u> |
| Net addition/(reduction) to shareholders' funds | 3,891,344         | (9,395,222)         |
| Opening shareholders' funds                     | 9,606,626         | 19,001,848          |
| Closing shareholders' funds                     | <u>13,497,970</u> | <u>9,606,626</u>    |

**25. NOTES TO THE CASH FLOW STATEMENT**

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

|   | <b>2015</b>       | <b>2014</b>      |
|---|-------------------|------------------|
|   | <b>£</b>          | <b>£</b>         |
| Operating profit                          | 6,099,415         | 3,780,545        |
| Amortisation                              | 3,217,761         | 2,858,978        |
| Depreciation and impairment               | 629,762           | 1,520,463        |
| Loss on disposal of fixed assets          | 1,456             | 4,069            |
| Increase in stocks                        | (2,103,154)       | (1,283,268)      |
| Increase in debtors                       | (232,102)         | (919,634)        |
| Increase in creditors                     | 8,755,863         | 859,441          |
| Net cash inflow from operating activities | <u>16,369,001</u> | <u>6,820,594</u> |

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

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

**RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

|   | 2015<br>£        | 2014<br>£        |
|---|------------------|------------------|
| Interest received   | 13,086           | 8,524            |
| Interest paid   | (492,810)        | (179,720)        |
| Dividends on shares classed as financial liabilities                  | (108,160)        | (112,560)        |
| Net cash outflow from returns on investments and servicing of finance | <u>(587,884)</u> | <u>(283,756)</u> |

**TAXATION**

|          | 2015<br>£          | 2014<br>£          |
|----------|--------------------|--------------------|
| Taxation | <u>(1,335,264)</u> | <u>(1,253,334)</u> |

**CAPITAL EXPENDITURE**

|   | 2015<br>£           | 2014<br>£          |
|---|---------------------|--------------------|
| Payments to acquire intangible fixed assets | (10,249,890)        | (1,802,051)        |
| Payments to acquire tangible fixed assets   | (1,540,584)         | (2,913,209)        |
| Receipts from sale of fixed assets          | 59,814              | 2,951              |
| Net cash outflow from capital expenditure   | <u>(11,730,660)</u> | <u>(4,712,309)</u> |

**FINANCING**

|   | 2015<br>£      | 2014<br>£        |
|---|----------------|------------------|
| Redemption of shares classed as financial liabilities | —              | (110,000)        |
| Purchase of own equity shares                         | —              | (1,125)          |
| Premium on purchase of own equity shares              | —              | (11,481,054)     |
| New bank loans  | 4,475,000      | 20,500,000       |
| Repayment of bank loans                               | (3,904,447)    | (5,015,250)      |
| Net cash inflow from financing                        | <u>570,553</u> | <u>3,892,571</u> |

**PCT HEALTHCARE (HOLDINGS) LIMITED**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 NOVEMBER 2015**

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

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

|   | 2015                | 2014                |
|---|---------------------|---------------------|
|   | £                   | £                   |
| Increase in cash in the period  | 3,285,746           | 4,463,766           |
| Net cash (inflow) from bank loans   | (570,553)           | (15,484,750)        |
| Net cash outflow from redemption of shares classed as financial liabilities | —                   | 110,000             |
|   | <u>2,715,193</u>    | <u>(10,910,984)</u> |
| Change in net debt  | 2,715,193           | (10,910,984)        |
| Net debt at 1 December 2014   | (18,771,805)        | (7,727,271)         |
| Net debt at 30 November 2015  | <u>(16,056,612)</u> | <u>(18,771,805)</u> |

**ANALYSIS OF CHANGES IN NET DEBT**

|                          | At<br>1 Dec 2014<br>£ | Cash flows<br>£  | At<br>30 Nov<br>2015<br>£ |
|--------------------------|-----------------------|------------------|---------------------------|
| Net cash:                |                       |                  |                           |
| Cash in hand and at bank | 4,667,965             | 3,285,746        | 7,953,711                 |
| Debt:                    |                       |                  |                           |
| Debt due within 1 year   | (3,503,589)           | 729,237          | (2,774,352)               |
| Debt due after 1 year    | (19,936,181)          | (1,299,790)      | (21,235,971)              |
|                          | <u>(23,439,770)</u>   | <u>(570,553)</u> | <u>(24,010,323)</u>       |
| Net debt                 | <u>(18,771,805)</u>   | <u>2,715,193</u> | <u>(16,056,612)</u>       |

**26. POST BALANCE SHEET EVENTS**

Since the year end the group has acquired a further 55 pharmacy branches for a total consideration of £64m funded by a new bank loan and monies introduced by a director.