

COMPANY REGISTRATION NUMBER 06399469

PCT HEALTHCARE (HOLDINGS) LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
30 NOVEMBER 2014



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 2014

CONTENTS	PAGES
Company information	1
Strategic report	2 to 3
Directors' report	4 to 5
Independent auditor's report to the shareholders	6 to 7
Consolidated profit and loss account	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated cash flow statement	11
Notes to the consolidated financial statements	12 to 28

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 2014

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 53 to 54 branches in the South Yorkshire, Derbyshire, Lancashire, Merseyside and Greater Manchester 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 decreased from 34.7% in 2013 to 33.5% in 2014, 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 £10.3m in 2013 and £11.2m in 2014. Staff costs as a percentage of turnover were 17.6% in 2013 and 17% in 2014 and as a percentage of gross profit 51% in 2013 and 2014.

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 2013 PBIT cover, (being Profit before interest, depreciation, exceptional items and tax over net interest costs) was 27 compared to 28 in 2014. Company shareholders will note that net profit before depreciation, exceptional items and tax as a percentage of turnover has decreased from 12.2% in 2013 to 11.9% in 2014. In the forthcoming year the company does not expect profitability to change significantly.

Although the company has written down the value of it's property portfolio by £0.9m (2013 £3.2m) and has purchased the share capital of a retiring director for £11m in the year the company still has a strong balance sheet with net assets of £9.6m at the year end.

PCT HEALTHCARE (HOLDINGS) LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2014

Signed on behalf of the directors

A handwritten signature in black ink, appearing to read 'G A Tims', written over a small dot.

G A Tims

Director

Approved by the directors on 27 August 2015

PCT HEALTHCARE (HOLDINGS) LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 NOVEMBER 2014

The directors present their report and the consolidated financial statements of the group for the year ended 30 November 2014.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,086,957. 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

(Retired 14 October 2014)

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 eleven pharmacy branches for £10.5m.

PCT HEALTHCARE (HOLDINGS) LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 NOVEMBER 2014

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.

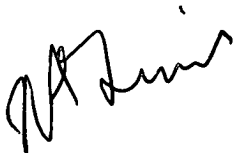
AUDITOR

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 27 August 2015

PCT HEALTHCARE (HOLDINGS) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PCT HEALTHCARE (HOLDINGS) LIMITED
YEAR ENDED 30 NOVEMBER 2014

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 2014 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 4, 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.

PCT HEALTHCARE (HOLDINGS) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PCT HEALTHCARE (HOLDINGS) LIMITED *(continued)*
YEAR ENDED 30 NOVEMBER 2014

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 2014 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.

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

27 August 2015

PCT HEALTHCARE (HOLDINGS) LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 NOVEMBER 2014

	Note	2014 £	2013 £
GROUP TURNOVER	2	65,842,608	58,532,461
Cost of sales		(43,803,326)	(38,236,486)
GROSS PROFIT		22,039,282	20,295,975
Administrative expenses		(19,448,780)	(20,152,057)
Other operating income		1,190,043	836,598
OPERATING PROFIT	3	3,780,545	980,516
Interest receivable	6	8,524	13,676
Interest payable and similar charges	7	(292,280)	(275,991)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,496,789	718,201
Tax on profit on ordinary activities	8	(1,409,832)	(820,339)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	9	2,086,957	(102,138)

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 12 to 28 form part of these consolidated financial statements.

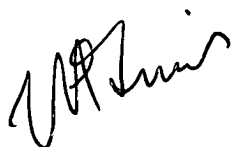
PCT HEALTHCARE (HOLDINGS) LIMITED

CONSOLIDATED BALANCE SHEET

30 NOVEMBER 2014

		2014		2013	
	Note	£	£	£	£
FIXED ASSETS					
Intangible assets	11	10,178,755		11,235,682	
Tangible assets	12	22,062,563		20,626,376	
		32,241,318		31,862,058	
CURRENT ASSETS					
Stocks	14	7,070,509		5,787,241	
Debtors	15	8,914,315		8,123,972	
Cash at bank and in hand		4,667,965		337,749	
		20,652,789		14,248,962	
CREDITORS: Amounts falling due within one year	17	(23,351,300)		(21,030,143)	
NET CURRENT LIABILITIES		(2,698,511)		(6,781,181)	
TOTAL ASSETS LESS CURRENT LIABILITIES		29,542,807		25,080,877	
CREDITORS: Amounts falling due after more than one year	18	(19,936,181)		(6,079,029)	
		9,606,626		19,001,848	
CAPITAL AND RESERVES					
Called-up equity share capital	22	3,875		5,000	
Other reserves	23	111,125		-	
Profit and loss account	23	9,491,626		18,996,848	
SHAREHOLDERS' FUNDS	24	9,606,626		19,001,848	

These accounts were approved by the directors and authorised for issue on 27 August 2015, and are signed on their behalf by:



G A Tims

Director

The notes on pages 12 to 28 form part of these consolidated financial statements.

PCT HEALTHCARE (HOLDINGS) LIMITED

COMPANY BALANCE SHEET

30 NOVEMBER 2014

	Note	2014 £	2013 £
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	17	<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		19,267,000	19,267,000
CREDITORS: Amounts falling due after more than one year	18	<u>(1,352,000)</u>	<u>(1,462,000)</u>
		<u>17,915,000</u>	<u>17,805,000</u>
CAPITAL AND RESERVES			
Called-up equity share capital	22	3,875	5,000
Other reserves	23	111,125	—
Profit and loss account	23	<u>17,800,000</u>	<u>17,800,000</u>
SHAREHOLDERS' FUNDS		<u>17,915,000</u>	<u>17,805,000</u>

These accounts were approved by the directors and authorised for issue on 27 August 2015, and are signed on their behalf by:



G A Tims

Director

Company Registration Number: 06399469

The notes on pages 12 to 28 form part of these consolidated financial statements.

PCT HEALTHCARE (HOLDINGS) LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 30 NOVEMBER 2014

		2014		2013	
	Note	£	£	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	25		6,820,594		6,684,002
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	25		(283,756)		(262,315)
TAXATION	25		(1,253,334)		(1,805,084)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	25		(4,712,309)		(10,161,132)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING			571,195		(5,544,529)
FINANCING	25		3,892,571		(2,006,610)
INCREASE/(DECREASE) IN CASH	25		<u>4,463,766</u>		<u>(7,551,139)</u>

The notes on pages 12 to 28 form part of these consolidated financial statements.

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

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 2014

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

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 2014

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.

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

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:

	2014	2013
	£	£
United Kingdom	<u>65,842,608</u>	<u>58,532,461</u>

3. OPERATING PROFIT

Operating profit is stated after charging:

	2014	2013
	£	£
Amortisation of intangible assets	2,858,978	2,652,873
Depreciation of owned fixed assets	617,765	542,948
Impairment of owned fixed assets	902,698	3,259,485
Loss on disposal of fixed assets	4,069	1,561
Operating lease rentals - land and buildings	816,776	655,404
Auditor's remuneration - audit of the consolidated financial statements	38,380	38,380
Auditor's remuneration - other fees	<u>13,500</u>	<u>12,900</u>

	2014	2013
	£	£
Auditor's remuneration - audit of the consolidated financial statements	<u>38,380</u>	<u>38,380</u>

Auditor's remuneration - other fees:

- Accountancy and other related services	<u>13,500</u>	<u>12,900</u>
--	----------------------	----------------------

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

4. PARTICULARS OF EMPLOYEES

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

	2014	2013
	No	No
Number of administrative staff	25	22
Number of management staff	4	4
Number of other staff	537	506
	<u>566</u>	<u>532</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	10,221,903	9,430,995
Social security costs	820,023	756,930
Other pension costs	151,036	123,712
	<u>11,192,962</u>	<u>10,311,637</u>

5. DIRECTORS' REMUNERATION

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

	2014	2013
	£	£
Aggregate remuneration	<u>468,517</u>	<u>458,431</u>

Remuneration of highest paid director:

	2014	2013
	£	£
Total remuneration (excluding pension contributions)	<u>176,571</u>	<u>170,773</u>

6. INTEREST RECEIVABLE

	2014	2013
	£	£
Bank interest receivable	6,343	13,676
Other interest receivable	<u>2,181</u>	<u>—</u>
	<u>8,524</u>	<u>13,676</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Interest payable on bank borrowing	14,961	1,129
Interest on bank loans	164,759	156,933
Finance charges on shares classed as financial liabilities	112,560	116,960
Other interest payable	—	969
	<u>292,280</u>	<u>275,991</u>

8. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2014 £	2013 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at -21.67% (2013 - 23.33%)	1,291,138	1,248,314
(Over)/under provision in prior year	—	(25)
	<u>1,291,138</u>	<u>1,248,289</u>
Other adjustments	(10,597)	(793)
Total current tax	1,280,541	1,247,496
Deferred tax:		
Origination and reversal of timing differences (note 16)		
Capital allowances	129,291	(427,157)
Tax on profit on ordinary activities	<u>1,409,832</u>	<u>820,339</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

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 -21.67% (2013 - 23.33%).

	2014	2013
	£	£
Profit on ordinary activities before taxation	<u>3,496,789</u>	<u>718,201</u>
Profit on ordinary activities by rate of tax	757,404	167,556
Expenses not deductible for tax purposes	435,773	957,409
Capital allowances for period in excess of depreciation	97,961	122,556
Adjustments to tax charge in respect of previous periods	-	(25)
Subsidiary acquisitions	<u>(10,597)</u>	<u>-</u>
Total current tax (note 8(a))	<u>1,280,541</u>	<u>1,247,496</u>

9. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the consolidated financial statements of the parent company was £11,592,179 (2013 - £Nil).

10. DIVIDENDS

Dividends on shares classed as financial liabilities

	2014	2013
	£	£
Paid during the year:		
Preference A shares	<u>112,560</u>	<u>116,960</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

11. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 December 2013	29,874,946
Additions	<u>1,802,051</u>
At 30 November 2014	<u>31,676,997</u>
AMORTISATION	
At 1 December 2013	18,639,264
Charge for the year	<u>2,858,978</u>
At 30 November 2014	<u>21,498,242</u>
NET BOOK VALUE	
At 30 November 2014	<u>10,178,755</u>
At 30 November 2013	<u>11,235,682</u>

During the year the company has acquired one incorporated business for a total consideration of £1,935,602. The fair values of the identifiable net current assets acquired were £83,089 and tangible fixed assets £50,462 resulting in goodwill of £1,802,051 being recognised.

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

12. TANGIBLE FIXED ASSETS

Group

	Freehold Property £	Long Leasehold Property £	Short Leasehold Property £	Fixtures, Fittings & Equipment £	Other Assets £	Total £
COST						
At 1 Dec 2013	15,341,066	4,620,317	2,873,369	5,156,692	549,737	28,541,181
Additions	–	2,144,408	–	634,941	133,860	2,913,209
Disposals	–	–	–	–	(51,038)	(51,038)
Transfers	(80,500)	80,500	–	89,359	–	89,359
At 30 Nov 2014	15,260,566	6,845,225	2,873,369	5,880,992	632,559	31,492,711
DEPRECIATION						
At 1 Dec 2013	3,327,316	266,567	726,984	3,400,865	193,073	7,914,805
Charge for the year	51,800	–	116,597	362,635	86,733	617,765
Impairment for the year	–	902,698	–	–	–	902,698
On disposals	–	–	–	–	(44,018)	(44,018)
Transfers	–	–	–	38,898	–	38,898
At 30 Nov 2014	3,379,116	1,169,265	843,581	3,802,398	235,788	9,430,148
NET BOOK VALUE						
At 30 Nov 2014	11,881,450	5,675,960	2,029,788	2,078,594	396,771	22,062,563
At 30 Nov 2013	12,013,750	4,353,750	2,146,385	1,755,827	356,664	20,626,376

Included within freehold and long leasehold properties are investment properties totalling £15,019,210 (2013 £13,697,500).

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

13. INVESTMENTS

Company	Group companies £
COST	
At 1 December 2013 and 30 November 2014	<u>17,801,000</u>
NET BOOK VALUE	
At 30 November 2014 and 30 November 2013	<u>17,801,000</u>

At 30 November 2014 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	100%	Retail pharmacy

14. STOCKS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Finished goods	<u>7,070,509</u>	<u>5,787,241</u>	<u>—</u>	<u>—</u>

15. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	4,822,383	4,735,127	—	—
Amounts owed by group undertakings	—	—	1,467,000	1,467,000
Other debtors	3,162,167	2,662,177	—	—
Deferred taxation (Note 16)	171,395	300,686	—	—
Prepayments and accrued income	758,370	425,982	—	—
	<u>8,914,315</u>	<u>8,123,972</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 2014

16. DEFERRED TAXATION

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Asset/Provision brought forward	300,686	(126,471)	-	-
(Decrease)/Increase in asset	(129,291)	427,157	-	-
Asset carried forward	<u>171,395</u>	<u>300,686</u>	<u>-</u>	<u>-</u>

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Provision for deferred tax; FA allowances	<u>171,395</u>	<u>300,686</u>	<u>-</u>	<u>-</u>

17. CREDITORS: Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Other loans	1,585,473	-	-	-
Bank loans	3,503,589	1,985,991	-	-
Trade creditors	8,962,125	7,359,307	-	-
Amounts owed to group undertakings	-	-	1,000	1,000
Directors' loan accounts	6,552,550	9,991,378	-	-
Other creditors including taxation and social security:				
Corporation tax	558,356	531,149	-	-
Other taxes and social security	257,848	251,588	-	-
Other creditors	1,407,692	351,468	-	-
Accruals and deferred income	523,667	559,262	-	-
	<u>23,351,300</u>	<u>21,030,143</u>	<u>1,000</u>	<u>1,000</u>

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	<u>3,503,589</u>	<u>1,985,991</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 2014

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	18,584,181	4,617,029	—	—
Shares classed as financial liabilities	1,352,000	1,462,000	1,352,000	1,462,000
	<u>19,936,181</u>	<u>6,079,029</u>	<u>1,352,000</u>	<u>1,462,000</u>

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts	<u>18,584,181</u>	<u>4,617,029</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 £151,036 (2013 £123,712).

20. COMMITMENTS UNDER OPERATING LEASES

At 30 November 2014 the group had annual commitments under non-cancellable operating leases as set out below.

Group	Land and buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within 1 year	21,554	5,333
Within 2 to 5 years	87,075	155,603
After more than 5 years	<u>632,850</u>	<u>545,126</u>
	<u>741,479</u>	<u>706,062</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

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:

	2014 £	2013 £
Mr G A Tims	1,585,496	1,967,216
Mr A D Parker	1,585,473	1,967,193
Mr P Cattee & Mrs A J Cattee	4,967,054	6,056,969
	<u>8,138,023</u>	<u>9,991,378</u>

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 (2013 £18,750 and £27,000).

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

	2014 £	2013 £
Mrs J A Tims	52,000	52,000
Mrs A Parker	4,400	8,800
Mr P Cattee & Mrs A J Cattee	56,160	56,160
	<u>112,560</u>	<u>116,960</u>

During the year the group had the following transactions and balances with Medex Health Limited, a company in which Mr P Cattee is materially interested in as both a director and shareholder:

	2014 £	2013 £
Sale of goods	1,236,634	879,701
Management charges receivable	72,000	44,000
Debtors	11,475	154,489

22. SHARE CAPITAL

Authorised share capital:

	2014 £	2013 £
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 2014

22. SHARE CAPITAL *(continued)*

Allotted and called up:

	2014 No	£	2013 No	£
Ordinary A shares - £0.01 paid of £1 each	275,000	2,750	275,000	2,750
Ordinary B shares (2013 - 225,000) - £0.01 paid of £1 each	112,500	1,125	225,000	2,250
Preference A shares (2013 - 1,462,000) fully paid of £1 each	1,352,000	1,352,000	1,462,000	1,462,000
	<u>1,739,500</u>	<u>1,355,875</u>	<u>1,962,000</u>	<u>1,467,000</u>

	2014 £	2013 £
Amounts presented in equity:		
275,000 Ordinary A shares - £0.01 paid of £1 each	2,750	2,750
112,500 Ordinary B shares (2013 - 225,000) - £0.01 paid of £1 each	<u>1,125</u>	<u>2,250</u>
	<u>3,875</u>	<u>5,000</u>

Amounts presented in liabilities:

1,352,000 Preference A shares (2013 - 1,462,000) fully paid of £1 each	<u>1,352,000</u>	<u>1,462,000</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.

23. RESERVES

Group	Capital redemption reserve £	Profit and loss account £
Balance brought forward	—	18,996,848
Profit for the year	—	2,086,957
Other movements		
Purchase of own shares	111,125	(11,592,179)
Balance carried forward	<u>111,125</u>	<u>9,491,626</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

23. RESERVES *(continued)*

Company	Capital redemption reserve £	Profit and loss account £
Balance brought forward	–	17,800,000
Profit for the year	–	11,592,179
Other movements		
Purchase of own shares	<u>111,125</u>	<u>(11,592,179)</u>
Balance carried forward	<u>111,125</u>	<u>17,800,000</u>

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	£	2013 £	£
Profit/(Loss) for the financial year		2,086,957		(102,138)
Purchase of own ordinary shares	(1,125)		–	
Premium on purchase of own ordinary shares	<u>(11,481,054)</u>		–	
		<u>(11,482,179)</u>		–
Net reduction to shareholders' funds		(9,395,222)		(102,138)
Opening shareholders' funds		<u>19,001,848</u>		19,103,986
Closing shareholders' funds		<u>9,606,626</u>		<u>19,001,848</u>

25. NOTES TO THE CASH FLOW STATEMENT

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

	2014 £	2013 £
Operating profit	3,780,545	980,516
Amortisation	2,858,978	2,652,873
Depreciation and impairment	1,520,463	3,802,433
Loss on disposal of fixed assets	4,069	1,561
Increase in stocks	(1,283,268)	(831,565)
Increase in debtors	(919,634)	(1,935,080)
Increase in creditors	<u>859,441</u>	<u>2,013,264</u>
Net cash inflow from operating activities	<u>6,820,594</u>	<u>6,684,002</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

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

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2014 £	2013 £
Interest received	8,524	13,676
Interest paid	(179,720)	(159,031)
Dividends on shares classed as financial liabilities	(112,560)	(116,960)
Net cash outflow from returns on investments and servicing of finance	<u>(283,756)</u>	<u>(262,315)</u>

TAXATION

	2014 £	2013 £
Taxation	<u>(1,253,334)</u>	<u>(1,805,084)</u>

CAPITAL EXPENDITURE

	2014 £	2013 £
Payments to acquire intangible fixed assets	(1,802,051)	(4,337,935)
Payments to acquire tangible fixed assets	(2,913,209)	(5,829,064)
Receipts from sale of fixed assets	2,951	5,867
Net cash outflow from capital expenditure	<u>(4,712,309)</u>	<u>(10,161,132)</u>

FINANCING

	2014 £	2013 £
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	20,500,000	—
Repayment of bank loans	(5,015,250)	(2,006,610)
Net cash inflow/(outflow) from financing	<u>3,892,571</u>	<u>(2,006,610)</u>

PCT HEALTHCARE (HOLDINGS) LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED 30 NOVEMBER 2014

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

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2014		2013	
	£	£	£	£
Increase/(decrease) in cash in the period	4,463,766		(7,551,139)	
Net cash (inflow) from/outflow from bank loans	(15,484,750)		2,006,610	
Net cash outflow from redemption of shares classed as financial liabilities	<u>110,000</u>		<u>—</u>	
	<u>(10,910,984)</u>		<u>(5,544,529)</u>	
Change in net debt	<u>(10,910,984)</u>		<u>(5,544,529)</u>	
Net debt at 1 December 2013	<u>(7,727,271)</u>		<u>(2,182,742)</u>	
Net debt at 30 November 2014	<u>(18,771,805)</u>		<u>(7,727,271)</u>	

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Dec 2013	Cash flows	At 30 Nov 2014
	£	£	£
Net cash:			
Cash in hand and at bank	<u>337,749</u>	<u>4,330,216</u>	<u>4,667,965</u>
Debt:			
Debt due within 1 year	<u>(1,985,991)</u>	<u>(1,517,598)</u>	<u>(3,503,589)</u>
Debt due after 1 year	<u>(6,079,029)</u>	<u>(13,857,152)</u>	<u>(19,936,181)</u>
	<u>(8,065,020)</u>	<u>(15,374,750)</u>	<u>(23,439,770)</u>
Net debt	<u>(7,727,271)</u>	<u>(11,044,534)</u>	<u>(18,771,805)</u>

26. POST BALANCE SHEET EVENTS

Since the year end the group has acquired eleven pharmacy branches for £10.5m.