

COMPANY REGISTRATION NUMBER: 01768840

PCT Healthcare Limited
Financial Statements
30 November 2016



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

PCT Healthcare Limited
Financial Statements
Year ended 30 November 2016

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PCT Healthcare Limited
Officers and Professional Advisers

The board of directors

Mr G A Tims
Mr J Cattee
Mrs A J Cattee
Mr P Cattcc

Company secretary

Mrs A J Cattee

Registered office

11 Manchester Road
Walkden
Manchester
M28 3NS

Auditor

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

PCT Healthcare Limited
Strategic Report
Year ended 30 November 2016

The directors present their strategic report for the year ended 30 November 2016.

The principal activity of the company during the year was that of retail pharmacy.

During the current year the company has expanded organically with consideration to the communities in which it operates. Expansion of the company by acquisitions during 2015/16 resulted in the branch network increasing from 57 to 81 branches in the South Yorkshire, Derbyshire, Milton Keynes, Lancashire, Greater Manchester and Merseyside 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 upon 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 percentage has decreased from 33.3% in 2015 to 31.7% in 2016.

Staff remain the greatest asset, but also the largest cost to the company, amounting to £14.4m in 2016 and £11.9m in 2015. Staff costs as a percentage of turnover were 19% in 2015 and 2016.

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

Company shareholders will note that the company made a profit after tax, after exceptional items of £5.6m, of £1.3m. In the forthcoming year the company expects profitability to decrease due to the reduction in the overall level of government funding to pharmacies.

During the year there has been an increase in the company's liquidity position and at the year end the company had a net bank surplus of £6m and net assets of £16m.

This report was approved by the board of directors on 17 August 2017 and signed on behalf of the board by:



Mr G A Tims
Director

PCT Healthcare Limited

Directors' Report

Year ended 30 November 2016

The directors present their report and the financial statements of the company for the year ended 30 November 2016.

Directors

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

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

(Appointed 22 July 2016)

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The company expects to consolidate its trading in the forthcoming year after the significant expansion of its branch portfolio during the current year.

Employment of disabled persons

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 appropriate training if necessary.

Employee involvement

Information on matters of concern to employees is given through internal bulletins and a 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.

Financial instruments

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to raise funds for the company's operations and to finance them.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Directors' responsibilities statement

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

PCT Healthcare Limited

Directors' Report *(continued)*

Year ended 30 November 2016

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have 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.

This report was approved by the board of directors on 17 August 2017 and signed on behalf of the board by:



Mr G A Tims
Director

PCT Healthcare Limited

Independent Auditor's Report to the Members of PCT Healthcare Limited

Year ended 30 November 2016

We have audited the financial statements of PCT Healthcare Limited for the year ended 30 November 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 members 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2016 and of its 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PCT Healthcare Limited

Independent Auditor's Report to the Members of PCT Healthcare Limited (continued)

Year ended 30 November 2016

Matters on which we are required to report by exception

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

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



David Williams FCA (Senior Statutory Auditor)

For and on behalf of
Abrams Ashton
Chartered Accountants & Statutory Auditors
77 Corporation Street
St Helens
Merseyside
WA10 1SX

17 August 2017

PCT Healthcare Limited
Statement of Income and Retained Earnings
Year ended 30 November 2016

	Note	2016 £	2015 £
Turnover	4	75,130,476	63,849,733
Cost of sales		<u>(51,296,065)</u>	<u>(42,582,554)</u>
Gross profit		23,834,411	21,267,179
Administrative expenses		<u>(23,559,553)</u>	(19,082,874)
Other operating income		47,280	116,880
Amounts due to group company written off		<u>6,450,454</u>	—
Operating profit	5	6,772,592	2,301,185
Income from shares in group undertakings	9	180,000	130,000
Other interest receivable and similar income	10	17,731	13,084
Interest payable and similar charges	11	<u>(68,831)</u>	<u>(453,604)</u>
Profit on ordinary activities before taxation		6,901,492	1,990,665
Tax on profit on ordinary activities	12	<u>(296,623)</u>	<u>(813,514)</u>
Profit for the financial year and total comprehensive income		<u>6,604,869</u>	<u>1,177,151</u>
Retained earnings at the start of the year		<u>9,220,749</u>	8,043,598
Retained earnings at the end of the year		<u>15,825,618</u>	<u>9,220,749</u>

All the activities of the company are from continuing operations.

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

PCT Healthcare Limited
Statement of Financial Position
30 November 2016

	Note	2016		2015	
		£	£	£	£
Fixed assets					
Intangible assets	13		28,754,810		12,232,114
Tangible assets	14		6,453,013		3,596,744
Investments	15		<u>1,288,812</u>		<u>6,168,666</u>
			36,496,635		21,997,524
Current assets					
Stocks	16	5,518,920		3,908,472	
Debtors	17	29,743,693		33,377,214	
Cash at bank and in hand		<u>9,354,337</u>		<u>5,591,320</u>	
		44,616,950		42,877,006	
Creditors: amounts falling due within one year	18	<u>(64,775,861)</u>		<u>(36,875,349)</u>	
Net current (liabilities)/assets			(20,158,911)		6,001,657
Total assets less current liabilities			16,337,724		27,999,181
Creditors: amounts falling due after more than one year	19		-		(18,283,971)
Provisions	20		<u>(249,100)</u>		<u>(231,455)</u>
Net assets			<u>16,088,624</u>		<u>9,483,755</u>
Capital and reserves					
Called up share capital	23		263,006		263,006
Profit and loss account	24		<u>15,825,618</u>		<u>9,220,749</u>
Members funds			<u>16,088,624</u>		<u>9,483,755</u>

These financial statements were approved by the board of directors and authorised for issue on 17 August 2017, and are signed on behalf of the board by:



Mr G A Tims
 Director

Company registration number: 01768840

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

PCT Healthcare Limited
Notes to the Financial Statements
Year ended 30 November 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 11 Manchester Road, Walkden, Manchester, M28 3NS.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

3.1 Basis of preparation

The financial statements have been prepared on the historical cost basis.

3.2 Fixed asset investments

Fixed asset investments are initially recorded at cost and subsequently stated at cost less accumulated impairment losses.

As part of the rationalisation of the group, the trades and net assets of subsidiary undertakings were transferred into the company in this and previous years. The consideration for this was based upon the book values and took no account of the goodwill inherent in those businesses. This has resulted in an apparent overvaluation of investment's held in the company's books, though there has been no loss to the company and group. Schedule 4 to the Companies Act 2006 requires that, where such an overvaluation is expected to be permanent the investments should be written down accordingly. The directors consider that as the substance of the transaction was merely to reorganise the company's and group's operations, such a treatment would fail to give a true and fair view and the value of investments has instead been allocated to goodwill. The effect on the company's balance sheet of this departure has been to recognise goodwill of £11,327,318 (2015 £5,204,643).

3.3 Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 December 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 29.

3.4 Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of PCT Healthcare (Holdings) Limited which can be obtained from 11 Manchester Road, Walkden M28 3NS. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) Disclosures in respect of share-based payments have not been presented.
- (e) No disclosure has been given for the aggregate remuneration of key management personnel.

PCT Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2016

3. Accounting policies *(continued)*

3.5 Revenue recognition

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.

3.6 Deferred tax

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

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

3.7 Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis.

3.8 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 10 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.

3.9 Amortisation

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

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

3.10 Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

PCT Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2016

3. Accounting policies *(continued)*

3.11 Depreciation

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

Short leasehold property	-	Straight line over the lease
Fixtures, fittings & equipment	-	10% and 25% straight line
Motor vehicles	-	25% reducing balance
Improvements to property	-	10% straight line

3.12 Stocks

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

3.13 Defined contribution plans

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

4. Turnover

Turnover arises from:

	2016	2015
	£	£
Sale of goods	<u>75,130,476</u>	<u>63,849,733</u>

The whole of the turnover is derived from the United Kingdom. An analysis of turnover by business operation is given below:

	2016	2015
	£	£
Pharmacy	<u>75,130,476</u>	<u>63,849,733</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2016	2015
	£	£
Amortisation of intangible assets	3,132,797	2,873,432
Depreciation of tangible assets	686,511	451,328
Gains on disposal of tangible assets	(1,742)	(609)
Cost of stocks recognised as an expense	51,296,065	42,582,554
Operating lease rentals - land and buildings	<u>1,224,334</u>	<u>1,038,433</u>

PCT Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2016

6. Auditor's remuneration

	2016	2015
	£	£
Fees payable for the audit of the financial statements	<u>30,000</u>	<u>24,000</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>15,500</u>	<u>13,275</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2016	2015
	No.	No.
Administrative staff	30	28
Management staff	3	3
Pharmacists, counter staff and drivers	<u>697</u>	<u>579</u>
	<u>730</u>	<u>610</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2016	2015
	£	£
Wages and salaries	13,136,672	10,883,726
Social security costs	1,032,847	873,826
Other pension costs	<u>193,838</u>	<u>171,455</u>
	<u>14,363,357</u>	<u>11,929,007</u>

8. Directors' remuneration

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

	2016	2015
	£	£
Remuneration	<u>473,313</u>	<u>431,967</u>

Remuneration of the highest paid director in respect of qualifying services:

	2016	2015
	£	£
Aggregate remuneration	<u>165,902</u>	<u>151,467</u>

9. Income from shares in group undertakings

	2016	2015
	£	£
Income from group undertakings	<u>180,000</u>	<u>130,000</u>

PCT Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2016

10. Other interest receivable and similar income

	2016	2015
	£	£
Interest on cash and cash equivalents	15,989	11,417
Other interest receivable	1,742	1,667
	<u>17,731</u>	<u>13,084</u>

11. Interest payable and similar charges

	2016	2015
	£	£
Interest on banks loans and overdrafts	8,742	6,109
Interest on corporation tax	1,192	–
Other interest payable and similar charges	58,897	447,495
	<u>68,831</u>	<u>453,604</u>

12. Tax on profit on ordinary activities

Major components of tax expense

	2016	2015
	£	£
Current tax:		
UK current tax expense	367,984	746,157
Adjustments in respect of prior periods	522	–
Total current tax	<u>368,506</u>	<u>746,157</u>
Deferred tax:		
Origination and reversal of timing differences	(71,883)	67,357
Tax on profit on ordinary activities	<u>296,623</u>	<u>813,514</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 20.33%).

	2016	2015
	£	£
Profit on ordinary activities before taxation	6,901,492	1,990,665
Profit on ordinary activities by rate of tax	1,386,165	404,702
Adjustment to tax charge in respect of prior periods	522	–
Effect of expenses not deductible for tax purposes	611,412	409,923
Effect of capital allowances and depreciation	(27,678)	(1,111)
Fixed asset acquisitions from subsidiaries	(89,528)	–
Amounts due to group company written off	(1,295,957)	–
Group relief	(288,313)	–
Tax on profit on ordinary activities	<u>296,623</u>	<u>813,514</u>

PCT Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2016

13. Intangible assets

	Goodwill £
Cost	
At 1 December 2015	46,755,923
Additions	8,328,275
Transfers	<u>11,327,218</u>
At 30 November 2016	<u>66,411,416</u>
Amortisation	
At 1 December 2015	34,523,809
Charge for the year	3,132,797
At 30 November 2016	<u>37,656,606</u>
Carrying amount	
At 30 November 2016	<u>28,754,810</u>
At 30 November 2015	<u>12,232,114</u>

14. Tangible assets

	Short leasehold property £	Fixtures, fittings & equipment £	Motor vehicles £	Imp'tnts to property £	Total £
Cost					
At 1 December 2015	2,063,505	6,136,440	204,557	379,258	8,783,760
Additions	–	236,921	43,232	31,537	311,690
Disposals	–	–	(28,310)	–	(28,310)
Transfers	<u>3,222,529</u>	<u>2,082,709</u>	<u>97,793</u>	<u>1,423,455</u>	<u>6,826,486</u>
At 30 November 2016	<u>5,286,034</u>	<u>8,456,070</u>	<u>317,272</u>	<u>1,834,250</u>	<u>15,893,626</u>
Depreciation					
At 1 December 2015	820,227	3,980,481	114,573	271,735	5,187,016
Charge for the year	118,226	459,851	41,089	67,345	686,511
Disposals	–	–	(19,352)	–	(19,352)
Transfers	<u>1,162,716</u>	<u>1,382,200</u>	<u>57,695</u>	<u>983,827</u>	<u>3,586,438</u>
At 30 November 2016	<u>2,101,169</u>	<u>5,822,532</u>	<u>194,005</u>	<u>1,322,907</u>	<u>9,440,613</u>
Carrying amount					
At 30 November 2016	<u>3,184,865</u>	<u>2,633,538</u>	<u>123,267</u>	<u>511,343</u>	<u>6,453,013</u>
At 30 November 2015	<u>1,243,278</u>	<u>2,155,959</u>	<u>89,984</u>	<u>107,523</u>	<u>3,596,744</u>

PCT Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2016

15. Investments

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1 December 2015	5,276,956	891,710	6,168,666
Additions	7,257,587	–	7,257,587
Transfers	(12,137,441)	–	(12,137,441)
At 30 November 2016	<u>397,102</u>	<u>891,710</u>	<u>1,288,812</u>
Impairment			
At 1 Dec 2015 and 30 Nov 2016	–	–	–
Carrying amount			
At 30 November 2016	<u>397,102</u>	<u>891,710</u>	<u>1,288,812</u>
At 30 November 2015	<u>5,276,956</u>	<u>891,710</u>	<u>6,168,666</u>

The company owns 100% of the issued share capital of Grasmere Leigh Ltd, that trades as retail pharmacy.

The company also owns 100% of the issued share capital of the following dormant companies:

C&C Familycare Ltd
 TV Pharmacy Ltd
 Television Pharmacy Ltd
 Telepharm Ltd
 Freephone Pharmacy Ltd
 Staveley Pharmacy Ltd
 Paul Benson Ltd
 Cooper's Chemist Ltd
 Roy Lamb Ltd
 The Concourse Pharmacy Ltd
 Andersons Investments Ltd
 St Pauls (HCC) Ltd
 R H Swinn Ltd
 Richard G Hardy Ltd
 Swift Chemists Ltd
 Medex Health Ltd
 K M Brennan (Chemist) Ltd

Under the provision of section 400 of the Companies Act 2006 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

16. Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>5,518,920</u>	<u>3,908,472</u>

PCT Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2016

17. Debtors

	2016	2015
	£	£
Trade debtors	7,879,339	5,181,820
Amounts owed by group undertakings	19,469,760	26,693,082
Prepayments and accrued income	670,437	462,371
Corporation tax repayable	288,739	136,663
Other debtors	1,435,418	903,278
	<u>29,743,693</u>	<u>33,377,214</u>

18. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	3,383,705	6,991,687
Trade creditors	10,470,289	6,266,547
Amounts owed to group undertakings	30,568,811	6,954,492
Accruals and deferred income	197,854	148,439
Director loan accounts	18,986,311	13,644,184
Other loans	748,395	1,154,661
Other taxes and social security costs	380,100	276,023
Other creditors	40,396	1,439,316
	<u>64,775,861</u>	<u>36,875,349</u>

19. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts	-	18,283,971
	<u>-</u>	<u>18,283,971</u>

20. Provisions

	Deferred tax (note 21) £
At 1 December 2015	231,455
Additions	17,645
Transfers	(89,528)
Subsidiary acquisitions	89,528
At 30 November 2016	<u>249,100</u>

PCT Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2016

21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2016	2015
	£	£
Included in provisions (note 20)	<u>249,100</u>	<u>231,455</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2016	2015
	£	£
Accelerated capital allowances	<u>249,100</u>	<u>231,455</u>

22. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £193,838 (2015: £171,455).

23. Called up share capital

Authorised share capital

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>

Issued, called up and fully paid

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>

24. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

25. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than 1 year	1,527,231	1,063,342
Later than 1 year and not later than 5 years	5,704,826	3,955,511
Later than 5 years	8,470,982	6,945,388
	<u>15,703,039</u>	<u>11,964,241</u>

PCT Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 30 November 2016

26. Contingencies

The company is party to a cross guarantee arrangement. The company is potentially liable for £65,250,000. The directors do not consider it likely that this guarantee will be called upon.

The company is party to a debenture including fixed charge over all present freehold leasehold property: first fixed charge over book and other debtors, chattels, goodwill and uncalled capital, both present and future, and first floating charge over all assets and undertakings both present and future.

27. Related party transactions

The company is controlled by Mr P Cattee and members of his close family.

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

	2016	2015
	£	£
Mr G A Tims	3,652,193	3,151,180
Mr P Cattee	<u>15,334,118</u>	<u>10,493,003</u>
	<u>18,986,311</u>	<u>13,644,183</u>

The company occupied premises owned by Mr P and Mrs A J Cattee. Rent paid during the year in respect of these properties amounted to £18,250 (2015 £18,250).

The company does not disclose details of transactions with other group companies on the grounds that consolidated accounts are publicly available.

28. Controlling party

The company's ultimate parent company is PCT Healthcare (Holdings) Limited, registered in England and Wales.

29. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 December 2014.

No transitional adjustments were required in equity or profit or loss for the year.