

APM Healthcare Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2013



APM Healthcare Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Mr K W Joshua
Dr S Mery
Mr A P Murray

REGISTERED OFFICE

Unit 7 Venture Point
Stanney Mill Road
Little Stanney
Chester
Cheshire
CH2 4NE

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

APM Healthcare Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of APM Healthcare Limited for the year ended 31 March 2013

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of the provision of consultancy services relevant to the pharmacy industry

DIRECTORS

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

Mr K W Joshua
Dr S Mery
Mr A P Murray

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

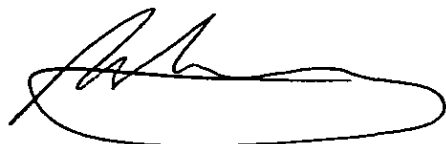
AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

On behalf of the board



Mr A P Murray

Director

4/9/2013

APM Healthcare Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

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 of the profit or loss of the company for that period

In preparing those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APM HEALTHCARE LIMITED

We have audited the financial statements on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities)

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 more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the 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, 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report



MR E ROBERT AITKEN (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants

3 Hardman Street
Manchester
M3 3HF

4/9/2013

APM Healthcare Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2013

		2013	2012
	<i>Notes</i>	£	£
TURNOVER		213,491	118,794
Cost of sales		(111,802)	—
Gross profit		<u>101,689</u>	<u>118,794</u>
Administrative expenses		(88,427)	(98,806)
OPERATING PROFIT	1	13,262	19,988
Interest receivable	2	93,272	28,217
		<u>106,534</u>	<u>48,205</u>
Interest payable and similar charges		(143,158)	(48,519)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(36,624)</u>	<u>(314)</u>
Taxation	3	—	—
LOSS FOR THE FINANCIAL YEAR	11	<u>(36,624)</u>	<u>(314)</u>

APM Healthcare Limited

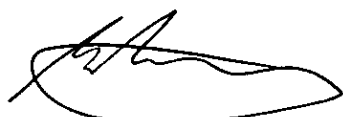
BALANCE SHEET

31 March 2013

	Notes	£	2013 £	£	2012 £
FIXED ASSETS					
Tangible assets	4		167		209
Investments	5		100		100
			<u>267</u>		<u>309</u>
CURRENT ASSETS					
Debtors due within one year	6	165,343		175,058	
Debtors due after one year	6	1,617,039		774,688	
Cash at bank and in hand		131,802		19,664	
		<u>1,914,184</u>		<u>969,410</u>	
CREDITORS					
Amounts falling due within one year	7	(1,428,238)		(739,190)	
NET CURRENT ASSETS			<u>485,946</u>		<u>230,220</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>486,213</u>		<u>230,529</u>
CAPITAL AND RESERVES					
Called up share capital	9		161		125
Share premium account	10		523,016		230,744
Profit and loss account	11		(36,964)		(340)
SHAREHOLDERS' FUNDS			<u>486,213</u>		<u>230,529</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 5 to 11 were approved by the board of directors and authorised for issue on ~~4/9/2013~~ and are signed on their behalf by



Mr A P Murray
Director

APM Healthcare Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

GOING CONCERN

The accounts have been prepared on a going concern basis. Whilst the company has made a small loss in the year to March 2013, the pipeline of consultancy services for the forthcoming year and its investment in its wholly owned subsidiary, Community Pharmacies (UK) Ltd, means the directors are satisfied that the company will continue to be able to pay its obligations as they fall due.

APM Healthcare's continuing investment in Community Pharmacies (UK) Ltd is to allow the subsidiary company capital to develop its longer growth plan of a group of Joint Venture pharmacies. The current loss making position of Community Pharmacies (UK) Ltd is therefore in line with expectations both financially and operationally.

CONSOLIDATION

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The financial statements present the results of the parent company only.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, of goods and services provided to customers. Turnover also includes management fees from undertakings.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

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

Plant and machinery - 20% reducing balance

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.

APM Healthcare Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

1 OPERATING PROFIT

Operating profit is stated after charging

	2013	2012
	£	£
Depreciation of owned fixed assets	42	79
Auditor's fees	<u>2,000</u>	<u>2,000</u>

2 INTEREST RECEIVABLE

	2013	2012
	£	£
Bank interest receivable	2,248	-
Interest from group undertakings	<u>91,024</u>	<u>28,217</u>
	<u>93,272</u>	<u>28,217</u>

3 TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

	2013	2012
	£	£
Loss on ordinary activities before taxation	<u>(36,624)</u>	<u>(314)</u>
Loss on ordinary activities by rate of tax	(7,325)	(66)
Effects of		
Expenses not deductible for tax purposes	408	17
Utilisation of tax losses	(47)	-
Losses carried forward	<u>6,964</u>	<u>49</u>
Total current tax	<u>-</u>	<u>-</u>

4 TANGIBLE FIXED ASSETS

Plant and machinery etc
£

Cost	
At 1 April 2012 and 31 March 2013	<u>395</u>
Depreciation	
At 1 April 2012	186
Charge for the year	42
At 31 March 2013	<u>228</u>
Net book value	
At 31 March 2013	<u>167</u>
At 31 March 2012	<u>209</u>

APM Healthcare Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

5 INVESTMENTS

		Total £
Cost		
At 1 April 2012 and 31 March 2013		<u>100</u>
Net book value		
At 31 March 2013 and 31 March 2012		<u>100</u>
The company owns 100% of the issued share capital of Community Pharmacies (UK) Limited		
	2013 £	2012 £
Aggregate Capital and reserves,		
Community Pharmacies (UK) Limited	(940,468)	(620,867)
Profit and (loss) for the year,		
Community Pharmacies (UK) Limited	(319,601)	(450,473)

6 DEBTORS

	2013 £	2012 £
Trade debtors	16,078	18,000
Amounts owed by group undertakings	1,757,578	913,589
Other debtors	8,726	18,157
	<u>1,782,382</u>	<u>949,746</u>

The debtors above include the following amounts falling due after more than one year

	2013 £	2012 £
Amounts owed by group undertakings	<u>1,617,039</u>	<u>774,688</u>

APM Healthcare Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

7 CREDITORS Amounts falling due within one year

	2013	2012
	£	£
Trade creditors	7,164	964
Loan notes	1,328,854	556,419
Amounts owed to group undertakings	82,706	131,186
Other creditors	9,514	50,621
	<u>1,428,238</u>	<u>739,190</u>
Loan notes		

Loan notes totalling £519,231 were issued on 1 August 2011 and £657,692 on 1 May 2012. They are payable at the company's option at any point up until 31 July 2016 and 28 February 2017 when they are redeemable in two equal tranches.

An interest rate of 8% is charged and a redemption premium of 44.5% of the outstanding amount is repayable at any time the loans are repaid. The loans are secured by fixed and floating charges on all the assets of the company. Costs attributed with the raising of the loan notes are accounted for in accordance with FRS 4.

Bank borrowings

The following securities have been given to the bank:

- A debenture giving Santander UK plc priority over all of its assets and undertaking
- A deed of priority as appropriate
- A composite guarantee from Community Pharmacies (UK) Ltd and APM Healthcare Limited in respect of the obligations of the Borrower to the Bank

8 RELATED PARTY TRANSACTIONS

Community Pharmacies (UK) Limited is a wholly owned subsidiary of APM Healthcare Limited.

Income includes commission receivable of £18,000 (2012: £16,500) from BAPPT in respect of property improvements incurred by Limited Liability Partnerships in which Community Pharmacies (UK) Limited have a participating interest.

Overheads include a management charge payable to Community Pharmacies (UK) Ltd of £63,028 (2012: £16,609) and interest receivable of £91,024 (2012: £28,261).

Creditors include £1,328,854 (2012: £536,161) owing to Beringea, who held a 37.8% (2012: 19.9%) shareholding in the company at the year end. Interest payable on this loan totalled £91,024 (2012: £28,216) (note 6).

CONTROLLING PARTY

The company was under the control of Mr A Murray throughout the current and previous year. Mr A Murray is the Managing Director and majority shareholder.

APM Healthcare Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

9 SHARE CAPITAL

	2013	2012
	£	£
Allotted, called up and fully paid		
100,000 Ordinary shares of £0 001 each	100	100
60,690 (2012 - 24,725) "A" Ordinary shares of £0 001 each	61	25
	<u>161</u>	<u>125</u>

The ordinary shares and "A" ordinary shares rank pari passu in all material respects. The "A" ordinary shares are convertible to ordinary shares.

During the year £18,132 fully paid "A" ordinary shares were issued at a premium of £9.33 per share, and 17,838 fully paid "A" ordinary shares were issued at a premium of £6.90 per share.

10 SHARE PREMIUM ACCOUNT

	2013	2012
	£	£
At 1 April 2012	230,744	–
Premium on shares issued in the year	292,272	230,744
At 31 March 2013	<u>523,016</u>	<u>230,744</u>

11 PROFIT AND LOSS ACCOUNT

	2013	2012
	£	£
At the beginning of the year	(340)	(26)
Loss for the financial year	(36,624)	(314)
At the end of the year	<u>(36,964)</u>	<u>(340)</u>

12 POST BALANCE SHEET EVENTS

On 8th July 2013 a further loan draw down was made of £300,000