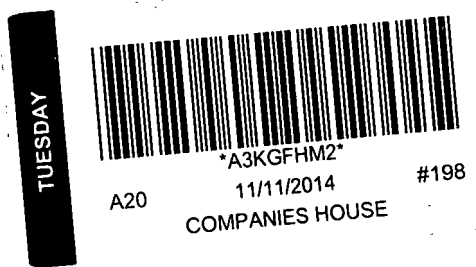


APM Healthcare Limited

FINANCIAL STATEMENTS

for the year ended

31 March 2014



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
Steam Mill
Steam Mill Street
Chester
CH3 5AN

APM Healthcare Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of APM Healthcare Limited for the year ended 31 March 2014.

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

24/10/2014

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 12. 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 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 www.frc.org.uk/auditscopeukprivate.

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 2014 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 from the requirement to prepare a strategic report or in preparing the directors' report.

Baker Tilly UK Audit LLP

MICHAEL FAIRHURST FCA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Steam Mill
Steam Mill Street
Chester CH3 5AN

24 October 2014

APM Healthcare Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2014

		2014	2013
	<i>Notes</i>	£	£
TURNOVER		95,144	213,491
Cost of sales		<u>(27,333)</u>	<u>(111,802)</u>
Gross profit		67,811	101,689
Administrative expenses		<u>(70,350)</u>	<u>(88,427)</u>
OPERATING (LOSS)/PROFIT	1	(2,539)	13,262
Interest receivable	2	115,947	93,272
		<u>113,408</u>	<u>106,534</u>
Interest payable and similar charges		(194,741)	(143,158)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(81,333)</u>	<u>(36,624)</u>
Taxation	3	—	—
LOSS FOR THE FINANCIAL YEAR	12	<u>(81,333)</u>	<u>(36,624)</u>

APM Healthcare Limited

BALANCE SHEET

31 March 2014

	Notes	£	2014 £	£	2013 £
FIXED ASSETS					
Tangible assets	4		401		167
Investments	5		100		100
			<u>501</u>		<u>267</u>
CURRENT ASSETS					
Debtors due within one year	6	89,645		165,343	
Debtors due after one year	6	1,660,989		1,617,039	
Cash at bank and in hand		490,076		131,802	
		<u>2,240,710</u>		<u>1,914,184</u>	
CREDITORS					
Amounts falling due within one year	7	(83,035)		(1,428,238)	
NET CURRENT ASSETS			<u>2,157,675</u>		<u>485,946</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,158,176</u>		<u>486,213</u>
CREDITORS					
Amounts falling due after more than one year	8		(1,660,989)		—
			<u>497,187</u>		<u>486,213</u>
CAPITAL AND RESERVES					
Called up share capital	10		174		161
Share premium account	11		615,310		523,016
Profit and loss account	12		(118,297)		(36,964)
SHAREHOLDERS' FUNDS			<u>497,187</u>		<u>486,213</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 12 were approved by the board of directors and authorised for issue on 24/03/2014 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 which assumes the company will continue to be able to meet its financing obligations.

The accumulated losses reported as at 31st March 2014 were anticipated from the outset. The company's investments continue to trade in line with expectations both financially and operationally. The continuing financial support of the company's banking partners has provided a stable platform for growth. As the company's investments grow towards maturity, the company is forecast to become cash generative in line with expectations enabling it to meet the repayments of its senior debt and any additional finance requirements.

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 and do not show the results of the group.

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
Computer Equipment	-	33.33% straight line

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 2014

1 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2014	2013
	£	£
Depreciation of owned fixed assets	57	42
Auditor's fees	<u>5,120</u>	<u>2,000</u>

No directors receive remuneration from APM Healthcare Limited.

2 INTEREST RECEIVABLE

	2014	2013
	£	£
Bank interest receivable	1,300	2,248
Interest from group undertakings	<u>114,647</u>	<u>91,024</u>
	<u>115,947</u>	<u>93,272</u>

3 TAXATION ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 20% (2013 - 20%), as explained below

	2014	2013
	£	£
Loss on ordinary activities before taxation	<u>(81,333)</u>	<u>(36,624)</u>
Loss on ordinary activities by rate of tax	(16,267)	(7,325)
Effects of:		
Expenses not deductible for tax purposes	-	408
Capital allowances for period in excess of depreciation	(47)	-
Utilisation of tax losses	-	(47)
Unrelieved tax losses	<u>16,314</u>	<u>6,964</u>
Total current tax	<u>-</u>	<u>-</u>

APM Healthcare Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

4 TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer Equipment £	Total £
Cost			
At 1 April 2013	395	–	395
Additions	–	291	291
At 31 March 2014	<u>395</u>	<u>291</u>	<u>686</u>
Depreciation			
At 1 April 2013	228	–	228
Charge for the year	33	24	57
At 31 March 2014	<u>261</u>	<u>24</u>	<u>285</u>
Net book value			
At 31 March 2014	<u>134</u>	<u>267</u>	<u>401</u>
At 31 March 2013	<u>167</u>	<u>–</u>	<u>167</u>

5 INVESTMENTS

	Total £
Cost	
At 1 April 2013 and 31 March 2014	<u>100</u>
Net book value	
At 31 March 2014 and 31 March 2013	<u>100</u>

The company owns 100% of the issued share capital of Community Pharmacies (UK) Limited

	2014 £	2013 £
Community Pharmacies (UK) Limited:		
Aggregate Capital and reserves	(279,337)	(940,468)
Profit and (loss) for the year	661,231	(319,601)

6 DEBTORS

	2014 £	2013 £
Trade debtors	–	16,078
Amounts owed by group undertakings	1,750,357	1,757,578
Amounts owed by undertakings in which the company has a participating interest	277	–
Other debtors	–	8,726
	<u>1,750,634</u>	<u>1,782,382</u>

APM Healthcare Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

6 DEBTORS (*continued*)

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

	2014	2013
	£	£
Amounts owed by group undertakings	<u>1,660,989</u>	<u>1,618,677</u>

7 CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	835	7,164
Loan notes (see note 8)	–	1,328,854
Amounts owed to group undertakings	61,405	82,706
VAT	10,544	–
Directors current accounts - A P Murray	1	5,514
Accruals and deferred income	10,250	4,000
	<u>83,035</u>	<u>1,428,238</u>

Community Pharmacies (UK) Limited has repaid their bank borrowings in the year.

The following securities had been given to the bank:

- A composite guarantee from Community Pharmacies (UK) Ltd and APM Healthcare Limited in respect of the obligations of the Borrower to the Bank.

- A debenture giving Santander UK plc priority over all of its assets and undertaking.

- A deed of priority as appropriate.

8 CREDITORS: Amounts falling due after more than one year

	2014	2013
	£	£
Loan notes	<u>1,660,989</u>	<u>–</u>

Loan notes totalling £519,231 were issued on 1 August 2011, £657,692 on 1 May 2012 and £207,692 on 8th July 2013. They are payable at the company's option at any point up to 5 years after draw down and 5 and half years after draw down 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.

APM Healthcare Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2014

9 RELATED PARTY TRANSACTIONS

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

Income includes commission receivable of £Nil (2013: £18,000) 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 £51,171 (2013: £63,028) and interest receivable of £114,647 (2013: £91,024).

Included within Creditors is an unsecured loan to Community Pharmacies (UK) Limited of £1,660,989 (2013: £1,618,677) for which there is no fixed repayment date. There is also amount within other debtors of £89,368 (2013: £138,901) and an amount within other creditors of £61,405 (2013: £82,706).

Creditors include £1,660,989 (2013: £1,328,854) owing to Beringea, who held a 42.5% (2013: 37.8%) shareholding in the company at the year end. Interest payable on this loan totalled £114,647 (2013: £91,024).

Somerset Gardens Healthcare LLP is a joint venture of Community Pharmacies (UK) Limited. At the year ended 31 March 2014 APM Healthcare Limited held cash on restricted deposit for Somerset Gardens Healthcare LLP of £170,000 (2013: £nil) in respect of legal action. Post year end this restricted cash has been released.

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.

10 SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid:		
100,000 Ordinary shares of £0.001 each	100	100
74,074 (2013 - 60,690) "A" Ordinary shares of £0.001 each	74	61
	<u>174</u>	<u>161</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 13,379 fully paid "A" ordinary shares were issued at a nominal value of £0.001. A total premium of £92,294 was paid on the shares issued.

11 SHARE PREMIUM ACCOUNT

	2014	2013
	£	£
At 1 April 2013	523,016	230,744
Premium on shares issued in the year	92,294	292,272
At 31 March 2014	<u>615,310</u>	<u>523,016</u>

APM Healthcare Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

12 PROFIT AND LOSS ACCOUNT

	2014	2013
	£	£
At the beginning of the year	(36,964)	(340)
Loss for the financial year	<u>(81,333)</u>	<u>(36,624)</u>
At the end of the year	<u><u>(118,297)</u></u>	<u><u>(36,964)</u></u>