

Company registration number: 01768840

# PCT Healthcare Limited

Financial Statements

for the Year Ended 30 November 2017



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

# PCT Healthcare Limited

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# **PCT Healthcare Limited**

## **Company Information**

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

**Company secretary** Mrs A J Cattee

**Registered office** 11 Manchester Road  
Walkden  
Manchester  
M28 3NS

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

## PCT Healthcare Limited

### Strategic Report for the Year Ended 30 November 2017

The directors present their strategic report for the year ended 30 November 2017.

#### **Principal activity**

The principal activity of the company is retail pharmacy.

#### **Fair review of the business**

During the current year the company has expanded organically with consideration to the communities in which it operates. There were no acquisitions during the current year compared with 24 shop acquisitions in the previous year.

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 measure 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 slightly from 31.7% in 2016 to 31.2% in 2017.

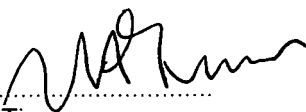
Staff remain the greatest asset, but also the largest cost to the company, amounting to £17.4m in 2017 and £14.4m in 2016. Staff costs as a percentage of turnover were 19% in 2016 and 2017.

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 before tax of £12,928. In the forthcoming year the company expects continued pressure on profitability due to the reduction in the overall level of government funding to pharmacies.

The company has maintained a healthy liquidity position as the company had a net bank surplus of £7m and net assets of £16m at the year end.

Approved by the Board on 31 July 2018 and signed on its behalf by:

  
.....  
Mr G A Tims  
Director

## **PCT Healthcare Limited**

### **Directors' Report for the Year Ended 30 November 2017**

The directors present their report and the financial statements for the year ended 30 November 2017.

#### **Directors of the company**

The directors who held office during the year were as follows:

Mr P Cattee

Mr G A Tims

Mrs A J Cattee - Company secretary and director

Mr J Cattee

#### **Financial instruments**

##### ***Objectives and policies***

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.

##### **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.

##### **Future developments**

The company expects to consolidate its trading in the following year.

##### **Important non adjusting events after the financial period**

Since the year end the company has acquired one external pharmacy branch for a consideration of £1.3m.

The company is currently in the process of transferring the trade, assets and liabilities from a fellow group company at their book values comprising an additional 42 pharmacy branches.

##### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

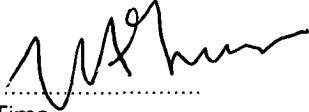
## PCT Healthcare Limited

### Directors' Report for the Year Ended 30 November 2017

#### Reappointment of auditors

The auditors Abrams Ashton are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 31 July 2018 and signed on its behalf by:



.....  
Mr G A Tims  
Director

## **PCT Healthcare Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 these financial statements, the directors are required to:

- select suitable accounting policies and 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 financial statements; and
- 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.

## **PCT Healthcare Limited**

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

#### **Opinion**

We have audited the financial statements of PCT Healthcare Limited (the 'company') for the year ended 30 November 2017, which comprise the Profit and Loss Account and Statement of Retained Earnings, Statement of Comprehensive Income, Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 and of its loss 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



## **PCT Healthcare Limited**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities [set out on page 5], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## PCT Healthcare Limited

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



David Williams FCA (Senior Statutory Auditor)  
For and on behalf of Abrams Ashton, Statutory Auditor

77 Corporation Street  
St Helens  
Merseyside  
WA10 1SX

31 July 2018

## PCT Healthcare Limited

### Profit and Loss Account and Statement of Retained Earnings for the Year Ended 30 November 2017

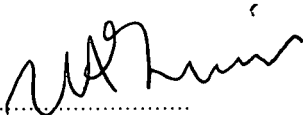
	Note	2017 £	2016 £
Turnover	3	88,763,035	75,130,476
Cost of sales		<u>(61,028,169)</u>	<u>(51,296,065)</u>
Gross profit		27,734,866	23,834,411
Administrative expenses		(27,902,687)	(23,559,553)
Other operating income		<u>49,680</u>	<u>6,497,734</u>
Operating (loss)/profit	4	<u>(118,141)</u>	<u>6,772,592</u>
Income from shares in group undertakings		130,000	180,000
Other interest receivable and similar income	5	3,230	17,731
Interest payable and similar charges	6	<u>(2,161)</u>	<u>(68,831)</u>
		<u>131,069</u>	<u>128,900</u>
Profit before tax		12,928	6,901,492
Taxation	10	<u>(378,481)</u>	<u>(296,623)</u>
(Loss)/profit for the financial year		(365,553)	6,604,869
Retained earnings brought forward		<u>15,825,618</u>	<u>9,220,749</u>
Retained earnings carried forward		<u><u>15,460,065</u></u>	<u><u>15,825,618</u></u>

The notes on pages 11 to 22 form an integral part of these financial statements.

**PCT Healthcare Limited**  
**(Registration number: 01768840)**  
**Balance Sheet as at 30 November 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	11	24,865,903	28,754,810
Tangible assets	12	5,794,023	6,453,013
Investments	13	397,102	397,102
Other financial assets	14	<u>891,710</u>	<u>891,710</u>
		<u>31,948,738</u>	<u>36,496,635</u>
<b>Current assets</b>			
Stocks	15	5,283,897	5,518,920
Debtors	16	29,474,994	29,743,693
Cash at bank and in hand		<u>6,869,868</u>	<u>9,354,337</u>
		41,628,759	44,616,950
<b>Creditors:</b> Amounts falling due within one year	17	<u>(57,631,783)</u>	<u>(64,775,861)</u>
<b>Net current liabilities</b>		<u>(16,003,024)</u>	<u>(20,158,911)</u>
<b>Total assets less current liabilities</b>		15,945,714	16,337,724
<b>Provisions for liabilities</b>	18	<u>(222,643)</u>	<u>(249,100)</u>
<b>Net assets</b>		<u>15,723,071</u>	<u>16,088,624</u>
<b>Capital and reserves</b>			
Called up share capital	20	263,006	263,006
Profit and loss account		<u>15,460,065</u>	<u>15,825,618</u>
<b>Total equity</b>		<u>15,723,071</u>	<u>16,088,624</u>

Approved and authorised by the Board on 31 July 2018 and signed on its behalf by:



.....  
Mr G A Tims  
Director

# PCT Healthcare Limited

## Notes to the Financial Statements for the Year Ended 30 November 2017

### 1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

11 Manchester Road

Walkden

Manchester

M28 3NS

United Kingdom

### 2 Accounting policies

#### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention.

The financial statements are prepared in sterling as this is the base currency of the company.

#### Summary of disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. 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 this 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.

#### Name of parent of group

These financial statements are consolidated in the financial statements of PCT Healthcare (Holdings) Limited.

The financial statements of PCT Healthcare (Holdings) Limited may be obtained from Companies House..

#### Revenue recognition

Turnover comprises the fair value of the sale of goods and services. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue either at the point of sale or when the company has delivered the goods to the customer.

## PCT Healthcare Limited

### Notes to the Financial Statements for the Year Ended 30 November 2017

#### Deferred tax

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequent 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.

#### Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Short leasehold property	Straight line over the lease
Fixtures, fittings and equipment	10% and 25% straight line
Motor vehicles	25% reducing balance
Improvements to property	10% straight line

#### Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	10% straight line

#### Stocks

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

#### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

## **PCT Healthcare Limited**

### **Notes to the Financial Statements for the Year Ended 30 November 2017**

#### **Defined contribution pension obligation**

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.

## PCT Healthcare Limited

### Notes to the Financial Statements for the Year Ended 30 November 2017

#### 3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Sale of goods	<u>88,763,035</u>	<u>75,130,476</u>

The analysis of the company's turnover for the year by class of business is as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Pharmacy	<u>88,763,035</u>	<u>75,130,476</u>

#### 4 Operating loss

Arrived at after charging/(crediting)

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Depreciation expense	960,088	686,511
Amortisation expense	3,888,907	3,132,797
Profit on disposal of property, plant and equipment	<u>(591)</u>	<u>(1,742)</u>

#### 5 Other interest receivable and similar income

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest income on bank deposits	1,964	15,989
Other finance income	<u>1,266</u>	<u>1,742</u>
	<u>3,230</u>	<u>17,731</u>

#### 6 Interest payable and similar expenses

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and borrowings	2,161	67,639
Interest expense on other finance liabilities	<u>-</u>	<u>1,192</u>
	<u>2,161</u>	<u>68,831</u>

#### 7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:



## PCT Healthcare Limited

### Notes to the Financial Statements for the Year Ended 30 November 2017

	2017 £	2016 £
Wages and salaries	15,895,789	13,136,672
Social security costs	1,236,557	1,032,847
Pension costs, defined contribution scheme	224,574	193,838
	<u>17,356,920</u>	<u>14,363,357</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017 No.	2016 No.
Pharmacists, counter staff and drivers	914	697
Administrative staff	34	30
Management staff	3	3
	<u>951</u>	<u>730</u>

#### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	<u>493,859</u>	<u>473,313</u>

In respect of the highest paid director:

	2017 £	2016 £
Remuneration	<u>150,522</u>	<u>165,902</u>

#### 9 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>45,500</u>	<u>45,500</u>

#### 10 Taxation

Tax charged/(credited) in the income statement

## PCT Healthcare Limited

### Notes to the Financial Statements for the Year Ended 30 November 2017

	2017 £	2016 £
<b>Current taxation</b>		
UK corporation tax	404,537	367,984
UK corporation tax adjustment to prior periods	<u>401</u>	<u>522</u>
	404,938	368,506
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(26,457)</u>	<u>(71,883)</u>
Tax expense in the income statement	<u><u>378,481</u></u>	<u><u>296,623</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.33% (2016 - 20.09%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>12,928</u>	<u>6,901,492</u>
Corporation tax at standard rate	2,499	1,386,165
Effect of expense not deductible in determining taxable profit (tax loss)	654,381	611,412
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	401	522
Tax increase (decrease) from effect of capital allowances and depreciation	17,015	(27,678)
Tax increase (decrease) from other short-term timing differences	-	(89,528)
Tax increase (decrease) arising from group relief	(295,815)	(288,313)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>-</u>	<u>(1,295,957)</u>
Total tax charge	<u><u>378,481</u></u>	<u><u>296,623</u></u>
<b>Deferred tax</b>		
Deferred tax assets and liabilities		<b>Liability</b>
		<b>£</b>
<b>2017</b>		
Accelerated capital allowances		<u>222,643</u>
<b>2016</b>		
Accelerated capital allowances		<u>249,100</u>

## PCT Healthcare Limited

### Notes to the Financial Statements for the Year Ended 30 November 2017

#### 11 Intangible assets

	<b>Goodwill</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>		
At 1 December 2016	<u>66,411,416</u>	<u>66,411,416</u>
At 30 November 2017	<u>66,411,416</u>	<u>66,411,416</u>
<b>Amortisation</b>		
At 1 December 2016	37,656,606	37,656,606
Amortisation charge	<u>3,888,907</u>	<u>3,888,907</u>
At 30 November 2017	<u>41,545,513</u>	<u>41,545,513</u>
<b>Carrying amount</b>		
At 30 November 2017	<u>24,865,903</u>	<u>24,865,903</u>
At 30 November 2016	<u>28,754,810</u>	<u>28,754,810</u>

#### 12 Tangible assets

	<b>Short leasehold property</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Improvements to property</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>					
At 1 December 2016	5,286,034	8,456,070	1,834,250	317,273	15,893,627
Additions	<u>-</u>	<u>295,129</u>	<u>-</u>	<u>5,968</u>	<u>301,097</u>
At 30 November 2017	<u>5,286,034</u>	<u>8,751,199</u>	<u>1,834,250</u>	<u>323,241</u>	<u>16,194,724</u>
<b>Depreciation</b>					
At 1 December 2016	2,101,169	5,822,532	1,322,907	194,005	9,440,613
Charge for the year	<u>208,701</u>	<u>651,732</u>	<u>67,346</u>	<u>32,309</u>	<u>960,088</u>
At 30 November 2017	<u>2,309,870</u>	<u>6,474,264</u>	<u>1,390,253</u>	<u>226,314</u>	<u>10,400,701</u>
<b>Carrying amount</b>					
At 30 November 2017	<u>2,976,164</u>	<u>2,276,935</u>	<u>443,997</u>	<u>96,927</u>	<u>5,794,023</u>
At 30 November 2016	<u>3,184,865</u>	<u>2,633,538</u>	<u>511,343</u>	<u>123,267</u>	<u>6,453,013</u>

#### 13 Investments in subsidiaries, joint ventures and associates

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Investments in subsidiaries	<u>397,102</u>	<u>397,102</u>

**PCT Healthcare Limited**

**Notes to the Financial Statements for the Year Ended 30 November 2017**

<b>Subsidiaries</b>	£
<b>Cost or valuation</b>	
At 1 December 2016	<u>397,102</u>
<b>Provision</b>	
<b>Carrying amount</b>	
At 30 November 2017	<u>397,102</u>
At 30 November 2016	<u>397,102</u>
<b>Subsidiaries</b>	£
<b>Fair value</b>	
At 1 December 2016	<u>397,102</u>
At 30 November 2017	<u>397,102</u>

**14 Other financial assets (current and non-current)**

	<b>Financial assets at cost less impairment £</b>	<b>Total £</b>
<b>Non-current financial assets</b>		
<b>Cost or valuation</b>		
At 1 December 2016	<u>891,710</u>	<u>891,710</u>
At 30 November 2017	<u>891,710</u>	<u>891,710</u>
<b>Impairment</b>		
<b>Carrying amount</b>		
At 30 November 2017	<u>891,710</u>	<u>891,710</u>

**15 Stocks**

	<b>2017 £</b>	<b>2016 £</b>
Finished goods and goods for resale	<u>5,283,897</u>	<u>5,518,920</u>

The cost of stocks recognised as an expense in the year amounted to £61,028,169 (2016 - £51,296,065).

## PCT Healthcare Limited

### Notes to the Financial Statements for the Year Ended 30 November 2017

#### 16 Debtors

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	7,293,589	7,879,339
Amounts owed by group undertakings	19,265,888	19,469,760
Other debtors	1,491,089	1,435,418
Prepayments and accrued income	1,023,356	670,437
Corporation tax repayable	401,072	288,739
	<u>29,474,994</u>	<u>29,743,693</u>

**PCT Healthcare Limited**

**Notes to the Financial Statements for the Year Ended 30 November 2017**

**17 Creditors**

	Note	2017 £	2016 £
<b>Due within one year</b>			
Loans and borrowings		-	3,383,705
Trade creditors		10,403,442	10,470,289
Amounts owed to group undertakings		27,580,000	30,568,811
Social security and other taxes		357,457	380,100
Other creditors		26,489	40,396
Other loans		337,307	748,395
Accruals and deferred income		199,764	197,854
Directors loan accounts		18,727,324	18,986,311
		<u>57,631,783</u>	<u>64,775,861</u>

**18 Deferred tax and other provisions**

	Deferred tax £	Total £
At 1 December 2016	249,100	249,100
Increase (decrease) in existing provisions	<u>(26,457)</u>	<u>(26,457)</u>
At 30 November 2017	<u>222,643</u>	<u>222,643</u>

**19 Pension and other schemes**

**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £224,574 (2016 - £193,838).

Contributions totalling £26,489 (2016 - £40,396) were payable to the scheme at the end of the year and are included in creditors.

**20 Share capital**

**Allotted, called up and fully paid shares**

	2017		2016	
	No.	£	No.	£
Ordinary share of £1 each	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>	<u>263,006</u>

## PCT Healthcare Limited

### Notes to the Financial Statements for the Year Ended 30 November 2017

#### 21 Obligations under leases and hire purchase contracts

##### Operating leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	1,487,445	1,527,231
Later than one year and not later than five years	5,661,367	5,704,826
Later than five years	7,130,773	8,470,982
	<u>14,279,585</u>	<u>15,703,039</u>

#### 22 Contingent liabilities

The company is party to a cross guarantee arrangement. The company is potentially liable for £59,250,000. 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.

#### 23 Related party transactions

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

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

##### Other transactions with directors

The amounts due to Mr G A Tims and Mr P Cattee at the balance sheet date were £3,393,206 and £15,334,118, respectively (2016 £3,652,193 and £15,334,118). The loans are interest free.

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 (2016:£18,250).

#### Loans to related parties

	Subsidiary £
<b>2017</b>	
At start of period	19,469,760
Repaid	<u>(203,872)</u>
At end of period	<u>19,265,888</u>
<b>2016</b>	
At start of period	17,159,757
Advanced	<u>2,310,003</u>
At end of period	<u>19,469,760</u>

## PCT Healthcare Limited

### Notes to the Financial Statements for the Year Ended 30 November 2017

#### Loans from related parties

	Parent £	Subsidiary £
<b>2017</b>		
At start of period	19,286,194	11,282,617
Advanced	-	3,259,585
Repaid	(6,248,396)	-
At end of period	<u>13,037,798</u>	<u>14,542,202</u>
	Parent £	Subsidiary £
<b>2016</b>		
At start of period	(9,533,325)	6,954,492
Advanced	<u>28,819,519</u>	<u>4,328,125</u>
At end of period	<u>19,286,194</u>	<u>11,282,617</u>

#### Terms of loans from related parties

The loans are interest free and repayable on demand.

#### 24 Parent and ultimate parent undertaking

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

The parent of the largest group in which these financial statements are consolidated is PCT Healthcare (Holdings) Limited, incorporated in England and Wales.

The address of PCT Healthcare (Holdings) Limited is:  
11 Manchester Road, Walkden, Manchester M28 3NS.

#### 25 Non adjusting events after the financial period

Since the year end the company has acquired one external pharmacy branch for a consideration of £1.3m.

The company is currently in the process of transferring the trade, assets and liabilities from a fellow group company at their book values comprising an additional 42 pharmacy branches.