

PCT Healthcare Limited

Financial Statements
for the Year Ended 30 November 2019

PCT Healthcare Limited

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PCT Healthcare Limited

Company Information

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

Company secretary Mrs A J Cattee

Registered office 11 Manchester Road
Walkden
Manchester
M28 3NS

Auditors Abrams Ashton Ltd
Chartered Accountants and Statutory Auditors
7 Waterside Court
St. Helens
Merseyside
WA9 1UA

PCT Healthcare Limited

Strategic Report for the Year Ended 30 November 2019

The directors present their strategic report for the year ended 30 November 2019.

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 5 internal group acquisitions during the year.

The company is committed to actively work in partnership with local clinical commissioning groups in the promotion of additional healthcare services.

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 increased from 29.8% in 2018 to 31.9% in 2019.

Staff remain the greatest asset, but also the largest cost to the company, amounting to £23m in 2019 and £19m in 2018. Staff costs as a percentage of turnover were 20% in 2018 and 19% in 2019.

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 £1,288,905 (adjusted for a group company loan written off totalling £10,069,597) and earnings before interest, tax and depreciation (EBITDA) was £6,817,631. 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 an adequate liquidity position as the company had a net bank surplus of £0.8m and net assets of £23.8m at the year end, whilst the group had a net bank surplus, before bank loans, of £11m.

Approved by the Board on 5 November 2020 and signed on its behalf by:

.....

Mr G A Tims

Director

PCT Healthcare Limited

Directors' Report for the Year Ended 30 November 2019

The directors present their report and the financial statements for the year ended 30 November 2019.

Directors of the company

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

Mr J Cattee

Mr G A Tims

Mrs A J Cattee - Company secretary and director

Mr P 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 country was impacted by the Covid-19 pandemic. Whilst the initial consequence was to create an unprecedented set of challenges the company responded well in adapting its working practices and kept all but two of its branches open throughout the initial crisis with both opening again after a short period. Morale held up well as staff rose to the challenge professionally and whilst at times there has been an impact on OTC ('Over The Counter') business due to distancing the prescription business continues to track on budget. At the same time the margin reduction of early 2018-19 has been restored and the 5-year settlement has re-introduced some stability to the pharmacy sector and the company expects to have a satisfactory year despite the crisis.

PCT Healthcare Limited

Directors' Report for the Year Ended 30 November 2019

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.

Reappointment of auditors

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

Approved by the Board on 5 November 2020 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 2019, which comprise the Profit and Loss Account and Statement of Retained Earnings, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2019 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.

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.

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.

PCT Healthcare Limited

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

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement 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.

PCT Healthcare Limited

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

- 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.
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- 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.
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- 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.
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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.

PCT Healthcare Limited

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

Use of our report

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.

.....
Darren Leigh FCCA (Senior Statutory Auditor)
For and on behalf of Abrams Ashton Ltd, Statutory Auditor
7 Waterside Court
St. Helens
Merseyside
WA9 1UA

5 November 2020

PCT Healthcare Limited

Profit and Loss Account and Statement of Retained Earnings for the Year Ended 30 November 2019

	Note	2019 £	2018 £
Turnover	<u>3</u>	119,904,257	94,662,727
Cost of sales		<u>(81,791,447)</u>	<u>(66,432,959)</u>
Gross profit		38,112,810	28,229,768
Administrative expenses		(26,909,802)	(30,440,332)
Other operating income		<u>54,480</u>	<u>52,080</u>
Operating profit/(loss)	<u>4</u>	<u>11,257,488</u>	<u>(2,158,484)</u>
Income from shares in group undertakings		100,000	130,000
Other interest receivable and similar income	<u>5</u>	1,014	5,235
Interest payable and similar charges	<u>6</u>	<u>-</u>	<u>(3,665)</u>
		<u>101,014</u>	<u>131,570</u>
Profit/(loss) before tax		11,358,502	(2,026,914)
Taxation	<u>10</u>	<u>(734,468)</u>	<u>(510,852)</u>
Profit/(loss) for the financial year		10,624,034	(2,537,766)
Retained earnings brought forward		<u>12,922,299</u>	<u>15,460,065</u>
Retained earnings carried forward		<u><u>23,546,333</u></u>	<u><u>12,922,299</u></u>

PCT Healthcare Limited

**(Registration number: 01768840)
Balance Sheet as at 30 November 2019**

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	<u>11</u>	25,177,179	28,429,780
Tangible assets	<u>12</u>	6,406,814	6,157,433
Investments	<u>13</u>	1,579,222	1,579,222
Other financial assets	<u>14</u>	891,710	891,710
		34,054,925	37,058,145
Current assets			
Stocks	<u>15</u>	7,193,455	6,467,139
Debtors	<u>16</u>	27,856,070	28,048,071
Cash at bank and in hand	<u>17</u>	3,068,911	202,615
		38,118,436	34,717,825
Creditors: Amounts falling due within one year	<u>18</u>	(48,065,720)	(58,236,944)
Net current liabilities		(9,947,284)	(23,519,119)
Total assets less current liabilities		24,107,641	13,539,026
Provisions for liabilities	<u>19</u>	(298,302)	(353,721)
Net assets		23,809,339	13,185,305
Capital and reserves			
Called up share capital	<u>21</u>	263,006	263,006
Profit and loss account	<u>22</u>	23,546,333	12,922,299
Shareholders' funds		23,809,339	13,185,305

Approved and authorised by the Board on 5 November 2020 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 2019

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.

Exemption from preparing group accounts

The financial statements contain information about PCT Healthcare Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, PCT Healthcare (Holdings) Limited, a company incorporated in England.

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 2019

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:

Asset class	Depreciation method and rate
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:

Asset class	Amortisation method and rate
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 2019

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 2019

3 Revenue

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

	2019	2018
	£	£
Sale of goods	119,904,257	94,662,727

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

	2019	2018
	£	£
Pharmacy	119,904,257	94,662,727

4 Operating profit/(loss)

Arrived at after charging/(crediting)

	2019	2018
	£	£
Depreciation expense	961,794	971,048
Amortisation expense	4,659,542	3,653,484
Loss on disposal of property, plant and equipment	8,404	3,340
Group company loan written off	(10,069,597)	-

5 Other interest receivable and similar income

	2019	2018
	£	£
Interest income on bank deposits	1,014	4,597
Other finance income	-	638
	1,014	5,235

6 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and borrowings	-	3,665

PCT Healthcare Limited

Notes to the Financial Statements for the Year Ended 30 November 2019

7 Staff costs

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

	2019	2018
	£	£
Wages and salaries	21,221,192	17,444,960
Social security costs	1,564,775	1,318,833
Pension costs, defined contribution scheme	369,967	266,002
	<u>23,155,934</u>	<u>19,029,795</u>

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

	2019	2018
	No.	No.
Pharmacists, counter staff and drivers	1,100	994
Administrative staff	39	39
Management staff	4	4
	<u>1,143</u>	<u>1,037</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019	2018
	£	£
Remuneration	<u>432,665</u>	<u>432,138</u>

In respect of the highest paid director:

	2019	2018
	£	£
Remuneration	<u>150,522</u>	<u>150,522</u>

9 Auditors' remuneration

	2019	2018
	£	£
Audit of the financial statements	<u>42,000</u>	<u>42,000</u>

PCT Healthcare Limited

Notes to the Financial Statements for the Year Ended 30 November 2019

10 Taxation

Tax charged/(credited) in the income statement

	2019	2018
	£	£
Current taxation		
UK corporation tax	789,887	401,845
UK corporation tax adjustment to prior periods	-	(22,071)
	789,887	379,774
Deferred taxation		
Arising from origination and reversal of timing differences	(55,419)	131,078
Tax expense in the income statement	734,468	510,852

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019	2018
	£	£
Profit/(loss) before tax	11,358,502	(2,026,914)
Corporation tax at standard rate	2,158,115	(385,114)
Effect of expense not deductible in determining taxable profit (tax loss)	(1,041,552)	667,885
Acquisition of fixed assets from group company	(99,897)	183,564
Capital gains on disposal of pharmacy shops	-	359,674
Decrease in UK and foreign current tax from adjustment for prior periods	-	(22,071)
Tax decrease arising from group relief	(282,198)	(293,086)
Total tax charge	734,468	510,852

Deferred tax

Deferred tax assets and liabilities

	Liability
	£
2019	
Accelerated capital allowances	298,302
	298,302
2018	
Accelerated capital allowances	353,721
	353,721

PCT Healthcare Limited

Notes to the Financial Statements for the Year Ended 30 November 2019

11 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 December 2018	72,499,118	72,499,118
Transfers	1,406,941	1,406,941
	73,906,059	73,906,059
At 30 November 2019	73,906,059	73,906,059
Amortisation		
At 1 December 2018	44,069,338	44,069,338
Amortisation charge	4,659,542	4,659,542
	48,728,880	48,728,880
At 30 November 2019	48,728,880	48,728,880
Carrying amount		
At 30 November 2019	25,177,179	25,177,179
At 30 November 2018	28,429,780	28,429,780

12 Tangible assets

	Short leasehold property £	Fixtures, fittings & equipment £	Improvements to property £	Motor vehicles £	Total £
Cost or valuation					
At 1 December 2018	5,286,034	10,092,347	1,834,250	272,176	17,484,807
Additions	-	599,299	-	-	599,299
Transfers	-	439,742	257,109	-	696,851
Disposals	-	(68,471)	-	(104,501)	(172,972)
	5,286,034	11,062,917	2,091,359	167,675	18,607,985
At 30 November 2019	5,286,034	11,062,917	2,091,359	167,675	18,607,985
Depreciation					
At 1 December 2018	2,511,206	7,160,326	1,451,344	204,498	11,327,374
Charge for the year	201,336	697,476	50,845	12,137	961,794
Eliminated on disposal	-	-	-	(87,997)	(87,997)
	2,712,542	7,857,802	1,502,189	128,638	12,201,171
At 30 November 2019	2,712,542	7,857,802	1,502,189	128,638	12,201,171
Carrying amount					

At 30 November 2019	2,573,492	3,205,115	589,170	39,037	6,406,814
At 30 November 2018	2,774,828	2,932,091	382,906	67,678	6,157,433

PCT Healthcare Limited

Notes to the Financial Statements for the Year Ended 30 November 2019

13 Investments in subsidiaries, joint ventures and associates

	2019 £	2018 £
Investments in subsidiaries	<u>1,579,222</u>	<u>1,579,222</u>
Subsidiaries		£
Cost or valuation		
At 1 December 2018		<u>1,579,222</u>
Provision		
Carrying amount		
At 30 November 2019		<u>1,579,222</u>
At 30 November 2018		<u>1,579,222</u>
Subsidiaries		£
Fair value		
At 1 December 2018		<u>1,579,222</u>
At 30 November 2019		<u>1,579,222</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	
		2019	2018
Subsidiary undertakings			
Grasmere Leigh Ltd	Ordinary	100%	100%
TV Pharmacy Ltd	Ordinary	100%	100%
Television Pharmacy Ltd	Ordinary	100%	100%
Telepharm Ltd	Ordinary	100%	100%
Freephone Pharmacy Ltd	Ordinary	100%	100%
Roy Lamb Ltd	Ordinary	100%	100%
The Concourse Pharmacy Ltd	Ordinary	100%	100%
Andersons Investments Ltd	Ordinary	100%	100%

St Pauls (HCC) Ltd

Ordinary

100%

100%

R H Swinn Ltd

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Ordinary

100%

100%

PCT Healthcare Limited

Notes to the Financial Statements for the Year Ended 30 November 2019

Richard G Hardy Ltd	Ordinary	100%	100%
Jayne A Hibbard Ltd	Ordinary	100%	100%
Swift Chemists Ltd	Ordinary	100%	100%
Medex Health Ltd	Ordinary	100%	100%
K M Brennan (Chemist) Ltd	Ordinary	100%	100%

The principal activity of Grasmere Leigh Ltd and Jayne A Hibbard Ltd is retail pharmacy. All other companies are dormant.

14 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 December 2018	891,710	891,710
At 30 November 2019	891,710	891,710
Impairment		
Carrying amount		
At 30 November 2019	891,710	891,710

15 Stocks

	2019 £	2018 £
Finished goods and goods for resale	7,193,455	6,467,139

PCT Healthcare Limited

Notes to the Financial Statements for the Year Ended 30 November 2019

16 Debtors

	2019	2018
	£	£
Trade debtors	9,455,901	8,900,628
Amounts owed by group undertakings	14,714,189	13,852,933
Other debtors	3,160,803	3,412,659
Prepayments and accrued income	525,177	1,474,279
Corporation tax repayable	-	407,572
	<u>27,856,070</u>	<u>28,048,071</u>

17 Cash and cash equivalents

	2019	2018
	£	£
Cash on hand	31,478	30,196
Cash at bank	<u>3,037,433</u>	<u>172,419</u>
	3,068,911	202,615
Bank overdrafts	<u>(2,243,381)</u>	<u>(61,642)</u>
	<u>825,530</u>	<u>140,973</u>

PCT Healthcare Limited

Notes to the Financial Statements for the Year Ended 30 November 2019

18 Creditors

		2019 £	2018 £
Due within one year			
Loans and borrowings	<u>23</u>	2,243,381	61,642
Trade creditors		13,286,368	16,274,779
Amounts owed to group undertakings		13,089,040	22,633,727
Social security and other taxes		467,373	482,741
Other creditors		144,928	22,898
Accruals and deferred income		267,013	294,321
Income tax liability		359,768	-
Directors loan accounts		18,207,849	18,466,836
		<u>48,065,720</u>	<u>58,236,944</u>

19 Provisions for liabilities

	Deferred tax £	Total £
At 1 December 2018	353,721	353,721
Increase (decrease) in existing provisions	<u>(55,419)</u>	<u>(55,419)</u>
At 30 November 2019	<u>298,302</u>	<u>298,302</u>

20 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 £369,967 (2018 - £266,002).

21 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary share of £1 each	263,006	263,006	263,006	263,006

PCT Healthcare Limited

Notes to the Financial Statements for the Year Ended 30 November 2019

22 Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses

23 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Bank overdrafts	<u>2,243,381</u>	<u>61,642</u>

24 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	2018 £
Not later than one year	1,901,976	1,852,972
Later than one year and not later than five years	6,801,712	6,726,727
Later than five years	<u>7,974,827</u>	<u>7,857,561</u>
	<u>16,678,515</u>	<u>16,437,260</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £2,231,304 (2018 - £1,889,236).

25 Contingent liabilities

The company is party to a cross guarantee arrangement. The company is potentially liable for £45,461,733. 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.

26 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.

The amounts due to Mr G A Tims and Mr P Cattee at the balance sheet date were £2,875,231 and £15,332,618, respectively (2018 £3,134,218 and £15,332,618). 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 (2018 £18,250).

PCT Healthcare Limited

Notes to the Financial Statements for the Year Ended 30 November 2019

Loans to related parties

	Parent £	Subsidiary £	Total £
2019			
At start of period	-	13,852,933	13,852,933
Advanced	3,424,876	-	3,424,876
Repaid	-	(2,563,621)	(2,563,621)
At end of period	<u>3,424,876</u>	<u>11,289,312</u>	<u>14,714,188</u>
		Subsidiary £	Total £
2018			
At start of period		19,265,888	19,265,888
Repaid		(5,412,955)	(5,412,955)
At end of period		<u>13,852,933</u>	<u>13,852,933</u>

Loans from related parties

	Parent £	Subsidiary £	Total £
2019			
At start of period	3,717,123	18,916,604	22,633,727
Advanced	-	4,260,032	4,260,032
Repaid	(3,717,123)	-	(3,717,123)
Written off	-	(10,087,597)	(10,087,597)
At end of period	<u>-</u>	<u>13,089,039</u>	<u>13,089,039</u>
	Parent £	Subsidiary £	Total £
2018			
At start of period	13,037,798	14,542,202	27,580,000
Advanced	-	4,374,402	4,374,402
Repaid	(9,320,675)	-	(9,320,675)
At end of period	<u>3,717,123</u>	<u>18,916,604</u>	<u>22,633,727</u>

Terms of loans from related parties

The loans are interest free and repayable on demand.

27 Parent and ultimate parent undertaking

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

PCT Healthcare Limited

Notes to the Financial Statements for the Year Ended 30 November 2019

28 Non adjusting events after the financial period

Since the year end the country was impacted by the Covid-19 pandemic. Whilst the initial consequence was to create an unprecedented set of challenges the company responded well in adapting it's working practices and kept all but two of its branches open throughout the initial crisis with both opening again after a short period. Morale held up well as staff rose to the challenge professionally and whilst at times there has been an impact on OTC ('Over The Counter') business due to distancing the prescription business continues to track on budget. At the same time the margin reduction of early 2018-19 has been restored and the 5-year settlement has re-introduced some stability to the pharmacy sector and the company expects to have a satisfactory year despite the crisis.

7 Waterside Court

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

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