Registration number: 05159186

**PREPARED FOR THE REGISTRAR**

**SHIPSTON VETERINARY CENTRE LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2018**

**SHIPSTON VETERINARY CENTRE LIMITED**

**COMPANY INFORMATION**

| | |
|---|---|
| **Directors** | C H Bourne<br>S Bourne |
| **Registered office** | 24 West Street<br>Shipston on Stour<br>Warwickshire<br>CV36 4HD |
| **Accountants** | Hazlewoods LLP<br>Staverton Court<br>Staverton<br>Cheltenham<br>GL51 0UX |

**SHIPSTON VETERINARY CENTRE LIMITED**

**(REGISTRATION NUMBER: 05159186)**
**BALANCE SHEET AS AT 31 JULY 2018**

| | Note | 2018<br>£ | 2017<br>£ |
|---|---|---|---|
| **Fixed assets** | | | |
| Intangible assets | 4 | 33,199 | 38,732 |
| Tangible assets | 5 | 48,846 | 55,550 |
| | | 82,045 | 94,282 |
| **Current assets** | | | |
| Stocks | | 40,421 | 31,813 |
| Debtors | 6 | 52,554 | 64,758 |
| Cash at bank and in hand | | 154,779 | 145,888 |
| | | 247,754 | 242,459 |
| Creditors: Amounts falling due within one year | 7 | (122,273) | (156,234) |
| Net current assets | | 125,481 | 86,225 |
| Total assets less current liabilities | | 207,526 | 180,507 |
| Creditors: Amounts falling due after more than one year | 7 | (90,379) | (93,333) |
| Deferred tax liabilities | 9 | (7,920) | (8,955) |
| Net assets | | 109,227 | 78,219 |
| **Capital and reserves** | | | |
| Called up share capital | 10 | 544 | 544 |
| Capital redemption reserve | | 656 | 656 |
| Profit and loss account | | 108,027 | 77,019 |
| Total equity | | 109,227 | 78,219 |

For the financial year ending 31 July 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on ..16/1/19.... and signed on its behalf by:

.........................................

C H Bourne
Director

The notes on pages 3 to 11 form an integral part of these financial statements.

## 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:
24 West Street
Shipston on Stour
Warwickshire
CV36 4HD

## 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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

**Basis of preparation**
These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

**Going concern**
After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

**Critical accounting judgements and key sources of estimation uncertainty**
In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

***Judgements***
No significant judgements have been made by management in preparing these financial statements.

***Key sources of estimation uncertainty***
No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

**Revenue recognition**
Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

**Tax**
The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

**Tangible assets**
Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

**Depreciation**
Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

| Asset class | Depreciation method and rate |
|---|---|
| Plant and machinery | 20% of written down value |
| Fixtures and fittings | 15% of written down value |
| Office equipment | 33% straight line |

**Goodwill**
Goodwill is amortised over its useful life, estimated by the directors to be 20 years.

**Intangible assets**
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.

**Cash and cash equivalents**
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

**Trade debtors**
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

**Stocks**
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

**Trade creditors**
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

**Borrowings**
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

**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.

**Share capital**
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Dividends**
Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

**Defined contribution pension obligation**
A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

**Financial instruments**

***Classification***
Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

***Recognition and measurement***
All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

***Impairment***
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

## 3 Staff numbers

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

| | 2018 | 2017 |
|---|---|---|
| | No. | No. |
| Average number of employees | 18 | 16 |

## 4 Intangible assets

| | Goodwill £ |
|---|---|
| **Cost** | |
| At 1 August 2017 | 110,661 |
| At 31 July 2018 | 110,661 |
| **Amortisation** | |
| At 1 August 2017 | 71,929 |
| Amortisation charge | 5,533 |
| At 31 July 2018 | 77,462 |
| **Carrying amount** | |
| At 31 July 2018 | 33,199 |
| At 31 July 2017 | 38,732 |

## 5 Tangible assets

| | Plant and machinery £ | Fixtures and fittings £ | Office equipment £ | Total £ |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 August 2017 | 91,975 | 23,394 | 11,453 | 126,822 |
| Additions | 4,680 | 500 | - | 5,180 |
| Disposals | (2,883) | - | - | (2,883) |
| At 31 July 2018 | 93,772 | 23,894 | 11,453 | 129,119 |
| **Depreciation** | | | | |
| At 1 August 2017 | 45,133 | 16,461 | 9,678 | 71,272 |
| Charge for the year | 9,447 | 1,089 | 1,222 | 11,758 |
| Eliminated on disposal | (2,757) | - | - | (2,757) |
| At 31 July 2018 | 51,823 | 17,550 | 10,900 | 80,273 |
| **Carrying amount** | | | | |
| At 31 July 2018 | 41,949 | 6,344 | 553 | 48,846 |
| At 31 July 2017 | 46,842 | 6,933 | 1,775 | 55,550 |

## 6 Debtors

| | 2018 £ | 2017 £ |
|---|---|---|
| Trade debtors | 43,039 | 45,639 |
| Other debtors | 5,563 | 6,577 |
| Prepayments | 3,952 | 12,542 |
| | 52,554 | 64,758 |

## 7 Creditors

| | Note | 2018<br>£ | 2017<br>£ |
|---|---|---|---|
| **Due within one year** | | | |
| Loans and borrowings | 8 | 4,911 | 6,667 |
| Trade creditors | | 30,895 | 31,717 |
| Social security and other taxes | | 36,052 | 39,408 |
| Other creditors | | 7,229 | 4,365 |
| Accrued expenses | | 11,255 | 10,620 |
| Corporation tax liability | | 31,931 | 63,457 |
| | | 122,273 | 156,234 |
| **Due after one year** | | | |
| Loans and borrowings | 8 | 90,379 | 93,333 |

## 8 Loans and borrowings

| | 2018<br>£ | 2017<br>£ |
|---|---|---|
| **Current loans and borrowings** | | |
| Bank borrowings | 4,911 | 6,667 |

| | 2018<br>£ | 2017<br>£ |
|---|---|---|
| **Non-current loans and borrowings** | | |
| Bank borrowings | 90,379 | 93,333 |

| | 2018<br>£ | 2017<br>£ |
|---|---|---|
| After more than five years by instalments | 70,733 | 66,666 |

## 9 Deferred tax

Deferred tax assets and liabilities

| 2018 | Liability £ |
|---|---|
| Difference between accumulated depreciation and amortisation and capital allowances | 7,920 |

| 2017 | Liability £ |
|---|---|
| Difference between accumulated depreciation and amortisation and capital allowances | 8,955 |

## 10 Share capital

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

| | 2018 No. | 2018 £ | 2017 No. | 2017 £ |
|---|---|---|---|---|
| Ordinary C shares of £1 each | 272 | 272 | 272 | 272 |
| Ordinary D shares of £1 each | 272 | 272 | 272 | 272 |
| | 544 | 544 | 544 | 544 |

The different classes of shares referred to above carry separate rights to dividends but, in all other significant aspects, rank pari passu.

## 11 Financial commitments

**Operating leases**

The total of future minimum lease payments is as follows:

| | 2018 £ | 2017 £ |
|---|---|---|
| Not later than one year | 29,000 | 29,000 |
| Later than one year and not later than five years | 82,166 | 111,166 |
| | 111,166 | 140,166 |

The amount of non-cancellable operating lease payments recognised as an expense during the year was £29,000 (2017 - £29,000).

## 12 Related party transactions

**Key management personnel**
Key management personnel are considered to be the directors of the company.

**Summary of transactions with key management**
As at 31 July the company was owed £840 from the directors. This amount is included in other debtor. No interest is charged and there are no fixed repayment terms.

**Transactions with directors**

| 2018 | Advances to directors £ | At 31 July 2018 £ |
|---|---|---|
| **C H Bourne** | | |
| Expenses paid on behalf of the director | (420) | (420) |
| **S Bourne** | | |
| Expenses paid on behalf of the director | (420) | (420) |