

**BRIDGE PATHOLOGY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**



---

**BRIDGE PATHOLOGY LIMITED**

**COMPANY INFORMATION**

---

<b>DIRECTORS</b>	M P F Dollar A Gueny
<b>REGISTERED NUMBER</b>	06583650
<b>REGISTERED OFFICE</b>	2 Portman Street London W1H 6DU United Kingdom
<b>INDEPENDENT AUDITOR</b>	Deloitte LLP Statutory Auditor United Kingdom

---

**BRIDGE PATHOLOGY LIMITED**

**CONTENTS**

---

<b>Strategic Report</b>	<b>1 - 2</b>
<b>Directors' Report</b>	<b>3</b>
<b>Directors' Responsibilities Statement</b>	<b>4</b>
<b>Independent Auditor's Report</b>	<b>5 - 7</b>
<b>Statement of Comprehensive Income</b>	<b>8</b>
<b>Statement of Financial Position</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11 - 19</b>

---

**BRIDGE PATHOLOGY LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**PRINCIPAL ACTIVITIES**

The principal activities of the Company comprise the provision of veterinary pathology services. On 31 December 2017, the Company was acquired by Synlab VPG Limited. On 1 January 2019 the Company sold its assets, liabilities and trade to its immediate parent company, Synlab VPG Limited, and ceased to trade.

**BUSINESS REVIEW AND KEY PERFORMANCE INDICATORS**

The Company provides testing and diagnostic support to veterinary surgeries and clinics.

The performance of the Company was in line with the expectations of the directors for the year to 31 December 2018.

The directors consider that the principal key performance indicators relating to the Company are turnover and operating profit included in these financial statements. During the year the Company had a turnover of £1,708,067 (2017: £1,535,589) and an operating profit £327,681 (2017: £173,021).

The following table shows certain line items from the Statement of Comprehensive Income for the year ended 31 December 2018 and for the year ended 31 December 2017. During the year the Company has increased turnover by 11%. Growth in test volumes of 6% contributed to a 14% increase in external revenue. Demand of analytical services from other group companies increased by 10%.

A large part of the Company activities is that of an analytical nature only. This means the Company benefits from a high gross profit margin. The margin has remained strong and has increased from 91% to 93%. Administrative expenses have increased by 3% and is due to a marginal increase in headcount.

	2018 £'000	2017 £'000
Turnover	1,708	1,536
Cost of sales	<u>(113)</u>	<u>(135)</u>
Gross profit	1,595	1,401
Administrative expenses	<u>(1,267)</u>	<u>(1,228)</u>
Operating profit	328	173

---

**BRIDGE PATHOLOGY LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**PRINCIPAL RISKS AND UNCERTAINTIES**

The following risks and uncertainties were relevant until 1 January 2019 when the Company sold its assets, liabilities and trade. They were not relevant when the financial statements were approved.

*Pricing risk*

The Company operates in a competitive market and is subject to pressure on its price tariffs. To mitigate this risk the business operates in both routine and specialist markets and regularly monitors its sales price to ensure they remain appropriate.

*Economic risk*

Following the Brexit referendum held on 23 June 2016 and the UK's intention to leave the EU there are risks and uncertainties to the Company. The principal uncertainty is expected to be surrounding the hiring and retention of staff within the UK labour market, which may be adversely affected by the decision to leave the EU. Sales demand is not expected to be directly affected by the decision to leave the EU. Any potential weakening in the value of pounds sterling is expected not to have a significant negative impact on the Company. This is due to the Company only having a minor volume of transactions in foreign currencies.

*Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The Company has no significant concentration of credit risk. The amounts presented in the Statement of Financial Position are net of allowances for impairment. Management has credit policies in place to manage risk and to monitor exposure to risk on an ongoing basis. These include the use of customer specific credit limits based on third party credit reports and in cases of customer default or requests for credit above agreed limits the use of pro forma invoices to secure payment in advance of delivery. Given these factors and based on extensive past experience, the directors believe that the Company's financial assets are of good credit quality.

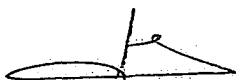
*Key supplier risk*

The Company's operations are dependent on a number of key product and consumable lines from a limited number of suppliers. The operations would be at risk if the supply chain was not maintained and therefore this risk is mitigated through continual review of stock levels and order processing.

*Regulatory risk*

The Company operates in a heavily regulated market and it complies with all necessary legislation and supervisory bodies.

This report was approved by the board and signed on its behalf.



**A Gueny**  
Director

Date: 24 September 2019

---

**BRIDGE PATHOLOGY LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £342,012 (2017: £145,218). No dividends were paid during the year (2017: £145,000) and none were proposed after the year end.

**DIRECTORS**

The directors who served during the year and up to the date of this report were:

T Scasé (resigned 22 March 2019)  
S J Quin (resigned 13 April 2018)  
M P F Dollar  
A Gueny (appointed 13 April 2018)

**DIRECTORS' INDEMNITIES**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

**GOING CONCERN**

The financial statements have been prepared on a basis other than a going concern basis as on 1 January 2019 the Company transferred its trade and sold all of its assets and liabilities to its immediate parent company, Synlab VPG Limited and ceased to trade. As a result the operations are seen as discontinued operations under IFRS 5 and the relevant disclosures have been made in note 11.

**FUTURE DEVELOPMENTS**

On 1 January 2019, the net assets (excluding cash) and trade of this Company were sold to its immediate parent company, Synlab VPG Limited at their net book value of £431,928. On the same date, the Company ceased to trade.

**PRINCIPLE RISKS AND UNCERTAINTIES**

The principle risks and uncertainties, including financial risk management, are referred to on Page 2 of the strategic report.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with section 418 of the Companies Act 2006.

**AUDITOR**

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**A Gueny**  
Director

Date: 24 September 2019

---

**BRIDGE PATHOLOGY LIMITED**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

The directors are responsible 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), including FRS 101 "Reduced Disclosure Framework". 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 then 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

---

**BRIDGE PATHOLOGY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**Independent auditor's report to the members of Bridge Pathology Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of Bridge Pathology Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement financial position;
- the statement of changes in equity; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

**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 Financial Reporting Council's (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.

**Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to note 2 (b) in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

**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 respect of these matters.

---

**BRIDGE PATHOLOGY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Report on other legal and regulatory requirements**

**Opinions on other matters 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

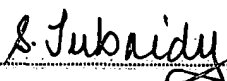
---

**BRIDGE PATHOLOGY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**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.



Signature

Sara Tubridy FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

Date: 24 September 2019

**BRIDGE PATHOLOGY LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £'000	2017 £'000
Turnover	4	1,708	1,536
Cost of sales		<u>(113)</u>	<u>(135)</u>
Gross profit		1,595	1,401
Administrative expenses		<u>(1,267)</u>	<u>(1,228)</u>
Operating profit and Profit before taxation	5	328	173
Tax on profit	8	<u>14</u>	<u>(28)</u>
Profit for the financial year		342	145
Other comprehensive income for the year net of tax		<u>-</u>	<u>-</u>
Profit for the financial year attributable to the owners of the Company		<u><u>342</u></u>	<u><u>145</u></u>

Turnover and operating profit are all derived from discontinued operations.

The notes on pages 11 to 19 form part of these financial statements.

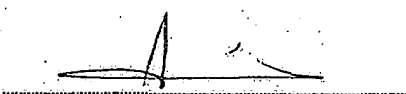
**BRIDGE PATHOLOGY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2018**

	Note	2018 £'000	2017 £'000
<b>Non-current assets</b>			
Tangible fixed assets	10	<u>-</u>	<u>62</u>
<b>Current assets</b>			
Tangible fixed assets	11	62	-
Stocks	12	6	5
Debtors: amounts due within one year	13	608	270
Cash at bank and in hand	14	<u>148</u>	<u>90</u>
		823	365
<b>Current liabilities</b>			
Creditors: amounts due within one year	15	(242)	(186)
<b>Net current assets</b>		<u>582</u>	<u>179</u>
<b>Total assets less current liabilities</b>		<u>582</u>	<u>241</u>
<b>Non-current liabilities</b>			
Creditors: amounts due after one year	15	-	(1)
<b>Net assets</b>		<u>582</u>	<u>240</u>
<b>Capital and reserves</b>			
Called up share capital	16	1	1
Profit and loss account		581	239
<b>Net shareholders' funds</b>		<u>582</u>	<u>240</u>

All activities are derived from discontinued operations.

The notes on pages 11 to 19 form part of these financial statements.

The financial statements of Bridge Pathology Limited (registered number: 06583650) were approved by the board of directors and authorised for issue on 24 September 2019. They were signed on its behalf by:



**A Gueny**  
**Director**

**BRIDGE PATHOLOGY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Called up share capital £ '000	Profit and loss account £ '000	Total £ '000
Balance at 1 January 2017		1	239	240
Total comprehensive profit for the year		-	145	145
Profit for the year		-	145	145
Dividends paid	9	-	(145)	(145)
Balance at 31 December 2017		<u>1</u>	<u>239</u>	<u>240</u>
Total comprehensive profit for the year		-	342	342
Profit for the year		-	342	342
Dividends paid		-	-	-
Balance at 31 December 2018		<u>1</u>	<u>581</u>	<u>582</u>

The notes on pages 11 to 19 form part of these financial statements.

---

**BRIDGE PATHOLOGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**1. GENERAL INFORMATION**

Bridge Pathology Limited (the Company) is a company registered in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company information page. It is a private registered Company, limited by shares. The nature of the Company's operations and its principal activities are set out in the strategic report.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies have been consistently applied.

**(a) Basis of preparation of the financial statements**

The financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

The measurement basis used in the preparation of the financial statements is the historical cost basis unless otherwise stated in the accounting policies below.

The preparation of financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future year.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. The disclosure exemption has been taken on the basis that this Company is wholly owned by Synlab Bondco Plc, which is an entity that prepares consolidated financial statements.

**(b) Going Concern**

The financial statements have been prepared on a basis other than a going concern basis as on 1 January 2019 the Company transferred its trade and sold all of its assets and liabilities to its immediate parent company, Synlab VPG Limited and ceased to trade. As a result the operations are seen as discontinued operations under IFRS 5 and the relevant disclosures have been made in note 11.

---

**BRIDGE PATHOLOGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

*SIGNIFICANT ACCOUNTING POLICIES (continued):*

**(c) Revenue recognition**

The Company will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

**(d) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the year in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**(e) Foreign currencies**

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in the Statement of Comprehensive Income in the year in which they arise.

**(f) Retirement benefit schemes**

*Defined contribution pension plan*

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

---

**BRIDGE PATHOLOGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

*SIGNIFICANT ACCOUNTING POLICIES (continued):*

**(g) Taxation**

*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

*Deferred tax*

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

**(h) Tangible fixed assets**

Assets are stated in the Statement of Financial Position at their historic cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Equipment	25% straight line
-----------	-------------------

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

A tangible fixed asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

**(i) Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the stocks to their present location and condition. Cost is valued using FIFO method.

**(j) Debtors**

Short term debtors are measured at transaction price, less any impairment.

**(k) Cash at bank and in hand**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**SIGNIFICANT ACCOUNTING POLICIES (continued):**

**(l) Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are measured at transaction price.

**(m) Change in accounting policies**

**IFRS 9 Financial instruments**

From 1 January 2018 the Company has adopted IFRS 9 Financial instruments. The main area of focus for the Company is the impairment of trade receivables. The Company uses a simplified and consistent approach for measuring expected credit losses. Based on this assessment the impact of credit losses recognised under IFRS 9 is not materially different to the credit losses recognised under IAS 39.

**IFRS 15 Revenue from contract with customers**

The Company has adopted IFRS 15 Revenue from contract with customers from 1 January 2018. This has resulted in no material impact to the financial statements.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the Company's accounting policies, which are described in note 2, 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future year.

**Critical accounting judgements**

**Impairment of assets**

The Company determines whether its assets are impaired on an annual basis or otherwise when changes in events or situations indicate that the carrying value might not be recoverable. Management will assess if there are indicators of impairment, and if appropriate, use their judgement to ascertain the recoverable amount of the cash generating unit to which the asset is allocated. Management have concluded that there are no indicators of impairment in the current year.

**4. TURNOVER**

The whole of the turnover is attributable to the provision of veterinary pathology services within the United Kingdom.

**5. OPERATING PROFIT**

Profit for the year has been arrived at after charging:

	2018 £'000	2017 £'000
Net foreign exchange loss	1	1
Staff costs	1,010	985
Depreciation of tangible fixed assets	30	23
Inventory recognised as an expense	107	121
Operating leases	31	31

**BRIDGE PATHOLOGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**6. AUDITOR'S REMUNERATION**

	2018 £'000	2017 £'000
Fees payable for the audit of the Company financial statements	<u>10</u>	<u>11</u>

The audit fees in prior year include £2,000 paid on behalf of another Group company.

**7. STAFF COSTS**

The average monthly number of employees (including executive directors) was:

	2018	2017
Operational	25	24
Administration	<u>1</u>	<u>1</u>
	<u>26</u>	<u>25</u>

The aggregate remuneration comprised:

	2018 £'000	2017 £'000
Wages and salaries	914	886
Social security costs	86	84
Pension costs	<u>10</u>	<u>15</u>
	<u>1,010</u>	<u>985</u>

**8. TAX ON PROFIT**

	2018 £'000	2017 £'000
UK corporation tax	(13)	30
Deferred tax	<u>(1)</u>	<u>(2)</u>
	<u>(14)</u>	<u>28</u>

Corporation tax is calculated at 19% (2017: 19.25%) of the estimated taxable profit for the year. Tax (credit) / charge for the year can be reconciled to the profit in the profit and loss account as follows. On 1 April 2017 the corporation tax rate was reduced to 19%. The weighted average rate for the year to 31 December 2017 was 19.25%.

	2018 £'000	2017 £'000
Profit before tax	<u>328</u>	<u>173</u>
Tax at the UK corporation tax rate of 19% (2017: 19.25%)	62	33
Adjustments in respect of prior years	(15)	-
Transfer pricing adjustments	(6)	-
Effects of group relief	(61)	(5)
Amounts not recognised	6	-
Tax (credit) / charge for the year	<u>(14)</u>	<u>28</u>

There were no factors that may affect future tax charges.

**BRIDGE PATHOLOGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. DIVIDENDS PAID**

Amounts recognised as distributions to equity holders in the year:

	2018 £'000	2017 £'000
Final dividend for the year (2017: £138.09 per share).	-	145

No dividends were proposed or paid after the year end.

**10. TANGIBLE FIXED ASSETS**

	Equipment £'000
<b>Cost</b>	
At 1 January 2018	226
Additions	30
Transfer to tangible fixed assets (current assets)	(256)
At 31 December 2018	-
<b>Accumulated Depreciation</b>	
At 1 January 2018	164
Charge for the year	30
Transfer to tangible fixed assets (current assets)	(194)
At 31 December 2018	-
<b>Carrying amount</b>	
At 31 December 2018	-
At 31 December 2017	62

**11. DISCONTINUED OPERATIONS**

During the year the board resolved to restructure the business by consolidating the trade and assets of this Company and its veterinary subsidiaries in to one trading entity. Synlab VPG Limited, its immediate parent company, acquired its trade, assets and liabilities on 1 January 2019. (See note 20). The objective of the restructure was to rebrand the business as a single trading entity, to reduce administration costs and to bring the business under a single management team.

The current and prior year results of the discontinued operations are reported on page 8 of the financial statements. This is equal to and includes all of the Company's results.

No profit or loss was realised on the disposal of the business and the sale included all of the Company's assets and liabilities (excluding cash). The assets and liabilities were sold at their carrying value as at 31 December 2018 and are reported on page 9 of the financial statements.

	£'000
The net assets that were transferred were as follows:	
Total current assets excluding cash and fixed assets	609
Total fixed assets	62
Total liabilities	(239)
Total net assets transferred	432
Sales price	432
The profit before tax from discontinued operations	328

**BRIDGE PATHOLOGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**12. STOCKS**

	2018 £'000	2017 £'000
Consumables and reagents	<u>6</u>	<u>5</u>

**13. DEBTORS**

<i>Amounts falling due within one year</i>	2018 £'000	2017 £'000
Trade debtors	86	69
Amounts owed by group undertakings	403	181
Other debtors	-	4
Corporation Tax	13	-
Prepayments and accrued income	<u>106</u>	<u>16</u>
	<u>608</u>	<u>270</u>

The amounts owed by group undertakings are unsecured and repayable upon demand.

**14. CASH AT BANK AND IN HAND**

	2018 £'000	2017 £'000
Cash at bank	<u>148</u>	<u>90</u>

**15. CREDITORS**

<i>Amounts falling due within one year</i>	2018 £'000	2017 £'000
Trade creditors	21	29
Amounts owed to group undertakings	-	24
Corporation tax	1	30
Taxation and security	127	81
Other creditors	13	1
Accruals	<u>80</u>	<u>21</u>
	<u>242</u>	<u>186</u>

The amounts owed to group undertakings are unsecured and repayable upon demand.

<i>Amounts falling due after one year</i>	2018 £'000	2017 £'000
---	---------------	---------------

Deferred Tax	<u>1</u>	<u>1</u>
--------------	----------	----------

**16. CALLED UP SHARE CAPITAL**

*Authorised, issued and fully paid:*

	2018 £	2017 £
1,050 ordinary shares of £1 each	<u>1,050</u>	<u>1,050</u>

The shares rank pari passu in all respects.

**BRIDGE PATHOLOGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**17. RETIREMENT BENEFIT SCHEME**

*Defined contribution scheme*

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in funds under the control of trustees. Where there are employees who leave the schemes prior to vesting fully in the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The total cost charged to the Statement of Comprehensive Income of £9,952 (2017: £5,799) represents contributions payable to these schemes by the Company at rates specified in the rules of the plans. As at 31 December 2018, contributions of £1,948 (2017: £1,051) due in respect of the current reporting year had not been paid over to the schemes and are included in other creditors.

**18. OPERATING LEASE ARRANGEMENTS**

Lease payments under operating leases recognised as an expense in the year are as follows:

	2018 £'000	2017 £'000
Leasehold buildings and improvements	<u>31</u>	<u>31</u>

At the Statement of Financial Position date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £'000	2017 £'000
Within one year	31	31
In the second to fifth year inclusive	110	125
After five years	-	16
	<u>141</u>	<u>172</u>

**19. RELATED PARTY TRANSACTIONS**

*Directors' remuneration*

The directors' remuneration paid by this Company, analysed under the headings required by company law, is set out below.

	2018 £	2017 £
Wages and salaries	74	71
Pension costs	<u>1</u>	<u>9</u>
	<u>75</u>	<u>80</u>

There were 3 (2017: 2) Directors who served during the year that are not remunerated by this Company. These Directors are employed and remunerated by another Group company. An allocation of their remuneration for the operational day to day affairs of this Company are shown below:

	2018 £'000	2017 £'000
Wages and salaries	13	9
Pension costs	<u>-</u>	<u>-</u>
	<u>13</u>	<u>9</u>

---

**BRIDGE PATHOLOGY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**20. SUBSEQUENT EVENTS**

On 1 January 2019, the net assets (excluding cash) and trade of this Company were sold to its immediate parent company, Synlab VPG Limited at their net book value of £431,928.

All of the trade that was sold as a continuing operation and contributes to the overall Group results.

**21. CONTROLLING PARTY**

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is Ephios Luxembourg Sarl, a company registered in Luxembourg. The group is ultimately owned by funds, advised by Cinven Capital Management (V) General Partner Limited, authorised and regulated by the Guernsey Financial Services Commission.

The parent undertaking of the largest group, which includes the Company and for which group financial statements are prepared, is Synlab Limited, a company registered in the United Kingdom and whose registered office is 2 Portman Street, London W1H 6DU.

The parent undertaking of the smallest such group is Synlab Bondco Plc, a company registered in the United Kingdom and whose registered office is 2 Portman Street, London W1H 6DU. Copies of the group financial statements of Synlab Limited and Synlab Bondco Plc are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The Company's immediate controlling party is Labco UK Group Limited, a company registered in the United Kingdom and whose registered office is 2 Portman Street, London W1H 6DU.