REGISTERED NUMBER: 07877237 (England and Wales)

Annual Report and

Unaudited Financial Statements for the Year Ended 30 June 2020

for

Greenacres Pet Crematorium Limited

Greenacres Pet Crematorium Limited

Contents of the *Financial* Statements
for the Year Ended 30 June 2020

Greenacres Pet Crematorium Limited

Company Information
for the Year Ended 30 June 2020

DIRECTORS:	R Fairman B D Jacklin R J Alfonso
SECRETARY:	J M Dearlove
REGISTERED OFFICE:	CVS House Owen Road Diss Norfolk IP22 4ER
REGISTERED NUMBER:	07877237 (England and Wales)

Greenacres Pet Crematorium Limited

Directors' Report
for the Year Ended 30 June 2020

The directors present their annual report with the financial statements of the company for the year ended 30 June 2020.

PRINCIPAL ACTIVITY
The principal activity of the Company is the cremation of animals. It is a subsidiary of CVS (UK) Limited.

REVIEW OF BUSINESS
Revenue for the Company at £189,000 (30 June 2019: £170,000) was in line with expectations, and the Directors consider the result for the year to be satisfactory.

The Company made a loss after tax of £54,000 which was in line with expectations (30 June 2019: loss after tax of £1,000). The Directors do not recommend the payment of a dividend (30 June 2019: £nil) and no dividends have been paid during the year (30 June 2019: £nil).

The Company is an integral part of the operations of its ultimate parent undertaking CVS Group plc ("The Group") and as such the "Strategic report" on pages 1 to 53 of the CVS Group plc 2020 Annual Report, which does not form part of this report, should be read for a full review of the Group's business and developments in the year.

OUTLOOK
The Directors consider the outlook of CVS Group plc and all its subsidiaries as a whole. CVS Group plc and its subsidiaries operate in a sector with favourable market and consumer trends, with pet owners increasingly willing to spend money on their pets and medical enhancements increasing the range of services we can offer.

During the last financial year, the pace of growth in the UK economy was impacted by Brexit and COVID-19 uncertainty, but the veterinary sector has proven to be resilient in past periods of economic downturn and the Board believes that the Group is sufficiently resilient to withstand any potential future downturn.

Despite continued uncertainty over Brexit and COVID-19, the Board is confident that the Group has a robust standing in the marketplace and is well positioned to avoid significant adverse impacts, with ongoing monitoring by the Executive management team and the Board and where necessary, implementing mitigating actions.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
R Fairman has held office during the whole of the period from 1 July 2019 to the date of this report.

Other changes in directors holding office are as follows:

S C Innes - resigned 5 November 2019
B D Jacklin - appointed 28 November 2019
R J Alfonso - appointed 28 November 2019

Greenacres Pet Crematorium Limited

Directors' Report
for the Year Ended 30 June 2020

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors consider that the principal risks (including financial risks) and uncertainties of the Company are integrated with the principal risks and uncertainties of the Group and are not managed separately. The principal risks and uncertainties of the Group, which include those of the Company, are; Key staff, Economic environment, Competition, Adverse publicity, Information technology, Changes in industry regulations, Ability to source and integrate acquisitions, Failure to comply with health and safety legislation, Failure to comply with appropriate corporate legislation or regulatory requirements, Failure to comply with terms of bank facilities or to refinance the business, Future pandemic or lockdown. These are discussed further within the "Principal risks and uncertainties" on pages 42 to 53 of the CVS Group plc 2020 Annual Report which does not form part of this report.

FINANCIAL RISK FACTORS

The Company's operations expose it to a variety of financial risks that include market risk (including currency risk), credit risk and liquidity risk.

Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of Directors are implemented by the Group's finance department.

a) Market risk

As the Company has no significant interest-bearing assets, the Company's income and operating cash inflows are substantially independent of changes in market interest rates.

b) Credit risk

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables is recognised on trade receivables if there is considered to be expected credit losses. The amount of expected credit losses is calculated using the simplified approach as allowable under IFRS 9 and is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. Losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Concentrations of credit risk with respect to trade receivables are limited due to the Company's diverse customer base. The Company also has in place procedures that require appropriate credit checks on potential customers before sales, other than on a cash basis, are made. Customer accounts are also monitored on an ongoing basis and appropriate action is taken where necessary to minimise any credit risk. The Directors therefore believe there is no further credit risk provision required in excess of normal provision for impaired receivables.

The maximum exposure to credit risk at 30 June 2020 is the fair value of each class of receivable as disclosed in note 11 to the financial statements.

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities and availability of parent company funding. Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flow.

Greenacres Pet Crematorium Limited

Directors' Report
for the Year Ended 30 June 2020

DIRECTORS' THIRD-PARTY INDEMNITY PROVISION

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 was in force during the year and also at the balance sheet date for the benefit of each of the Directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which Directors may not be indemnified, the Company maintained a directors' and officers' liability insurance policy throughout the financial year.

GOING CONCERN

In preparing these financial statements, the Directors have had regard to both the forecasts of the ultimate parent company CVS Group plc ("the Group"), of which the Company is an integral part, and the letter of support received, in which the CVS Group plc has pledged continuing financial support for at least 12 months from the date of approval of these financial statements, and to seek repayment of intercompany liabilities only to the extent that the Company is able pay other debts as they fall due.

After having regard to the financial forecasts and total available facilities of the Group, related covenant requirements, and a reasonably possible downside scenario of further national lockdowns, the Directors have concluded there is a reasonable expectation that the Group as a whole will continue to trade for at least 12 months from the date of approval of these financial statements, and in virtue of this and the letter of support received from CVS Group plc, the Company will also continue to trade and meet its liabilities as they fall due for at least the same period. As a result, the Directors continue to adopt the going concern basis in preparing these financial statements.

KEY PERFORMANCE INDICATORS ("KPIS")

The Directors of the Group manage the Group's operations on a consolidated basis. For this reason, the Company's Directors believe that analysis using key performance indicators at the Company level (financial and non-financial) is not necessary or appropriate for an understanding of the development, performance or position of the business of Greenacres Pet Crematorium Limited. The development, performance and position of CVS Group plc, which includes the Company, is discussed within the "Financial Review" on pages 34 to 39 of the CVS Group plc 2020 Annual Report which does not form part of this report.

EMPLOYEES

Consultation with employees takes place through a number of regional meetings throughout the year and an annual staff survey. The aim is to ensure that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the general progress of their business units and of the Company as a whole. To enhance communication within the Company, a committee is in place which is constituted of regional members from all areas of the business with the aim of improving consultation and communication levels.

The company regularly consults with and seeks feedback from employees and the board monitors employee engagement.

EMPLOYEES - continued
Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

The parent company, CVS Group plc, operates a Long Term Incentive Plan for Executive Directors and senior managers. Details are included in note 8 of the CVS Group plc 2020 Annual Report. The Group also has a Save As You Earn scheme, now in its 12th year, under which employees are granted an option to purchase Ordinary shares in the parent company in three years' time, dependent upon their entering into a contract to make monthly contributions to a savings account over the relevant period. These savings are used to fund the option exercise value. The exercise price in respect of options issued in the year was at a 10% discount to the shares' market value at the date of invitation. The scheme is open to all Company employees, including the Executive Directors. Details of the scheme are included in the Remuneration Committee Report on pages 64 to 73 of the CVS Group plc 2020 Annual Report.

DIRECTORS' RESPONSIBILITIES STATEMENT
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 the 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 United Kingdom 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.

FUTURE DEVELOPMENTS
The directors expect the general level of activity to remain consistent with prior years.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

....
R J Alfonso - Director

Date: 16 December 2020

Greenacres Pet Crematorium Limited

Statement of Comprehensive Income
for the Year Ended 30 June 2020

	Notes	2020 £'000	2019 £'000
REVENUE	3	**189**	170
Cost of sales		**(84)**	(67)
GROSS PROFIT		**105**	103
Administrative expenses		**(150)**	(113)
		(45)	(10)
Other operating income	4	**2**	10
OPERATING LOSS and LOSS BEFORE TAXATION	6	**(43)**	-
Tax on loss	7	**(11)**	(1)
LOSS FOR THE FINANCIAL YEAR		**(54)**	(1)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(54)**	(1)

All activities derive from continuing operations.

Greenacres Pet Crematorium Limited (Registered number: 07877237)

Balance Sheet
30 June 2020

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Intangible assets	8	**80**	97
Tangible assets	9	**777**	224
		857	321
CURRENT ASSETS			
Stocks	10	**15**	10
Debtors	11	**74**	33
Cash at bank		**1**	2
		85	45
CREDITORS			
Amounts falling due within one year	12	**(795)**	(178)
NET CURRENT LIABILITIES		**(705)**	(133)
TOTAL ASSETS LESS CURRENT LIABILITIES		**152**	188
PROVISIONS FOR LIABILITIES	13	**(22)**	(4)
NET ASSETS		**130**	184
CAPITAL AND RESERVES			
Called up share capital	14	**-**	-
Retained earnings		**130**	184
SHAREHOLDERS' FUNDS		**130**	184

The Company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 30 June 2020.

The members have not required the Company to obtain an audit of its financial statements for the year ended 30 June 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2020 and were signed on its behalf by:

....
R J Alfonso - Director

The notes form part of these financial statements

Greenacres Pet Crematorium Limited

Statement of Changes in Equity
for the Year Ended 30 June 2020

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 July 2018	-	185	185
Changes in equity			
Total comprehensive loss	-	(1)	(1)
Balance at 30 June 2019	-	184	184
Changes in equity			
Total comprehensive loss	-	(54)	(54)
Balance at 30 June 2020	-	130	130

The notes form part of these financial statements

1. STATUTORY INFORMATION

Greenacres Pet Crematorium Limited is a private company, limited by shares, incorporated in the United Kingdom and is registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentational and functional currency of the financial statements is the Pound Sterling (£).

The principal activity of the Company in the period under review was that of the cremation of animals.

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements present the financial record for the period 1 July 2018 to 30 June 2020 of Greenacres Pet Crematorium Limited.

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The company is a qualifying entity for the purposes of FRS 101. Note 16 gives details of the company's parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
  the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- *the requirements in IAS 24 Related Party Disclosures to disclose related party transactions* entered into between two or more members of a group.

2. **ACCOUNTING POLICIES - continued**

Going concern
In preparing these financial statements, the Directors have had regard to both the forecasts of the ultimate parent company CVS Group plc ("the Group"), of which the Company is an integral part, and the letter of support received, in which the CVS Group plc has pledged continuing financial support for at least 12 months from the date of approval of these financial statements, and to seek repayment of intercompany liabilities only to the extent that the Company is able pay other debts as they fall due.

After having regard to the financial forecasts and total available facilities of the Group, related covenant requirements, and a reasonably possible downside scenario of further national lockdowns, the Directors have concluded there is a reasonable expectation that the Group as a whole will continue to trade for at least 12 months from the date of approval of these financial statements, and in virtue of this and the letter of support received from CVS Group plc, the Company will also continue to trade and meet its liabilities as they fall due for at least the same period. As a result, the Directors continue to adopt the going concern basis in preparing these financial statements.

Critical accounting estimates and judgements
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 a basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Due to the inherent uncertainty involved in making assumptions and estimates, actual outcomes will differ from those assumptions and estimates.

Changes in accounting policy and disclosure

Standards adopted by the Company for the first time
A number of new and revised standards, including the following, are effective for annual periods beginning on or after 1 January 2019:
- IFRS 16: Leases
- IFRIC 23: Uncertainty over Income Tax Treatment
- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures
- Amendments to IAS 9: Plan Amendment, Curtailment or Settlement
- Annual Improvements to IFRSs: 2015 - 2017 Cycle

Adoption of these standards, has not had an impact on the Company's financial statements.

2. **ACCOUNTING POLICIES - continued**

Standards and interpretations to existing standards (all of which have yet to be adopted by the EU) which are not yet effective and are under review as to their impact on the Company
The following standards and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after 1 July 2020 or later periods but which the Company has not early adopted:
- Amendments to References to the Conceptual Framework in IFRS Standards (effective 1 January 2020)
- Amendments to IFRS 3: Definition of Business (effective 1 January 2020)
- Amendments to IAS 1 and IAS 8: Definition of Material (effective 1 January 2020)
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (effective 1 January 2020)
- Amendments to IFRS 16: Covid-19 Related Rent Concessions (effective 1 June 2020)
- Amendments to IAS 16: Property, Plant and Equipment - Proceeds Before Intended Use (effective 1 January 2022)
- Annual Improvements to IFRS Standards 2018 - 2020 (effective 1 January 2022)
- Amendments to IFRS 3: Reference to the Conceptual Framework (effective 1 January 2022)
- Amendments to IAS 37: Onerous Contracts - Cost of Fulfilling a Contract (effective 1 January 2022)
- Amendments to IFRS 17: Insurance Contracts (effective 1 January 2023)
- Amendments to IAS 1: Classification of liabilities as current or non-current (effective 1 January 2023)

2. ACCOUNTING POLICIES - continued

Revenue
Revenue is measured in accordance with relevant accounting standards. For all contracts within the scope of IFRS 15, the Company determines whether enforceable rights and obligations have been created with the customer and recognises revenue based on total transaction price as estimated at the contract inception, being the amount which the Company expects to be entitled to and has present enforceable rights under contract. Revenue is allocated proportionately across the contract performance obligations and recognised either over time or at a point in time as appropriate.

Service revenue
Revenue represents crematoria services which are recognised in accordance with IFRS 15, at the point in time when the performance obligation is satisfied. Revenue is recognised when the cremation is completed.

Patient data records
Patient data records are recognised as intangible assets at the fair value of the consideration paid to acquire them and are carried at historical cost less provisions for amortisation and impairment. The fair value attributable to patient data records acquired through a business combination is determined by discounting the expected future cash flows to be generated from that asset at the risk adjusted post tax weighted average cost of capital for the Company. The residual values of patient data records are assumed to be nil.
Patient data records are reviewed for impairment if conditions exist that indicate a review is required.
Amortisation is provided so as to write off the cost over the expected economic lives of the asset in equal instalments at the following principal rates:

Patient data records	10% per annum

Amortisation is charged to administrative expenses.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Tangible fixed assets are stated at cost (being the purchase cost, together with any incidental costs of acquisition) less accumulated depreciation and any accumulated impairment losses. The assets' residual values and useful lives are reviewed annually, and adjusted as appropriate. Depreciation is provided so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets in equal annual instalments at the following principal rates:

Plant and machinery	20% - 33% straight line
Motor vehicles	25% straight line

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

2. **ACCOUNTING POLICIES - continued**

Financial instruments
Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

(a) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade and other receivables is recognised if there is considered to be expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. Losses arising from impairment are recognised in the statement of comprehensive income on page 6.

(b) Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recorded initially at fair value and subsequently at amortised cost using the effective interest method, with interest related charges recognised as an expense in finance cost in profit or loss. A financial liability is derecognised only when the obligation is extinguished. An equity instrument is any contract that gives a residual interest in the assets of the Company after deducting all of its liabilities.

(c) Trade payables

Trade and other payables are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Stocks
Stocks comprise of goods held for resale, and are stated at the lower of cost and net realisable value on a first in first out basis. Net realisable value is based on estimated selling price less further costs expected to be incurred on disposal. Where necessary, provision is made for obsolete, slow moving or defective stocks.

2. **ACCOUNTING POLICIES - continued**

Current and deferred income tax
The tax expense represents the sum of the current tax payable, deferred tax and any adjustments in respect of previous periods.

The current tax 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 some items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or tax deductible. The Company's liability for current tax is calculated on the basis of tax laws and tax rates that have been enacted or substantively enacted by the Company balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities used in the computation of taxable profits and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Company balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is charged or credited in the statement of comprehensive income, except where it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also recognised in other comprehensive income or equity respectively.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. ACCOUNTING POLICIES - continued

Foreign currency translation
(a) Functional and presentational currency

The financial information in this report is presented in pound sterling, the functional currency of the Company, rounded to the nearest thousand.

(b) Transactions and balances

Transactions denominated in foreign currencies are translated into pound sterling (the functional currency of the Company) at the rate of exchange ruling at the date of transaction. All realised foreign exchange differences are taken to the statement of comprehensive income. Monetary assets and liabilities denominated in foreign currencies are translated into pound sterling at the rates of exchange ruling at the balance sheet 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 profit or loss in the period in which they arise.

Retirement benefit costs
The Company makes contributions to stakeholder and employee personal pension schemes, which are defined contribution schemes, in respect of certain employees. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Impairment of non-current assets
Assets that have an indefinite useful life are not subject to amortisation but are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

As permitted by IAS 36 Impairment of Assets for the purposes of assessing impairment, individual cash-generating units ("CGUs") are grouped at a level consistent with the Company's operating segments. Recoverable amounts for CGUs are based on value in use, which is calculated from cash flow projections using data from the Company's latest internal forecasts, being a one-year detailed forecast and extrapolated forecasts thereafter, the results of which are approved by the Board. The key assumptions for the value-in-use calculations are those regarding discount rates and growth rates.

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment losses in respect of goodwill are not reversed.

2. **ACCOUNTING POLICIES - continued**

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and deposits with maturities of three months or less from inception.

Government grants
Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the statement of comprehensive income on a systematic basis over the periods in with the Company recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the statement of comprehensive income in the period in which they become receivable.

The Company has made use of the government-backed tax deferral scheme, including UK VAT payments that were due between March and June 2020 that can be deferred until March 2021, resulting in a benefit to working capital of £11,000.

3. **REVENUE**

The revenue and loss before taxation are attributable to the one principal activity of the Company.

An analysis of revenue by class of business is given below:

	2020	2019
	£'000	£'000
Animal cremation services	**189**	170
	189	170

An analysis of revenue by geographical market is given below:

	2020	2019
	£'000	£'000
United Kingdom	**189**	170
	189	170

4. **OTHER OPERATING INCOME**

	2020	2019
	£'000	£'000
Sundry receipts	**2**	10

The Company has received £800, included within Sundry receipts, through the Coronavirus Job Retention Scheme ("CJRS").

5. **EMPLOYEES AND DIRECTORS**

	2020	2019
	£'000	£'000
Wages and salaries	**79**	62
Social security costs	**5**	2
Other pension costs	**1**	-
	85	64

5. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2020	2019
Crematorium staff	**5**	4

The company is part of a group arrangement for PAYE in the principal name of the immediate parent company CVS (UK) Limited. Under the group arrangement salaries are borne by CVS (UK) Limited and recharged to the company. As a result, the employee information presented is in relation to employees of CVS (UK) Limited who are recharged to the company.

The total recharge for the year amounted to £85,000 (30 June 2019: £64,000) and is included within the values shown above.

Employee benefit expense included within cost of sales is £32,000 (30 June 2019: £23,000).

The Directors are paid a single salary in respect of their services to the group and it is not considered practicable to apportion this between the subsidiaries.

6. LOSS BEFORE TAXATION

The loss before taxation is stated after charging/(crediting):

	2020	2019
	£'000	£'000
Cost of inventories recognised as expense	**52**	44
Depreciation - owned assets	**30**	21
Profit on disposal of fixed assets	**(5)**	-
Employee benefit expense	**85**	64
Amortisation	**18**	18

7. TAXATION

Analysis of tax expense

	2020	2019
	£'000	£'000
Current tax:		
Tax	**-**	4
Adj. in respect of prior years	**(7)**	4
Total current tax	**(7)**	8
Deferred tax:		
Origination and reversal of timing differences	**2**	(4)
Effect of tax rate change	**2**	1
Deferred tax adj prior year	**14**	(4)
Total deferred tax	**18**	(7)
Total tax expense in statement of comprehensive income	**11**	1

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£'000	£'000
Loss before income tax	**(43)**	-
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	**(8)**	(8)
Effects of:		
Effect of tax rate change on deferred tax balance	**2**	1
Expenses not deductible for tax purposes	**4**	-
Adjustments to current tax charge in respect of previous years	**(7)**	-
Adjustments to deferred tax charge in respect of previous years	**14**	4
Group relief	**6**	4
Tax expense	**11**	1

Factors affecting the future tax charge

The standard rate of UK corporation tax for the period was 19.0% (2019: 19.0%). A UK corporation tax rate of 19.0% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19.0% to 17.0%. This change had been substantively enacted at the balance sheet date and, therefore, it is reflected in the deferred tax balances in these financial statements.

8. INTANGIBLE FIXED ASSETS

	Patient Data Records £'000	Computer software £'000	Totals £'000
COST			
At 1 July 2019	177	-	177
Additions	-	1	1
At 30 June 2020	177	1	178
AMORTISATION			
At 1 July 2019	80	-	80
Amortisation for year	18	-	18
At 30 June 2020	98	-	98
NET BOOK VALUE			
At 30 June 2020	79	1	80
At 30 June 2019	97	-	97

9. *TANGIBLE FIXED ASSETS*

	Improvements to property £'000	Plant and machinery £'000	Motor vehicles £'000	Totals £'000
COST				
At 1 July 2019	107	121	44	272
Additions	445	141	-	586
Disposals	-	-	(15)	(15)
At 30 June 2020	552	262	29	843
DEPRECIATION				
At 1 July 2019	3	22	23	48
Charge for year	1	20	9	30
Eliminated on disposal	-	-	(12)	(12)
At 30 June 2020	4	42	20	66
NET BOOK VALUE				
At 30 June 2020	548	220	9	777
At 30 June 2019	104	99	21	224

10. STOCKS

	2020 £'000	2019 £'000
Stock of finished goods	15	10

The directors believe that the method used in arriving at a stock valuation is not materially different from the replacement cost.

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade debtors	27	18
Amounts owed by group undertakings	26	14
Prepayments	21	1
	74	33

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade creditors	24	8
Amounts owed to group undertakings	769	133
Corporation tax	-	8
VAT	2	8
Accruals and deferred income	-	21
	795	178

Amounts owed to group undertakings are unsecured, interest free and payable on demand.

13. PROVISIONS FOR LIABILITIES

	2020 £'000	2019 £'000
Deferred tax	22	4

	Deferred tax £'000
Balance at 1 July 2019	4
Provided during year	18
Balance at 30 June 2020	22

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
2	Ordinary shares	£1	2	2

15. SUBSEQUENT EVENTS

Subsequent to the balance sheet date, the UK went into a second national lockdown all our practices remain open offering the majority of services to clients.

16. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is CVS (UK) Limited, a company registered in England.

CVS Group plc, a company registered in England, is the immediate parent company of CVS (UK) Limited and is the parent undertaking of the smallest and largest group of which the Company is a member and for which group accounts are prepared. Copies of the group accounts of CVS Group plc can be obtained from its registered office at CVS House, Owen Road, Diss, Norfolk, IP22 4ER.

The shares of CVS Group plc are traded on the Alternative Investment Market and as such, the Directors consider that there is no ultimate controlling party.

17. BANK GUARANTEES

The Company is a member of the CVS Group plc banking arrangement under which it is party to unlimited cross guarantees in respect of the banking facilities of other CVS Group plc undertakings, amounting to £170,000,000 at 30 June 2020 (2019: £190,000,000). The Directors do not expect any material loss to the Company to arise in respect of the guarantees.

18. PENSION SCHEMES

The Company contributes to certain employees' personal pension schemes in accordance with their service contracts. The amounts are charged to the statement of comprehensive income as they fall due. The amounts charged during the year amounted to £1,000 (2019: £1,000). The amount outstanding at the end of the year included in creditors was £nil (2019: £nil).