Registration number: 08366039

PREPARED FOR THE REGISTRAR

EMERSON & WATSON LIMITED

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2020

Emerson & Watson Limited

Contents

Emerson & Watson Limited

Company Information

Directors	R L Watson G M Emerson
Registered office	5 Cheapside Court Sunninghill Road Ascot Berkshire SL5 7RF
Accountants	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

Emerson & Watson Limited

(Registration number: 08366039)
Balance Sheet as at 30 September 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	4	32,292	44,792
Tangible assets	5	264,981	265,814
Investments	6	150	-
		297,423	310,606
Current assets			
Stocks		25,900	31,772
Debtors	7	291,002	217,921
Cash at bank and in hand		245,551	99,130
		562,453	348,823
Creditors: Amounts falling due within one year	8	(268,144)	(236,919)
Net current assets		294,309	111,904
Total assets less current liabilities		591,732	422,510
Creditors: Amounts falling due after more than one year	8	(88,742)	(85,846)
Deferred tax liabilities	10	(46,855)	(42,022)
Net assets		456,135	294,642
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account		456,133	294,640
Total equity		456,135	294,642

For the financial year ending 30 September 2020 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.

The notes on pages 4 to 13 form an integral part of these financial statements.

Emerson & Watson Limited

(Registration number: 08366039)
Balance Sheet as at 30 September 2020

Approved and authorised by the Board on 28 January 2021 and signed on its behalf by:

....

R L Watson
Director

....

G M Emerson
Director

The notes on pages 4 to 13 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:
5 Cheapside Court
Sunninghill Road
Ascot
Berkshire
SL5 7RF

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 current forecasts and projections, together with the facilities available to the company, 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. This statement is made subject to all of the potential implications of the current COVID-19 outbreak on the company's trade, employees, customers, suppliers and the wider economy, as these are difficult to evaluate. Actual results could therefore be significantly different from the current forecasts and projections.

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.

No key sources of 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.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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	15% of written down value
Fixtures and fittings	10% of written down value
Computer equipment	33.33% of cost
Motor vehicles	25% of written down value

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquiisition date if the adjustment is probable and can be measured reliably.

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.

Amortisation

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

Asset class	Amortisation method and rate
Goodwill	10 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.
Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

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.
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.
Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.
Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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:

	2020 No.	2019 No.
Average number of employees	7	9

4 Intangible assets

	Goodwill £
Cost	
At 1 October 2019	125,000
At 30 September 2020	125,000
Amortisation	
At 1 October 2019	80,208
Amortisation charge	12,500
At 30 September 2020	92,708
Carrying amount	
At 30 September 2020	32,292
At 30 September 2019	44,792

5 Tangible assets

	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost			
At 1 October 2019	270,832	121,169	392,001
Additions	6,370	49,609	55,979
At 30 September 2020	277,202	170,778	447,980
Depreciation			
At 1 October 2019	92,201	33,986	126,187
Charge for the year	31,916	24,896	56,812
At 30 September 2020	124,117	58,882	182,999
Carrying amount			
At 30 September 2020	153,085	111,896	264,981
At 30 September 2019	178,631	87,183	265,814

6 Investments

	2020 £	2019 £
Investments in subsidiaries	150	-

Subsidiaries	**£**
Cost	
Additions	150
At 30 September 2020	150
Carrying amount	
At 30 September 2020	150

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2020	2019
Subsidiary undertakings				
Emerson, Watson & McKenzie Limited	5 Cheapside Court, Sunninghill Road, Ascot, Berkshire, SL5 7RF. England	75 Ordinary A of £1 each and 75 Ordinary C of £1 each	75%	0%

The principal activity of Emerson, Watson & McKenzie Limited is provision of veterinary services.

The profit for the financial period of Emerson, Watson & McKenzie Limited was £120,595 and the aggregate amount of capital and reserves at the end of the period was £120,795.

7 Debtors

	2020 £	2019 £
Trade debtors	250,012	192,142
Other debtors	38,002	21,926
Prepayments	2,988	3,853
	291,002	217,921

8 Creditors

Creditors: amounts falling due within one year

	2020 £	2019 £
Due within one year		
Loans and borrowings	43,804	50,576
Trade creditors	23,473	67,093
Amounts due to related parties	275	-
Social security and other taxes	182,643	97,680
Outstanding defined contribution pension costs	868	606
Other creditors	11,622	17,254
Accrued expenses	5,459	3,710
	268,144	236,919

	2020 £	2019 £
Due after one year		
Loans and borrowings	88,742	85,846

9 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	**£**	**No.**	**£**
Ordinary A shares of £0.01 each	50	0.50	50	0.50
Ordinary B shares of £0.01 each	50	0.50	50	0.50
Ordinary C shares of £0.01 each	75	0.75	75	0.75
Ordinary D shares of £0.01 each	25	0.25	25	0.25
	200	2	200	2

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

10 Deferred tax

Deferred tax assets and liabilities

2020	**Liability £**
Difference between accumulated depreciation and amortisation and capital allowances	47,020
Short term timing differences	(165)
	46,855

2019	**Liability £**
Difference between accumulated depreciation and amortisation and capital allowances	42,022
Short term timing differences	-
	42,022

11 Financial commitments, guarantees and contingencies

Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	26,860	26,860
Later than one year and not later than five years	44,767	71,627
	71,627	98,487

The amount of non-cancellable operating lease payments recognised as an expense during the year was £28,572 (2019 - £ 28,602).

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 the year end the company was owed £18,279 by one director and owed £7,925 to another. The overdrawn amount is included in other debtors and the amount owed to the director is included within other creditors (2019 - £15,211 in other debtors and £5,283 in other creditors).
The movement on the overdrawn loan can be analysed as follows:

Transactions with directors

2020	At 1 October 2019 £	Advances to directors £	Repayments by director £	At 30 September 2020 £
R L Watson				
Amount due to / (from) director	(15,211)	(106,810)	103,742	(18,279)
	(15,211)	(106,810)	103,742	(18,279)

Summary of transactions with subsidiaries

As at the 30 September 2020, the company owed £275 to Emerson, Watson & McKenzie Limited, its 75% owned subsidiary. This amount has been included in amounts due to related parties.