

Company Registration No NI003708 (Northern Ireland)

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2011

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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the abbreviated accounts	8 - 15

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2011

The directors present their report and financial statements for the year ended 31 August 2011

Principal Activities and Review of the Business

The principal activity of the company continued to be the supply of goods to the veterinary profession

The directors are pleased with the results for the year which has seen an increase in turnover of 7.86% from £32,787,530 to £35,363,529. In addition, the company has seen a slight decrease in gross profit margin from 6.47% to 5.90%, this together with an small decrease in distribution and administrative expenses has returned profit on ordinary activities before tax of £519,925 (2010 - £471,212)

The company is aware of increasing competition from competitors in Great Britain, and has built up good relationships with their main suppliers and customers to mitigate risk from its competitors, the directors are thus confident that the company will be able to maintain these results in the foreseeable future

Results and Dividends

The results for the year are set out on page 4

An interim ordinary dividend was paid amounting to £173,825

Directors

The following directors have held office since 1 September 2010

Mr Trevor Crockett
Mr Norman McMordie
Mrs Janet Carson
Mr Alistair Gibson
Mr James Slaine
Mr Charles Orr

Statement of Directors' Responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- 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 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

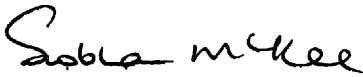
VETERINARY SURGEONS SUPPLY COMPANY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2011**

Statement of Disclosure to Auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



Mrs Siobhan McKee
Company Secretary

08/11/2011

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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO VETERINARY SURGEONS SUPPLY COMPANY LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 15, together with the financial statements of Veterinary Surgeons Supply Company Limited for the year ended 31 August 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our 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 auditors' 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 work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Ms Susan Dunlop FCA (Senior Statutory Auditor)
for and on behalf of Hanna Thompson Limited

8/11/11

Chartered Accountants
Statutory Auditor

Century House
Enterprise Crescent
Ballinderry Road
Lisburn
Co. Antrim
BT28 2BP

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2011

	Notes	2011 £	2010 £
Turnover		35,363,529	32,787,530
Other operating income less cost of sales		(32,963,380)	(30,388,253)
Distribution costs		(838,660)	(818,744)
Administrative expenses		(1,122,457)	(1,161,525)
Operating profit	2	439,032	419,008
Other interest receivable and similar income		80,893	52,207
Interest payable and similar charges	4	-	(3)
Profit on ordinary activities before taxation		519,925	471,212
Tax on profit on ordinary activities	5	(135,068)	(122,146)
Profit for the year	17	384,857	349,066

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

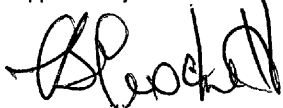
VETERINARY SURGEONS SUPPLY COMPANY LIMITED

**ABBREVIATED BALANCE SHEET
AS AT 31 AUGUST 2011**

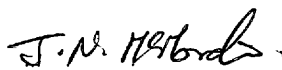
	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	10		575,287		645,509
Current assets					
Stocks	11	3,901,186		3,252,224	
Debtors	12	2,883,491		2,385,562	
Cash at bank and in hand		3,811,058		3,611,031	
		<u>10,595,735</u>		<u>9,248,817</u>	
Creditors amounts falling due within one year	13	<u>(7,558,699)</u>		<u>(6,484,923)</u>	
Net current assets			<u>3,037,036</u>		<u>2,763,894</u>
Total assets less current liabilities			<u>3,612,323</u>		<u>3,409,403</u>
Provisions for liabilities	14		(28,463)		(36,335)
Accruals and deferred income	15		(689)		(929)
			<u>3,583,171</u>		<u>3,372,139</u>
Capital and reserves					
Called up share capital	16		102,250		102,250
Share premium account	17		128,077		128,077
Profit and loss account	17		3,352,844		3,141,812
Shareholders' funds	18		<u>3,583,171</u>		<u>3,372,139</u>

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies

Approved by the Board and authorised for issue on 8-11-2011



Mr Trevor Crockett
Director



Mr Norman McMordie
Director

Company Registration No NI003708

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		574,342		1,680,216
Returns on investments and servicing of finance				
Interest received	72,946		37,646	
Interest paid	-		(3)	
Net cash inflow for returns on investments and servicing of finance		72,946		37,643
Taxation		(125,316)		(128,067)
Capital expenditure				
Payments to acquire tangible assets	(84,867)		(172,065)	
Receipts from sales of tangible assets	-		5,000	
Net cash outflow for capital expenditure		(84,867)		(167,065)
Equity dividends paid		(173,825)		(153,375)
Net cash inflow before management of liquid resources and financing		263,280		1,269,352
Increase in cash in the year		263,280		1,269,352

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2011

1	Reconciliation of operating profit to net cash inflow from operating activities	2011 £	2010 £
	Operating profit	439,032	419,008
	Depreciation of tangible assets	155,089	138,498
	Loss on disposal of tangible assets	-	14,239
	(Increase)/decrease in stocks	(648,962)	785,940
	Increase in debtors	(489,982)	(193,287)
	Increase in creditors within one year	1,125,029	515,921
	Net effect of foreign exchange differences	(5,624)	-
	Movement on grant provision	(240)	(103)
	Net cash inflow from operating activities	574,342	1,680,216

2	Analysis of net funds	1 September 2010	Cash flow	Other non-cash changes	31 August 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	3,611,031	194,403	5,624	3,811,058
	Bank overdrafts	(1,835,285)	68,877	-	(1,766,408)
		<u>1,775,746</u>	<u>263,280</u>	<u>5,624</u>	<u>2,044,650</u>
	Net funds	<u>1,775,746</u>	<u>263,280</u>	<u>5,624</u>	<u>2,044,650</u>

3	Reconciliation of net cash flow to movement in net funds	2011 £	2010 £
	Increase in cash in the year	263,280	1,269,352
	Net effect of foreign exchange differences	5,624	-
	Movement in net funds in the year	268,904	1,269,352
	Opening net funds	1,775,746	506,394
	Closing net funds	2,044,650	1,775,746

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2011

1 Accounting policies

1.1 Accounting Convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with Accounting Standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, exclusive of VAT and trade discounts.

1.4 Tangible Fixed Assets and Depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	5% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	10% straight line
Motor vehicles	25% straight line

1.5 Stock

Stock is valued at the lower of cost and net realisable value. Cost in respect of finished goods represents direct materials and is calculated on a first in first out basis. Net realisable value is the price at which the stock can be realised in the normal course of business. Provision is made where necessary for obsolete, slow moving and defective stocks.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.8 Government Grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

1 Accounting policies (continued)

19 Taxation

Corporation tax is provided for on the results for the year

Tax deferred as a result of timing differences between accounting and taxation profits is provided for in full in respect of deferred tax liabilities. Such provisions or recognition is made at the taxation rates at which the differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised to the extent that they are regarded as recoverable.

2 Operating profit	2011	2010
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	155,089	138,498
Loss on disposal of tangible assets	-	14,239
Auditors' remuneration	9,250	9,050
and after crediting		
Government grants	240	103
Profit on foreign exchange transactions	(1,616)	(3,197)

3 Investment income	2011	2010
	£	£
Bank interest	80,879	52,182
Other interest	14	25
	<u>80,893</u>	<u>52,207</u>

4 Interest payable	2011	2010
	£	£
On bank loans and overdrafts	-	3

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

5	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U K corporation tax	142,940	125,317
	Total current tax	<u>142,940</u>	<u>125,317</u>
	Deferred tax		
	Effects of changes in tax rates and laws	2,068	-
	Origination and reversal of timing differences	(9,940)	(3,171)
		<u>(7,872)</u>	<u>(3,171)</u>
		<u>135,068</u>	<u>122,146</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>519,925</u>	<u>471,212</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26.00% (2010 - 28.00%)	<u>135,181</u>	<u>131,939</u>
	Effects of		
	Non deductible expenses	1,332	2,058
	Depreciation add back	40,323	42,766
	Capital allowances	(25,540)	(34,112)
	Effect of changes in tax rates	6,805	-
	Marginal Rate Relief	(15,161)	(17,334)
		<u>7,759</u>	<u>(6,622)</u>
	Current tax charge for the year	<u>142,940</u>	<u>125,317</u>
6	Dividends	2011	2010
		£	£
	Ordinary interim paid	<u>173,825</u>	<u>153,375</u>

Ordinary dividends of £184,050 (2010 - £173,825) were proposed after the year end but not recognised as a liability

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

7 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011	2010
	Number	Number
Administration	24	24
Distribution	22	22
	<u>46</u>	<u>46</u>

Employment costs

	2011	2010
	£	£
Wages and salaries	1,176,899	1,141,182
Social security costs	118,464	111,447
Other pension costs	117,243	109,072
	<u>1,412,606</u>	<u>1,361,701</u>

8 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2011	2010
	£	£
Contributions payable by the company for the year	<u>117,243</u>	<u>109,072</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

9	Directors' remuneration	2011	2010
		£	£
	Remuneration for qualifying services	227,742	208,469
	Company pension contributions to defined contribution schemes	27,449	30,398
		<u>255,191</u>	<u>238,867</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2010 - 1)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	138,992	123,130
Company pension contributions to defined contribution schemes	27,449	30,398
	<u>166,441</u>	<u>153,528</u>

10 Tangible fixed assets

	Land and buildings Freehold	Computer equipment	Fixtures, Motor vehicles fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2010	1,151,261	132,388	450,110	1,914,424
Additions	-	58,742	10,200	84,867
	<u>1,151,261</u>	<u>191,130</u>	<u>460,310</u>	<u>1,999,291</u>
At 31 August 2011	1,151,261	191,130	460,310	1,999,291
Depreciation				
At 1 September 2010	792,658	87,595	327,521	1,268,915
Charge for the year	18,612	42,032	46,032	155,089
	<u>811,270</u>	<u>129,627</u>	<u>373,553</u>	<u>1,424,004</u>
At 31 August 2011	811,270	129,627	373,553	1,424,004
Net book value				
At 31 August 2011	<u>339,991</u>	<u>61,503</u>	<u>86,757</u>	<u>575,287</u>
At 31 August 2010	<u>358,603</u>	<u>44,793</u>	<u>122,589</u>	<u>645,509</u>

Included in Land and Buildings Freehold are non-depreciable amounts of £80,627 (2010 - £80,627)

11	Stocks	2011	2010
		£	£
	Finished goods and goods for resale	<u>3,901,186</u>	<u>3,252,224</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

12 Debtors	2011	2010
	£	£
Trade debtors	2,526,443	1,963,650
Other debtors	2,822	1,107
Prepayments and accrued income	354,226	420,805
	<u>2,883,491</u>	<u>2,385,562</u>

13 Creditors amounts falling due within one year	2011	2010
	£	£
Bank loans and overdrafts	1,766,408	1,835,285
Trade creditors	3,636,077	2,803,541
Corporation tax	142,941	125,317
Other taxes and social security costs	365,585	282,970
Other creditors	1,295,509	1,148,349
Accruals and deferred income	352,179	289,461
	<u>7,558,699</u>	<u>6,484,923</u>

Other creditors represents the amount of retrospective discount due to customers, which will be paid after the year end

14 Provisions for liabilities	Deferred tax liability
	£
Balance at 1 September 2010	36,335
Profit and loss account	(7,872)
	<u>28,463</u>
Balance at 31 August 2011	<u>28,463</u>

The deferred tax liability is made up as follows

	2011	2010
	£	£
Accelerated capital allowances	<u>28,463</u>	<u>36,335</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

15 Accruals and deferred income

Government
grants
£

Balance at 1 September 2010	929
Amortisation in the year	(240)
Balance at 31 August 2011	689

16 Share capital

2011
£

2010
£

Allotted, called up and fully paid
102,250 ordinary shares of £1 each

102,250

102,250

17 Statement of movements on reserves

Share premium
account
£

Profit and loss
account
£

Balance at 1 September 2010	128,077	3,141,812
Profit for the year	-	384,857
Dividends paid	-	(173,825)
Balance at 31 August 2011	128,077	3,352,844

18 Reconciliation of movements in shareholders' funds

2011
£

2010
£

Profit for the financial year	384,857	349,066
Dividends	(173,825)	(153,375)
Net addition to shareholders' funds	211,032	195,691
Opening shareholders' funds	3,372,139	3,176,448
Closing shareholders' funds	3,583,171	3,372,139

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

19 Related party relationships and transactions

Dividends to Directors

The following directors were paid dividends during the year as detailed below

	2011	2010
	£	£
Trevor Crockett	340	300
Norman McMordie	680	600
Janet Carson	510	300
Alistair Gibson	510	450
James Slaine	2,268	2,001
Charles Orr	1,709	1,508
	<u>6,017</u>	<u>5,159</u>

During the year Veterinary Surgeons Supply Company Limited traded with a number of veterinary practices of which many of the directors are partners. These transactions were carried out at arms length during the normal course of business. During the year, total sales of £4,827,069 (2010 - £4,676,479) were made to these practices and at the balance sheet date, an amount of £157,186 (2010 - £233,775) was included in trade debtors with retrospective discounts included in other creditors of £178,603 (2010 - £193,019).

