

Company Registration No. NI003708 (Northern Ireland)

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2012

TUESDAY



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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2012

The directors present their report and financial statements for the year ended 31 August 2012.

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 7.43% from £35,363,529 to £37,991,475. In addition, the company has seen a slight decrease in gross profit margin from 5.90% to 5.77%; this together with an small decrease in administrative expenses has returned profit on ordinary activities before tax of £661,757 (2011 - £519,925).

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 £184,050

Directors

The following directors have held office since 1 September 2011:

Mr James Slaine	
Mr Norman McMordie	
Mr Trevor Crockett	(Resigned 27 January 2012)
Mrs Janet Carson	(Resigned 27 March 2012)
Mr Alistair Gibson	
Mr Charles Orr	
Mr Alan Gordon	(Appointed 27 January 2012)
Mr Michael Maybin	(Appointed 27 January 2012)

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 2012

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

Siobhan McKee

.....
Mrs Siobhan McKee
Company Secretary

7/11/12
.....

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 2012 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with section 449 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.

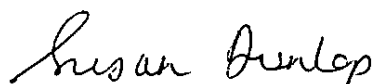
Respective responsibilities of directors and auditors

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

7 November 2012

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 2012

	Notes	2012 £	2011 £
Turnover		37,991,475	35,363,529
Other operating income less cost of sales		(35,486,203)	(32,963,380)
Distribution costs		(853,476)	(838,660)
Administrative expenses		(1,059,079)	(1,122,457)
Operating profit	2	592,717	439,032
Other interest receivable and similar income		69,040	80,893
Profit on ordinary activities before taxation		661,757	519,925
Tax on profit on ordinary activities	4	(161,210)	(135,068)
Profit for the year	16	500,547	384,857

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

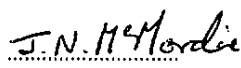
ABBREVIATED BALANCE SHEET AS AT 31 AUGUST 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	9		489,725		575,287
Current assets					
Stocks	10	3,937,683		3,901,186	
Debtors	11	2,550,197		2,883,491	
Cash at bank and in hand		3,927,935		3,811,058	
		10,415,815		10,595,735	
Creditors: amounts falling due within one year	12	(6,988,255)		(7,558,699)	
Net current assets			3,427,560		3,037,036
Total assets less current liabilities			3,917,285		3,612,323
Provisions for liabilities	13		(17,168)		(28,463)
Accruals and deferred income	14		(449)		(689)
			3,899,668		3,583,171
Capital and reserves					
Called up share capital	15		102,250		102,250
Share premium account	16		128,077		128,077
Profit and loss account	16		3,669,341		3,352,844
Shareholders' funds	17		3,899,668		3,583,171

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 7/11/12 and signed on their behalf by:


Mr James Slaine
Director


Mr Norman McMordie
Director

Company Registration No. NI003708

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2012

	£	2012 £	£	2011 £
Net cash inflow from operating activities		1,336,611		574,342
Returns on investments and servicing of finance				
Interest received	73,697		72,946	
	<u>73,697</u>		<u>72,946</u>	
Net cash inflow for returns on investments and servicing of finance		73,697		72,946
Taxation		(142,941)		(125,316)
Capital expenditure				
Payments to acquire tangible assets	(43,380)		(84,867)	
	<u>(43,380)</u>		<u>(84,867)</u>	
Net cash outflow for capital expenditure		(43,380)		(106,917)
Equity dividends paid		(184,050)		(173,825)
		<u>(184,050)</u>		<u>(173,825)</u>
Net cash inflow before management of liquid resources and financing		1,039,937		263,280
		<u>1,039,937</u>		<u>263,280</u>
Increase in cash in the year		<u>1,039,937</u>		<u>263,280</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2012

1	Reconciliation of operating profit to net cash inflow from operating activities	2012 £	2011 £
	Operating profit	592,717	439,032
	Depreciation of tangible assets	128,700	155,089
	Loss on disposal of tangible assets	240	-
	Increase in stocks	(36,497)	(648,962)
	Decrease/(increase) in debtors	328,637	(489,982)
	Increase in creditors within one year	323,054	1,125,029
	Net effect of foreign exchange differences	-	(5,624)
	Movement on grant provision	(240)	(240)
	Net cash inflow from operating activities	1,336,611	574,342

2	Analysis of net funds	1 September 2011 £	Cash flow £	Other non-cash changes £	31 August 2012 £
	Net cash:				
	Cash at bank and in hand	3,811,058	116,877	-	3,927,935
	Bank overdrafts	(1,766,408)	923,060	-	(843,348)
		2,044,650	1,039,937	-	3,084,587
	Net funds	2,044,650	1,039,937	-	3,084,587

3	Reconciliation of net cash flow to movement in net funds	2012 £	2011 £
	Increase in cash in the year	1,039,937	263,280
	Net effect of foreign exchange differences	-	5,624
	Movement in net funds in the year	1,039,937	268,904
	Opening net funds	2,044,650	1,775,746
	Closing net funds	3,084,587	2,044,650

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2012

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 2012**

1 Accounting policies (continued)**1.9 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	2012	2011
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	128,700	155,089
Loss on disposal of tangible assets	240	-
Loss on foreign exchange transactions	13,868	-
Auditors' remuneration	9,450	9,250
 and after crediting:		
Government grants	240	240
Profit on foreign exchange transactions	-	1,616
	<u> </u>	<u> </u>
 3 Investment income	2012	2011
	£	£
Bank interest	69,040	80,879
Other interest	-	14
	<u> </u>	<u> </u>
	<u>69,040</u>	<u>80,893</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

4	Taxation	2012 £	2011 £
	Domestic current year tax		
	U.K. corporation tax	172,505	142,940
	Total current tax	172,505	142,940
	Deferred tax		
	Effects of changes in tax rates and laws	(2,189)	2,068
	Origination and reversal of timing differences	(9,106)	(9,940)
		(11,295)	(7,872)
		161,210	135,068
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	661,757	519,925
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2011 - 26.00%)	158,822	135,181
	Effects of:		
	Non deductible expenses	1,673	1,332
	Depreciation add back	30,946	40,323
	Capital allowances	(17,373)	(25,540)
	Effect of changes in tax rates	-	6,805
	Marginal Rate Relief	(1,563)	(15,161)
		13,683	7,759
	Current tax charge for the year	172,505	142,940
5	Dividends	2012 £	2011 £
	Ordinary interim paid	184,050	173,825

Ordinary dividends of £190,000 (2011 - £184,050) 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 2012

6 Employees

Number of employees

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

	2012	2011
	Number	Number
Administration	24	24
Distribution	22	22
	<u>46</u>	<u>46</u>

Employment costs

	2012	2011
	£	£
Wages and salaries	1,201,659	1,176,899
Social security costs	124,181	118,464
Other pension costs	124,019	117,243
	<u>1,449,859</u>	<u>1,412,606</u>

7 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a group pension scheme. The assets of the scheme are held by individual members. The pension cost charge represents contributions payable by the company to the scheme.

	2012	2011
	£	£
Contributions payable by the company for the year	<u>124,019</u>	<u>117,243</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

8 Directors' remuneration	2012	2011
	£	£
Remuneration for qualifying services	231,251	227,742
Company pension contributions to defined contribution schemes	34,778	27,449
	<u>266,029</u>	<u>255,191</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2011 - 1).

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

	2012	2011
	£	£
Remuneration for qualifying services	139,585	138,992
Company pension contributions to defined contribution schemes	<u>34,778</u>	<u>27,449</u>

9 Tangible fixed assets

	Land and buildings Freehold	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2011	1,151,260	191,130	460,310	196,590	1,999,290
Additions	-	15,488	-	40,892	56,380
Disposals	-	-	-	(52,960)	(52,960)
At 31 August 2012	<u>1,151,260</u>	<u>206,618</u>	<u>460,310</u>	<u>184,522</u>	<u>2,002,710</u>
Depreciation					
At 1 September 2011	811,271	129,627	373,553	109,554	1,424,005
On disposals	-	-	-	(39,720)	(39,720)
Charge for the year	18,610	41,595	23,365	45,130	128,700
At 31 August 2012	<u>829,881</u>	<u>171,222</u>	<u>396,918</u>	<u>114,964</u>	<u>1,512,985</u>
Net book value					
At 31 August 2012	<u>321,379</u>	<u>35,396</u>	<u>63,392</u>	<u>69,558</u>	<u>489,725</u>
At 31 August 2011	<u>339,991</u>	<u>61,503</u>	<u>86,757</u>	<u>87,036</u>	<u>575,287</u>

Included in Land and Buildings Freehold are non-depreciable amounts of £80,627 (2011 - £80,627).

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

10	Stocks	2012	2011
		£	£
	Finished goods and goods for resale	<u>3,937,683</u>	<u>3,901,186</u>
11	Debtors	2012	2011
		£	£
	Trade debtors	2,120,927	2,526,443
	Other debtors	6,321	2,822
	Prepayments and accrued income	422,949	354,226
		<u>2,550,197</u>	<u>2,883,491</u>
12	Creditors: amounts falling due within one year	2012	2011
		£	£
	Bank loans and overdrafts	843,348	1,766,408
	Trade creditors	4,016,295	3,636,077
	Corporation tax	172,505	142,941
	Other taxes and social security costs	437,557	365,585
	Other creditors	1,219,018	1,295,509
	Accruals and deferred income	299,532	352,179
		<u>6,988,255</u>	<u>7,558,699</u>

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

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

13 Provisions for liabilities

Deferred tax
liability
£

Balance at 1 September 2011	28,463
Profit and loss account	(11,295)
Balance at 31 August 2012	17,168

The deferred tax liability is made up as follows:

	2012 £	2011 £
Accelerated capital allowances	17,168	28,463

14 Accruals and deferred income

Government
grants
£

Balance at 1 September 2011	689
Amortisation in the year	(240)
Balance at 31 August 2012	449

15 Share capital

2012
£

2011
£

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

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2012

16 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 September 2011	128,077	3,352,844
Profit for the year	-	500,547
Dividends paid	-	(184,050)
Balance at 31 August 2012	128,077	3,669,341

17 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Profit for the financial year	500,547	384,857
Dividends	(184,050)	(173,825)
Net addition to shareholders' funds	316,497	211,032
Opening shareholders' funds	3,583,171	3,372,139
Closing shareholders' funds	3,899,668	3,583,171

18 Related party relationships and transactions

Dividends to Directors

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

	2012 £	2011 £
Trevor Crockett	360	340
Norman McMordie	720	680
Janet Carson	540	510
Alistair Gibson	540	510
James Slaine	3,062	2,268
Charles Orr	1,809	1,709
Alan Gordon	2,385	-
Michael Maybin	3,600	-
	13,016	6,017

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 £6,580,326 (2011 - £4,827,069) were made to these practices and at the balance sheet date, an amount of £136,617 (2011 - £157,186) was included in trade debtors with retrospective discounts included in other creditors of £242,559 (2011 - £178,603).