

Company Registration No. NI003708 (Northern Ireland)

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2014

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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 2014

The directors present their report and financial statements for the year ended 31 August 2014.

Principal Activities and Review of the Business

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

Results and Dividends

The results for the year are set out on page 5.

An interim ordinary dividend was paid amounting to £199,388.

Directors

The following directors have held office since 1 September 2013:

Mr Alistair Gibson	
Mr Norman McMordie	
Mr James Slaine	(Retired 25 January 2013)
Mr Charles Orr	(Retired 25 January 2013)
Mr Gilbert McKnight	(Appointed 25 January 2013)
Mr Alan Gordon	
Mr James Wilson	(Appointed 25 January 2013)
Mr Michael Maybin	

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 2014

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

25/11/2014

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2014

Introduction

The directors present their Strategic Report for the year ended 31 August 2014.

Business Review

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

The directors aim to present a balanced and comprehensive review of the development and performance during the period and its position as at 31 August 2014. The directors' review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties the company faces.

The directors consider the key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit margin, profit on ordinary activities before taxation and net assets.

The company has seen an increase in turnover of 4.83% from £38,251,027 to £40,098,493.

The gross profit margin has fallen slightly from 5.65% in 2013 to 5.57% in 2014.

The profit on ordinary activities before tax has fallen by 4.28% from £656,404 in 2013 to £628,320 in 2014.

The net assets as at 31 August 2014 were £4,500,173, an increase from the prior period of 6.90%.

Principle Risks and Uncertainties

The directors consider that the principle risks and uncertainties facing the company are:

Economic Risk

The impact of:

1. Rises in interest rates and inflation
2. Wages inflation
3. Government policy

Competition Risk

1. New competition from competitors in Great Britain and Republic of Ireland. This is impacted further with the devaluation of the euro making it more difficult to trade in the Republic of Ireland.

Other risks

1. The growth of corporate veterinary practices who buy centrally from GB wholesalers.
2. The falling price of milk paid to farmers could lead to a fall in products purchased to treat animals on a dairy farm.
3. The potential of veterinary practices being purchased by larger buying groups and the impact to the customer base.

The board feel that the company is financially strong and that their wide shareholding among their customers is very important, both in the advent of new competition or any attempt by suppliers to bypass the company.

By order of the board



Mrs Siobhan McKee
Company Secretary

25/11/2014

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 5 to 18, together with the financial statements of Veterinary Surgeons Supply Company Limited for the year ended 31 August 2014 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

25/11/14

Chartered Accountants
Statutory Auditor

Century House
40 Crescent Business Park
Lisburn
Co. Antrim
BT28 2GN

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

		2014	2013
	Notes	£	£
Turnover		40,098,493	38,251,027
Cost of sales and other operating income		(37,496,747)	(35,739,253)
Distribution costs		(894,261)	(860,066)
Administrative expenses		(1,098,351)	(1,071,613)
Operating profit	2	609,134	580,095
Other interest receivable and similar income	3	19,447	76,411
Interest payable and similar charges	4	(261)	(102)
Profit on ordinary activities before taxation		628,320	656,404
Tax on profit on ordinary activities	6	(138,365)	(152,192)
Profit for the year	19	489,955	504,212

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

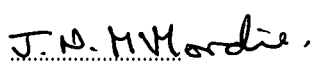
ABBREVIATED BALANCE SHEET
AS AT 31 AUGUST 2014

	Notes	2014 £	£	2013 £	£
Fixed assets					
Tangible assets	11		566,390		515,094
Current assets					
Stocks	12	4,367,929		4,425,666	
Debtors	13	2,978,224		2,633,119	
Cash at bank and in hand		4,769,700		4,415,895	
		12,115,853		11,474,680	
Creditors: amounts falling due within one year	14	(8,145,879)		(7,754,649)	
Net current assets			3,969,974		3,720,031
Total assets less current liabilities			4,536,364		4,235,125
Creditors: amounts falling due after more than one year	15		(11,136)		-
Provisions for liabilities	16		(25,055)		(25,310)
Accruals and deferred income	17		-		(209)
			4,500,173		4,209,606
Capital and reserves					
Called up share capital	18		102,250		102,250
Share premium account	19		128,077		128,077
Profit and loss account	19		4,269,846		3,979,279
Shareholders' funds	20		4,500,173		4,209,606

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 25/11/2014 and signed on their behalf by:


Mr Michael Maybin
Director


Mr Norman McMordie
Director

Company Registration No. NI003708

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	£	2014 £	£	2013 £
Net cash inflow from operating activities		190,559		116,904
Returns on investments and servicing of finance				
Interest received	31,591		73,812	
Interest paid	(261)		(102)	
Net cash inflow for returns on investments and servicing of finance		31,330		73,710
Taxation		(144,050)		(172,505)
Capital expenditure				
Payments to acquire tangible assets	(185,370)		(148,148)	
Receipts from sales of tangible assets	15,060		-	
Net cash outflow for capital expenditure		(170,310)		(148,148)
Equity dividends paid		(199,388)		(194,275)
Net cash outflow before management of liquid resources and financing		(291,859)		(324,314)
Financing				
Capital element of hire purchase contracts	(928)		-	
Net cash outflow from financing		(928)		-
Decrease in cash in the year		(292,787)		(324,314)

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

1	Reconciliation of operating profit to net cash inflow from operating activities	2014	2013
		£	£
	Operating profit	609,134	580,096
	Depreciation of tangible assets	143,357	127,561
	Profit on disposal of tangible assets	(1,143)	(4,781)
	Decrease/(increase) in stocks	57,737	(487,983)
	Increase in debtors	(357,249)	(80,323)
	Decrease in creditors within one year	(261,068)	(17,426)
	Movement on grant provision	(209)	(240)
	Net cash inflow from operating activities	190,559	116,904

2	Analysis of net funds	1 September 2013	Cash flow	Other non-cash changes	31 August 2014
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	4,415,895	353,805	-	4,769,700
	Bank overdrafts	(1,655,622)	(646,592)	-	(2,302,214)
		<u>2,760,273</u>	<u>(292,787)</u>	<u>-</u>	<u>2,467,486</u>
	Debt:				
	Hire purchase contracts	-	928	(23,200)	(22,272)
	Net funds	<u>2,760,273</u>	<u>(291,859)</u>	<u>(23,200)</u>	<u>2,445,214</u>

3	Reconciliation of net cash flow to movement in net funds	2014	2013
		£	£
	Decrease in cash in the year	(292,787)	(324,314)
	Cash outflow from decrease in debt and lease financing	928	-
	Change in net debt resulting from cash flows	(291,859)	(324,314)
	New hire purchase contract	(23,200)	-
	Movement in net funds in the year	(315,059)	(324,314)
	Opening net funds	2,760,273	3,084,587
	Closing net funds	2,445,214	2,760,273

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2014

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 Leasing and Hire Purchase Commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.6 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.

1.7 Pensions

The company contributes to the personal pension schemes of all employees with 1 or more years of employment. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 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.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

1 Accounting policies (continued)

1.9 Government Grants

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.

1.10 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	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	143,357	127,561
Auditors' remuneration	9,950	9,400
and after crediting:		
Government grants	209	240
Profit on disposal of tangible assets	(1,143)	(4,781)
(Profit)/loss on foreign exchange transactions	(9,201)	3,343
	<u> </u>	<u> </u>
3 Investment income	2014	2013
	£	£
Bank interest	19,447	76,411
	<u> </u>	<u> </u>
	19,447	76,411
	<u> </u>	<u> </u>
4 Interest payable	2014	2013
	£	£
On bank loans and overdrafts	-	102
Hire purchase interest	60	-
On overdue tax	201	-
	<u> </u>	<u> </u>
	261	102
	<u> </u>	<u> </u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

5	Other operating income	2014	2013
		£	£
	Capital grant released	209	240
	Sales of support and services	369,576	349,553
		<u>369,785</u>	<u>349,793</u>
6	Taxation	2014	2013
		£	£
	Domestic current year tax		
	U.K. corporation tax	138,620	144,049
	Total current tax	<u>138,620</u>	<u>144,049</u>
	Deferred tax		
	Effects of changes in tax rates and laws	(2,200)	(715)
	Origination and reversal of timing differences	1,945	8,858
		<u>(255)</u>	<u>8,143</u>
		<u>138,365</u>	<u>152,192</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>628,320</u>	<u>656,404</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2013 - 23.00%)	<u>131,947</u>	<u>150,973</u>
	Effects of:		
	Non deductible expenses	1,582	1,585
	Depreciation add back	29,865	28,239
	Capital allowances	(27,668)	(32,817)
	Effect of changes in tax rates	7,507	3,737
	Marginal Rate Relief	(4,613)	(7,668)
		<u>6,673</u>	<u>(6,924)</u>
	Current tax charge for the year	<u>138,620</u>	<u>144,049</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

7	Dividends	2014 £	2013 £
	Ordinary interim paid	199,388	194,275

Ordinary dividends of £204,500 (2013 - £199,388) were proposed after the year end but not recognised as a liability.

8 Employees

Number of employees

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

	2014 Number	2013 Number
Administration	23	24
Distribution	23	22
	46	46

Employment costs	2014 £	2013 £
Wages and salaries	1,259,615	1,224,378
Social security costs	128,902	126,519
Other pension costs	144,361	137,179
	1,532,878	1,488,076

9 Pension and other post-retirement benefit commitments

Defined contribution

	2014 £	2013 £
Contributions payable by the company for the year	144,361	137,179

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

10 Directors' remuneration	2014	2013
	£	£
Remuneration for qualifying services	226,982	236,906
Company pension contributions to defined contribution schemes	38,247	35,875
	<u>265,229</u>	<u>272,781</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2013 - 1).

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

	2014	2013
	£	£
Remuneration for qualifying services	135,315	145,239
Company pension contributions to defined contribution schemes	38,247	35,875
	<u>173,562</u>	<u>181,114</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

11 Tangible fixed assets

	Land and buildings Freehold	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2013	1,151,260	240,140	493,413	195,019	2,079,832
Additions	-	84,707	13,693	119,670	218,070
Disposals	-	-	-	(56,094)	(56,094)
At 31 August 2014	1,151,260	324,847	507,106	258,595	2,241,808
Depreciation					
At 1 September 2013	848,490	205,876	423,460	86,913	1,564,739
On disposals	-	-	-	(32,678)	(32,678)
Charge for the year	18,610	41,371	21,821	61,555	143,357
At 31 August 2014	867,100	247,247	445,281	115,790	1,675,418
Net book value					
At 31 August 2014	284,160	77,600	61,825	142,805	566,390
At 31 August 2013	302,770	34,264	69,954	108,106	515,094

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles
	£
Net book values	
At 31 August 2014	18,900
Depreciation charge for the year	
At 31 August 2014	6,300

Included in Land and Buildings Freehold are non-depreciable amounts of £80,627 (2013 - £80,627).

12 Stocks

	2014	2013
	£	£
Finished goods and goods for resale	4,367,929	4,425,666

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

13 Debtors	2014 £	2013 £
Trade debtors	2,558,690	2,157,790
Other debtors	13,949	8,390
Prepayments and accrued income	405,585	466,939
	<u>2,978,224</u>	<u>2,633,119</u>

14 Creditors: amounts falling due within one year	2014 £	2013 £
Bank loans and overdrafts	2,302,214	1,655,622
Net obligations under hire purchase contracts	11,136	-
Trade creditors	3,654,943	4,138,541
Corporation tax	138,620	144,050
Other taxes and social security costs	564,614	430,052
Other creditors	1,190,194	1,068,066
Accruals and deferred income	284,158	318,318
	<u>8,145,879</u>	<u>7,754,649</u>

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

The following creditors falling due within one year are secured by the company:

Net obligations under hire purchase contracts	<u>11,136</u>	<u>-</u>
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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

15 Creditors: amounts falling due after more than one year	2014 £	2013 £
Net obligations under hire purchase contracts	11,136	-
The following creditors falling due after more than one year are secured by the company: Net obligations under hire purchase contracts	11,136	-
Net obligations under hire purchase contracts		
Repayable within one year	11,136	-
Repayable between one and five years	11,136	-
	22,272	-

16 Provisions for liabilities

	Deferred tax liability £
Balance at 1 September 2013	25,310
Profit and loss account	(255)
Balance at 31 August 2014	25,055

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	25,055	25,310

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

17 Accruals and deferred income

	Government grants £
Balance at 1 September 2013	209
Amortisation in the year	(209)
Balance at 31 August 2014	-

18 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
102,250 ordinary shares of £1 each	102,250	102,250

19 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 September 2013	128,077	3,979,279
Profit for the year	-	489,955
Dividends paid	-	(199,388)
Balance at 31 August 2014	128,077	4,269,846

20 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	489,955	504,212
Dividends	(199,388)	(194,275)
Net addition to shareholders' funds	290,567	309,937
Opening shareholders' funds	4,209,606	3,899,669
Closing shareholders' funds	4,500,173	4,209,606

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

21	Capital commitments	2014 £	2013 £
	At 31 August 2014 the company had capital commitments as follows:		
	Contracted for but not provided in the financial statements	21,675	18,275

22 Related party relationships and transactions

Dividends to Directors

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

	2014 £	2013 £
Norman McMordie	1,170	760
Alistair Gibson	585	570
James Slaine	-	3,232
Charles Orr	-	1,910
Alan Gordon	2,584	2,518
Michael Maybin	3,900	3,800
Gilbert Mcknight	3,900	3,610
James Wilson	1,170	1,140
John Henderson	195	-
	13,504	17,540

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 £2,880,071 (2013 - £7,329,544) were made to these practices and at the balance sheet date, an amount of £90,865 (2013 - £144,341) was included in trade debtors with retrospective discounts included in other creditors of £89,600 (2013 - £244,368).