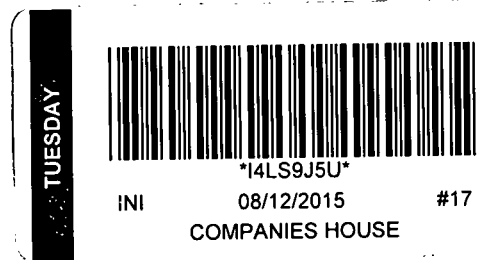


Company Registration No. NI003708 (Northern Ireland)

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

ABBREVIATED ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2015



VETERINARY SURGEONS SUPPLY COMPANY LIMITED

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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The directors present the strategic report and financial statements for the year ended 31 August 2015.

Review of the business

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 of the company during the period and its position as at 31 August 2015. 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 4.58% from £40,098,493 to £41,933,799. The gross profit margin has increased slightly from 5.57% to 5.60%. The profit on ordinary activities before tax has fallen by 14.55% from £628,320 in 2014 to £536,913 in 2015. The net assets as at 31 August 2015 were £4,719,795 an increase from the prior period of 4.88%.

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 corporate groups and the impact to the customer base.

The board feel that the company is financially strong and that the 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

Secretary

25.11.15

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The directors present their report and financial statements for the year ended 31 August 2015.

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £204,500.

Directors

The following directors have held office since 1 September 2014:

Mr Alan Gordon
Mr Norman McMordie
Mr John Henderson
Mr Gilbert McKnight
Mr James Wilson
Mr Michael Maybin

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' 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). 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 these 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;
- 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.

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

Secretary

25.11.15

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 16, together with the financial statements of Veterinary Surgeons Supply Company Limited for the year ended 31 August 2015 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 those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

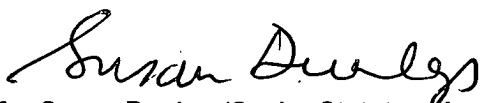
Respective responsibilities of directors and auditors

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.



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

25/11/15

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 2015

	Notes	2015 £	2014 £
Turnover		41,933,799	40,098,493
Other operating income less cost of sales		(39,160,539)	(37,496,747)
Distribution costs		(941,244)	(863,720)
Administrative expenses		(1,317,439)	(1,128,892)
Operating profit	2	514,577	609,134
Other interest receivable and similar income	3	23,095	19,447
Interest payable and similar charges	4	(759)	(261)
Profit on ordinary activities before taxation		536,913	628,320
Tax on profit on ordinary activities	5	(112,791)	(138,365)
Profit for the year	15	424,122	489,955

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

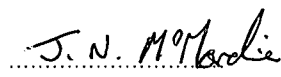
ABBREVIATED BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	7		569,969		566,390
Current assets					
Stocks	8	5,345,286		4,367,929	
Debtors	9	3,019,360		2,978,224	
Cash at bank and in hand		4,988,651		4,769,700	
		<u>13,353,297</u>		<u>12,115,853</u>	
Creditors: amounts falling due within one year	10	<u>(9,165,997)</u>		<u>(8,145,879)</u>	
Net current assets			4,187,300		3,969,974
Total assets less current liabilities			4,757,269		4,536,364
Creditors: amounts falling due after more than one year	11		-		(11,136)
Provisions for liabilities	12		<u>(37,474)</u>		<u>(25,055)</u>
			<u>4,719,795</u>		<u>4,500,173</u>
Capital and reserves					
Called up share capital	14	102,250		102,250	
Share premium account	15	128,077		128,077	
Profit and loss account	15	4,489,468		4,269,846	
Shareholders' funds	16		<u>4,719,795</u>		<u>4,500,173</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, authorised for issue on 25.11.15 and signed on their behalf by


 Mr Norman McMordie
 Director


 Mr Michael Maybin
 Director

Company Registration No. NI003708

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	£	2015 £	£	2014 £
Net cash inflow from operating activities		629,098		190,559
Returns on investments and servicing of finance				
Interest received	24,554		31,591	
Interest paid	(759)		(261)	
Net cash inflow for returns on investments and servicing of finance		23,795		31,330
Taxation		(138,620)		(144,050)
Capital expenditure				
Payments to acquire tangible assets	(208,770)		(185,370)	
Receipts from sales of tangible assets	27,499		15,060	
Net cash outflow for capital expenditure		(181,271)		(170,310)
Equity dividends paid		(204,500)		(199,388)
Net cash inflow/(outflow) before management of liquid resources and financing		128,502		(291,859)
Financing				
Capital element of hire purchase contracts	(11,136)		(928)	
Increase in debt	(11,136)		(928)	
Net cash outflow from financing		(11,136)		(928)
Increase/(decrease) in cash in the year		117,366		(292,787)

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

1 Reconciliation of operating profit to net cash inflow from operating activities	2015	2014
	£	£
Operating profit	514,577	609,134
Depreciation of tangible assets	177,824	143,357
Profit on disposal of tangible assets	(132)	(1,143)
(Increase)/decrease in stocks	(977,357)	57,737
Increase in debtors	(42,595)	(357,249)
Increase/(decrease) in creditors within one year	956,781	(261,068)
Movement on grant provision	-	(209)
Net cash inflow from operating activities	629,098	190,559

2 Analysis of net funds	1 September 2014	Cash flow	Other non-cash changes	31 August 2015
	£	£	£	£
Net cash:				
Cash at bank and in hand	4,769,700	218,951	-	4,988,651
Bank overdrafts	(2,302,214)	(101,585)	-	(2,403,799)
	<u>2,467,486</u>	<u>117,366</u>	<u>-</u>	<u>2,584,852</u>
Bank deposits	-	-	-	-
Debt:				
Finance leases	(22,272)	11,136	-	(11,136)
Net funds	2,445,214	128,502	-	2,573,716

3 Reconciliation of net cash flow to movement in net funds	2015	2014
	£	£
Increase/(decrease) in cash in the year	117,366	(292,787)
Cash outflow from decrease in debt and lease financing	11,136	928
Change in net debt resulting from cash flows	128,502	(291,859)
New finance lease	-	(23,200)
Movement in net funds in the year	128,502	(315,059)
Opening net funds	2,445,214	2,760,273
Closing net funds	2,573,716	2,445,214

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2015

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 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.

1.8 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.

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.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.10 Taxation

Corporation tax is provided 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	2015 £	2014 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	177,824	143,357
	Loss on foreign exchange transactions	7,922	-
	Auditors' remuneration	9,950	9,950
	and after crediting:		
	Government grants	-	209
	Profit on disposal of tangible assets	(132)	(1,143)
	Profit on foreign exchange transactions	-	(9,201)
		<u> </u>	<u> </u>
3	Investment income	2015 £	2014 £
	Bank interest	23,095	19,447
		<u>23,095</u>	<u>19,447</u>
4	Interest payable	2015 £	2014 £
	On bank loans and overdrafts	37	-
	Hire purchase interest	722	60
	On overdue tax	-	201
		<u>759</u>	<u>261</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5	Taxation	2015 £	2014 £
	Domestic current year tax		
	U.K. corporation tax	100,372	138,620
	Total current tax	100,372	138,620
	Deferred tax		
	Origination and reversal of timing differences	13,612	1,945
	Effects of changes in tax rates and laws	(1,193)	(2,200)
		12,419	(255)
		112,791	138,365
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	536,913	628,320
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 21.00%)	107,383	131,947
	Effects of:		
	Non deductible expenses	1,242	1,582
	Depreciation add back	35,538	29,865
	Capital allowances	(45,205)	(27,668)
	Effect of changes in tax rates	2,874	7,507
	Marginal Rate Relief	(1,460)	(4,613)
		(7,011)	6,673
	Current tax charge for the year	100,372	138,620
6	Dividends	2015 £	2014 £
	Ordinary interim paid	204,500	199,388

Ordinary dividends of £204,500 (2014 - £204,500) 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 2015

7 Tangible fixed assets

	Land and buildings freehold	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2014	1,151,260	324,847	507,106	258,595	2,241,808
Additions	-	105,714	30,876	72,180	208,770
Disposals	-	(70,749)	(38,475)	(63,751)	(172,975)
At 31 August 2015	1,151,260	359,812	499,507	267,024	2,277,603
Depreciation					
At 1 September 2014	867,100	247,247	445,281	115,790	1,675,418
On disposals	-	(70,749)	(38,475)	(36,384)	(145,608)
Charge for the year	18,610	79,012	16,540	63,662	177,824
At 31 August 2015	885,710	255,510	423,346	143,068	1,707,634
Net book value					
At 31 August 2015	265,550	104,302	76,161	123,956	569,969
At 31 August 2014	284,160	77,600	61,825	142,805	566,390

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

	Motor vehicles £
Net book values	
At 31 August 2015	12,600
At 31 August 2014	18,900
Depreciation charge for the year	
At 31 August 2015	6,300
At 31 August 2014	6,300

Included in Land and Buildings Freehold are non-depreciable amounts of £80,627 (2014 - £80,627).

8 Stocks

	2015 £	2014 £
Finished goods and goods for resale	5,345,286	4,367,929

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Debtors	2015 £	2014 £
Trade debtors	2,540,157	2,558,690
Other debtors	17,269	13,949
Prepayments and accrued income	461,934	405,585
	<u>3,019,360</u>	<u>2,978,224</u>

10 Creditors: amounts falling due within one year	2015 £	2014 £
Bank loans and overdrafts	2,403,799	2,302,214
Net obligations under hire purchase contracts	11,136	11,136
Trade creditors	4,883,374	3,654,943
Corporation tax	100,372	138,620
Other taxes and social security costs	340,526	564,614
Other creditors	1,099,412	1,190,194
Accruals and deferred income	327,378	284,158
	<u>9,165,997</u>	<u>8,145,879</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>11,136</u>
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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

11	Creditors: amounts falling due after more than one year	2015 £	2014 £
	Net obligations under hire purchase contracts	-	11,136
	Net obligations under hire purchase contracts		
	Repayable within one year	11,136	11,136
	Repayable between one and five years	-	11,136
		11,136	22,272
	Included in liabilities falling due within one year	(11,136)	(11,136)
		-	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
12	Provisions for liabilities		
			Deferred tax liability £
	Balance at 1 September 2014		25,055
	Profit and loss account		12,419
	Balance at 31 August 2015		37,474
	The deferred tax liability is made up as follows:		
		2015 £	2014 £
	Accelerated capital allowances	37,474	25,055
13	Retirement Benefits		
		2015 £	2014 £
	Contributions payable by the company for the year	71,692	80,954

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14	Share capital	2015	2014
		£	£
	Allotted, called up and fully paid		
	102,250 ordinary shares of £1 each	102,250	102,250
15	Statement of movements on reserves		
		Share premium account	Profit and loss account
		£	£
	Balance at 1 September 2014	128,077	4,269,846
	Profit for the year	-	424,122
	Dividends paid	-	(204,500)
	Balance at 31 August 2015	128,077	4,489,468
16	Reconciliation of movements in Shareholders' funds	2015	2014
		£	£
	Profit for the financial year	424,122	489,955
	Dividends	(204,500)	(199,388)
	Net addition to shareholders' funds	219,622	290,567
	Opening Shareholders' funds	4,500,173	4,209,606
	Closing Shareholders' funds	4,719,795	4,500,173
17	Capital commitments	2015	2014
		£	£
	At 31 August 2015 the company had capital commitments as follows:		
	Contracted for but not provided in the financial statements	-	21,675

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

18 Directors' remuneration	2015 £	2014 £
Remuneration for qualifying services	273,724	242,222
Company pension contributions to defined contribution schemes	14,162	23,007
	<u>287,886</u>	<u>265,229</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2014 - 1).

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

Remuneration for qualifying services	182,057	150,555
Company pension contributions to defined contribution schemes	14,162	23,007
	<u>196,219</u>	<u>173,562</u>

19 Employees

Number of employees

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

	2015 Number	2014 Number
Administration	24	24
Distribution	22	22
	<u>46</u>	<u>46</u>

Employment costs	2015 £	2014 £
Wages and salaries	1,372,411	1,325,022
Social security costs	137,531	128,902
Pension costs	71,692	80,954
	<u>1,581,634</u>	<u>1,534,878</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

20 Related party relationships and transactions

Dividends to Directors

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

	2015	2014
	£	£
Mr Norman McMordie	1,200	1,170
Mr Michael Maybin	4,000	3,900
Mr Alan Gordon	2,650	2,584
Mr Gilbert McKnight	4,000	3,900
Mr James Wilson	1,200	1,170
Mr John Henderson	200	195
	13,250	12,919

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 £3,170,122 (2014 - £2,880,071) were made to these practices and at the balance sheet date, an amount of £113,442 (2014 - £90,865) was included in trade debtors and due to the company from these practices, with retrospective discounts included in other creditors of £90,217 (2014 - £89,600) due to the practices.