

Company Registration No. NI003708 (Northern Ireland)

VETERINARY SURGEONS SUPPLY COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

COMPANY INFORMATION

Directors	Mr N Johnston Mr A Mayne Mr S Murray Mr J Johnston Mr W Sherrard Ms J Crawford	(Appointed 27 January 2023)
Secretary	Mrs S McKee	
Company number	NI003708	
Registered office	29 Enterprise Crescent Ballinderry Road Lisburn Co Antrim BT28 2BP	
Auditor	GMcG LISBURN Century House 40 Crescent Business Park Lisburn BT28 2GN	
Business address	29 Enterprise Crescent Ballinderry Road Lisburn Co Antrim BT28 2BP	
Bankers	Bank of Ireland 22/24 Market Square Lisburn Co Antrim BT28 1AG Ulster Bank Limited 18 Bow Street Lisburn Co Antrim BT28 1BN Barclays Bank Imperial House Donegall Square East Belfast BT1 5HL	
Solicitors	O'Reilly Stewart Solicitors 75-77 May Street Belfast BT1 3JL	

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 11
Income statement	12
Statement of comprehensive income	13
Statement of financial position	14
Statement of changes in equity	15
Statement of cash flows	16
Notes to the financial statements	17 - 30

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The directors present the strategic report for the year ended 31 August 2023.

Section 172 Statement

The directors recognise their duty to act, in good faith, in order to promote the success of the company for the benefit of its members as a whole, and in doing so, having due regard (amongst other matters) to:

- the likely consequence of any decision in the long term
- the interests of the company's employees
- the need to foster the company's business relationships with suppliers, customers and others
- the impact of the company's operations on the community and the environment
- the desirability of the company maintaining a reputation for high standards of business conduct

The company's key stakeholders are considered to be:

- investors
- customers
- suppliers
- employees

The directors strive to understand the interests of its stakeholders and the impact of the company's decisions on them and do this by continued direct engagement.

Investors

The directors recognise the importance of shareholder support in achieving the company's capital investment programme. All shareholders are encouraged to attend the AGM and provide feedback on the company's strategic goals.

Customers and suppliers

Strong, mutually beneficial relationships with both customers and suppliers is a key component of the company's continued success. Senior management continually engage with customers and suppliers to manage expectations and deliverables.

Employees

The company's employees play an important role in the success of the company. The involvement of employees in the company's performance is actively encouraged by the provision of relevant information. Employees are kept informed of performance and other financial and economic factors affecting the company. Veterinary Surgeons Supply Company Limited (VSSCo) is accredited with Investors in People.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Fair review of the business

The activity of the company continued as a veterinary wholesaler supplying vets and agricultural merchants.

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 2023. 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, these being turnover, gross profit margin, profit on ordinary activities before taxation and net assets.

The directors are satisfied with the results for the year which has seen turnover increase by 5% from £79,419,943 to £83,350,221 generating a gross profit margin of £4,179,462 (2022 - £3,794,919) and profit before tax of £1,953,671 (2022 - £1,567,704). The gross profit margin has increased to 5.01% (2022 - 4.78%) driven by inflation which saw record levels of manufacturer price rises across the product portfolio. The net assets of the company rose by over 15% at year end versus the same point the previous year.

During this financial year there was significant ongoing investment in the IT Infrastructure. This was necessary to future-proof the business as the previous SAGE 1000 software will no longer be supported from 2025. We prepared for the implementation of new enterprise resource planning software (Prophet 21) from Epicor, which went live in September '23. This caused computer costs in 2023 to increase 28% to £387,217. The planned blackout period for customer deliveries at the start of September meant that some customer orders were fulfilled early in August '23 rather than September '23. We estimate the value of the sales fulfilled early to be £1.2m.

The results above incorporate retrospective rebates which this year have been approved by the Board at £1,310,645 (2022 - £1,226,204).

The performance of the company is intrinsically linked to the Agriculture & Farming sector in Northern Ireland. This year has not been without difficulties. Farming continues to be heavily influenced by the continued fallout from the Ukraine conflict which has resulted in high input costs for feed, fuel and fertiliser. Milk prices were at record levels for the first half of the financial year but dropped back significantly in the spring of 2023 meaning that on many farms the cost of production is above the current milk price. Pig prices have risen over the past year due to an outbreak of Swine fever in China leading to a shortage of pork on the world market.

The company sought to maximise margin from supplier price increases by strategically increasing stocks ahead of the seasonal peak demand in both the Autumn and Spring and this was a significant factor in achieving record pre-tax profits.

External factors that are of concern to the board include;

- the ongoing conflict in Ukraine
- the current state of the UK economy
- climate change legislation
- local instability caused by uncertainty over the future of the Northern Ireland Protocol

Corporate acquisitions have slowed down in the Northern Irish market. We are thankful that all NI corporate practices continue to purchase through VSSCo. Several new practices which opened throughout NI in the past few years have grown their business as well. We now trade with some of the Agricultural merchants in Northern Ireland and this has helped maintain turnover in the last year.

The company had no borrowings in this financial year and continues to have a strong cash flow. With the rise in the Bank of England base rate, we are actively seeking to manage our cash to optimise stock levels while availing of additional revenue from bank interest on short term deposit accounts. In the past 12 months bank interest contributed £132,482 (2022 - £4,183) to our pre-tax profits.

Our ROI turnover declined slightly in 2023 at £2,184,276 (2022- £2,234,643) with less opportunities over the last twelve months to sell drugs and vaccines into ROI.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

Principal risks and uncertainties

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

Economic Risk

The impact of:

1. Higher Bank of England base rates
2. Higher energy costs
3. Foreign currency fluctuations

Other risks

Livestock farmers are concerned about lower farm gate prices for their produce at a time when production costs are high and the Autumn 2023 weather was very inclement leading to potential shortages of straw this winter. If the UK Government reduce the total amount paid out in the single farm payment scheme this will also cause cash flow issues on farm.

The profit drivers of VSSCo will continue to follow the trends of the past few years with manufacturer prices rises being inevitable in the short term, but if recession bites, will prices remain static in subsequent years meaning profit from price growth will decrease.

Earnings from bank interest are forecast to continue as good rates are available on short-term deposit accounts. Other operating income should continue to grow in line with turnover.

The dependence of the Northern Ireland economy on the Agri-food sector coupled with the expectation that demand for animal protein will continue to increase over the next decade, should be positive in the long term. Key to this is the ongoing support of the UK government to this sector.

Future developments

Currently there is an ongoing IT project with Prophet 21 replacing the highly bespoke SAGE 1000 system from 1st September '23. In the next 12 months plans are in place to upgrade our ecommerce offering both from a business to business and business to customer perspective. The board believes a new ERP system will drive the business forward in terms of engagement with customers and efficiency gains internally.

By order of the board

Mrs S McKee

Secretary

29 November 2023

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The directors present their annual report and the financial statements for the year ended 31 August 2023.

Principal activities

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

Results and dividends

The results for the year are set out on page 12.

Ordinary dividends were paid amounting to £332,313. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N McMordie (Resigned 27 January 2023)

Mr N Johnston

Mr A Mayne

Mr S Murray

Mr J Johnston

Mr W Sherrard

Ms J Crawford (Appointed 27 January 2023)

Business relationships

The Strategic Report discloses other matters to be disclosed in respect of the company's business relationships with customers, suppliers and others.

Auditor

The auditor, GMcG LISBURN, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

The company recognises its corporate responsibility to carry out its operations while minimising its environmental impact. The company monitors various environmental objectives as part of its strategic plan. It continually works to reduce the direct environmental impact. In the year to 31 August 2023 the company generated 160,197kg (2022- 156,831kg) of CO2 emissions from electricity, oil, diesel and gas usage.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 auditor is aware of that information.

By order of the board

Mrs S McKee
Secretary

29 November 2023

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VETERINARY SURGEONS SUPPLY COMPANY LIMITED

Opinion

We have audited the financial statements of Veterinary Surgeons Supply Company Limited (the 'company') for the year ended 31 August 2023 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

- 6 -

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Report on the audit of the financial statements of Veterinary Surgeons Supply Company Limited for the year ended 31 August 2023

Report on the audit of the financial statements of Veterinary Surgeons Supply Company Limited for the year ended 31 August 2023

Report on the audit of the financial statements of Veterinary Surgeons Supply Company Limited for the year ended 31 August 2023

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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VETERINARY SURGEONS SUPPLY COMPANY LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

- 7 -

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For further information on our services, please contact us on 028 9031 1113 or visit our website at www.gmcga.com

Our registered office is at 19 Alfred Street, Belfast, BT12 8LQ. Our company number is 02720100.

Registered in the Republic of Ireland
VAT No. 154544000

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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VETERINARY SURGEONS SUPPLY COMPANY LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- 8 -

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For further information on the services we can offer, please contact your local office or the head office.

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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VETERINARY SURGEONS SUPPLY COMPANY LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing potential risks of material misstatement in respect of irregularities, including fraud and non-compliances with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance, including the company's remuneration policies for directors, bonus levels and performance targets, if any;
- Results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instance of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the company for fraud and identified the greatest potential for fraud in revenue recognition and stock. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006, and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

- 9 -

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For further information, please contact the company's auditor, GM^cG, Chartered Accountants.

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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VETERINARY SURGEONS SUPPLY COMPANY LIMITED

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with tax authorities; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

- 10 -

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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VETERINARY SURGEONS SUPPLY COMPANY LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit 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 auditor's 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 audit work, for this report, or for the opinions we have formed.

Mr Stephen Houston FCA
Senior Statutory Auditor
For and on behalf of GMcG LISBURN

29 November 2023

Chartered Accountants
Statutory Auditor

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- 11 -

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VETERINARY SURGEONS SUPPLY COMPANY LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Turnover	3	83,350,221	79,419,943
Cost of sales		(79,170,759)	(75,625,024)
Gross profit		4,179,462	3,794,919
Distribution costs		(1,623,850)	(1,510,452)
Administrative expenses		(1,797,897)	(1,700,779)
Other operating income	4	1,063,474	979,833
Operating profit	5	1,821,189	1,563,521
Interest receivable and similar income	8	132,482	4,183
Profit before taxation		1,953,671	1,567,704
Tax on profit	9	(432,431)	(299,234)
Profit for the financial year		1,521,240	1,268,470

The income statement has been prepared on the basis that all operations are continuing operations.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2023

	2023	2022
	£	£
Profit for the year	1,521,240	1,268,470
Other comprehensive income	-	-
Total comprehensive income for the year	1,521,240	1,268,470

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Intangible assets	11		1		1,519
Tangible assets	12		1,158,672		980,266
Investments	13		1		1
			<u>1,158,674</u>		<u>981,786</u>
Current assets					
Stocks	15	10,435,369		10,262,253	
Debtors	16	6,517,468		4,957,626	
Cash at bank and in hand		4,243,758		6,245,980	
		<u>21,196,595</u>		<u>21,465,859</u>	
Creditors: amounts falling due within one year	17	(12,976,486)		(14,307,374)	
Net current assets			<u>8,220,109</u>		<u>7,158,485</u>
Total assets less current liabilities			<u>9,378,783</u>		<u>8,140,271</u>
Provisions for liabilities	18		(164,842)		(115,257)
Net assets			<u><u>9,213,941</u></u>		<u><u>8,025,014</u></u>
Capital and reserves					
Called up share capital	20		102,250		102,250
Share premium account			128,077		128,077
Profit and loss reserves			8,983,614		7,794,687
Total equity			<u><u>9,213,941</u></u>		<u><u>8,025,014</u></u>

The financial statements were approved by the board of directors and authorised for issue on 29 November 2023 and are signed on its behalf by:

Mr J Johnston
Director

Mr W Sherrard
Director

Company Registration No. NI003708

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2023

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 September 2021		102,250	128,077	6,812,517	7,042,844
Year ended 31 August 2022:					
Profit and total comprehensive income		-	-	1,268,470	1,268,470
Dividends	10	-	-	(286,300)	(286,300)
Balance at 31 August 2022		102,250	128,077	7,794,687	8,025,014
Year ended 31 August 2023:					
Profit and total comprehensive income		-	-	1,521,240	1,521,240
Dividends	10	-	-	(332,313)	(332,313)
Balance at 31 August 2023		102,250	128,077	8,983,614	9,213,941

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25				
			(1,115,679)		3,504,689
Income taxes paid			(269,392)		(161,407)
Net cash (outflow)/inflow from operating activities			(1,385,071)		3,343,282
Investing activities					
Purchase of tangible fixed assets		(460,820)		(212,319)	
Proceeds from disposal of tangible fixed assets		43,500		17,100	
Interest received		132,482		4,183	
Net cash used in investing activities			(284,838)		(191,036)
Financing activities					
Dividends paid		(332,313)		(286,300)	
Net cash used in financing activities			(332,313)		(286,300)
Net (decrease)/increase in cash and cash equivalents			(2,002,222)		2,865,946
Cash and cash equivalents at beginning of year			6,245,980		3,380,034
Cash and cash equivalents at end of year			4,243,758		6,245,980

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Company information

Veterinary Surgeons Supply Company Limited is a private company limited by shares incorporated in Northern Ireland. The registered office and place of business is 29 Enterprise Crescent, Ballinderry Road, Lisburn, Co Antrim, BT28 2BP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the subsidiary company is dormant and its inclusion is not material for the purpose of giving a true and fair view. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	33% straight line
-------------------	-------------------

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets, the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	5% straight line
Fixtures, fittings and equipment	10% straight line
Computers	33% straight line
Motor vehicles	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies (Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 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 amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Fixed assets

The annual depreciation charge on fixed assets depends primarily on the estimated lives of each type of asset and estimates of residual values. The directors regularly review these asset lives and change them as necessary to reflect current thinking on remaining lives in light of prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have a significant impact on depreciation and amortisation charges for the period. Detail of the useful lives is included in accounting policies.

Stock

At each balance sheet date the company's stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The assessment of the selling price of such stock involves some estimation uncertainty.

Other creditors (retrospective discount)

Retrospective discount payable is based on the calculation of certain aspects of customer discount applied in relation to revenue. The calculation involves some estimation uncertainty. The directors review and agree the level of discount to be applied annually.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Turnover and other revenue

	2023 £	2022 £
Turnover analysed by class of business		
Sale of goods	83,350,221	79,419,943
Turnover analysed by geographical market		
UK	81,165,945	77,185,300
Ireland	2,184,276	2,234,643
	83,350,221	79,419,943

4 Other operating income

	2023 £	2022 £
Commission and service sales	1,063,474	979,833
	1,063,474	979,833

5 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(30,733)	(26,116)
Fees payable to the company's auditor for the audit of the company's financial statements	9,000	8,750
Depreciation of owned tangible fixed assets	274,608	262,781
Profit on disposal of tangible fixed assets	(35,694)	(17,100)
Amortisation of intangible assets	1,518	11,514

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Administrative	22	22
Distribution	32	31
Total	54	53

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Employees (Continued)

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	1,958,634	1,829,654
Social security costs	183,629	162,676
Pension costs	107,877	104,081
	<u>2,250,140</u>	<u>2,096,411</u>

7 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	274,246	271,695
Company pension contributions to defined contribution schemes	11,730	14,351
	<u>285,976</u>	<u>286,046</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

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

	2023	2022
	£	£
Remuneration for qualifying services	152,581	149,838
Company pension contributions to defined contribution schemes	11,730	14,351
	<u>164,311</u>	<u>164,189</u>

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	132,230	4,051
Other interest income	252	132
	<u>132,482</u>	<u>4,183</u>

	2023	2022
	£	£
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>132,230</u>	<u>4,051</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

9 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	382,846	269,391
Deferred tax		
Origination and reversal of timing differences	49,585	27,662
Changes in tax rates	-	2,181
Total deferred tax	49,585	29,843
Total tax charge	432,431	299,234

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	1,953,671	1,567,704
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	488,418	297,864
Tax effect of expenses that are not deductible in determining taxable profit	7,398	4,161
Effect of change in corporation tax rate	(62,012)	2,181
Origination and reversal of timing differences	(1,373)	25,994
Research and development tax credit	-	(30,966)
Taxation charge for the year	432,431	299,234

10 Dividends

	2023 £	2022 £
Interim paid	332,313	286,300

Ordinary dividends of £409,000 (2022 - £332,313) were proposed after the year end but not recognised as a liability.

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

11 Intangible fixed assets

	Development costs £
Cost	
At 1 September 2022 and 31 August 2023	34,891
Amortisation and impairment	
At 1 September 2022	33,372
Amortisation charged for the year	1,518
At 31 August 2023	34,890
Carrying amount	
At 31 August 2023	1
At 31 August 2022	1,519

12 Tangible fixed assets

	Freehold land and buildings	Fixtures, fittings and equipment	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2022	1,578,823	362,918	307,293	464,062	2,713,096
Additions	3,625	168,012	64,404	224,779	460,820
Disposals	-	-	-	(125,183)	(125,183)
At 31 August 2023	1,582,448	530,930	371,697	563,658	3,048,733
Depreciation and impairment					
At 1 September 2022	1,115,966	150,553	219,464	246,847	1,732,830
Depreciation charged in the year	44,059	44,143	74,747	111,659	274,608
Eliminated in respect of disposals	-	-	-	(117,377)	(117,377)
At 31 August 2023	1,160,025	194,696	294,211	241,129	1,890,061
Carrying amount					
At 31 August 2023	422,423	336,234	77,486	322,529	1,158,672
At 31 August 2022	462,857	212,365	87,829	217,215	980,266

13 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	14	1	1

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

14 Subsidiaries

Details of the company's subsidiaries at 31 August 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
VSSCO Veterinary Practice Ltd	United Kingdom	Dormant	Ordinary	100

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
VSSCO Veterinary Practice Ltd	1	-

15 Stocks

	2023 £	2022 £
Finished goods and goods for resale	10,435,369	10,262,253

16 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	5,708,557	4,245,125
Other debtors	44,758	6,788
Prepayments and accrued income	764,153	705,713
	<u>6,517,468</u>	<u>4,957,626</u>

17 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	9,223,584	11,268,574
Amounts owed to group undertakings	1	1
Corporation tax	382,846	269,392
Other taxation and social security	1,403,918	947,045
Retrospective rebates	1,310,645	1,226,204
Other creditors	-	1,413
Accruals and deferred income	655,492	594,745
	<u>12,976,486</u>	<u>14,307,374</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	164,842	115,257
	<u>164,842</u>	<u>115,257</u>
Movements in the year:		2023 £
Liability at 1 September 2022		115,257
Charge to profit or loss		49,585
		<u>164,842</u>
Liability at 31 August 2023		<u>164,842</u>

19 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	107,877	104,081
	<u>107,877</u>	<u>104,081</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital issued and fully paid				
Ordinary shares of £1 each	102,250	102,250	102,250	102,250
	<u>102,250</u>	<u>102,250</u>	<u>102,250</u>	<u>102,250</u>

21 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	20,089	20,089
Between two and five years	16,643	35,698
	<u>36,732</u>	<u>55,787</u>

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023 £	2022 £
Acquisition of tangible fixed assets	-	99,390

23 Related party transactions

Remuneration of key management personnel

Key management include the Board of Directors of the company. The compensation paid or payable to key management for employee services is shown in note 7.

24 Directors' transactions

Dividends totalling £19,338 (2022 - £13,580) were paid in the year in respect of shares held by the company's directors.

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 are carried out at arms length during the normal course of business. During the year, total sales of £6,627,085 (2022 - £4,995,760) were made to these practices and at the balance sheet date, an amount of £155,431 (2022 - £193,145) was included in trade debtors and due to the company from these practices, with retrospective discounts included in other creditors of £216,471 (2022 - £165,068) due to the practices.

25 Cash (absorbed by)/generated from operations

	2023 £	2022 £
Profit for the year after tax	1,521,240	1,268,470
Adjustments for:		
Taxation charged	432,431	299,234
Investment income	(132,482)	(4,183)
Gain on disposal of tangible fixed assets	(35,694)	(17,100)
Amortisation and impairment of intangible assets	1,518	11,514
Depreciation and impairment of tangible fixed assets	274,608	262,781
Movements in working capital:		
(Increase)/decrease in stocks	(173,116)	1,684,195
Increase in debtors	(1,559,842)	(598,972)
(Decrease)/increase in creditors	(1,444,342)	598,750
Cash (absorbed by)/generated from operations	(1,115,679)	3,504,689

VETERINARY SURGEONS SUPPLY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

26 Analysis of changes in net funds

	1 September 2022	Cash flows 31 August 2023	
	£	£	£
Cash at bank and in hand	6,245,980	(2,002,222)	4,243,758
	<u>6,245,980</u>	<u>(2,002,222)</u>	<u>4,243,758</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.