

Company Registration No. NI003708 (Northern Ireland)

**VETERINARY SURGEONS SUPPLY COMPANY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2024**

## VETERINARY SURGEONS SUPPLY COMPANY LIMITED

### COMPANY INFORMATION

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|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| <b>Directors</b>         | Mr S Murray<br>Mr J Johnston<br>Mr W Sherrard<br>Ms J Crawford<br>Mr T Walsh<br>Mr C Carr                                                                                                                                                       | (Appointed 26 January 2024)<br>(Appointed 26 January 2024) |
| <b>Secretary</b>         | Mrs S McKee                                                                                                                                                                                                                                     |                                                            |
| <b>Company number</b>    | NI003708                                                                                                                                                                                                                                        |                                                            |
| <b>Registered office</b> | 29 Enterprise Crescent<br>Ballinderry Road<br>Lisburn<br>Co Antrim<br>BT28 2BP                                                                                                                                                                  |                                                            |
| <b>Auditor</b>           | GMcG LISBURN<br>Century House<br>40 Crescent Business Park<br>Lisburn<br>BT28 2GN                                                                                                                                                               |                                                            |
| <b>Business address</b>  | 29 Enterprise Crescent<br>Ballinderry Road<br>Lisburn<br>Co Antrim<br>BT28 2BP                                                                                                                                                                  |                                                            |
| <b>Bankers</b>           | Bank of Ireland<br>22/24 Market Square<br>Lisburn<br>Co Antrim<br>BT28 1AG<br><br>Ulster Bank Limited<br>18 Bow Street<br>Lisburn<br>Co Antrim<br>BT28 1BN<br><br>Barclays Bank<br>Imperial House<br>Donegall Square East<br>Belfast<br>BT1 5HL |                                                            |
| <b>Solicitors</b>        | O'Reilly Stewart Solicitors<br>75-77 May Street<br>Belfast<br>BT1 3JL                                                                                                                                                                           |                                                            |

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# **VETERINARY SURGEONS SUPPLY COMPANY LIMITED**

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# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 AUGUST 2024

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The directors present the strategic report for the year ended 31 August 2024.

#### 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 2024. 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 3.6% from £83,350,221 to £86,352,802 generating a gross profit of £3,885,040 (2023 - £4,179,462) and profit before tax of £1,510,462 (2023 - £1,953,671). The gross profit margin for the year was 4.5% (2023 - 5.01%) the fluctuation in margin being as a result of maximising margins from supplier price increases. The net assets of the company £9,923,889 (2023 - £9,213,941) rose by over 7.7% at year-end versus the same point the previous year.

During this financial year there was significant ongoing investment in I.T., which was necessary to future-proof the business as our old SAGE 1000 software would no longer have been supported from 2025 onwards. We completed the implementation of the new enterprise resource planning software (Prophet21) from Epicor, which went live at the start of September '23. This caused computer costs in 2024 to increase 31% to £508,082 (2023 - £387,217).

The results above incorporate retrospective rebates which this year have been approved by the Board at £1,371,385 (2023 - £1,310,645).

The year was influenced by the pressure on profits at farm gate level particularly for dairy farmers as the average milk price in Northern Ireland was back 7.5ppl on average versus the same period in the previous year. While input costs for feed, fuel and fertilizer have dropped this did not compensate for the reduction in farm gate price and hence more cows were culled meaning less veterinary medicine used on farm. Milk prices thankfully are improving, and the short-term outlook is reasonably good. Thankfully pig prices have remained buoyant over the past year and with lower cereal prices, this sector has performed well over the twelve month period driving increased veterinary spend. In the past twelve months we have seen a number of key vaccines out of stock for prolonged periods of time and this will have resulted in lost sales as farmers were unable to vaccinate.

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 and in the Middle East
- the current state of the UK economy
- Bank of England base rate
- climate change legislation
- Brexit and the impending changes in rules for supply of veterinary medicines after 01/01/2026.

Corporate acquisitions have slowed down in the Northern Irish market. We are thankful that all NI corporate practices continue to purchase through VSSCo. New practices which opened throughout NI in the past few years have grown their business significantly. We now also trade with a number of Agricultural merchants in Northern Ireland.

The company had no borrowings in this financial year and continues to have a strong cash flow. With the Bank of England base rate remaining at around 5%, 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 £243,649 (2023 - £132,230) to our pre tax profits.

## VETERINARY SURGEONS SUPPLY COMPANY LIMITED

### STRATEGIC REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2024

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Our ROI turnover declined in 2024 to £1,669,403 (2023 - £2,184,276). Implementation of the new Prophet21 system had left less time to focus on ROI customers in the past year but now that the Prophet21 system is up and running and with the recent launch of a new online ordering system for ROI customers, the aim in the next financial year is to see growth returning in this sector of our business.

VetpetNI, our online site for supply of petfood to the end user, has continued to perform well, with sales currently in the region of £70,000 per month. Interestingly the main growth area for online petfood sales has been Republic of Ireland. An area of focus for the future will be increasing the scope of our online presence, to be able to fulfil prescriptions for veterinary medicines and also offer a service to practices for fulfillment of home deliveries on medicines supplied as part of an ongoing pet health plan for companion animals

#### Principal risks and uncertainties

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

##### *Economic Risk*

The impact of:

1. Changes in the Bank of England base rate
2. Ongoing conflicts in Eastern Europe and Middle East, leading to higher energy costs and increased transport costs on purchased goods
3. Foreign currency fluctuations

##### *Other risks*

Livestock farmers are concerned about the profitability of suckler and sheep enterprises given the cost of production versus farm gate returns. 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 and impact profitability.

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 given the increases in cost of goods in recent years although the level of price rise will mirror inflation which is currently back on track.

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 ~~future developments~~ should 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. In the next 12 months we plan to upgrade our ecommerce offering both from a business to customer perspective. The board believes our new ERP system will drive the business forward in terms of engagement with customers and efficiency gains internally.

## VETERINARY SURGEONS SUPPLY COMPANY LIMITED

### STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

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#### 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.

By order of the board

Mrs S McKee  
**Secretary**

13 November 2024

## **VETERINARY SURGEONS SUPPLY COMPANY LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2024**

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The directors present their annual report and the financial statements for the year ended 31 August 2024.

#### **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 £409,000. 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 Johnston | (Resigned 26 January 2024)  |
| Mr A Mayne    | (Resigned 26 January 2024)  |
| Mr S Murray   |                             |
| Mr J Johnston |                             |
| Mr W Sherrard |                             |
| Ms J Crawford |                             |
| Mr T Walsh    | (Appointed 26 January 2024) |
| Mr C Carr     | (Appointed 26 January 2024) |

#### **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 2024 the company generated 151,421kg (2023- 160,197kg) of CO2 emissions from electricity, oil, diesel and gas usage.

## **VETERINARY SURGEONS SUPPLY COMPANY LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2024**

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##### **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**

13 November 2024

## 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 2024 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 2024 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.

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Alfred House  
19 Alfred Street  
BELFAST BT1 2BJ  
DN4910 NR Belfast 50

Tel: +44 (0)28 9031 1113  
Fax: +44 (0)28 9031 0777

Century House  
40 Crescent Business Park  
LISBURN  
BT28 2GN

Tel: +44 (0)28 9260 7355  
Fax: +44 (0)28 9260 1650

17 Mandeville Street  
PORTADOWN  
Craigavon  
BT6 3PB

Tel: +44 (0)28 3831 2801  
Fax: +44 (0)28 3831 0293



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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.

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Alfred House  
19 Alfred Street  
BELFAST BT12 8LQ  
DN4910 NR Belfast 50

Tel: +44 (0)28 9031 1113  
Fax: +44 (0)28 9031 0777

Century House  
40 Crescent Business Park  
LISBURN  
BT28 2GN

Tel: +44 (0)28 9260 7355  
Fax: +44 (0)28 9260 1650

17 Mandeville Street  
PORTADOWN  
Craigavon  
BT62 3PB

Tel: +44 (0)28 3831 2801  
Fax: +44 (0)28 3831 0293



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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.

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Alfred House  
19 Alfred Street  
RELFAS B12 8LQ  
DN4 9U0 NR Belfast 50

Tel: +44 (0)28 9031 1113  
Fax: +44 (0)28 9031 0777

Century House  
40 Crescent Business Park  
LISBURN  
BT28 2GN

Tel: +44 (0)28 9260 7355  
Fax: +44 (0)28 9260 1650

17 Mandeville Street  
PORTADOWN  
Craigavon  
BT62 3PB

Tel: +44 (0)28 3831 2801  
Fax: +44 (0)28 3831 0293



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**TO THE MEMBERS OF VETERINARY SURGEONS SUPPLY COMPANY LIMITED**

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.

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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.

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Alfred House  
19 Alfred Street  
RELEASET B12 8LQ  
DN4 9U0 NR Belfast 50

Tel: +44 (0)28 9031 1113  
Fax: +44 (0)28 9031 0777

Century House  
40 Crescent Business Park  
LISBURN  
BT28 2GN

Tel: +44 (0)28 9260 7355  
Fax: +44 (0)28 9260 1656

17 Mandeville Street  
PORTADOWN  
Craigavon  
BT62 3PB

Tel: +44 (0)28 3831 2801  
Fax: +44 (0)28 3831 0293



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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**

13 November 2024

**Chartered Accountants**  
**Statutory Auditor**

Century House  
40 Crescent Business Park  
Lisburn  
BT28 2GN

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Alfred House  
19 Alfred Street  
BELFAST BT12 8LQ  
DN49 0NR Belfast 50

Tel: +44 (0)28 9037 1113  
Fax: +44 (0)28 9037 0777

Century House  
40 Crescent Business Park  
LISBURN  
BT28 2GN

Tel: +44 (0)28 9260 7355  
Fax: +44 (0)28 9260 1650

17 Mandeville Street  
PORTADOWN  
Craigavon  
BT62 3PB

Tel: +44 (0)28 3837 2801  
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The audit was carried out in accordance with the audit standards of the Chartered Accountants Ireland.

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For and on behalf of the Chartered Accountants Ireland  
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# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2024

|                                        | Notes     | 2024<br>£        | 2023<br>£        |
|----------------------------------------|-----------|------------------|------------------|
| <b>Turnover</b>                        | <b>3</b>  | 86,352,802       | 83,350,221       |
| Cost of sales                          |           | (82,467,762)     | (79,170,759)     |
| <b>Gross profit</b>                    |           | <b>3,885,040</b> | <b>4,179,462</b> |
| Distribution costs                     |           | (1,809,186)      | (1,623,850)      |
| Administrative expenses                |           | (1,911,210)      | (1,797,897)      |
| Other operating income                 | <b>4</b>  | 1,102,115        | 1,063,474        |
| <b>Operating profit</b>                | <b>5</b>  | <b>1,266,759</b> | <b>1,821,189</b> |
| Interest receivable and similar income | <b>9</b>  | 243,703          | 132,482          |
| <b>Profit before taxation</b>          |           | <b>1,510,462</b> | <b>1,953,671</b> |
| Tax on profit                          | <b>10</b> | (391,514)        | (432,431)        |
| <b>Profit for the financial year</b>   |           | <b>1,118,948</b> | <b>1,521,240</b> |

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 2024**

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|                                                | <b>2024</b>      | <b>2023</b>      |
|------------------------------------------------|------------------|------------------|
|                                                | <b>£</b>         | <b>£</b>         |
| <b>Profit for the year</b>                     | 1,118,948        | 1,521,240        |
| <b>Other comprehensive income</b>              | -                | -                |
|                                                | <hr/>            | <hr/>            |
| <b>Total comprehensive income for the year</b> | <b>1,118,948</b> | <b>1,521,240</b> |
|                                                | <hr/>            | <hr/>            |

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2024

|                                                       | Notes | 2024<br>£         | £                       | 2023<br>£         | £                       |
|-------------------------------------------------------|-------|-------------------|-------------------------|-------------------|-------------------------|
| <b>Fixed assets</b>                                   |       |                   |                         |                   |                         |
| Intangible assets                                     | 12    |                   | 1                       |                   | 1                       |
| Tangible assets                                       | 13    |                   | 1,090,353               |                   | 1,158,672               |
| Investments                                           | 14    |                   | 1                       |                   | 1                       |
|                                                       |       |                   | <u>1,090,355</u>        |                   | <u>1,158,674</u>        |
| <b>Current assets</b>                                 |       |                   |                         |                   |                         |
| Stocks                                                | 16    | 10,567,991        |                         | 10,435,369        |                         |
| Debtors                                               | 17    | 4,218,389         |                         | 6,517,468         |                         |
| Cash at bank and in hand                              |       | 5,431,803         |                         | 4,243,758         |                         |
|                                                       |       | <u>20,218,183</u> |                         | <u>21,196,595</u> |                         |
| <b>Creditors: amounts falling due within one year</b> | 18    | (11,228,590)      |                         | (12,976,486)      |                         |
| <b>Net current assets</b>                             |       |                   | <u>8,989,593</u>        |                   | <u>8,220,109</u>        |
| <b>Total assets less current liabilities</b>          |       |                   | <u>10,079,948</u>       |                   | <u>9,378,783</u>        |
| <b>Provisions for liabilities</b>                     | 19    |                   | (156,059)               |                   | (164,842)               |
| <b>Net assets</b>                                     |       |                   | <u><u>9,923,889</u></u> |                   | <u><u>9,213,941</u></u> |
| <b>Capital and reserves</b>                           |       |                   |                         |                   |                         |
| Called up share capital                               | 21    |                   | 102,250                 |                   | 102,250                 |
| Share premium account                                 |       |                   | 128,077                 |                   | 128,077                 |
| Profit and loss reserves                              |       |                   | 9,693,562               |                   | 8,983,614               |
| <b>Total equity</b>                                   |       |                   | <u><u>9,923,889</u></u> |                   | <u><u>9,213,941</u></u> |

The financial statements were approved by the board of directors and authorised for issue on 13 November 2024 and are signed on its behalf by:

Mr S Murray  
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 2024**

|                                       |       | Share capital | Share premium<br>account | Profit and loss<br>reserves | Total     |
|---------------------------------------|-------|---------------|--------------------------|-----------------------------|-----------|
|                                       | Notes | £             | £                        | £                           | £         |
| <b>Balance at 1 September 2022</b>    |       | 102,250       | 128,077                  | 7,794,687                   | 8,025,014 |
| <b>Year ended 31 August 2023:</b>     |       |               |                          |                             |           |
| Profit and total comprehensive income |       | -             | -                        | 1,521,240                   | 1,521,240 |
| Dividends                             | 11    | -             | -                        | (332,313)                   | (332,313) |
| <b>Balance at 31 August 2023</b>      |       | 102,250       | 128,077                  | 8,983,614                   | 9,213,941 |
| <b>Year ended 31 August 2024:</b>     |       |               |                          |                             |           |
| Profit and total comprehensive income |       | -             | -                        | 1,118,948                   | 1,118,948 |
| Dividends                             | 11    | -             | -                        | (409,000)                   | (409,000) |
| <b>Balance at 31 August 2024</b>      |       | 102,250       | 128,077                  | 9,693,562                   | 9,923,889 |

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2024

|                                                               | Notes | 2024<br>£ | £         | 2023<br>£ | £           |
|---------------------------------------------------------------|-------|-----------|-----------|-----------|-------------|
| <b>Cash flows from operating activities</b>                   |       |           |           |           |             |
| Cash generated from/(absorbed by) operations                  | 26    |           | 2,087,006 |           | (1,115,679) |
| Income taxes paid                                             |       |           | (570,400) |           | (269,392)   |
| <b>Net cash inflow/(outflow) from operating activities</b>    |       |           | 1,516,606 |           | (1,385,071) |
| <b>Investing activities</b>                                   |       |           |           |           |             |
| Purchase of tangible fixed assets                             |       | (206,764) |           | (460,820) |             |
| Proceeds from disposal of tangible fixed assets               |       | 43,500    |           | 43,500    |             |
| Interest received                                             |       | 243,703   |           | 132,482   |             |
| <b>Net cash generated from/(used in) investing activities</b> |       |           | 80,439    |           | (284,838)   |
| <b>Financing activities</b>                                   |       |           |           |           |             |
| Dividends paid                                                |       | (409,000) |           | (332,313) |             |
| <b>Net cash used in financing activities</b>                  |       |           | (409,000) |           | (332,313)   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   |       |           | 1,188,045 |           | (2,002,222) |
| Cash and cash equivalents at beginning of year                |       |           | 4,243,758 |           | 6,245,980   |
| <b>Cash and cash equivalents at end of year</b>               |       |           | 5,431,803 |           | 4,243,758   |

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### 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 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.

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 |
|-------------------|-------------------|

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### 1 Accounting policies (Continued)

##### 1.5 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.

##### 1.6 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.

##### 1.7 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.

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.

## VETERINARY SURGEONS SUPPLY COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2024

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##### 1 Accounting policies (Continued)

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.

##### 1.8 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.

##### 1.9 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.

##### 1.10 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.

##### **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.

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### 1 Accounting policies (Continued)

##### ***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.

##### ***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.

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

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#### 1 Accounting policies (Continued)

##### ***Derecognition of financial liabilities***

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

#### 1.11 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.

#### 1.12 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.

#### 1.13 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.

#### 1.14 Retirement benefits

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

#### 1.15 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.

## VETERINARY SURGEONS SUPPLY COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

#### 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.

#### 3 Turnover and other revenue

|                                                 | 2024                        | 2023                        |
|-------------------------------------------------|-----------------------------|-----------------------------|
|                                                 | £                           | £                           |
| <b>Turnover analysed by class of business</b>   |                             |                             |
| Sale of goods                                   | 86,352,802                  | 83,350,221                  |
|                                                 | <u>                    </u> | <u>                    </u> |
| <b>Turnover analysed by geographical market</b> |                             |                             |
| UK                                              | 84,683,399                  | 81,165,945                  |
| Ireland                                         | 1,669,403                   | 2,184,276                   |
|                                                 | <u>                    </u> | <u>                    </u> |
|                                                 | <u>86,352,802</u>           | <u>83,350,221</u>           |

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 4 Other operating income

|                              | 2024<br>£        | 2023<br>£        |
|------------------------------|------------------|------------------|
| Commission and service sales | 1,102,115        | 1,063,474        |
|                              | <u>1,102,115</u> | <u>1,063,474</u> |

### 5 Operating profit

|                                                                     | 2024<br>£ | 2023<br>£ |
|---------------------------------------------------------------------|-----------|-----------|
| Operating profit for the year is stated after charging/(crediting): |           |           |
| Exchange gains                                                      | (29,092)  | (30,733)  |
| Depreciation of owned tangible fixed assets                         | 263,224   | 274,608   |
| Profit on disposal of tangible fixed assets                         | (31,641)  | (35,694)  |
| Amortisation of intangible assets                                   | -         | 1,518     |
|                                                                     | <u></u>   | <u></u>   |

### 6 Auditor's remuneration

|                                                       | 2024<br>£ | 2023<br>£ |
|-------------------------------------------------------|-----------|-----------|
| Fees payable to the company's auditor and associates: |           |           |
| <b>For audit services</b>                             |           |           |
| Audit of the financial statements of the company      | 9,875     | 9,000     |
|                                                       | <u></u>   | <u></u>   |

### 7 Employees

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

|                | 2024<br>Number | 2023<br>Number |
|----------------|----------------|----------------|
| Administrative | 24             | 22             |
| Distribution   | 31             | 32             |
|                | <u></u>        | <u></u>        |
| Total          | 55             | 54             |
|                | <u></u>        | <u></u>        |

Their aggregate remuneration comprised:

|                       | 2024<br>£ | 2023<br>£ |
|-----------------------|-----------|-----------|
| Wages and salaries    | 2,091,810 | 1,958,634 |
| Social security costs | 187,765   | 183,629   |
| Pension costs         | 113,364   | 107,877   |
|                       | <u></u>   | <u></u>   |
|                       | 2,392,939 | 2,250,140 |
|                       | <u></u>   | <u></u>   |

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 8 Directors' remuneration

|                                                               | 2024           | 2023           |
|---------------------------------------------------------------|----------------|----------------|
|                                                               | £              | £              |
| Remuneration for qualifying services                          | 296,410        | 274,246        |
| Company pension contributions to defined contribution schemes | 12,717         | 11,730         |
|                                                               | <u>309,127</u> | <u>285,976</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2023 - 1).

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

|                                                               | 2024           | 2023           |
|---------------------------------------------------------------|----------------|----------------|
|                                                               | £              | £              |
| Remuneration for qualifying services                          | 165,943        | 152,581        |
| Company pension contributions to defined contribution schemes | 12,717         | 11,730         |
|                                                               | <u>178,660</u> | <u>164,311</u> |

#### 9 Interest receivable and similar income

|                           | 2024           | 2023           |
|---------------------------|----------------|----------------|
|                           | £              | £              |
| <b>Interest income</b>    |                |                |
| Interest on bank deposits | 243,649        | 132,230        |
| Other interest income     | 54             | 252            |
|                           | <u>243,703</u> | <u>132,482</u> |

|                                                                                | 2024           | 2023           |
|--------------------------------------------------------------------------------|----------------|----------------|
|                                                                                | £              | £              |
| Investment income includes the following:                                      |                |                |
| Interest on financial assets not measured at fair value through profit or loss | 243,649        | 132,230        |
|                                                                                | <u>243,649</u> | <u>132,230</u> |

#### 10 Taxation

|                                                      | 2024           | 2023           |
|------------------------------------------------------|----------------|----------------|
|                                                      | £              | £              |
| <b>Current tax</b>                                   |                |                |
| UK corporation tax on profits for the current period | 400,297        | 382,846        |
|                                                      | <u>400,297</u> | <u>382,846</u> |
| <b>Deferred tax</b>                                  |                |                |
| Origination and reversal of timing differences       | (8,783)        | 49,585         |
|                                                      | <u>(8,783)</u> | <u>49,585</u>  |
| Total tax charge                                     | <u>391,514</u> | <u>432,431</u> |

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 10 Taxation (Continued)

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:

|                                                                                                      | 2024<br>£ | 2023<br>£ |
|------------------------------------------------------------------------------------------------------|-----------|-----------|
| Profit before taxation                                                                               | 1,510,462 | 1,953,671 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 25.00%) | 377,616   | 488,418   |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 5,528     | 7,398     |
| Effect of change in corporation tax rate                                                             | -         | (62,012)  |
| Origination and reversal of timing differences                                                       | 8,370     | (1,373)   |
| Taxation charge for the year                                                                         | 391,514   | 432,431   |

#### 11 Dividends

|              | 2024<br>£ | 2023<br>£ |
|--------------|-----------|-----------|
| Interim paid | 409,000   | 332,313   |

Ordinary dividends of £429,450 (2023 - £409,000) were proposed after the year end but not recognised as a liability.

#### 12 Intangible fixed assets

|                                        | Development costs<br>£ |
|----------------------------------------|------------------------|
| <b>Cost</b>                            |                        |
| At 1 September 2023 and 31 August 2024 | 34,891                 |
| <b>Amortisation and impairment</b>     |                        |
| At 1 September 2023 and 31 August 2024 | 34,890                 |
| <b>Carrying amount</b>                 |                        |
| At 31 August 2024                      | 1                      |
| At 31 August 2023                      | 1                      |

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2024

### 13 Tangible fixed assets

|                                    | Freehold land<br>and buildings | Fixtures, fittings<br>and equipment | Computers | Motor vehicles | Total     |
|------------------------------------|--------------------------------|-------------------------------------|-----------|----------------|-----------|
|                                    | £                              | £                                   | £         | £              | £         |
| <b>Cost</b>                        |                                |                                     |           |                |           |
| At 1 September 2023                | 1,582,448                      | 530,930                             | 371,697   | 563,658        | 3,048,733 |
| Additions                          | 27,759                         | 35,577                              | 5,318     | 138,110        | 206,764   |
| Disposals                          | -                              | -                                   | -         | (114,535)      | (114,535) |
| At 31 August 2024                  | 1,610,207                      | 566,507                             | 377,015   | 587,233        | 3,140,962 |
| <b>Depreciation and impairment</b> |                                |                                     |           |                |           |
| At 1 September 2023                | 1,160,025                      | 194,696                             | 294,211   | 241,129        | 1,890,061 |
| Depreciation charged in the year   | 44,360                         | 49,307                              | 41,275    | 128,282        | 263,224   |
| Eliminated in respect of disposals | -                              | -                                   | -         | (102,676)      | (102,676) |
| At 31 August 2024                  | 1,204,385                      | 244,003                             | 335,486   | 266,735        | 2,050,609 |
| <b>Carrying amount</b>             |                                |                                     |           |                |           |
| At 31 August 2024                  | 405,822                        | 322,504                             | 41,529    | 320,498        | 1,090,353 |
| At 31 August 2023                  | 422,423                        | 336,234                             | 77,486    | 322,529        | 1,158,672 |

### 14 Fixed asset investments

|                             | Notes | 2024<br>£ | 2023<br>£ |
|-----------------------------|-------|-----------|-----------|
| Investments in subsidiaries | 15    | 1         | 1         |

### 15 Subsidiaries

Details of the company's subsidiaries at 31 August 2024 are as follows:

| Name of undertaking              | Registered office | Nature of business | Class of<br>shares held | % Held<br>Direct |
|----------------------------------|-------------------|--------------------|-------------------------|------------------|
| VSSCO Veterinary<br>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<br>Reserves<br>£ | Profit/(Loss)<br>£ |
|-------------------------------|------------------------------|--------------------|
| VSSCO Veterinary Practice Ltd | 1                            | -                  |

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

|           |                                                                                                                  |                    |                    |
|-----------|------------------------------------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>16</b> | <b>Stocks</b>                                                                                                    |                    |                    |
|           |                                                                                                                  | <b>2024</b>        | <b>2023</b>        |
|           |                                                                                                                  | <b>£</b>           | <b>£</b>           |
|           | Finished goods and goods for resale                                                                              | 10,567,991         | 10,435,369         |
|           |                                                                                                                  | <u>          </u>  | <u>          </u>  |
| <b>17</b> | <b>Debtors</b>                                                                                                   |                    |                    |
|           |                                                                                                                  | <b>2024</b>        | <b>2023</b>        |
|           |                                                                                                                  | <b>£</b>           | <b>£</b>           |
|           | <b>Amounts falling due within one year:</b>                                                                      |                    |                    |
|           | Trade debtors                                                                                                    | 3,446,403          | 5,708,557          |
|           | Other debtors                                                                                                    | 21,830             | 44,758             |
|           | Prepayments and accrued income                                                                                   | 750,156            | 764,153            |
|           |                                                                                                                  | <u>          </u>  | <u>          </u>  |
|           |                                                                                                                  | 4,218,389          | 6,517,468          |
|           |                                                                                                                  | <u>          </u>  | <u>          </u>  |
| <b>18</b> | <b>Creditors: amounts falling due within one year</b>                                                            |                    |                    |
|           |                                                                                                                  | <b>2024</b>        | <b>2023</b>        |
|           |                                                                                                                  | <b>£</b>           | <b>£</b>           |
|           | Trade creditors                                                                                                  | 8,081,890          | 9,223,584          |
|           | Amounts owed to group undertakings                                                                               | 1                  | 1                  |
|           | Corporation tax                                                                                                  | 212,743            | 382,846            |
|           | Other taxation and social security                                                                               | 1,001,791          | 1,403,918          |
|           | Retrospective rebates                                                                                            | 1,371,385          | 1,310,645          |
|           | Accruals and deferred income                                                                                     | 560,780            | 655,492            |
|           |                                                                                                                  | <u>          </u>  | <u>          </u>  |
|           |                                                                                                                  | 11,228,590         | 12,976,486         |
|           |                                                                                                                  | <u>          </u>  | <u>          </u>  |
| <b>19</b> | <b>Deferred taxation</b>                                                                                         |                    |                    |
|           | The following are the major deferred tax liabilities and assets recognised by the company and movements thereon: |                    |                    |
|           |                                                                                                                  | <b>Liabilities</b> | <b>Liabilities</b> |
|           |                                                                                                                  | <b>2024</b>        | <b>2023</b>        |
|           |                                                                                                                  | <b>£</b>           | <b>£</b>           |
|           | <b>Balances:</b>                                                                                                 |                    |                    |
|           | Accelerated capital allowances                                                                                   | 156,059            | 164,842            |
|           |                                                                                                                  | <u>          </u>  | <u>          </u>  |
|           |                                                                                                                  |                    | <b>2024</b>        |
|           |                                                                                                                  |                    | <b>£</b>           |
|           | <b>Movements in the year:</b>                                                                                    |                    |                    |
|           | Liability at 1 September 2023                                                                                    |                    | 164,842            |
|           | Credit to profit or loss                                                                                         |                    | (8,783)            |
|           |                                                                                                                  |                    | <u>          </u>  |
|           | Liability at 31 August 2024                                                                                      |                    | 156,059            |
|           |                                                                                                                  |                    | <u>          </u>  |

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 20 Retirement benefit schemes

|                                                                     | 2024    | 2023    |
|---------------------------------------------------------------------|---------|---------|
|                                                                     | £       | £       |
| <b>Defined contribution schemes</b>                                 |         |         |
| Charge to profit or loss in respect of defined contribution schemes | 113,364 | 107,877 |

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.

#### 21 Share capital

|                               | 2024    | 2023    | 2024    | 2023    |
|-------------------------------|---------|---------|---------|---------|
|                               | Number  | Number  | £       | £       |
| <b>Ordinary share capital</b> |         |         |         |         |
| <b>Issued and fully paid</b>  |         |         |         |         |
| Ordinary shares of £1 each    | 102,250 | 102,250 | 102,250 | 102,250 |

#### 22 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:

|                            | 2024   | 2023   |
|----------------------------|--------|--------|
|                            | £      | £      |
| Within one year            | 24,918 | 20,089 |
| Between two and five years | 23,523 | 16,643 |
|                            | 48,441 | 36,732 |

#### 23 Capital commitments

Amounts contracted for but not provided in the financial statements:

|                                      | 2024   | 2023 |
|--------------------------------------|--------|------|
|                                      | £      | £    |
| Acquisition of tangible fixed assets | 81,717 | -    |

#### 24 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 8.

# VETERINARY SURGEONS SUPPLY COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2024

#### 25 Directors' transactions

Dividends totalling £25,300 (2023 - £19,338) 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 £5,192,354 (2023 - £6,627,085) were made to these practices and at the balance sheet date, an amount of £71,204 (2023 - £155,431) was included in trade debtors and due to the company from these practices, with retrospective discounts included in other creditors of £82,669 (2023 - £216,471) due to the practices.

#### 26 Cash generated from/(absorbed by) operations

|                                                      | 2024<br>£        | 2023<br>£          |
|------------------------------------------------------|------------------|--------------------|
| Profit for the year after tax                        | 1,118,948        | 1,521,240          |
| <b>Adjustments for:</b>                              |                  |                    |
| Taxation charged                                     | 391,514          | 432,431            |
| Investment income                                    | (243,703)        | (132,482)          |
| Gain on disposal of tangible fixed assets            | (31,641)         | (35,694)           |
| Amortisation and impairment of intangible assets     | -                | 1,518              |
| Depreciation and impairment of tangible fixed assets | 263,224          | 274,608            |
| <b>Movements in working capital:</b>                 |                  |                    |
| Increase in stocks                                   | (132,622)        | (173,116)          |
| Decrease/(increase) in debtors                       | 2,299,079        | (1,559,842)        |
| Decrease in creditors                                | (1,577,793)      | (1,444,342)        |
| <b>Cash generated from/(absorbed by) operations</b>  | <b>2,087,006</b> | <b>(1,115,679)</b> |

#### 27 Analysis of changes in net funds

|                          | 1 September<br>2023<br>£ | Cash flows 31 August 2024<br>£ | £         |
|--------------------------|--------------------------|--------------------------------|-----------|
| Cash at bank and in hand | 4,243,758                | 1,188,045                      | 5,431,803 |

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