

Axe Valley Veterinary Practice Limited

Annual Report and Unaudited Financial
Statements

for the Year Ended 30 September 2018

Axe Valley Veterinary Practice Limited

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Axe Valley Veterinary Practice Limited
(Registration number: 06250893)
Balance Sheet as at 30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	4	175,798	257,520
Tangible assets	5	303,215	294,459
		<u>479,013</u>	<u>551,979</u>
Current assets			
Stocks	6	120,543	121,486
Debtors	7	112,019	162,769
Cash at bank and in hand		453,329	231,645
		<u>685,891</u>	<u>515,900</u>
Creditors: Amounts falling due within one year	8	<u>(459,956)</u>	<u>(507,770)</u>
Net current assets		<u>225,935</u>	<u>8,130</u>
Total assets less current liabilities		704,948	560,109
Creditors: Amounts falling due after more than one year	8	(391,086)	(403,404)
Provisions for liabilities		<u>(33,699)</u>	<u>(30,304)</u>
Net assets		<u><u>280,163</u></u>	<u><u>126,401</u></u>
Capital and reserves			
Called up share capital		8	8
Capital redemption reserve		4	4
Profit and loss account		<u>280,151</u>	<u>126,389</u>
Total equity		<u><u>280,163</u></u>	<u><u>126,401</u></u>

The notes on pages [3](#) to [10](#) form an integral part of these financial statements.

Axe Valley Veterinary Practice Limited
(Registration number: 06250893)
Balance Sheet as at 30 September 2018

For the financial year ending 30 September 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 24 June 2019 and signed on its behalf by:

.....

Mr D R Kemp
Director

The notes on pages [3](#) to [10](#) form an integral part of these financial statements.

Axe Valley Veterinary Practice Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Winchester House
Deane Gate Avenue
Taunton
Somerset
TA1 2UH
UK

These financial statements were authorised for issue by the Board on 24 June 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The date of transition to FRS 102 was 1 October 2015.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Axe Valley Veterinary Practice Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Property improvements	Nil
Instruments and equipment	20% reducing balance
Fixtures and fittings	20% reducing balance
Motor vehicles	25% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 10 years
Website	Straight line over 5 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Axe Valley Veterinary Practice Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated selling costs.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Axe Valley Veterinary Practice Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 46 (2017 - 45).

4 Intangible assets

	Goodwill £	Website £	Total £
Cost or valuation			
At 1 October 2017	536,499	-	536,499
Additions	-	8,500	8,500
Disposals	(134,125)	-	(134,125)
At 30 September 2018	402,374	8,500	410,874
Amortisation			
At 1 October 2017	278,979	-	278,979
Charge for the year	24,142	1,700	25,842
Eliminated on disposals	(69,745)	-	(69,745)
At 30 September 2018	233,376	1,700	235,076
Carrying amount			
At 30 September 2018	168,998	6,800	175,798
At 30 September 2017	257,520	-	257,520

Axe Valley Veterinary Practice Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

5 Tangible assets

	Fixtures and fittings £	Motor vehicles £	Property improvements £	Instruments and equipment £	Total £
Cost or valuation					
At 1 October 2017	45,250	3,000	185,017	252,654	485,921
Additions	2,792	-	19,465	24,555	46,812
Disposals	-	-	-	(49,589)	(49,589)
At 30 September 2018	48,042	3,000	204,482	227,620	483,144
Depreciation					
At 1 October 2017	29,687	750	-	161,025	191,462
Charge for the year	3,670	563	-	20,590	24,823
Eliminated on disposal	-	-	-	(36,356)	(36,356)
At 30 September 2018	33,357	1,313	-	145,259	179,929
Carrying amount					
At 30 September 2018	14,685	1,687	204,482	82,361	303,215
At 30 September 2017	15,563	2,250	185,017	91,629	294,459

Axe Valley Veterinary Practice Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

6 Stocks

	2018 £	2017 £
Closing stock	120,543	121,486

7 Debtors

	2018 £	2017 £
Trade debtors	78,319	118,330
Other debtors	15,666	25,908
Prepayments and accrued income	18,034	18,531
Total current trade and other debtors	112,019	162,769

8 Creditors

Creditors: amounts falling due within one year

	Note	2018 £	2017 £
Loans and borrowings	9	17,407	17,304
Trade creditors		155,371	129,678
Taxation and social security		114,105	137,981
Other creditors		154,142	198,956
Accruals and deferred income		18,931	23,851
		459,956	507,770

Creditors falling due within one year include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £22,689 (2017 - £17,304).

Creditors: amounts falling due after more than one year

	Note	2018 £	2017 £
Due after one year			
Loans and borrowings	9	391,086	403,404

Creditors falling due after one year include bank loans and overdrafts and net obligations under finance lease and hire purchase contracts which are secured of £391,086 (2016 - £403,404).

Axe Valley Veterinary Practice Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

9 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	387,392	397,217
Finance lease liabilities	3,694	6,187
	<u>391,086</u>	<u>403,404</u>

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	14,914	13,222
Finance lease liabilities	2,493	4,082
	<u>17,407</u>	<u>17,304</u>

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £205,352 (2017 - £159,217).

Axe Valley Veterinary Practice Limited

Notes to the Financial Statements for the Year Ended 30 September 2018

11 Related party transactions

Key management personnel

Directors and shareholders

Loans from related parties

	Key management £
2018	
At start of period	186,825
Repaid	<u>(46,614)</u>
At end of period	<u><u>140,211</u></u>
	Key management £
2017	
At start of period	284,245
Repaid	<u>(97,420)</u>
At end of period	<u><u>186,825</u></u>

Terms of loans from related parties

The directors continue to provide the company with loans which are repayable on demand. Interest is accrued on the first £50,000 at 3% above the bank Libor rate. Any remaining balance on the loans accrues interest at 2% above the bank Libor rate.