

CHESTNUT VETS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 22 JUNE 2021 TO 30 SEPTEMBER 2021

Chestnut Vets Limited

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Chestnut Vets Limited

Company Information

Directors	D L Chapman M A Gillings
Registered office	The Chocolate Factory Keynsham Bristol BS31 2AU
Bankers	HSBC Bank PLC Second Floor HSBC Building Mitchell Way Southampton SO18 2XU
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

Chestnut Vets Limited

(Registration number: 08485051)

Balance Sheet as at 30 September 2021

	Note	30 September 2021 £	Unaudited 21 June 2021 £
Fixed assets			
Intangible assets	4	232,499	244,736
Tangible assets	5	<u>133,392</u>	<u>197,558</u>
		<u>365,891</u>	<u>442,294</u>
Current assets			
Stocks	6	25,369	25,369
Debtors: Amounts falling due within one year	7	64,401	51,599
Debtors: Amounts falling due after more than one year	7	83,987	-
Cash at bank and in hand		<u>922,584</u>	<u>770,071</u>
		1,096,341	847,039
Creditors: Amounts falling due within one year	8	<u>(376,278)</u>	<u>(284,391)</u>
Net current assets		<u>720,063</u>	<u>562,648</u>
Total assets less current liabilities		1,085,954	1,004,942
Deferred tax liabilities		<u>(9,133)</u>	<u>(36,936)</u>
Net assets		<u>1,076,821</u>	<u>968,006</u>
Capital and reserves			
Called up share capital	10	3	3
Profit and loss account		<u>1,076,818</u>	<u>968,003</u>
Total equity		<u>1,076,821</u>	<u>968,006</u>

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 25 January 2022 and signed on its behalf by:

D L Chapman
Director

Chestnut Vets Limited

Notes to the Financial Statements for the Period from 22 June 2021 to 30 September 2021

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:

The Chocolate Factory

Keynsham

Bristol

BS31 2AU

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.

Basis of preparation

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

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Name of parent of group

These financial statements are consolidated in the financial statements of IVC Acquisition Midco Ltd.

The financial statements of IVC Acquisition Midco Ltd may be obtained from Companies House.

Disclosure of long or short period

The financial statements cover a period of 101 days. The accounting period has been shortened to bring the year end in line with that of its parent undertaking, Independent Vetcare Limited.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Judgements and estimation uncertainty

These financial statements do not contain any significant judgements or estimation uncertainty.

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 and after eliminating sales within the company. 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.

Chestnut Vets Limited

Notes to the Financial Statements for the Period from 22 June 2021 to 30 September 2021

Tax

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

The current 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.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet 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, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Short leasehold property	Over the term of the lease
Fixtures and surgery equipment	Straight line over 5 years
Computer equipment	Straight line over 3 years

Following the acquisition of the company on 21 June 2021, the company adopted group policies from the date of acquisition. This change in estimate has resulted in an increase in the depreciation charge for the year of £54,647.

Intangible assets

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.

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 5 years

Following the acquisition of the company on 21 June 2021, the company adopted group policies from the date of acquisition.

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.

Chestnut Vets Limited

Notes to the Financial Statements for the Period from 22 June 2021 to 30 September 2021

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. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. 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 debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

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 all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

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.

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.

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.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments (continued)

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Staff numbers

The average number of persons employed by the company (including directors) during the period, was as follows:

Chestnut Vets Limited

Notes to the Financial Statements for the Period from 22 June 2021 to 30 September 2021

	22 June 2021 to 30 September 2021 No.	Unaudited 1 April 2021 to 21 June 2021 No.
Average number of employees	<u>30</u>	<u>32</u>

Chestnut Vets Limited

Notes to the Financial Statements for the Period from 22 June 2021 to 30 September 2021

4 Intangible assets

	Goodwill £
Cost	
At 22 June 2021 and at 30 September 2021	<u>600,000</u>
Amortisation	
At 22 June 2021	355,264
Amortisation charge	<u>12,237</u>
At 30 September 2021	<u>367,501</u>
Carrying amount	
At 30 September 2021	<u><u>232,499</u></u>
At 21 June 2021	<u><u>244,736</u></u>

5 Tangible assets

	Short leasehold property £	Fixtures and surgery equipment £	Computer equipment £	Total £
Cost				
At 22 June 2021	66,859	301,359	24,140	392,358
Transfers between asset class	<u>-</u>	<u>(13,576)</u>	<u>13,576</u>	<u>-</u>
At 30 September 2021	<u>66,859</u>	<u>287,783</u>	<u>37,716</u>	<u>392,358</u>
Depreciation				
At 22 June 2021	34,697	150,849	9,254	194,800
Charge for the period	1,404	50,799	11,963	64,166
Transfers between asset class	<u>-</u>	<u>(7,093)</u>	<u>7,093</u>	<u>-</u>
At 30 September 2021	<u>36,101</u>	<u>194,555</u>	<u>28,310</u>	<u>258,966</u>
Carrying amount				
At 30 September 2021	<u><u>30,758</u></u>	<u><u>93,228</u></u>	<u><u>9,406</u></u>	<u><u>133,392</u></u>
At 21 June 2021	<u><u>32,162</u></u>	<u><u>150,510</u></u>	<u><u>14,886</u></u>	<u><u>197,558</u></u>

6 Stocks

	30 September 2021 £	Unaudited 21 June 2021 £
Finished goods and consumables	<u><u>25,369</u></u>	<u><u>25,369</u></u>

Chestnut Vets Limited

Notes to the Financial Statements for the Period from 22 June 2021 to 30 September 2021

7 Debtors

	30 September 2021 £	Unaudited 21 June 2021 £
Trade debtors	28,396	9,402
Other debtors	23,062	20,476
Prepayments	12,943	21,721
Amounts owed by group undertakings	83,987	-
	148,388	51,599
Less non-current portion	(83,897)	-
Total current trade and other debtors	64,491	51,599

Details of non-current trade and other debtors

£83,897 (21 June 2021 - £Nil) of amounts owed by group undertakings is classified as non-current.

8 Creditors

	30 September 2021 £	Unaudited 21 June 2021 £
Due within one year		
Trade creditors	114,244	36,787
Social security and other taxes	254,880	176,668
Outstanding defined contribution pension costs	3,160	-
Other creditors	389	389
Accrued expenses	3,605	70,547
	376,278	284,391

9 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £4,301 (21 June 2021 - £Nil).

Contributions totalling £3,160 (21 June 2021 - £Nil) were payable to the scheme at the end of the period and are included in creditors.

10 Share capital

Allotted, called up and fully paid shares

Chestnut Vets Limited

Notes to the Financial Statements for the Period from 22 June 2021 to 30 September 2021

	30 September 2021		Unaudited 21 June 2021	
	No.	£	No.	£
Ordinary A shares of £1 each	1	1	1	1
Ordinary B shares of £1 each	1	1	1	1
Ordinary C shares of £1 each	1	1	1	1
	3	3	3	3

Rights, preferences and restrictions

The shares listed above may carry separate rights in respect of dividends but in all other aspects rank pari passu.

11 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 £707,500 (21 June 2021 - £Nil).

12 Parent and ultimate parent undertaking

The company's immediate parent is Independent Vetcare Limited, incorporated in England and Wales.

Up to 25 May 2021, the ultimate parent undertaking was IVC New TopHolding S.A., a company incorporated in Luxembourg.

Since 25 May 2021, the ultimate parent undertaking is Islay New Group Holding SA, incorporated in Luxembourg.

13 Disclosure under Section 444(5B) CA 2006 relating to the independent auditor's report

As permitted by Section 444 CA 2006, these accounts do not contain a copy of the company's Profit and Loss account or a copy of the Directors' Report. Accordingly, the Independent Auditors' Report has also been omitted.

The Independent Auditor's Report was unqualified. The corresponding figures for the period from 1 April 2021 to 21 June 2021 shown in the financial statements are derived from the financial statements prepared for that period that were not audited. The name of the Senior Statutory Auditor who signed the audit report on 25 January 2022 was Simon Worsley, who signed for and on behalf of Hazlewoods LLP.