

# Highcliff Veterinary Practice Ltd

Annual Report and Unaudited Financial Statements

for the Period from 1 February 2019 to 28 May 2019

Highcliff Veterinary Practice Ltd

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**Highcliff Veterinary Practice Ltd**

**Company Information**

<b>Directors</b>	M A Gillings D R G Hillier
<b>Registered office</b>	The Chocolate Factory Keynsham Bristol BS31 2AU
<b>Accountants</b>	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

# Highcliff Veterinary Practice Ltd

(Registration number: 09947318)

## Balance Sheet as at 28 May 2019

	Note	28 May 2019 £	31 January 2019 £
<b>Fixed assets</b>			
Intangible assets	<a href="#">4</a>	141,076	168,002
Tangible assets	<a href="#">5</a>	142,794	581,285
		<u>283,870</u>	<u>749,287</u>
<b>Current assets</b>			
Stocks		55,447	115,307
Debtors	<a href="#">6</a>	173,566	150,093
Cash at bank and in hand		<u>631,740</u>	<u>357,301</u>
		860,753	622,701
Creditors: Amounts falling due within one year	<a href="#">7</a>	<u>(439,033)</u>	<u>(358,485)</u>
Net current assets		<u>421,720</u>	<u>264,216</u>
Total assets less current liabilities		705,590	1,013,503
Creditors: Amounts falling due after more than one year	<a href="#">7</a>	-	(275,006)
Deferred tax liabilities	<a href="#">8</a>	<u>(16,139)</u>	<u>(18,173)</u>
Net assets		<u><u>689,451</u></u>	<u><u>720,324</u></u>
<b>Capital and reserves</b>			
Called up share capital		100	100
Profit and loss account		<u>689,351</u>	<u>720,224</u>
Total equity		<u><u>689,451</u></u>	<u><u>720,324</u></u>

For the financial period ending 28 May 2019 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 period 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.

The notes on pages [4](#) to [11](#) form an integral part of these financial statements.

**Highcliff Veterinary Practice Ltd**

**(Registration number: 09947318)**  
**Balance Sheet as at 28 May 2019**

Approved and authorised by the Board on 9 January 2020 and signed on its behalf by:

.....

M A Gillings  
Director

The notes on pages [4](#) to [11](#) form an integral part of these financial statements.

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## **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

The principal place of business is:

96 High Street  
Hadleigh  
Ipswich  
IP7 5EN

## **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.

#### **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.

#### **Critical accounting 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 amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.**

#### ***Judgements***

No significant judgements have been made by management in preparing these financial statements.

#### ***Key sources of estimation uncertainty***

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

**Notes to the Financial Statements for the Period from 1 February 2019 to 28 May 2019**

**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.

**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 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.

Deferred income 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 income 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 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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold Buildings	Nil
Equipment within Freehold	5% straight line
Fixtures and fittings	15% reducing balance
Computers	33.33% straight line
Motor Vehicles	25% reducing balance

**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:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	20% straight line

## **Highcliff Veterinary Practice Ltd**

### **Notes to the Financial Statements for the Period from 1 February 2019 to 28 May 2019**

#### **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.

#### **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.

#### **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.



**Notes to the Financial Statements for the Period from 1 February 2019 to 28 May 2019**

**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.

***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.

**3 Staff numbers**

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

	<b>1 February 2019 to 28 May 2019 No.</b>	<b>Year ended 31 January 2019 No.</b>
Average number of employees	<u>52</u>	<u>61</u>

# Highcliff Veterinary Practice Ltd

## Notes to the Financial Statements for the Period from 1 February 2019 to 28 May 2019

### 4 Intangible assets

#### Goodwill £

<b>Cost</b>		
At 1 February 2019		<u>420,005</u>
At 28 May 2019		<u>420,005</u>
<b>Amortisation</b>		
At 1 February 2019		252,003
Amortisation charge		<u>26,926</u>
At 28 May 2019		<u>278,929</u>
<b>Carrying amount</b>		
At 28 May 2019		<u><u>141,076</u></u>
At 31 January 2019		<u><u>168,002</u></u>

5	Tangible assets				Total £
	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £	
	470,718	136,558	12,460	4,850	624,586
	-	45,269	-	2,273	47,542
	(470,718)	-	-	(5,973)	(476,691)
9	-	181,827	12,460	1,150	195,437
	-	36,091	6,812	398	43,301
	-	9,245	453	100	9,798
	-	-	-	(456)	(456)
9	-	45,336	7,265	42	52,643
ount	-	136,491	5,195	1,108	142,794
	470,718	100,467	5,648	4,452	581,285

Included within the net book value of land and buildings above is £Nil (2019 - £470,718) in respect of freehold land and buildings.

Notes to the Financial Statements for the Period from 1 February 2019 to 28 May 2019

**6 Debtors**

	28 May 2019 £	31 January 2019 £
Trade debtors	64,830	90,085
Other debtors	54,294	26,809
Prepayments	54,442	33,199
	<u>173,566</u>	<u>150,093</u>

**7 Creditors**

**Creditors: amounts falling due within one year**

	Note	28 May 2019 £	31 January 2019 £
<b>Due within one year</b>			
Loans and borrowings	<a href="#">9</a>	-	52,643
Trade creditors		133,660	109,526
Social security and other taxes		108,463	110,372
Outstanding defined contribution pension costs		256	3,247
Other creditors		-	595
Accrued expenses		126,094	11,542
Corporation tax liability		70,560	70,560
		<u>439,033</u>	<u>358,485</u>

**Due after one year**

Loans and borrowings	<a href="#">9</a>	-	260,439
Other non-current financial liabilities		-	14,567
		<u>-</u>	<u>275,006</u>

**Creditors: amounts falling due after more than one year**

	Note	2019 £	2019 £
<b>Due after one year</b>			
Loans and borrowings	<a href="#">9</a>	-	260,439
Other non-current financial liabilities		-	14,567
		<u>-</u>	<u>275,006</u>

**8 Deferred tax**

Deferred tax assets and liabilities

	<b>Liability £</b>
<b>2019</b>	
Difference between depreciation and amortisation and Capital Allowances	25,230
Short term timing difference	(2,375)
Losses and other deductions	(6,716)
	<u>16,139</u>

	<b>Liability £</b>
<b>2019</b>	
Difference between depreciation and amortisation and Capital Allowances	18,173
Short term timing difference	-
Losses and other deductions	-
	<u>18,173</u>

**9 Loans and borrowings**

	<b>2019 £</b>	<b>2019 £</b>
<b>Current loans and borrowings</b>		
Bank borrowings	-	52,088
Finance lease liabilities	-	555
	<u>-</u>	<u>52,643</u>

	<b>2019 £</b>	<b>2019 £</b>
<b>Non-current loans and borrowings</b>		
Bank borrowings	-	260,439

**10 Related party transactions**

**Transactions with directors**

**The Key management persons were the former directors of the company**

**At the period end, the company sold the property to the former directors at market value.**