Registration number: 09532840

Kingsway Veterinary Group Limited

Annual Report and Unaudited Financial Statements

for the Period from 1 May 2018 to 14 March 2019

Kingsway Veterinary Group Limited

Contents

Kingsway Veterinary Group Limited

Company Information

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

Kingsway Veterinary Group Limited

(Registration number: 09532840)
Balance Sheet as at 14 March 2019

	Note	14 March 2019 £	30 April 2018 £
Fixed assets			
Intangible assets	4	2,797	19,800
Tangible assets	5	156,688	1,441,351
Other financial assets	6	-	10,000
		159,485	1,471,151
Current assets			
Stocks		38,254	148,093
Debtors	7	525,766	408,068
Other financial assets	6	-	42,043
Cash at bank and in hand		2,344,653	397,620
		2,908,673	995,824
Creditors: Amounts falling due within one year	8	(964,173)	(989,031)
Net current assets		1,944,500	6,793
Total assets less current liabilities		2,103,985	1,477,944
Creditors: Amounts falling due after more than one year	8	-	(379,860)
Deferred tax liabilities	9	(24,126)	(39,308)
Net assets		2,079,859	1,058,776
Capital and reserves			
Called up share capital		100	100
Profit and loss account		2,079,759	1,058,676
Total equity		2,079,859	1,058,776

For the financial period ending 14 March 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.

Approved and authorised by the Board on 15 January 2020 and signed on its behalf by:

....

M A Gillings
Director

The notes on pages 3 to 11 form an integral part of these financial statements.

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
Somerdale
Keynsham
Bristol
BS31 2AU

The principal place of business is:
73 Otley road
Skipton
North Yorkshire
BD23 1HJ

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.

Group accounts not prepared

The company has taken advantage of the exemption in section 398 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the grounds that it is a small group.

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.

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:

Asset class	**Depreciation method and rate**
Freehold property	Straight line over 50 years
Fixtures, fittings and equipment	15% reducing balance
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:

Asset class	**Amortisation method and rate**
Goodwill	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.

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.

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:

	1 May 2018 to 14 March 2019 No.	Year ended 30 April 2018 No.
Average number of employees	59	56

4 Intangible assets

	Goodwill £
Cost	
At 1 May 2018	44,000
Disposals	(9,900)
At 14 March 2019	34,100
Amortisation	
At 1 May 2018	24,200
Amortisation charge	7,103
At 14 March 2019	31,303
Carrying amount	
At 14 March 2019	2,797
At 30 April 2018	19,800

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1 May 2018	1,242,000	297,550	93,003	1,632,553
Additions	-	6,719	8,450	15,169
Disposals	(1,242,000)	(35,360)	(101,453)	(1,378,813)
At 14 March 2019	-	268,909	-	268,909
Depreciation				
At 1 May 2018	50,810	98,705	41,688	191,203
Charge for the year	-	23,555	-	23,555
Eliminated on disposal	(50,810)	(10,039)	(41,688)	(102,537)
At 14 March 2019	-	112,221	-	112,221
Carrying amount				
At 14 March 2019	-	156,688	-	156,688
At 30 April 2018	1,191,190	198,846	51,315	1,441,351

Included within the net book value of land and buildings above is £Nil (2018 - £1,191,190) in respect of freehold land and buildings.

6 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 May 2018	10,000	10,000
Disposals	(10,000)	(10,000)
At 14 March 2019	-	-
Impairment		
Carrying amount		
At 14 March 2019	-	-

The investment was sold to Kingsway Holdings (Skipton) Limited, the company's immediate parent company on 1 December 2018.

	Financial assets at cost less impairment £	Total £
Current financial assets		
Cost or valuation		
At 1 May 2018	42,043	42,043
Disposals	(42,043)	(42,043)
At 14 March 2019	-	-
Impairment		
Carrying amount		
At 14 March 2019	-	-

The investment was sold to Kingsway Holdings (Skipton) Limited, the company's immediate parent company on 1 December 2018.

7 Debtors

	14 March 2019 £	30 April 2018 £
Trade debtors	38,471	350,874
Other debtors	448,709	20,802
Prepayments	38,586	36,392
	525,766	408,068

8 Creditors

Creditors: amounts falling due within one year

	Note	14 March 2019 £	30 April 2018 £
Due within one year			
Loans and borrowings	10	362,243	521,801
Trade creditors		88,006	184,386
Social security and other taxes		27,831	108,417
Outstanding defined contribution pension costs		1,959	4,646
Other creditors		390,681	3,629
Accrued expenses		13,441	8,830
Corporation tax liability		80,012	157,322
		964,173	989,031
Due after one year			
Loans and borrowings	10	-	379,860

Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
Due after one year			
Loans and borrowings	10	-	379,860

9 Deferred tax

Deferred tax assets and liabilities

2019	**Liability £**
Difference between capital allowances, amortisation and depreciation	25,863
Short term timing differences	(1,737)
	24,126

2018	**Liability £**
Difference between capital allowances, amortisation and depreciation	39,308
Short term timing differences	-
	39,308

10 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Bank borrowings	351,245	36,700
Finance lease liabilities	10,998	27,900
Other borrowings	-	457,201
	362,243	521,801

	2019 £	2018 £
Non-current loans and borrowings		
Bank borrowings	-	349,778
Finance lease liabilities	-	30,082
	-	379,860

11 Related party transactions

Summary of transactions with key management

As at the balance sheet date the former directors owed the company £48,334. (2018 - the company owed the former directors £457,201). This amount is included in other debtors (2018 - other borrowings).

At the balance sheet date, the company's properties were sold to the former directors at market value.

The movement on the loans can be analysed as follows:

Transactions with directors

2019	At 1 May 2018 £	Advances to directors £	Repayments by director £	At 14 March 2019 £
J R Stockton				
Amount due to/(from) former director	121,544	(499,762)	361,333	(16,885)
I D Crowe				
Amount due to/(from) former director	110,252	(711,143)	593,770	(7,121)
A J Barrett				
Amount due to/(from) former director	113,670	(517,413)	384,396	(19,347)
R W Pettit				
Amount due to/(from) former director	111,735	(585,425)	468,709	(4,981)

Summary of transactions with parent

At the balance sheet date the company was owed £386,812 from Kingsway Holdings (Skipton) Limited, its immediate parent company. The balance arose from the sale of the farm trade from this company to its parent on 1 December 2018. This amount is included in other debtors and there is no interest calculated on the balance.