

Registration number: 04952187

ACORN VETERINARY PRACTICE LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2016

Hazlewoods LLP
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ACORN VETERINARY PRACTICE LIMITED**(REGISTRATION NUMBER: 04952187)****BALANCE SHEET AS AT 30 SEPTEMBER 2016**

	Note	30 September 2016 £	Unaudited 31 March 2016 £
Fixed assets			
Tangible assets	6	-	134,869
Current assets			
Stocks	7	-	20,812
Debtors	8	100	28,888
Cash at bank and in hand		-	246,167
		100	295,867
Creditors: Amounts falling due within one year	9	-	(103,983)
Net current assets		100	191,884
Total assets less current liabilities		100	326,753
Provisions for liabilities	4	-	(5,058)
Net assets		100	321,695
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		-	321,595
Total equity		100	321,695

Approved and authorised by the Board on 6/12/16 and signed on its behalf by:

AJ2
A J Davis
Director

The notes on pages 2 to 10 form an integral part of these financial statements.

ACORN VETERINARY PRACTICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2016

1 General information

The company is a private company limited by share capital, incorporated and domiciled in Northern Ireland.

The address of its registered office is:

Station House East
Ashley Avenue
Bath
BA1 3DS

These financial statements are presented in Pounds Sterling.

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 were prepared in accordance with Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' effective January 2016.

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.

Name of parent of group

These financial statements up to the 30 September 2016 are consolidated in the financial statements of IVC Midco Limited.

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

Disclosure of long or short period

The financial statements cover a period of 183 days. The accounting period has been shortened to bring the year end in line with that of its parent company, 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.

ACORN VETERINARY PRACTICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2016

2 Accounting policies (continued)

Judgements

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

Key sources of estimation uncertainty

No key sources of uncertainty have been made 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 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.

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 is 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, over their estimated useful lives, as follows:

Asset class

Short leasehold property

Fixtures and surgery equipment

Motor vehicles

Computer equipment

Depreciation method and rate

Over the term of the lease

Straight line over 5 years

Straight line over 4 years

Straight line over 3 years

ACORN VETERINARY PRACTICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2016

2 Accounting policies (continued)

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

This is the period over which the directors expect to derive economic benefit from the 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.

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 debtors are repayable within one year and are hence included at the undiscounted amount of the 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 receivables.

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.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

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.

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.

ACORN VETERINARY PRACTICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2016

2 Accounting policies (continued)

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 assets 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 assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ACORN VETERINARY PRACTICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2016

2 Accounting policies (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.

Non-financial assets

An 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.

Financial assets

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, analysed by category was as follows:

	1 April 2016 to 30 September 2016 No.	1 October 2015 to 31 March 2016 No.
Support	2	2
Assistant vets	3	3
Nurses	8	8
	<u>13</u>	<u>13</u>

ACORN VETERINARY PRACTICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2016

4 Provisions for liabilities

Deferred tax

Deferred tax assets and liabilities

31 March 2016

Liability
£

Difference between accumulated depreciation and amortisation and capital allowances

5,058

5 Intangible assets

Goodwill
£

Cost

At 1 April 2016

242,788

Transferred to group company

(242,788)

At 30 September 2016

-

Amortisation

At 1 April 2016

242,788

Transferred to group company

(242,788)

At 30 September 2016

-

Carrying amount

At 30 September 2016

-

At 31 March 2016

-

ACORN VETERINARY PRACTICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2016

6 Tangible assets

	Short leasehold property £	Fixtures and surgery equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 April 2016	169,202	145,139	8,476	1,521	324,338
Transferred to group company	(169,202)	(145,139)	(8,476)	(1,521)	(324,338)
At 30 September 2016	-	-	-	-	-
Depreciation					
At 1 April 2016	87,775	98,108	2,441	1,145	189,469
Charge for the period	5,011	29,672	730	376	35,789
Transferred to group company	(92,786)	(127,780)	(3,171)	(1,521)	(225,258)
At 30 September 2016	-	-	-	-	-
Carrying amount					
At 30 September 2016	-	-	-	-	-
At 31 March 2016	81,427	47,031	6,035	376	134,869

On 31 August 2016, all of the fixed assets were transferred to Independent Vetcare Limited, a fellow group undertaking, as part of a hive up of the company's trade and net assets carried out on that date

ACORN VETERINARY PRACTICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2016

7 Stocks

	30 September 2016 £	31 March 2016 £
Other inventories	-	20,812

The cost of stocks recognised as an expense in the period amounted to £45,212 (31 March 2016 - £106,224).

8 Debtors

	Note	30 September 2016 £	31 March 2016 £
Trade debtors		-	15,621
Amounts owed from group undertakings		100	-
Other		-	8,700
Prepayments		-	4,567
		100	28,888
Less non-current portion		(100)	-
Total current trade and other		-	28,888

Details of non-current trade and other receivables

£100 (31 March 2016 - £Nil) of receivables from related parties is classified as non current. This relates to amounts owed from group undertakings.

9 Creditors

	Note	30 September 2016 £	31 March 2016 £
Due within one year			
Trade creditors		-	11,912
Social security and other taxes		-	78,472
Accrued expenses		-	13,599
		-	103,983

ACORN VETERINARY PRACTICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2016 TO 30 SEPTEMBER 2016

10 Share capital

Allotted, called up and fully paid shares

	30 September 2016		31 March 2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

11 Dividends

	30 September 2016 £	31 March 2016 £
Dividends paid	<u>370,943</u>	<u>42,300</u>

12 Parent and ultimate parent undertaking

The company is controlled by its immediate parent company, Independent Vetcare Limited, a company registered in England and Wales. The ultimate parent company is IVC Lux Holdings 1 Sarl, a company registered in Luxembourg, which is controlled by funds managed by Summit Partners Europe Private Equity Fund LP.

13 Transition to FRS 102

There are no transitional adjustments as a result of adopting FRS 102 for the first time.

14 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 for the year or a copy of the directors' report. Accordingly, the independent auditors' report has also been omitted.

The independent auditors' report for the year was unqualified.

The auditor was Hazlewoods LLP and Andrew Brookes signed the auditor's report as senior statutory auditor.