

Notes to the Company Financial Statements continued

(i) Principal Accounting Policies of the Company continued

Foreign Currency

Foreign currency transactions are translated into Sterling using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities are translated at the closing rate at the reporting date. Foreign exchange gains and losses are recognised in the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply and have been substantively enacted in the periods in which the timing differences reverse and is provided in respect of all timing differences which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19 'Deferred Tax'.

Financial Guarantee Contracts

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(ii) Directors and Employees

Total emoluments of Directors (including pension contributions) amounted to £3,061,000 (2013: £2,088,000). Information relating to Directors' emoluments, share options and pension entitlements is set out in the Directors' Remuneration Report on pages 86 to 105.

(iii) Fixed Asset Investments

	Shares in subsidiary undertakings £000
Cost	
At 1 July 2013	251,104
Additions	3,205
At 30 June 2014	254,309
Impairment	
At 1 July 2013	—
Charge for the period	12,244
At 30 June 2014	12,244
Net book value	
At 30 June 2014	242,065
At 30 June 2013	251,104

A list of principal subsidiary undertakings is given in note (xii).

During the course of the year management transferred the trade and assets of certain operating subsidiaries to other subsidiaries within the Group all of which are wholly owned. On 16 August 2013, the entire share capital of National Veterinary Services Limited was sold. This resulted in management assessing the carrying value of its investments and an impairment of £12,244,000 was recognised.