

Companion Care (Services) Limited

Strategic Report, Directors' Report and Financial Statements

Registered number 04141142

52 week period ended 25 March 2021



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Company information

Directors of the Company

J Balmain
M Iddon
L Stonier
J Marshall

Registered Office

Epsom Avenue
Stanley Green Trading Estate
Handforth
Cheshire
SK9 3RN

Company Secretary

L K Williams

Banker

Lloyds Bank
Black Horse House
42 Mark Road
Hemel Hempstead
HP2 7DW

Solicitors

Simpson Thacher & Bartlett LLP
CityPoint
One Ropemaker Street
London
EC2Y 9HU

And

Travers Smith LLP
10 Snow Hill
London
EC1A 2AL

Auditor

KPMG LLP
2 Forbury Place
33 Forbury Road
READING
RG1 3AD

Registered Number

04141142

Strategic Report

The directors present their Strategic Report, together with the Directors' Report and the audited financial statements for the 52 week period ended 25 March 2021.

Business review

Principal activity

The principal activity of the Company in the period under review was that of the provision of management services to veterinary practices.

The Company is also a holding company to a number of subsidiary veterinary practice companies where the A shares are held by the company. As at 25 March 2021, there are 44 (2020: 33) veterinary surgeries which are managed and 100% owned by the Company, and the company owns a further 2 surgeries 50/50 with another group company. The majority of these practices are located within retail stores operated by Pets at Home Limited, a fellow subsidiary of the Company's ultimate parent undertaking, Pets at Home Group Plc. The principal activity is not expected to change in the foreseeable future.

During the year to 25 March 2021, the company acquired 100% of the 'A' shares in a further 6 veterinary practices, as a result of partner well-being issues. These entities were previously accounted for as Joint Venture veterinary practices as the group only held 100% of the non-participatory 'B' ordinary shares. The acquisition of the 'A' shares of these entities has led to control of these practices, which are now consolidated within the Pets at Home Group plc results.

The 'B' shares in some of the practices acquired were previously held by a fellow subsidiary company Vets4Pets Limited. These 'B' shares were transferred to the company when the 'A' shares were acquired for consideration of £1.

The practices where shares were acquired in the period to 25 March 2021, are held with the view of finding new Joint Venture Partners ("JVP"s) for them.

Review of business and future developments

The profit and loss account has been split between underlying and non-underlying items to explain the non-recurring exceptional costs that were incurred during the year.

Non-underlying business

There are no non-underlying costs in the current period.

Underlying business

The Company continues to trade in line with expectation. Joint venture veterinary practices continue to grow and develop. A small reduction in the fee base charged in the year is counter-acted with good cost control leading to a 3.6% increase in gross margin in the period. The profit before tax for the underlying business for the same period was £25,417k (2020: £22,574k).

The directors will continue to monitor the veterinary practice market, assessing new potential opportunities that may arise in the near future to progress strategic objectives and continue to build on the performance of the current period.

Key performance indicators

The directors use a number of key performance indicators which they consider are effective in measuring delivery of their strategy, and which assist the management of the business. The main financial key performance indicator which they consider is effective to measure its performance is underlying EBITDA (earnings before interest, tax, depreciation and amortisation) and underlying Operating Profit. For the financial period ended 25 March 2021 underlying EBITDA is £28,282k (2020: £24,545k) and underlying Operating Profit is £25,386k (2020: £22,323k). EBITDA is calculated as operating profit plus depreciation and amortisation added back £2,896k (2020: £2,222k). The performance of the company is in line with the directors' expectations.

How we engage

By understanding our stakeholders, the company can factor into Boardroom discussions the potential impact of decisions on each stakeholder group and consider their needs and concerns, in accordance with section 172 of the Companies Act 2006.

Key messages

The annual survey provides detailed information but is part of a broad selection of engagement channels available to colleagues. As with any large survey, below the headline themes differences can appear at a local level so follow up sessions have been held at a department level. These were then developed into action plans.

Engagement with suppliers has identified an opportunity to develop more strategic medium term plans to enable investment and financial planning. This will in turn create an even more innovative, efficient and responsive supply chain.

Joint Venture Partners (our customers) have the clinical freedom to interpret and follow RCVS guidance. Engagement with industry bodies enables the Vet Group clinical services team to provide informed support and advice to the partners. Of particular note in the year was our work with the BVA to lobby the Government to add veterinary surgeons to the Shortage Occupation List, plus pro-active engagement to support pet shops and vet practices being designated as “essential services” amidst the coronavirus outbreak in March.

Having made significant changes to the Vet Group business in recent years, our investment case has evolved. As such, it has become increasingly important to spend time with investors to explain the reasons for these changes, the impact on the business, and articulate its future prospects.

Our response

Our focus is on creating a kind and caring company where colleagues feel welcomed and valued and are able to make their best contribution. Digital and flexible working have been prioritised. New software has been launched across the business to enable virtual meetings and sharing of documents.

We are currently reviewing our end to end processes to further improve our ways of working with suppliers. This will include a new IT based process management system, a cross functional balanced scorecard for assessing capability and establishing medium term (three to five year) supplier strategies.

The Vet Group launched QI2020, a quality improvement initiative, to bring the latest clinical guidance from the industry into one easy to access location for our JVPs. We continue to work closely with all industry bodies during the coronavirus outbreak to support our colleagues, customers and pets.

We have positive, ongoing and transparent dialogue with the Pets at Home Group Plc shareholder base (our ultimate investors) and we value feedback and insight which is considered by the Executive Management Team. The Pets at Home Group Plc (the “Group”) investor website is kept updated with all of the latest announcements and provides information about the Group and its activities.

Going Concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. These forecasts indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The company is a wholly owned subsidiary of Pets at Home Group Plc, and therefore has access to the Pets at Home Group Plc borrowing facility. Pets at Home Group Plc has access to a revolving facility of £248.0m, which expires in September 2023, with £100.0m drawn down at 25 March 2021. Pets at Home Group Plc has been in compliance with all covenants applicable to this facility within the financial year, and is forecast to continue to be in compliance for 12 months from the date of signing of the financial statements.

Strategic Report *(continued)*

Based on the review of forecasts, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Principal risks and risk management

The Company's success is dependent on identifying and managing risks. The principal risks that have been identified and management's actions to monitor and mitigate these risks are described below.

Principal Risk	Risk management
Reputational risk	<p>The Company constantly monitors service levels and colleague satisfaction, with frequent reviews, regular contact and ongoing improvements.</p> <p>The Company supports all veterinary practices in maintaining the highest pet welfare in accordance with standards prescribed by the Royal College of Veterinary Surgeons.</p>
Recovery of operating loans	<p>The Company closely monitors the performance of individual practices and makes provision against any doubtful debtor balances.</p>

Objectives and future developments

The Company's primary objective is to continue to strategically grow joint venture first opinion veterinary practice numbers. In addition, the Company aims to improve the efficiency of the support office, its working capital management and support JV partners through their business cycle to practice maturity, whilst ensuring continuous improvements to JV service delivery model.

By order of the board



J Marshall
Director

29 March 2022

Epsom Avenue
Stanley Green Trading Estate
Handforth
Cheshire
SK9 3RN

Directors' Report

The directors present their annual report for the 52 week period ended 25 March 2021. The Company's principal activities, financial review, going concern assessment, principal risks and risk management and objectives and future development are presented within the Strategic Report.

Directors

The directors who held office during the financial period and up to the date of signing the accounts were as follows:

J Balmain
J Marshall
M Iddon
L Stonier

Company secretary

L K Williams

Employment policies

The Company aims to provide equal opportunities regardless of sex, race, religion or belief, sexual orientation, disability or ethnic origin, recognising that the continued success of the company depends upon its ability to attract, motivate and retain people of the highest calibre.

The Company has continued its policy of giving fair consideration to applications for employment made by disabled persons bearing in mind the requirements of the job. In the areas of planned employee training and career development, the Company strives to ensure that disabled employees receive maximum possible benefits, including opportunities for promotion. Every effort is made to ensure that continuing employment and opportunities for training are also provided for employees who become disabled.

The Company recognises the importance of ensuring employees are kept informed of the Company's performance, activities and future plans, and takes all reasonable steps to communicate developments.

The directors recognise that the Company's continued success is due to the hard work and dedication shown by our colleagues and we thank all of our teams for their continued support.

Payment of suppliers

The Company's policy is to establish payment terms with suppliers when agreeing the terms of trade, and to ensure suppliers are aware of such terms. All reasonable efforts are made to ensure payments are made in accordance with agreed terms.

Indemnity insurance

The Company maintains liability insurance for its directors and officers.

Charitable donations

Charitable donations of £6,150 were made during the year (2020: £4,272).

Political contributions

The Company made no political contributions during the period (2020: £nil).

Directors' Report *(continued)*

Dividends

The directors do not recommend the payment of a dividend (2020: *£nil*).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Energy and carbon reporting

The company has taken advantage of the exemption available, not to report its individual energy and carbon usage, as equivalent disclosures are provided in the group accounts of Pets at Home plc, of which this company is included.

By order of the board



J Marshall
Director

29 March 2022

Epsom Avenue
Stanley Green Trading Estate
Handforth
Cheshire
SK9 3RN

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPANION CARE (SERVICES) LIMITED

Opinion

We have audited the financial statements of Companion Care (Services) Limited ("the Company") for the 52 week period ended 25 March 2021 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 25 March 2021 and of its profit for the 52 week period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPANION CARE (SERVICES) LIMITED

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management and directors including the Revenue and EBITDA targets on which the bonus policy is based for all employees.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries made by individuals who typically do not make journal entries and journal entries posted to accounts containing significant estimates and period-end adjustments.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection laws, anti-bribery and employment law recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPANION CARE (SERVICES) LIMITED

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COMPANION CARE (SERVICES) LIMITED

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Terri Coughlan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
2 Forbury Place
33 Forbury Road
Reading
RG1 3AD
29 March 2022

Profit and loss account

52 week period ended 25 March 2021 and the 52 week period ended 26 March 2020

	Note	Underlying 2021 £000	Non- underlying 2021 £000	Total 2021 £000	Underlying 2020 £000	Non- underlying 2020 £000	Total 2020 £000
Revenue		48,800	-	48,800	50,296	-	50,296
Cost of sales		(19,161)	-	(19,161)	(19,309)	(2,793)	(22,102)
Impairment losses on receivables		(912)	-	(912)	(2,235)	-	(2,235)
Gross profit/(loss)		28,727	-	28,727	28,752	(2,793)	25,959
Administrative expenses		(14,545)	-	(14,545)	(6,565)	(839)	(7,404)
Other operating income		11,204	-	11,204	136	-	136
Operating profit/(loss)	2	25,386	-	25,386	22,323	(3,632)	18,691
Net financial income	4	31	-	31	251	-	251
Profit/(loss) before taxation		25,417	-	25,417	22,574	(3,632)	18,942
Tax on (profit)/loss	5	(4,164)	-	(4,164)	(4,277)	221	(4,056)
Profit/(loss) after taxation		21,253	-	21,253	18,297	(3,411)	14,886

All results have been derived from continuing operations.

The notes on pages 14 to 59 form part of these financial statements.

Statement of comprehensive income

There are no recognised gains or losses in the current or preceding financial period other than those included in the profit and loss account above, therefore no separate statement of comprehensive income has been prepared.

Balance sheet

At 25 March 2021 and 26 March 2020

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	6	7,107	8,752
Intangible assets	8	3,446	4,005
Investments	9	17,481	16,804
		28,034	29,561
Current assets			
Stock	10	135	292
Debtors	11	71,951	54,522
Cash at bank and in hand		8,087	5,295
		80,173	60,109
Creditors: amounts falling due within one year	12	(25,915)	(28,902)
Net current assets		54,258	31,207
Total assets less current liabilities		82,292	60,768
Creditors: amounts falling due after more than one year	13	(6,736)	(7,366)
Provisions	14	(2,392)	(1,491)
Net Assets		73,164	51,911
Capital and reserves			
Called up share capital	16	100	100
Retained earnings		73,064	51,811
Shareholder's funds		73,164	51,911

The notes on pages 14 to 59 form part of these financial statements.

These financial statements were approved by the board of directors on 29 March 2022 and were signed on its behalf by:



J Marshall
Director

Statement of changes in equity

For the 52 week period ended 25 March 2021 and the 52 week period ended 26 March 2020

	Share Capital	Retained earnings	Total Equity
Balance at 28 March 2019	100	36,925	37,025
Profit for the period	-	14,886	14,886
Balance at 26 March 2020	100	51,811	51,911
Profit for the period	-	21,253	21,253
	<hr/>	<hr/>	<hr/>
Balance at 25 March 2021	100	73,064	73,164
	<hr/>	<hr/>	<hr/>

The notes on pages 14 to 59 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Companion Care (Services) Limited is a private company incorporated, registered and domiciled in the United Kingdom. The registered number is 04141142 and the registered address is Epsom Avenue, Stanley Green Trading Estate, Handforth, Cheshire, SK9 3RN. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements, except as noted below.

1.1 Basis of preparation

The results presented cover a 52 week trading period for the financial period ended 25 March 2021 (*2020: 52 week period ended 26 March 2020*). The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards, in conformity with the Companies Act 2006, and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes; and,
- the effects of new but not yet effective IFRSs.

The Company's ultimate parent undertaking, Pets at Home Group Plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Pets at Home Group Plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff.

As the Company is a wholly owned subsidiary of Pets at Home Group Plc, the Company has taken advantage of the exemption contained in IAS 24 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements within which the Company is included, can be found at the address given in note 20.

Change in accounting policy

Following the March 2021 IFRIC update in relation to 'Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)—Agenda Paper 2', for which the final decision was published in April 2021, the company has reviewed its policy regarding the capitalisation of intangibles. The change has led to software as a service arrangement, along with any related costs where a separately identifiable intangible asset is not created, being written off to administrative expenses. This ensures the company is only capitalising items it has the ability to control future returns as a result of their existence. As a result, a current year adjustment has been made to reduce additions by £2,219,000. Full details of the adjustment can be found in note 21. Since late in the period to March 2020, the company has commenced with implanting a new finance system, SAP. Prior costs capitalised within intangibles related to software which was on premise. As such, the impact of the IFRIC over prior year numbers is immaterial and as such, no prior year adjustment is reflected.

Notes (continued)

1 Accounting policies (continued)

1.1 Basis of preparation (continued)

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements. These forecasts indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The company is a wholly owned subsidiary of Pets at Home Group Plc, and therefore has access to the Pets at Home Group Plc borrowing facility. Pets at Home Group Plc has access to a revolving facility of £248.0m, which expires in September 2023, with £100.0m drawn down at 25 March 2021. Pets at Home Group Plc has been in compliance with all covenants applicable to this facility within the financial year, and is forecast to continue to be in compliance for 12 months from the date of signing of the financial statements.

Based on the review of forecasts, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.2 Investments

Investments in subsidiaries (A Shares of veterinary practices)

Investments in subsidiaries are held at cost less accumulated impairment losses.

The Company owns 100% of the A shares of a number of veterinary practices which were previously Joint Venture practices of the Group.

Investment in B Shares of Joint Venture veterinary practices

The Company has a number of non-participatory shareholdings in veterinary practice companies, which are accounted for as joint venture arrangements. The veterinary practices were established under terms that require mutual agreement between the Company and the joint venture partner, and that do not give the Company power over decision making to affect its exposure to, or the extent of, the returns from its involvement with the practices and therefore are not consolidated in these financial statements. Further, the Company is not entitled to profits, losses, or any surplus on winding up or disposal of the veterinary practices, and as such no participatory interest is recognised.

1.2 Investments

The investments have been equity accounted for in the Company's financial statements in accordance with IAS 28.10. The Company's shares are non-participatory, and therefore the company does not share in any profits, losses or other distribution of value from the joint venture company. Upon initial recognition the cost of investments is applied as an approximation of the fair value of investments. Subsequently the investments are reviewed for indications of impairment and subject to an impairment provision if necessary.

1.3 Classification of financial instruments issued by the company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Notes (continued)

1 Accounting policies (continued)

1.3 Classification of financial instruments issued by the company (continued)

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

1.4 Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

1.5 Fixed assets

Tangible fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	-	over 3 - 7 years
Leasehold improvements	-	over the term of the lease
Fixtures and fittings		over 3 - 7 years
Right of use asset - property		over the term of the lease
Right of use asset – equipment		over the term of the lease

It is the Company's policy to maintain all its properties to a high standard through a continual programme of refurbishment and maintenance.

Intangible fixed assets

Amortisation is provided to write off the cost less the estimated residual value of intangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Software	over 3 - 7 years
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1.6 Leases

Leases in which the Company is a lessee

The majority of the Company's standalone veterinary practices and support offices are leased. The Company also has a number of non-property leases relating to vehicles, equipment and material handling equipment.

Under IFRS 16, the Company recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The lease liability is initially measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. The rate implicit in the lease cannot be readily determined and therefore a rate based on the Company's incremental borrowing rate is used. This rate is adjusted to take into account the risk associated with the length of the lease. A higher discount rate is applied to a longer lease. Lease payments will include any fixed payments, including as a result of stepped rent increases.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the lease commencement date and any lease incentives received or premiums paid.

After the commencement date, the lease liability will be increased as interest is charged and reduced as lease payments are made. The carrying value of the lease liability will be reassessed on agreement of a lease modification event, such as a change in the fixed amount payable or a change in the lease term. The discount rate used will be reassessed if the length of the lease is extended.

Notes (continued)

1 Accounting policies (continued)

1.6 Leases (continued)

There are recognition exemptions for low-value assets and short-term leases with a lease term of 12 months or less. Any leases under a short term licence agreement are excluded as they fall into the lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

Leases in which the Company is a lessor

At lease inception, lessors will determine whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is considered to be the case, then the lease is recognised as a finance lease, if not then it is recognised as an operating lease. As part of this assessment, the Company considers certain factors such as whether the lease is for the majority of the economic life of the asset.

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

1 Accounting policies (continued)

1.8 Stock

Stocks are recognised at the lower of cost and net realisable value.

1.9 Post-retirement benefits

The Company operates a defined contribution pension scheme for those employees meeting the membership criteria. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

1.10 Revenue

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies how and when revenue can be recognised. A five-step model is applied to determine when to recognise revenue and at what amount. Revenue is recognised when (or as) the Company transfers control of goods or services to a customer at the amount to which the Company expects to be entitled. Depending on whether certain criteria are met, revenue is recognised either over time, in a manner that best reflects the Company's performance, or at a point in time, when control of the goods or services is transferred to the customer.

- Revenue from the provision of services in relation to veterinary group income is recognised upon provision of the service. Insurance commissions are spread over the period the policy relates to.
- Fee income received from Joint Venture veterinary practice companies for administrative support services is recognised in the period the services relate to, to the extent this is expected to be recovered.
- Revenue for the period ended 25 March 2021 excludes fee income from Joint Venture veterinary practices in which the Company has either completed, or has offered or holds an intention to buy out the 'A' shares from the Joint Venture Partners in future, on the basis of increased uncertainty of recoverability.

The Company operates in one business segment, being the provision of management services to veterinary practices.

1.11 Impairment of financial instruments

Financial assets (including receivables)

Measurement of Expected Credit Losses ("ECL"s) and definition of default

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The definition of default is applicable to intercompany and related party receivables, but not relevant to trade receivables where the lifetime expected credit loss is considered. The Company defines default based on both qualitative and quantitative risk criteria. The Company considers Joint Venture loans and receivables to be in default when the underlying veterinary practice is significantly under-performing against its business plan. Each practice is reviewed against this set of criteria and their appropriate risk weightings on an ongoing basis by management. Practices categorised within the high and medium credit risk categories are those considered to be in default, with the former category including those that have the highest loss given default due to their score card performance. Those within the low credit risk category are not deemed to be in default. The Company considers other intercompany and related party assets to be in default when the entity does not have the forecasted future funds available to repay the balance, if recalled.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. Details of these provisions are explained in note 11.

Notes *(continued)*

1 **Accounting policies** *(continued)*

1.11 Impairment of financial instruments *(continued)*

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated each period at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are to reduce the carrying amounts of the assets in the unit (or group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.12 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Notes (continued)

1 Accounting policies (continued)

1.13 Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions concerning the future that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These judgements are based on historical experience and management's best knowledge at the time and the actual results may ultimately differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have significant risk of causing a material adjustment to the carrying value of assets and liabilities are discussed below.

Assumptions relating to tax

The Company recognises expected assets for tax based on an estimation of the likely taxes receivable, which requires significant judgement as to the ultimate tax determination of certain items. Where the actual asset arising from these issues differs from these estimates, such differences will have an impact on income tax and deferred tax assets in the period when such determination is made.

Provisions

Provisions have been made for dilapidations, closed practices and associated veterinary costs, and potential unrecoverable debtor balances. The provisions are based on historical experience and management's best knowledge at the time and are reviewed at each balance sheet date. The actual costs and timing of future cash flows are dependent on future events. Any difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

Joint Venture receivables (significant estimate)

The Company provides operating loans and other loans to a number of Joint Venture veterinary practices to cover their cash flow requirements and support their longer term growth. The operating loans advanced to the practices are interest free and either repayable on demand or repayable within 90 days of demand. As detailed in these notes, provisions for expected credit losses are held in respect of operating and other loans to Joint Venture veterinary practices. In line with IFRS 9, judgement is applied in determining expected credit losses on these receivables, the qualitative and quantitative risk-related criteria used to assess default and therefore also the probability of default (as defined in note 1.10), and in estimating an appropriate 'loss given default' percentage to apply to each loan. In assessing the qualitative and quantitative information, the Company takes into account factors including current performance against business plan, availability of suitable personnel to operate effectively, and level of indebtedness. The revenue, profit, and cash flow expectations of the practices are taken into account in determining the length of time that the practice is expected to take in order to repay the loans. This is also the period over which losses are estimated should default occur within the contractual period. The provision for expected credit loss is based on forward-looking information, taking into account expected credit losses giving due consideration to the Joint Venture's business plan, as well as macro-economic factors such as growth in the size of the veterinary market, availability of veterinary practitioners and cost inflation within the industry. The quantum of Joint Venture receivables and the provision made against these receivables is disclosed in note 11 in the financial statements.

Notes (continued)

1 Accounting policies (continued)

1.13 Accounting estimates and judgements (continued)

Assessment of control with regard to Joint Ventures

The Company has assessed, and continually assesses whether the level of an individual Joint Venture veterinary practices' indebtedness to the Company, particularly those with high levels of indebtedness, implies that the Company has the practical ability to control the Joint Venture, which would result in the requirement to consolidate. In making this judgement, the Company reviewed the terms of the Joint Venture agreements and the question of practical ability, as a provider of working capital to control the activities of the practice. This included consideration of barriers to the Company's ability to exercise such practical control, which include difficulty in replacing joint venture partners due to the shortage of veterinarians in the UK and reputational damage within the veterinary network should the Company attempt to exercise control, as well as potential barriers to the Joint Venture Partner exercising their own power over the activities of the practice. We note that under the terms of the Joint Venture Agreements, our partners run their practices with complete clinical freedom. The Company is satisfied that on the balance of evidence from the Company's experience as shareholder and provider of working capital support to the practices, it does not have the current ability to exercise control over those practices to which operating loans are advanced, and therefore non consolidation is appropriate.

Software-as-a-Service (SaaS) arrangements

Note 1 describes the entity's accounting policy in respect of configuration and customisation costs incurred in implementing SaaS arrangements. In applying the entity's accounting policy, the directors made the following key judgements that may have the most significant effect on the amounts recognised in financial statements.

Determination whether configuration and customisation services are distinct from the SaaS access

Implementation costs including costs to configure or customise the cloud provider's application software are recognised as operating expenses when the services are received.

Where the SaaS arrangement supplier provides both configuration and customisation services, judgement has been applied to determine whether each of these services are distinct or not from the underlying use of the SaaS application software. Distinct configuration and customisation costs are expensed as incurred as the software is configured or customised (i.e., upfront). Non-distinct configuration and customisation costs are expensed over the SaaS contract term.

Non-distinct customisation activities significantly enhance or modify a SaaS cloud-based application. Judgement has been applied in determining whether the degree of customisation and modification of the SaaS cloud-based application is significant or not.

In implementing SaaS arrangements, the company has developed software code that either enhances, modifies, or creates additional capability to the existing owned software. This software is used to connect with the SaaS arrangement cloud-based application.

Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with IAS 38 Intangible Assets.

During the financial year, the [Group/Company] recognised £1.7m as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements.

Notes (continued)

2 Expenses and auditor's remuneration

	2021 £000	2020 £000
<i>Operating profit is stated after charging:</i>		
Underlying operating expenses		
Depreciation of tangible fixed assets	1,650	1,897
Amortisation of intangible asset	1,245	325
Profit on disposal of assets	2,366	-
Auditors' remuneration	454	9
Auditor fees in relation to assurance related services	120	-
Fees paid to auditors in relation to prior period financial statements and projects	204	-
Non-underlying items		
Other costs associated with the purchase of Joint Venture veterinary practices	-	3,632

Some of the costs noted above for assurance services, will be recharged to joint venture practices.

As noted in notes 1 and 21, the company has made a change of accounting policy in the year, in respect of cloud computing costs. Included within operating profit for the year is £2,219k of costs in relation to this change.

Operating profit also includes £11,209k (2020: £136k) of other operating income. Other operating income relates to dividends received from group managed practices, profit on disposal of assets as noted above and other sundry income outside of standard trading.

The prior period exceptional costs noted above relate to the strategic exercise undertaken in prior periods, in relation to provisions against payments to third parties for bank loans, overdrafts and lease obligations (provided for under IFRS 9) and associated exit and closure costs (provided for under IAS 37) payable in relation to Joint Venture veterinary practices which CCSL has acquired.

3 Information regarding directors and employees

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

	2021 Number	2020 Number
Administration	248	286
Veterinary surgeries	100	127
	348	413

The aggregate payroll costs of these persons were as follows:

	2021 £000	2020 £000
Administration		
Wages and salaries	12,902	11,397
Social security costs	1,300	1,196
Pension costs	794	460
	14,996	13,053

Notes (continued)

3 Information regarding directors and employees (continued)

Veterinary surgeries

Wages and salaries	2,460	2,825
Social security costs	162	227
Pension costs	44	59
	<hr/>	<hr/>
	2,666	3,111
	<hr/>	<hr/>

2021
£000

2020
£000

Directors

Emoluments (excluding pension contributions)	671	628
Pension contributions	36	3
	<hr/>	<hr/>
Total emoluments	707	631
	<hr/>	<hr/>

Remuneration of the highest paid director	461	490
Pension contributions	20	-
	<hr/>	<hr/>
Total emoluments of the highest paid director	481	490
	<hr/>	<hr/>

The number of directors to whom retirement benefits were accruing is as follows:

Money purchase schemes	2	2
	<hr/>	<hr/>

The remuneration above relates to each director's qualifying services to the company and any subsidiaries.

4 Net finance income

	2021 £000	2020 £000
Interest receivable on loans to veterinary practices	272	339
Bank interest received	-	67
Interest expense on lease liability	(241)	(155)
	<hr/>	<hr/>
	31	251
	<hr/>	<hr/>

Notes (continued)

5 Taxation

	Underlying 2021 £000	Total 2021 £000	2020 £000
Analysis of charge in the period			
<i>UK corporation tax</i>			
Group relief	5,765	5,765	4,541
Adjustment to prior periods	(1,492)	(1,492)	(55)
	<hr/>	<hr/>	<hr/>
	4,272	4,272	4,486
<i>Deferred tax</i>			
Origination/reversal of timing differences	(578)	(578)	(391)
Adjustment in respect of previous periods	470	470	(39)
	<hr/>	<hr/>	<hr/>
Total deferred tax	(108)	(108)	(430)
	<hr/>	<hr/>	<hr/>
Tax charge on profit	4,164	4,164	4,056
	<hr/>	<hr/>	<hr/>

Factors affecting the tax charge for the current period:

The current tax charge for the period is lower than (2020: higher than) the standard rate of corporation tax in the UK 19% (2020: 19%). The differences are explained below.

	Underlying 2021 £000	Total 2020 £000	2020 £000
<i>Total tax reconciliation</i>			
Profit before tax	25,417	25,417	18,942
	<hr/>	<hr/>	<hr/>
Tax at 19% (2020: 19%)	4,829	4,829	3,599
<i>Effects of:</i>			
Expenses not deductible for tax purposes	353	353	469
Depreciation on expenditure not eligible for tax relief	4	4	86
Difference between corporation tax and deferred tax rates	-	-	(4)
Adjustments to tax charge in respect of previous periods	(1,022)	(1,022)	(94)
	<hr/>	<hr/>	<hr/>
Total tax charge (see above)	4,164	4,164	4,056
	<hr/>	<hr/>	<hr/>

Notes (continued)

5 Taxation (continued)

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. The UK deferred tax asset/(liability) as at 31 March 2021 was calculated at 25% (2020: 19%).

6 Tangible fixed assets

	Leasehold improvements £000	Fixtures and fittings £000	Plant and machinery £000	Leasehold premises £000	Leased equipment £000	Total £000
Cost						
At 27 March 2020	3,602	2,773	200	4,166	2,039	12,780
Additions	-	341	-	165	281	787
Disposals	(268)	(188)	-	(668)	(246)	(1,370)
At 25 March 2021	3,334	2,926	200	3,663	2,074	12,197
Depreciation						
At 27 March 2020	780	1,979	75	338	856	4,028
Charge	270	387	4	381	609	1,651
Disposals	(79)	(166)	-	(98)	(246)	(589)
At 25 March 2021	971	2,200	79	621	1,219	5,090
Net book value						
At 25 March 2021	2,363	727	121	3,042	855	7,107
At 26 March 2020	2,822	794	125	3,828	1,183	8,752

Leasehold premises and leased equipment above represent right of use assets under IFRS16.

7 Leases

As Lessee

Property, plant and equipment comprise owned and leased assets that do not meet the definition of investment property. The Company has entered into leases in respect of both its support offices and group owned, stand alone, veterinary practices, along with a number of non-property leases relating to vehicle and office equipment, with remaining lease terms of between 1 and 5 years.

The following amounts have been recognised in the profit and loss account in the year, in respect of leases:

	2021 £000	2020 £000
Depreciation of right of use assets	990	1,194
Interest expense on lease liabilities	241	155

The following table sets out the maturity analysis of leases payments, showing the undiscounted lease payments after the reporting date:

	2021 Leasehold premises £000	2021 Leased equipment £000	2020 Leasehold premises £000	2020 Leased equipment £000
Within one year	683	415	951	638
In the second to fifth years inclusive	6,275	461	6,766	600
Total lease liabilities	6,958	876	7,717	1,238

Notes (continued)

8 Intangible fixed assets

	Software £000
Cost	
At 27 March 2020	5,615
Additions	2,905
FY21 additions expensed due to change in accounting policy	(951)
Disposals	(1,268)
	<hr/>
At 25 March 2021	6,301
	<hr/>
Amortisation	
At 27 March 2020	1,610
Charge	1,245
	<hr/>
At 25 March 2021	2,855
	<hr/>
Net book value	
At 25 March 2021	3,446
	<hr/>
At 26 March 2020	4,005
	<hr/>

9 Investments

	2021 £000	2020 £000
Investments in subsidiary undertakings – A shares of previous joint ventures	2,423	837
Investments in joint ventures – B shares	293	292
Cash security deposits	2,750	2,750
Loans to joint venture veterinary practices	12,015	12,925
	<hr/>	<hr/>
	17,481	16,804
	<hr/>	<hr/>

Movements:

	At 27 March 2020 £000	Additions £000	Repayments £000	At 25 March 2021 £000
Investments in subsidiary undertakings – A shares of previous joint ventures	837	1,586	-	2,423
Investments in joint ventures – B shares	292	1	-	293
Loans to joint venture veterinary practices	12,925	195	(1,105)	12,015
Cash security deposits	2,750	-	-	2,750
	<hr/>	<hr/>	<hr/>	<hr/>
	16,804	1,782	(1,105)	17,481
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

9 Investments (continued)

The registered office of all the companies in which the Company has an interest in the share capital is Epsom Avenue, Stanley Green Trading Estate, Handforth, Cheshire, SK9 3RN.

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Aberdeen North Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Aberdeen Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Abingdon Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Accrington Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Addlestone Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Alsager Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Alton Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Altrincham Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Amesbury Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Andover Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Aylesbury Berryfields Vets4Pets Limited	Direct	England and Wales	Ordinary	100%
Bagshot Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bangor Wales Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Barnstaple Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Barnwood Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Barnsley Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Barry Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bath Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bearsden Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Bedlington Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Bedminster Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Beeston Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Belfast Stormont Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Bicester Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Biggleswade Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bishop's Stortford Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bishopston Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Blackburn Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Blackheath Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Blackpool Squires Gate Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Blackpool Warbreck Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Blackwood Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bodmin Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Bolton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bolton Central Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Bonnyrigg Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Borehamwood Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Bourne Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Bracknell Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Bracknell Peel Centre Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bradford Idle Vets4Pets Limited	Indirect	England & Wales	Ordinary	50%
Bramley Vets4Pets (Newco) Limited	Direct	England and Wales	Ordinary	100%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Bramley Vets4Pets Limited	Indirect	England and Wales	Ordinary	100%
Bridlington Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Brighouse Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bristol Emerson Green Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bristol Imperial Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bristol Longwell Green Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bromborough Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Bromsgrove Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Buckingham Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bullwell Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Burscough Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Burton-on-Trent Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bury St Edmunds Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Bury Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%
Byfleet Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Caerphilly Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Camborne Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Cambridge Peme Road Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Cannock Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Canterbury Sturry Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Canvey Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Cardiff Ely Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Cardiff Newport Road Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Carmarthen Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Castleford Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Catterick Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Chadwell Heath Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Chester Caldy Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Cirencester Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Clevedon Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Clitheroe Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Clowne Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Coalville Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Colchester Layer Road Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Colne Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Aintree) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Andover) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Ashford) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Ashton) Limited	Direct	England & Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Companion Care (Aylesbury) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Ayr) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Ballymena) Limited	Direct	England & Wales	Ordinary	100%
Companion Care (Banbury) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Barnsley Cortonwood) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Basildon Pippis Hill) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Basildon) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Basingstoke) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Beckton) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Bedford) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Belfast) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Bishopbriggs) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Bletchley) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Bolton) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Bournemouth) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Braintree) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Brentford) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Bridgend) Limited	Direct	England & Wales	B Ordinary	50%

Notes *(continued)*

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Companion Care (Bridgwater) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Brislington) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Bristol Filton) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Broadstairs) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Burgess Hill) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Cambridge Beehive) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Cambridge) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Cannock) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Canterbury) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Cardiff) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Charlton) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Chatham) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Chelmsford) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Cheltenham) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Chesterfield) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Chichester) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Chingford) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Chippenham) Limited	Direct	England & Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Companion Care (Christchurch) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Colchester) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Corstorphine) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Coventry Walsgrave) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Cramlington) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Crawley) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Crayford) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Croydon) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Derby Kingsway) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Derby) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Dunstable) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Eastbourne) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Ely) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Enfield) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Exeter Marsh) Limited	Direct	England & Wales	Ordinary	100%
Companion Care (Exeter) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Falmouth) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Fareham Collingwood) Limited	Direct	England & Wales	B Ordinary	50%

Notes *(continued)*

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Companion Care (Fareham) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Farnborough) Limited	Direct	England & Wales	Ordinary	100%
Companion Care (Farnham) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Folkestone) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Fort Kinnaird) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Friern Barnet) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Gloucester) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Harlow) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Hatfield) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Hemel Hempstead) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (High Wycombe) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Hove) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Huddersfield) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Huntingdon) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Ilford) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Ipswich Martlesham) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Keighley) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Kendal) Limited	Direct	England & Wales	Ordinary	100%

Notes *(continued)*

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Companion Care (Kidderminster) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Kings Lynn) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Kirkcaldy) Limited	Direct	England & Wales	Ordinary	100%
Companion Care (Leicester Beaumont Leys) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Leicester Fosse Park) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Leighton Buzzard) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Linwood) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Lisburn) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Liverpool Penny Lane) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Livingston) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Llantrisant) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Macclesfield) Limited	Direct	England & Wales	Ordinary	100%
Companion Care (Maidstone) Limited	Direct	England & Wales	Ordinary	100%
Companion Care (Merry Hill) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Milton Keynes) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (New Malden) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Newbury) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Newcastle Kingston Park) Limited	Direct	England & Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Companion Care (Newport) Limited	Direct	England & Wales	Ordinary	100%
Companion Care (Northampton Nene Valley) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Norwich Hall Road) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Norwich Longwater) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Norwich) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Nottingham) Limited	Direct	England & Wales	Ordinary, Preference	100%
Companion Care (Oldbury) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Oldham) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Orpington) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Oxford) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Perth) Limited	Direct	England & Wales	Ordinary	100%
Companion Care (Peterborough Bretton) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Peterborough) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Plymouth) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Poole) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Portsmouth) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Preston Capitol) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Pudsey) Limited	Direct	England & Wales	B Ordinary	50%

Notes *(continued)*

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Companion Care (Reading) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Redditch) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Redhill) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Romford) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Rotherham) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Rustington) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Salisbury) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Scarborough) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Slough) Limited	Direct	England & Wales	Ordinary	100%
Companion Care (Southampton) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Southend-On-Sea) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Speke) Limited	Direct	England & Wales	Ordinary	100%
Companion Care (Stevenage) Limited	Direct	England & Wales	Ordinary	100%
Companion Care (Stirling) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Stockport) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Stoke Festival Park) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Stratford-Upon-Avon) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Swansea) Limited	Direct	England & Wales	B Ordinary	50%

Notes *(continued)*

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Companion Care (Swindon) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Tamworth) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Taunton) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Telford) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Truro) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Tunbridge Wells) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Wakefield) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Weston-Super-Mare) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Winchester) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Winnersh) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Woking) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Woolwell) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Worcester) Limited	Direct	England & Wales	B Ordinary	50%
Companion Care (Wrexham Holt Road) Limited	Direct	England & Wales	B Ordinary	50%
Corby Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Coventry Canley Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Craigavon Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Craigeleith Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Crescent Link Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Crewe Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Cross Hands Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Cumbernauld Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Dagenham Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Darlington Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Daventry Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Davidsons Mains Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Denbigh Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Dewsbury Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Doncaster Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Dorchester Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Dover Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Droitwich Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Drumchapel Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Dudley Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Dumbarton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Dundee Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Dunfermline Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
East Grinstead Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
East Kilbride South Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
East Kilbride Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Eastleigh Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Eccleshill Vets4Pets (Newco) Limited	Direct	England and Wales	B Ordinary	50%
Ellesmere Port Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Epsom Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Evesham Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Falkirk Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Feltham Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Gateshead Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Gillingham Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Glasgow Forge Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Glasgow Pollokshaws Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%
Goldenhill Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Gosport Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Gravesend Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Greasby Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Great Yarmouth Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Greenford Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Halesowen Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Hamilton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Harrogate New Park Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Hartlepool Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%
Hastings Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Havant Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Haverfordwest Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Haverhill Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Hayling Island Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Heanor Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%
Hedge End Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Hemsworth Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Hendon Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Hereford Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Hertford Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Hexham Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Hinckley Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Horden Vets4Pets Limited	Direct	England and Wales	Ordinary	100%
Hucknall Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Hull Anlaby Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Hull Stoneferry Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Hull Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Ilkeston Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Inverness Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Inverurie Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Irvine Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Kendal Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Kilmarnock Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Kirkby in Ashfield Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Lancaster Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Larne Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Launceston Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Leamington Spa Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Leeds Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Leeds Birstall Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Leeds Colton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Leeds Kirkstall Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Leicester St Georges Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Leigh Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Letchworth Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Leven Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Leyland Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Lichfield Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Lincoln South Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Linlithgow Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Lisburn Longstone Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Liverpool OS Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Llandudno Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Llanelli Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Llanrumney Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Loughton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Luton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Luton Gipsy Lane Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Lytham Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Maidenhead Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Maldon Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Malvern Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Mansfield Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Market Harborough Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Marlborough Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Merthyr Tydfil Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Mexborough Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Middlesbrough Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Middlesbrough Cleveland Park Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Milton Keynes Broughton Vets4Pets Limited	Direct	England and Wales	Ordinary	100%
Monmouth Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Morpeth Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Musselburgh Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
New Milton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Newark Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Newbury Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%
Newhaven Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Newmarket Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Newport Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Newton Abbot Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Newton Mearns Vets4Pets Limited	Direct	England and Wales	Ordinary	100%
Newtownabbey Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Newtownards Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
North Tyneside Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Northallerton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Northampton Riverside Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Northwich Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Nottingham Castle Marina Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Nottingham Chilwell Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Nottingham Netherfield Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Nuneaton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Oadby Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Old Kent Road Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Oxford Cowley Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Penrith Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Pentland Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Penzance Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%
Perth Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Peterborough Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Peterlee Vets4Pets Limited	Direct	England and Wales	Ordinary	100%
Pontypridd Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Portishead Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Poynton Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Prescot Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Prestwich Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Quinton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Rawtenstall Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Rayleigh Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Redditch Vets4Pets Limited	Direct	England and Wales	Ordinary	100%
Rhyl Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Richmond Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding - at 25 March 2021 %
Ripon Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Rochdale Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Rugby Central Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Rugby Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%
Ruislip Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Runcorn Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%
Rushden Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Saffron Walden Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%
Salford Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Scunthorpe Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Selby Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Selly Oak Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Sevenoaks Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Sheffield Drakehouse Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Sheffield Heeley Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Sheffield Wadsley Bridge Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Sheldon Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Shelfield Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Shepton Mallet Vets4Pets Limited	Direct	England and Wales	Ordinary	100%

Notes *(continued)*

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Shrewsbury Meole Brace Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Shrewsbury Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Sidcup Vets4Pets Limited	Direct	England & Wales	A Ordinary	50%
Sittingbourne Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Solihull Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Somercotes Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
South Shields Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
South Shields Quays Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Southampton Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%
Southend Airport Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Southport Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
St Albans Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
St Austell Vets4Pets Limited	Direct	England & Wales	B Ordinary	95%
St Helens Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
St Neots Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Stechford Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Stocksbridge Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Stockton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Stourbridge Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Street Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Sudbury Vets4Pets Limited	Direct	England & Wales	Ordinary	100%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Sunderland South Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Sutton Coldfield Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Sutton In Ashfield Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%
Swindon Bridgemoor Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Sydenham Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Teesside Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Telford Madeley Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Thamesmead Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
The Heart of Dulwich Veterinary Care Limited	Direct	England & Wales	Ordinary	100%
Thornbury Vets4Pets Limited	Direct	England and Wales	Ordinary	100%
Thurrock Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Tilehurst Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Tiverton Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Torquay Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Totton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Trafford Park Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Trowbridge Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Uckfield Vets4Pets Limited	Direct	England and Wales	Ordinary	100%
Uttoxeter Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Vets4Pets (Services) Limited	Direct	England & Wales	Ordinary	100%
Walkden Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Wallasey Bidston Moss Vets4Pets Limited	Direct	England & Wales	Ordinary	100%

Notes (continued)

9 Investments (continued)

Company	Holding	Incorporated	Shareholding	Holding at 25 March 2021 %
Walsall Reedswood Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Waltham Abbey Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Walton On Thames Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Walton Vale Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Warminster Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Warrington Riverside Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Warrington Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Warrington Winwick Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Washington Vets4Pets Limited	Direct	England and Wales	B Ordinary	50%
Waterlooville Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Watford Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Wellingborough Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
West Bromwich Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
West Drayton Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Weymouth Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Whitstable Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Widnes Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Wimbledon Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Wokingham Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
Wolverhampton Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Worthing Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Wrexham Vets4Pets Limited	Direct	England and Wales	Ordinary	100%
Yate Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%
Yeovil Vets4Pets Limited	Direct	England & Wales	Ordinary	100%
York Clifton Moor Vets4Pets Limited	Direct	England & Wales	B Ordinary	50%

Notes *(continued)*

9 Investments (continued)

Investments in subsidiary undertakings – A Shares of veterinary practices which were previously joint ventures

Investments includes the 'A' share capital in veterinary practice companies acquired. These practices were previously Joint Venture practices where the B shares were held by either CCSL or a fellow group company, Vets4Pets Limited. When acquired, these investments are acquisition accounted for at fair value however no consolidation is required as per note 1.

The share capital of the veterinary practice companies is split equally into 'A' ordinary shares (bought by the Company from Joint Venture Partners) and 'B' ordinary shares (already held by the Group). Where the A shares are now 100% owned, any operational decisions no longer require the agreement of the Joint Venture Partner.

Under the terms of the agreements, the Company ('A' shareholder) is entitled to any profits, losses or dividends, or any surplus on winding up or disposal.

Investments in joint ventures – B Shares

Investments includes the 'B' share capital held in joint veterinary practice companies. These investments are equity accounted for at cost less impairment. The share capital of the veterinary practice companies is split equally into 'A' ordinary shares (held by Joint Venture Partners) and 'B' ordinary shares (held by the Group). Any operational decisions require the agreement of the Joint Venture Partner.

Under the terms of the agreements, the Company ('B' shareholder) is not entitled to any profits, losses or dividends, or any surplus on winding up or disposal, although they are entitled to appoint Directors to the Board and carry the same shareholder voting rights as 'A' ordinary shareholders.

The agreements entitle the Company to receive income in relation to support services offered in such areas as clinical development, promotion and methods of operation as well as service activities including accountancy, legal and property.

During the year, the Company purchased the A shares of certain joint veterinary practices as mentioned above. Some of the B shares of these practices were previously owned by a fellow company (Vets4Pets Limited) and the B shares were therefore transferred to the Company upon purchase of the A shares. Consideration of £1 was paid to each of the previous B shareholders.

Loans to joint venture veterinary practices

Loans to joint venture veterinary practices relate to loans provided to Joint Venture veterinary practice companies trading under the Companion Care brand, in which the Company's share interest is non-participatory. These loans represent a long term investment in the Joint Venture, supporting their initial set up and working capital, and are held at amortised cost under IFRS9. Under the terms of the loans provided to veterinary companies trading under the Companion Care and Vets4Pets brands the loans attract varying interest rates between 0% and 3%. There are no set dates for repayment of the loans. The loans are carried at cost as the impact of discounting future cashflows at a market rate of interest has been assessed as immaterial.

The balances above are shown net of provisions of £1,120k (2020: £150k). The provision is in relation to loans with Joint Venture veterinary practices which the Company is in the process of offering to buy out and has therefore provided in full for the remaining loans on these practices. These costs have been charged to cost of sales.

As the legal ownership of some A shares and B shares changed during the year as mentioned above, some loan amounts previously due to Vets4Pets Limited have been transferred to the Company to reflect the legal obligation.

Notes (continued)

10 Stock

	2021	2020
	£000	£000
Consumables	135	292

11 Debtors

	2021	2020
	£000	£000
Trade debtors	993	4,087
Other debtors	2,514	1,035
Deferred tax asset (note 15)	570	462
Amounts owed by group undertakings and Joint Venture veterinary practices – funding, trading and operating loans	67,874	48,938
	71,951	54,522

Amounts owed by Joint Venture veterinary practices shown above includes amounts representing funding for new practices, trading balances, and operating loans. The amount owed by veterinary practices relating to operating loans amounted to £22,965k (2020: £31,640k).

Operating loans are provided on a short term monthly cycle to the extent that a practice needs additional funding above their external bank loan. Practices generate cash on a monthly basis which is applied to the repayment of brought forward operating loans. For immature practices, loan balances may increase due to operating requirements. Based on a projected cash flow forecast on a practice by practice basis, the funding is expected to be required for a number of years, however as cash is applied against opening loan balances, the Company's expectation is that the brought forward balance will be repaid in cash within 12 months. The loans have been classified as current on this basis and the Company has chosen not to charge interest on these balances, which are repayable on demand, and they are initially recognised under IFRS 9 at their nominal value as the effect of discounting the expected cash flows based on the effective interest rate at the market rate of interest is not material. The loans advanced to the practices are interest free and either repayable on demand or repayable within 90 days of demand. No facility exists and the levels of loans are monitored in relation to review of the practices performance against business plan and a number of financial and non-financial KPIs. For those practices in default, a credit impaired charge is recognised under IFRS9 taking into account the company's expectations of future cash flow recoverability. For other practices, a credit impairment charge is recognised under IFRS9, taking into account both the probability of loss and the loss proportion given default. The balance is shown net of allowances for expected credit losses held for operating loans of £4,636k (2020: £6,872k).

Notes (continued)

11 Debtors (continued)

Based on their scorecard performance, operating loans are categorised as either a low, medium, or high credit risk. The Company considers a Joint Venture operating loan asset to be in default when the underlying veterinary practice is significantly under-performing against its business plan. Practices categorised within the high and medium credit risk categories are those considered to be in default, with the former category including those that have the highest loss given default due to their score card performance. Those within the low credit risk category are not deemed to be in default.

The company continues to work with a number of Joint Venture Partners, where the partners choose to follow the company's recommendations on remediation plans aimed at improving practice performance. Further details on credit risk are provided in note 1.11.

The following table presents an analysis of the credit risk and credit impairment of operating loans held at amortised cost. Based on their scorecard performance, loans are categorised as high, medium or low credit risk. The loss allowance is calculated in accordance with the policy set out in note 1.11, depending on the credit risk of each loan.

Credit risk	2021 £000	2020 £000
Low	13,908	23,020
Medium	5,524	4,762
High	3,533	3,858
Gross carrying value	22,965	31,640
Loss allowance	(4,636)	(6,872)
Net carrying value	18,329	24,768

A 10% increase in the estimate of loss in the operating loans would lead to an increase in the required provision for operating loans of £534k (2020: £1.9m). This sensitivity is considered by management to represent a reasonably possible range of estimation uncertainty, based on the variance in current trading performance within these Joint Venture veterinary practices. The factors which give rise to the estimation uncertainty include macroeconomic and industry specific factors, including the level of industry growth, as well as gross margin percentages achieved within the industry, which contain a number of factors including the availability of suitably qualified veterinary personnel. Whilst these loans are repayable on demand, they are not expected to be recovered in full for a number of years, based on the projected cashflow forecast on a practice by practice basis.

Notes (continued)

11 Debtors (continued)

	(Underlying) £000	Total £000
Gross value of operating loans		
As at 26 March 2020	31,640	31,640
Loans written off	(1,078)	(1,078)
Net repayment and further advances	(7,597)	(7,597)
Gross value of operating loans as at 25 March 2021	<u>22,965</u>	<u>22,965</u>
Provisions against operating loans		
As at 26 March 2020	(6,872)	(6,872)
Provisions made during the period	58	58
Utilisation of provision against loans written off	1,078	1,078
Amounts moved to provisions	1,100	1,100
Provision against operating loans as at 25 March 2021	<u>(4,636)</u>	<u>(4,636)</u>
Carrying value of loan at 25 March 2021	<u>18,329</u>	<u>18,329</u>
% provision as at 25 March 2021	<u>20.1%</u>	<u>20.1%</u>
Carrying value of loan at 26 March 2020	<u>24,768</u>	<u>24,768</u>
% provision as at 26 March 2020	<u>21.7%</u>	<u>21.7%</u>

12 Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	4,068	6,133
Lease liabilities (note 7)	1,098	1,589
Other creditors including tax and social security	20,749	13,069
Amounts owed to Group undertakings	-	8,111
	<u>25,915</u>	<u>28,902</u>

Amounts owed to Group undertakings are interest-free and repayable on demand.

Notes (continued)

13 Creditors: amounts falling due over one year

	2021	2020
	£000	£000
Lease liabilities (note 7)	6,736	7,366

14 Provisions for liabilities and charges

	Dilapidations Provision	Closure costs relating to JV Practices	IFRS9 bank loan guarantee	Total
	£000	£000	£000	£000
Liability at start of period 26 March 2020	317	1,174	-	1,491
Provision made during the period	-	-	1,100	1,100
Provision utilised during the period	(10)	(189)		(199)
Liability at end of period 25 March 2021	307	985	1,100	2,392

The provision includes amounts for dilapidation costs on leasehold premises and ongoing closure costs relating to recently acquired Joint Venture Practices.

During the period, the Company also had in place certain guarantees over the bank loans taken out by a number of veterinary practice companies in which it holds an investment in non-participatory share capital. Where this guarantee exists on practices which are currently in operating loan, the company acknowledges operating loan balances may increase due to debt financing requirements. As a result, the company provides a provision for expected credit losses equal to 3 months worth of debt finance repayments for the relevant practices.

15 Deferred tax asset

	Total £000
Movement in deferred tax asset:	
At 26 March 2020 (see note 11)	462
Credit to the profit and loss account	108
At 25 March 2021 (see note 11)	570

The asset recognised in respect of deferred tax is as follows:

	2021	2020
	£000	£000
Short term timing differences	586	435
Difference between accumulated depreciation, amortisation and capital allowances	(16)	27
	570	462

Notes (continued)

16 Called up share capital

	2021 £000	2020 £000
<i>Allotted, called up and fully paid</i>		
100,000 ordinary shares of £1 each	100	100

17 Commitments

- (a) The Company operates a group stakeholder pension scheme. The pension cost charged for the period represents contributions payable by the company to the scheme and amounted to £864,000 (2020: £522,000).
- (b) At 25 March 2021, the Company has no commitments to provide funding to related party joint venture companies (2020: nil) which remains undrawn.
- (c) At 25 March 2021, the Company has a commitment to increase the loan funding to joint venture companies of £830k (2020: £810k), this increase in funding is written into the joint venture agreements and becomes payable when certain criteria are met.

18 Related party disclosures

As the Company is included in the consolidated financial statements of Pets at Home Group Plc, the Company has taken advantage of the exemption contained within FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the group.

The Company has entered into a number of arrangements with third parties in respect of veterinary practices and holds more than 20% of the voting rights in a corresponding number of related companies. No rights to participate in these companies' profits or dividends are held by the Company. These companies are considered to be related parties and the transactions entered into during the period, and the balances outstanding at the end of the period are as follows:

	2021 £000	2020 £000
Transactions		
- Fees for services provided to veterinary practices	42,670	44,819
- Rental and other occupancy charges to veterinary practices	6,132	5,480
Total P&L transactions	48,802	50,299
Acquisitions		
- Consideration for Joint Venture veterinary practices acquired	1,584	378

Notes (continued)

18 Related party disclosures (continued)

	2021 £000	2020 £000
Balances		
Included within Debtors (Note 11)		
- Funding for new practices	297	735
- Trading balances	5,968	24,426
- Operating loans:		
Gross value of operating loans	22,965	31,640
Provision held for operating loans	(4,636)	(6,872)
Net operating loans	18,329	24,768
Included within Investments (note 9):		
- Loans to Joint Venture practices – initial set up loans	13,135	13,075
- Provision held for set up loans	(1,120)	(150)
Net Set up Loans	12,015	12,925
Included within Creditors: Amounts falling due within 1 year (Note 12):		
- Trading balances	-	(379)
Total amounts receivable from veterinary practices (before provisions)	30,641	69,467

Fees for services provided to related party veterinary practices are included within revenue and relate to charges for support services offered in such areas as clinical development, promotion, and methods of operation as well as service activities including accountancy, legal and property. In accordance with IFRS 15, revenue in the 52 week period ended 25 March 2021 and 26 March 2020 excludes irrecoverable fee income from Joint Venture veterinary practices.

Funding for new practices represents the amounts advanced by the Company to support veterinary practice opening costs. The funding is short term and the related party Joint Venture veterinary practice draws down their own bank funding to settle these amounts outstanding with the Company shortly after opening. Trading balances represent costs incurred/income received by the Company in relation to the services provided to the veterinary practices that have yet to be recharged.

The Company provides operating loans and other loans to a number of Joint Venture veterinary practices to cover their cash flow requirements and support their longer term growth. The loans advanced to the practices are interest free and either repayable on demand or repayable within 90 days of demand. As detailed in these notes, provisions for expected credit losses are held in respect of operating and other loans to Joint Venture veterinary practices. The Company considers a Joint Venture operating loan asset to be in default when the underlying veterinary practice is significantly under-performing against its business plan. Each practice is reviewed against this set of criteria and their appropriate risk weightings on an ongoing basis by management. Practices categorised within the high and medium credit risk categories are those considered to be in default, with the former category including those that have the highest loss given default due to their score card performance. Those within the low credit risk category are not deemed to be in default. The Company considers other intercompany and related party assets to be in default when the entity does not have the forecasted future funds available to repay the balance, if recalled.

At 25 March 2021, the Company has no commitment to provide funding to related party Joint Venture companies (2020: £nil).

Notes (continued)

18 Related party disclosures (continued)

At 25 March 2021, the Company has committed to increase loan funding to Joint Venture companies by £830k (26 March 2020: £810k). This increase in funding is written into the Joint Venture agreements and becomes payable when certain criteria are met.

The Company is also a guarantor for the lease for veterinary practices that are not located within Pets at Home stores.

19 Contingencies

Provisions are maintained by the Company, where necessary, against certain balances held with the veterinary practices. During the period, the Company also had in place certain guarantees over the bank loans taken out by a number of veterinary practice companies in which it holds an investment in non-participatory share capital. At the end of the period, the total amount of bank overdrafts and loans guaranteed by the Company amounted to £11,760k (26 March 2020: £11,592k).

The Company is also a guarantor for the lease for veterinary practices that are not located within Pets at Home stores.

20 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Pets at Home Vet Group Limited, a company registered in England and Wales. The registered office of Pets at Home Vet Group Limited is Epsom Avenue, Stanley Green Trading Estate, Handforth, SK9 3RN.

The largest and smallest group in which the results of the Company are consolidated is that headed by Pets at Home Group plc, incorporated in England and Wales. The consolidated financial statements of this group are available to the public and may be obtained from Companies House, Crown Way, Cardiff.

21 Change in accounting policy

Following the March 2021 IFRIC update in relation to 'Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)—Agenda Paper 2', for which the final decision was published in April 2021, the company has reviewed its policy regarding the capitalisation of intangibles. The change has led to software as a service arrangement, along with any related costs where a separately identifiable intangible asset is not created, being written off to administrative expenses. This ensures the company is only capitalising items it has the ability to control future returns as a result of their existence. As a result, a current year adjustment has been made to reduce additions by £2,219,000. Full details of the adjustment can be found in note 21. Since late in the period to March 2020, the company has commenced with implanting a new finance system, SAP. Prior costs capitalised within intangibles related to software which was on premise. As such, the impact of the IFRIC over prior year numbers is immaterial and as such, no prior year adjustment is reflected.

The impact of this change on the financial statements is as follows:

	Note	Excluding change £000	Effect of change in accounting policy £000	Reported values £000
Administration expenses		(12,326)	(2,219)	(14,545)
Operating profit/(loss)	2	27,605	(2,219)	25,386
Profit/(loss) before taxation		27,636	(2,219)	25,417
Intangible assets	8	5,665	(2,219)	3,446
Total assets less net liabilities		83,511	(2,219)	81,292
Net assets		75,483	(2,219)	73,264