

**PREMIER  
VETERINARY  
GROUP**

# Pets at their best.

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Annual Report  
and Financial Statements  
for the year ended 30 September 2023

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# Premier Veterinary Group plc

A leading independent provider to the veterinary sector of preventative healthcare programmes for pets in the UK, Europe and the USA.

## Contents

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### Reports

|   |   |
|---|---|
| 1 | Group Strategic Report  |
| 6 | Directors' Report   |
| 8 | Directors' Responsibilities Statement                                       |
| 9 | Independent Auditors' Report to the Members of Premier Veterinary Group plc |

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### Financial Statements

|    |  |
|----|--|
| 13 | Consolidated Statement of Comprehensive Income |
| 14 | Consolidated Statement of Financial Position   |
| 15 | Company Statement of Financial Position        |
| 16 | Consolidated Statement of Changes in Equity    |
| 17 | Company Statement of Changes in Equity         |
| 18 | Consolidated Statement of Cash Flows           |
| 19 | Consolidated Analysis of Net Debt              |
| 20 | Notes to the Financial Statements              |

## Legal notice

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Certain statements in this document are forward looking. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that may or may not occur and could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. Such risks, uncertainties or assumptions could adversely affect the outcome and financial effects of the expectations, beliefs, hopes, plans, intentions, strategies and events described herein. Therefore, forward-looking statements contained in this document regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Any statements made have been made by the directors in good faith using information available up to the date on which they approved this report. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that are beyond the control of the Company and depend upon circumstances that may or may not occur in the future. There are a number of factors that could cause actual future financial conditions, business performance, results or developments of the Company to differ materially from the plans, goals and expectations expressed or implied by these forward-looking statements and forecasts. Nothing in this document should be construed as a profit forecast.

**Premier Veterinary Group plc**  
**GROUP STRATEGIC REPORT**  
**for year ended 30 September 2023**

## **Results**

The Group's total revenue from continuing operations was £12,842k, an increase of 21% on the year ended 30 September 2022 (2022: £10,592k). This growth was driven by an increase in the uptake of our Home Delivery service, an increase in administration fees due to new sign-ups, an increase in transaction fee prices across the Group, and an increase in the number of pets on plan.

Gross profit margin % remains consistent this year, moving from 92% in 2022 to 90% in 2023. Operating margin has decreased slightly from 16.1% in 2022 to 13.8% in 2023, with the business making an operating profit in both years.

Interest costs for the year were £2,116k (2022: £969k).

The Group made a profit from continuing operations after tax this year of £50k (2022: £922k). This decrease being attributable to significantly higher interest costs in the year.

## **Principal Activity and Review of the Business**

Premier Veterinary Group plc ("PVG", the Company) is the parent company of the PVG Group of companies (the Group). It provides technological, training, and financial services to veterinary practices, retailers and pharmaceutical manufacturers through its UK and overseas trading subsidiaries. The principal trading companies are Premier Vet Alliance Limited ("PVA") and The Animal Healthcare Company Limited ("AHC"). The Group has grown businesses in the UK, Europe, and USA since its launch in 2010. On 12 October 2020 the Group completed the acquisition of The Animal Healthcare Company Limited which was transformational for the Group in terms of scale and profitability.

Prior to their divestment in 2015, PVG owned several veterinary practices. Management is therefore well placed to use its accumulated veterinary knowledge and expertise to focus on developing preventative healthcare programmes and other initiatives to improve compliance in the use of vaccines, parasiticides and long-term therapeutic drugs for customer pets, resulting in healthier outcomes. The investment in the global technology platform provides further capability to deliver efficient and flexible solutions including multi-currency processing capabilities and home delivery services. PVG is therefore well positioned to provide value enhancing services across the end-to-end supply chain from pharmaceutical manufacturers through wholesalers and distributors to clinics, vets and pet owners.

The number of revenue-generating pets on plan across PVG operations in the UK, Europe and the USA has increased on the previous year to 1.96m as at the end of the financial year. The Group has continued to pursue its strategy to leverage strategic partnerships and to focus on its core territories to increase its growth potential. Investment has been maintained in the operating model, core infrastructure and work with clients to support them as business solutions and opportunities are developed. The established Home Delivery service has continued to grow strongly this year and the Group has piloted its pet owner focused App. this year with encouraging adoption rates being seen.

The worldwide operation of Premier Pet Care Plan (PPCP) is facilitated by its bespoke software platform. The Group continues to add functionality to the platform, after careful assessment, with the intention of developing further revenue generating opportunities, creating bigger barriers to entry and maintaining competitive advantage. PVG has continued to make significant investment to ensure that it remains at the forefront of working with veterinary practices to deliver preventative healthcare programmes for pets.

**Premier Veterinary Group plc**  
**GROUP STRATEGIC REPORT (Continued)**  
**for year ended 30 September 2023**

**Principal Risks and Uncertainties**

Working and providing services across various territories requires employees to take accountability for identifying and effectively managing risks through a system of policies and procedures.

Risk registers are in place and training needs are assessed to ensure the appropriate knowledge and skills are in place where and when they are needed. Where appropriate the business will use the services of external experts and service providers to help it audit its systems and procedures and improve them where necessary. The Board and management teams are actively engaged in assessing risk and providing oversight.

The Group regularly undertakes risk assessments that are reviewed by those with responsibility for the functions or relevant parts of the business. In the last year the Group reviewed its risk framework and process to meet the ongoing needs of the business.

The principal risks relating to the Group's business are set out below:

| No | Identified Risk                    | Risk Description  | Mitigation  | Change since 2021  |
|----|------------------------------------|---|---|--|
| 1  | Management of growth and expansion | <p>The Group must effectively manage the growth of its operations; an inability to manage such expansion and the associated costs may have a material adverse effect on the Group's business.</p> <p>PVG operates in the UK and has expanded its operations in parts of Europe and the USA. The Group's ability to manage its growth across all its territories effectively requires it to continue to improve and expand its operating, financial and management controls, reporting systems and procedures, and to recruit, train, motivate and manage its employees.</p> | <p>To continue to improve and expand our operating, financial and management controls, reporting systems and procedures to support employees in their roles to support the objectives of the Group.</p> <p>To continue to recruit, train, motivate and manage its employees to ensure its ability to retain employees for as long as is practicable to ensure continuity of service and the ability to achieve objectives.</p> <p>Close management of overseas operations and partners. Regular face to face meetings are a crucial part of that and local third party experts are engaged to ensure the Group is compliant with local rules and regulations.</p> | Unchanged.   |
| 2  | Financial Liquidity Risk           | <p>Changes in the Group's trading performance, development of relationships with customers, and operating cash flow may create pressure on its funding position. The Group has 4 contracts which make up approximately 50% of Group revenues.</p>   | <p>The Group continually monitors cashflow projections, relationships with customers, and reviews funding options on a regular basis. Key contracts and relationships are closely monitored to mitigate the risk of non-renewal or extension. Contracts are typically 3 years in length with good notice periods and staggered renewal dates. Notice periods are agreed to allow the operational and cost base to be adjusted to reflect material changes and avoid critical impact. Management proactively responds to change in appropriate ways to grow the business.</p>  | <p>As at the date of signing these financial statements, the Group had successfully negotiated a loan facility with a major bank. This has been utilised in the repayment of existing loan finance and comes into force at a significantly lower rate of interest.</p> |

**Premier Veterinary Group plc**  
**GROUP STRATEGIC REPORT (Continued)**  
**for year ended 30 September 2023**

**Principal Risks and Uncertainties (Continued)**

|   | Identified Risk                                | Risk Description  | Mitigation   | Change since 2022   |
|---|--|---|--|---|
| 3 | Security – Anti-Virus & Spyware                | <p>A remote user has a virus or spyware infection as they do not have up to date virus definition files.</p> <p>Possible data loss, decreased network performance, application errors, transmission of virus to other users.</p>  | <p>Networks protection by antivirus and antispyware software with automatic updates.</p> <p>Continual staff education on minimising infections.</p> <p>Weekly checks of hardware and software internal policies.</p>   | Continual monitoring and upgrading of antivirus and antispyware software. |
| 4 | IT & Data Protection                           | <p>Loss of equipment e.g. PC, phone, containing confidential data.</p> <p>Emails sent to incorrect address resulting in confidential data being sent to inappropriate recipients.</p> <p>Unauthorised access, cyber-crime resulting in loss of confidential information.</p> <p>Breach of GDPR.</p>   | <p>PCs are password protected, known only to users.</p> <p>Multi factor authentication has been applied to all systems access.</p> <p>Passwords used for confidential/sensitive documents.</p> <p>All computers and laptops are powered off when not in use.</p> <p>Staff training on use of laptops and documents when travelling to ensure information not overseen by others.</p> <p>Restriction of use of open wireless networks.</p> <p>Data protection policy implemented and followed. Data is segregated and masked wherever possible.</p> | Ongoing and enhanced monitoring.  |
| 5 | Pandemics and other worldwide events: COVID-19 | <p>The Group will always be at risk from extreme and unexpected global events affecting our ability to operate. This could be an event that effects our people, our offices, our IT systems, or any other aspect of our operations.</p> <p>This was the case with the COVID-19 pandemic which started in 2020 and continues to create global uncertainty, albeit the impact has largely abated.</p> <p>Whilst the impact on the Group has been relatively minimal to date due to the proactive management of the Group's Senior Leadership Team, there will continue to be a risk to revenues and profits should future restrictions occur.</p> | <p>Regular review and updating of forecasts to understand and mitigate any potential adverse effects on revenues.</p> <p>Maintenance of close working relationships with suppliers and customers.</p> <p>Continuing to support staff through an extended period of remote working.</p>   | Reduced due to relaxing of COVID-19 restrictions.                         |

**Premier Veterinary Group plc**  
**GROUP STRATEGIC REPORT (Continued)**  
**for year ended 30 September 2023**

### **Streamlined Energy and Carbon Reporting**

During the year, the Group has demonstrated a commitment to reducing carbon emissions by promoting energy efficiency wherever possible.

Meetings have been held remotely, if possible, which has significantly reduced travel emissions compared to if meetings were held in person in the financial year. Elsewhere, paper-based waste has continued to be securely shredded and recycled, printing and toner cartridges have been recycled, and care has been taken to ensure non-critical equipment has been switched off when not in use. Efficiency ratings of electrical appliances are considered carefully before purchase.

### **Methodology**

Throughout the financial year, two office premises were utilised in the following locations:

Oct 2022 – Sep 2023: Uppingham, Rutland,

Oct 2022 – Sep 2023: The Quorum, Old Market, Bristol.

The premises above use electricity for heat, light and power and the kWh usage at these sites was calculated from the bills paid during the financial year, or estimated amounts in the absence of amounts not yet billed.

The other main source of carbon emissions is from business-related travel. Mileage has been calculated from expenses claims made by employees in the UK and the USA, and carbon emissions calculated from this. Given the variety of vehicles which have been in use in the year, assumptions have been made about the types of fuel used and the sizes of engines.

Other travel methods such as air, rail and taxi travel have been considered this year and carbon emissions from estimated numbers of miles travelled have been calculated. Again, given the variety of journeys taken using different modes of transport, assumptions have been made about power ratings, fuel types and journey lengths.

### **Emission statistics**

|  | <b>2023</b>    | <b>2022</b>    |
|--|----------------|----------------|
| Energy consumption used to calculate emissions (kWh)                           | <b>181,856</b> | <b>199,683</b> |
| Emissions from combustion of fuel for transport purposes (kgCO <sub>2</sub> e) | 33,712         | 33,275         |
| Emissions from purchased electricity (kgCO <sub>2</sub> e)                     | 8,686          | 13,279         |
| Total gross emissions (kgCO <sub>2</sub> e)                                    | <b>42,398</b>  | <b>46,554</b>  |
| Intensity ratio (total kgCO <sub>2</sub> e per FTE employee)                   | 739            | 803            |

**Premier Veterinary Group plc**  
**GROUP STRATEGIC REPORT (Continued)**  
**for year ended 30 September 2023**

**Statement on the Discharge of Directors' Duties under Section 172 of the Companies Act 2006**

In compliance with the Companies Act 2006, the Board of Directors are required to act in accordance with a set of general duties. The Board considers that it has, individually and collectively, during 2022/23 acted in a way which will be most likely to promote the success of the Group and Company for the benefit of the shareholders and other stakeholders, having regard to the likely consequence of decisions for the long term and the Group's wider relationships.

During 2022/23 the Directors:

- a) continued the policy of promoting from within the existing workforce where possible and providing a range of training opportunities, using a number of external training partners;
- b) continued to seek to maintain appropriate, long-term and rewarding relationships with customers and suppliers;
- c) continued to try and minimise adverse effects of the Company's operations on the local community and the environment, including taking steps such as: securely shredding and recycling confidential waste paper; recycling used toner cartridges; switching off non-critical equipment and lighting when not in use; preferentially purchasing low-energy electrical equipment; and minimising travel and conducting business remotely wherever possible; and
- d) continued to work to maintain a reputation for high standard of business conduct and probity in its operations.

This report was approved by the board and signed on its behalf.



**Andrew Pauli**  
Director

## **Premier Veterinary Group plc**

### **DIRECTORS' REPORT**

The Directors present their report and the financial statements for the year ended 30 September 2023.

#### **Directors' and Officers' Liability Insurance**

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors, which remain in force during the financial year and at the date of this report. In addition, the Company has purchased and maintains Directors' and Officers' liability insurance cover against certain legal liabilities and costs for claims incurred in respect of any act or omission in the execution of their duties.

#### **Results and Dividends**

The profit for the year, after taxation, amounted to £50,000 (2022: £922,000).

The Directors are unable to recommend the payment of a dividend (2022: £Nil).

#### **Directors**

The Directors who served during the year were:

Graham Dick  
Andrew Paull  
Dominic Tonner  
Rajan Uppal  
Neil Wood

#### **Political Donations**

The Group made no political contributions nor incurred any political expenditure during the year.

#### **Future Developments**

The Group continues to focus on enhancing services to member clinics and pet owners and to evaluate new regions for expansion. Efforts are underway to significantly streamline communications between pet owners, clinics and the Group, promoting revenue generating opportunities in the process.

#### **Activities Involving Research and Development**

The Group has engaged with a number of contractors in the year with a view to developing the Pet Care Plan (PCP) portal. Such developments have been made in order to facilitate the processing of greater numbers of pets on plan, to deliver new services to veterinary clinics and to enhance the overall user experience.

#### **Disclosure of Information to Auditors**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Premier Veterinary Group plc**  
**DIRECTORS' REPORT (Continued)**

**Post Balance Sheet Events**

As at the date of signing these financial statements, the Group had successfully negotiated a loan facility with a major bank. This has been utilised in the repayment of existing loan finance and comes into force at a significantly lower rate of interest.

**Statement of Corporate Governance Arrangements**

The Group aims to deliver its services safely, ethically and professionally across all its operational territories and is committed to high standards of corporate governance appropriate to the size and complexity of the business.

The Board recognises that it is accountable to its shareholders for the Group's standard of governance and wherever appropriate, the Group uses external legal and financial advisers to assist it with compliance and best practice in these standards.

**Auditors**

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board and signed on its behalf.



**Andrew Paull**  
Director

*Date: 9 February 2024*

*The Quorum*  
*Bond Street South*  
*Bristol*  
*BS1 3AE*

**Premier Veterinary Group plc**  
**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**for year ended 30 September 2023**

The Directors are responsible for preparing the Group Strategic report, the Directors' report and the consolidated 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 the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Premier Veterinary Group plc**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF PREMIER VETERINARY GROUP PLC**

**Opinion**

We have audited the financial statements of Premier Veterinary Group Plc (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2023, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity, the Consolidated analysis of net debt and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Premier Veterinary Group plc**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF PREMIER VETERINARY GROUP PLC (Continued)**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

**Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent 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 the Directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**Premier Veterinary Group plc**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF PREMIER VETERINARY GROUP PLC (Continued)**

**Auditors' responsibilities for the audit of the financial statements**

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 an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the industry and sector, control environment and business performance including the design of the Group's bonuses.
- We have considered the results of our enquiries of management, including the Chief Financial Officer, about their own identification and assessment of the risk of irregularities.
- For any matters identified we have obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - o Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - o Detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected, or alleged fraud; and,
  - o The internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- We have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, and incorrect recognition of revenue was identified as the greatest potential area for fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included data protection.

**Audit response to risks identified**

We identified recognition of revenue as a key audit matter related to the potential risk of fraud, our procedures to respond to risks identified included the following:

- Undertaking various substantive tests of detail in relation to the recognition of revenue;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement or fraud; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

These procedures were considered at both the parent company and subsidiary level as appropriate.

**Premier Veterinary Group plc**  
**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF PREMIER VETERINARY GROUP PLC (Continued)**


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

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 Auditors' 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.

Handwritten signature of John Talbot in black ink, followed by the text "LLP".

John Talbot FCA (Senior statutory auditor)  
For and on behalf of  
**Bishop Fleming LLP**  
Chartered Accountants  
Statutory Auditors  
10 Temple Back  
Bristol  
BS1 6FL

Date: 9 February 2024

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Consolidated Statement of Comprehensive Income**  
**for year ended 30 September 2023**

|   | <b>Note</b> | <b>2023<br/>£000</b> | <b>2022<br/>£000</b> |
|---|-------------|----------------------|----------------------|
| Turnover  | 4           | 12,842               | 10,592               |
| Cost of sales   |             | (1,271)              | (854)                |
| <b>Gross profit</b>   |             | <b>11,571</b>        | <b>9,738</b>         |
| Administrative expenses   |             | (8,707)              | (7,372)              |
| Exceptional administrative expenses                                 | 11          | (1,056)              | (664)                |
| <b>Operating profit</b>   | 5           | <b>1,808</b>         | <b>1,702</b>         |
| Interest payable and similar expenses                               | 9           | (2,116)              | (969)                |
| <b>(Loss)/profit before taxation</b>                                |             | <b>(308)</b>         | <b>733</b>           |
| Tax on (loss)/profit  | 10          | 358                  | 189                  |
| <b>Profit for the financial year</b>                                |             | <b>50</b>            | <b>922</b>           |
| Currency translation difference on foreign currency net investments |             | -                    | 34                   |
| <b>Other comprehensive income for the year</b>                      |             | <b>-</b>             | <b>34</b>            |
| <b>Total comprehensive income for the year</b>                      |             | <b>50</b>            | <b>956</b>           |
| <b>Profit for the year attributable to:</b>                         |             |                      |                      |
| Owners of the parent Company  |             | 50                   | 922                  |
|   |             | <b>50</b>            | <b>922</b>           |

The notes on pages 20 to 44 form part of these financial statements.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Consolidated Statement of Financial Position**  
**as at 30 September 2023**

|   | Note | 2023<br>£000          | 2022<br>£000          |
|---|------|-----------------------|-----------------------|
| <b>Fixed assets</b>                                     |      |                       |                       |
| Intangible assets                                       | 13   | 4,200                 | 4,052                 |
| Tangible assets   | 14   | 102                   | 204                   |
|   |      | <u>4,302</u>          | <u>4,256</u>          |
| <b>Current assets</b>                                   |      |                       |                       |
| Debtors: amounts falling due within one year            | 16   | 1,078                 | 1,058                 |
| Cash at bank and in hand                                | 17   | 10,223                | 7,868                 |
|   |      | <u>11,301</u>         | <u>8,926</u>          |
| Creditors: amounts falling due within one year          | 18   | (18,203)              | (10,436)              |
| <b>Net current liabilities</b>                          |      | <u>(6,902)</u>        | <u>(1,510)</u>        |
| <b>Total assets less current liabilities</b>            |      | <u>(2,600)</u>        | <u>2,746</u>          |
| Creditors: amounts falling due after more than one year | 19   | (1,115)               | (6,529)               |
| <b>Provisions for liabilities</b>                       |      |                       |                       |
| Deferred taxation                                       | 21   | (154)                 | (136)                 |
| <b>Net liabilities</b>                                  |      | <u><u>(3,869)</u></u> | <u><u>(3,919)</u></u> |
| <b>Capital and reserves</b>                             |      |                       |                       |
| Called up share capital                                 | 22   | 1,714                 | 1,714                 |
| Share premium account                                   | 23   | 263                   | 263                   |
| Other reserves  | 23   | 472                   | 472                   |
| Merger reserve  | 23   | 3,671                 | 3,671                 |
| Profit and loss account                                 | 23   | (9,989)               | (10,039)              |
|   |      | <u><u>(3,869)</u></u> | <u><u>(3,919)</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 February 2024.



**Andrew Paul**  
Director

The notes on pages 20 to 44 form part of these financial statements.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Company Statement of Financial Position**  
**as at 30 September 2023**

|   | Note | 2023<br>£000   | 2022<br>£000   |
|---|------|----------------|----------------|
| <b>Fixed assets</b>                                     |      |                |                |
| Tangible assets   | 14   | 3              | 4              |
| Investments   | 15   | 3,465          | 3,465          |
|   |      | <u>3,468</u>   | <u>3,469</u>   |
| <b>Current assets</b>                                   |      |                |                |
| Debtors: amounts falling due within one year            | 16   | 12,130         | 10,047         |
| Cash at bank and in hand                                | 17   | 8              | 8              |
|   |      | <u>12,138</u>  | <u>10,055</u>  |
| Creditors: amounts falling due within one year          | 18   | (21,906)       | (11,492)       |
| <b>Net current liabilities</b>                          |      | <u>(9,768)</u> | <u>(1,437)</u> |
| <b>Total assets less current liabilities</b>            |      | <u>(6,300)</u> | <u>2,032</u>   |
| Creditors: amounts falling due after more than one year | 19   | (1,098)        | (6,502)        |
| <b>Net liabilities</b>                                  |      | <u>(7,398)</u> | <u>(4,470)</u> |
| <b>Capital and reserves</b>                             |      |                |                |
| Called up share capital                                 | 22   | 1,714          | 1,714          |
| Share premium account                                   | 23   | 263            | 263            |
| Other reserves  | 23   | 472            | 472            |
| Profit and loss account brought forward                 |      | (6,919)        | (5,313)        |
| Loss for the year                                       |      | (2,938)        | (1,600)        |
| Other changes in the profit and loss account            |      | 10             | (6)            |
|   |      | <u>(9,847)</u> | <u>(6,919)</u> |
| <b>Profit and loss account carried forward</b>          |      | <u>(7,398)</u> | <u>(4,470)</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**Andrew Paull**  
Director

Date: 9 February 2024

The notes on pages 20 to 44 form part of these financial statements.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Consolidated Statement of Changes in Equity**  
**for year ended 30 September 2023**

|   | Called<br>up share<br>capital | Share<br>premium<br>account | Other<br>reserves | Reverse<br>acquisition<br>reserves | Profit<br>and loss<br>account | Total<br>equity |
|---|-------------------------------|-----------------------------|-------------------|------------------------------------|-------------------------------|-----------------|
|   | £000                          | £000                        | £000              | £000                               | £000                          | £000            |
| <b>At 1 October 2021</b>  | <b>1,714</b>                  | <b>263</b>                  | <b>472</b>        | <b>3,671</b>                       | <b>(10,995)</b>               | <b>(4,875)</b>  |
| <b>COMPREHENSIVE<br/>INCOME FOR THE YEAR</b>                              |                               |                             |                   |                                    |                               |                 |
| Profit for the year   | -                             | -                           | -                 | -                                  | 922                           | 922             |
| Currency translation<br>difference on foreign<br>currency net investments | -                             | -                           | -                 | -                                  | 34                            | 34              |
| <b>TOTAL<br/>COMPREHENSIVE<br/>INCOME FOR THE YEAR</b>                    | <b>-</b>                      | <b>-</b>                    | <b>-</b>          | <b>-</b>                           | <b>956</b>                    | <b>956</b>      |
| <b>At 1 October<br/>2022</b>  | <b>1,714</b>                  | <b>263</b>                  | <b>472</b>        | <b>3,671</b>                       | <b>(10,039)</b>               | <b>(3,919)</b>  |
| <b>COMPREHENSIVE<br/>INCOME FOR THE YEAR</b>                              |                               |                             |                   |                                    |                               |                 |
| Profit for the year   | -                             | -                           | -                 | -                                  | 50                            | 50              |
| <b>TOTAL<br/>COMPREHENSIVE<br/>INCOME FOR THE YEAR</b>                    | <b>-</b>                      | <b>-</b>                    | <b>-</b>          | <b>-</b>                           | <b>50</b>                     | <b>50</b>       |
| <b>At 30 September 2023</b>   | <b>1,714</b>                  | <b>263</b>                  | <b>472</b>        | <b>3,671</b>                       | <b>(9,989)</b>                | <b>(3,869)</b>  |

The notes on pages 20 to 44 form part of these financial statements.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Company Statement of Changes in Equity**  
**for year ended 30 September 2023**

|  | Called<br>up share<br>capital | Share<br>premium<br>account | Other<br>reserves | Profit<br>and loss<br>account | Total<br>equity |
|--|-------------------------------|-----------------------------|-------------------|-------------------------------|-----------------|
|  | £000                          | £000                        | £000              | £000                          | £000            |
| <b>At 1 October 2021</b>   | <b>1,714</b>                  | <b>263</b>                  | <b>472</b>        | <b>(5,313)</b>                | <b>(2,864)</b>  |
| <b>COMPREHENSIVE<br/>INCOME FOR THE YEAR</b>                           |                               |                             |                   |                               |                 |
| Loss for the year  | -                             | -                           | -                 | (1,600)                       | (1,600)         |
| Currency translation difference on<br>foreign currency net investments | -                             | -                           | -                 | (6)                           | (6)             |
| <b>At 1 October 2022</b>   | <b>1,714</b>                  | <b>263</b>                  | <b>472</b>        | <b>(6,919)</b>                | <b>(4,470)</b>  |
| <b>COMPREHENSIVE<br/>INCOME FOR THE YEAR</b>                           |                               |                             |                   |                               |                 |
| Loss for the year  | -                             | -                           | -                 | (2,938)                       | (2,938)         |
| Currency translation difference on<br>foreign currency net investments | -                             | -                           | -                 | 10                            | 10              |
| <b>TOTAL COMPREHENSIVE<br/>INCOME FOR THE YEAR</b>                     | <b>-</b>                      | <b>-</b>                    | <b>-</b>          | <b>(2,928)</b>                | <b>(2,928)</b>  |
| <b>At 30 September 2023</b>  | <b>1,714</b>                  | <b>263</b>                  | <b>472</b>        | <b>(9,847)</b>                | <b>(7,398)</b>  |

The notes on pages 20 to 44 form part of these financial statements.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Consolidated Statement of Cash Flows**  
**for year ended 30 September 2023**

|   | <b>2023</b><br><b>£000</b> | <b>2022</b><br><b>£000</b> |
|---|----------------------------|----------------------------|
| <b>Cash flows from operating activities</b>                   |                            |                            |
| (Loss)/profit for the financial year                          | <b>50</b>                  | <b>922</b>                 |
| <b>Adjustments for:</b>                                       |                            |                            |
| Amortisation of intangible assets                             | <b>1,185</b>               | <b>819</b>                 |
| Depreciation of tangible assets                               | <b>122</b>                 | <b>120</b>                 |
| Interest charge   | <b>2,116</b>               | <b>969</b>                 |
| Taxation credit   | <b>(358)</b>               | <b>(189)</b>               |
| (Increase) in debtors   | <b>(20)</b>                | <b>(198)</b>               |
| Increase/(decrease) in creditors                              | <b>2,011</b>               | <b>(1,067)</b>             |
| Corporation tax received                                      | <b>139</b>                 | <b>173</b>                 |
| Foreign exchange  | <b>-</b>                   | <b>34</b>                  |
| <b>Net cash generated from operating activities</b>           | <b>5,245</b>               | <b>1,583</b>               |
| <b>Cash flows from investing activities</b>                   |                            |                            |
| Purchase of intangible fixed assets                           | <b>(1,333)</b>             | <b>(845)</b>               |
| Purchase of tangible fixed assets                             | <b>(20)</b>                | <b>(17)</b>                |
| <b>Net cash from investing activities</b>                     | <b>(1,353)</b>             | <b>(862)</b>               |
| <b>Cash flows from financing activities</b>                   |                            |                            |
| Repayment of loans  | <b>(611)</b>               | <b>(111)</b>               |
| Interest paid   | <b>(926)</b>               | <b>(591)</b>               |
| <b>Net cash used in financing activities</b>                  | <b>(1,537)</b>             | <b>(702)</b>               |
| <b>Net increase in cash and cash equivalents</b>              | <b>2,355</b>               | <b>19</b>                  |
| Cash and cash equivalents at beginning of year                | <b>7,868</b>               | <b>7,849</b>               |
| <b>Cash and cash equivalents at the end of year</b>           | <b>10,223</b>              | <b>7,868</b>               |
| <b>Cash and cash equivalents at the end of year comprise:</b> |                            |                            |
| Cash at bank and in hand                                      | <b>10,223</b>              | <b>7,868</b>               |
|   | <b>10,223</b>              | <b>7,868</b>               |

The notes on pages 20 to 44 form part of these financial statements.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Consolidated Analysis of Net Debt**  
**for year ended 30 September 2023**

|                        | At 1<br>October<br>2022<br>£000 | Cash<br>flows<br>£000 | Other<br>non-cash<br>changes<br>£000 | At 30<br>September<br>2023<br>£000 |
|------------------------|---------------------------------|-----------------------|--------------------------------------|------------------------------------|
| Cash                   | 480                             | 514                   | -                                    | 994                                |
| Restricted cash        | 7,388                           | 1,841                 | -                                    | 9,229                              |
| Debt due after 1 year  | (6,528)                         | 600                   | 4,813                                | (1,115)                            |
| Debt due within 1 year | (11)                            | 11                    | (5,496)                              | (5,496)                            |
|                        | <u>1,329</u>                    | <u>2,966</u>          | <u>(683)</u>                         | <u>3,612</u>                       |

The non-cash changes relate to the ageing profile of certain loans that are now due within one year, rather than more than one year. As well as the release of loan arrangement fees to the profit and loss account.

The notes on pages 20 to 44 form part of these financial statements.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**1. GENERAL INFORMATION**

Premier Veterinary Group plc (the "Company") is incorporated as a public company and is registered under the Companies Act 2006 in England and Wales with registered number 04313987. Premier Veterinary Group plc and its subsidiaries (the "Group") provide non-medical services to other veterinary practices.

The registered office is The Quorum, Bond Street South, Bristol, BS1 3AE.

The Group has operations in the Netherlands, France, Germany, Ireland, UK and the USA.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Group operates. Amounts are rounded to the nearest thousand, unless otherwise stated.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

**2.2 BASIS OF CONSOLIDATION**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**2. ACCOUNTING POLICIES (Continued)**

**2.3 GOING CONCERN**

The consolidated financial statements have been prepared on a going concern basis. The Group made a profit from continuing operations of £50k in the year ended 30 September 2023 and ended the year with net liabilities of £3,869k. As at 30 September 2023, the Group had cash and short-term deposits of £10,223k of which £994k was not client money holdings and was available for use by the Group.

At the year end the Group had a £3,866k secured term loan note facility with Bybrook Finance Solutions Limited ("BFSL"). The terms of this facility are outlined in note 27 to the Group financial statements. The repayment date of this facility was 15 December 2023.

The Group also had £1.6m loan notes, including arrangement fee, issued in connection with the acquisition of The Animal Healthcare Company, the repayment date being 15 December 2023.

In December 2023, the Group successfully negotiated a loan facility with a major bank. This has been utilised in the repayment of existing loan finance and comes into force at a significantly lower rate of interest.

The Board has considered market conditions, the Group's financial position including its current cash reserves and the additional funds available from the committed funding facility, and also the Group's forecasts and projections, including forecast covenant compliance, which allow for reasonable possible changes in trading performance.

There is a group support letter in place that each company will continue to support each other, including not calling amounts due unless sufficient funds are available without compromising its ability to operate.

For these reasons, the Board continues to adopt the going concern basis in preparing the financial statements.

**2.4 FOREIGN CURRENCY TRANSLATION**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**2. ACCOUNTING POLICIES (Continued)**

**2.5 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

During the financial year, the Group's primary income stream was generated from Premier Pet Care Plan. All income is recognised when the underlying service has been delivered: direct debit collection and administration fees are recognised when transactions are processed; member joining, and setup fees are recognised when agreements are made; and memberships and subscriptions are recognised on a straight line basis.

**2.6 RESEARCH AND DEVELOPMENT**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.7 FINANCE COSTS**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.8 BORROWING COSTS**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.9 PENSIONS**

**DEFINED CONTRIBUTION PENSION PLAN**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**2. ACCOUNTING POLICIES (Continued)**

**2.10 SHARE-BASED PAYMENTS**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

**2.11 CURRENT AND DEFERRED TAXATION**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**2.12 EXCEPTIONAL ITEMS**

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**2. ACCOUNTING POLICIES (Continued)**

**2.13 INTANGIBLE ASSETS**

**GOODWILL**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

**OTHER INTANGIBLE ASSETS**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The significant intangibles recognised by the Group and their useful economic lives acquired in a business combination are as follows:

|                             |   |                                      |
|-----------------------------|---|--------------------------------------|
| Customer lists              | - | 3 years straight line                |
| Goodwill                    | - | 10 years straight line               |
| Software                    | - | between 3 – 5 years straight line    |
| Software under construction | - | not amortised until brought into use |

The amortisation expense is recognised within "Administrative expenses" in the consolidated statement of comprehensive income.

**2.14 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

|                              |   |                         |
|------------------------------|---|-------------------------|
| Long-term leasehold property | - | 33% straight line       |
| Fixtures and fittings        | - | 33% straight line       |
| Office equipment             | - | 20% - 33% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**2.15 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.16 DEBTORS**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.17 CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.18 CREDITORS**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.19 PROVISIONS FOR LIABILITIES**

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

**2.20 FINANCIAL INSTRUMENTS**

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Statement of financial position when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**2.20 FINANCIAL INSTRUMENTS (Continued)**

**Basic financial assets**

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

**Financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**2.21 DIVIDENDS**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements made by management that have a significant effect on the amounts recognised in the financial statements are described below.

**Critical judgements**

**Goodwill and other intangible assets**

Positive goodwill acquired on each business combination is capitalised, classified as an asset on the statement of financial position and amortised on a straight line basis over its useful life.

The Group establishes an estimate of the useful life of goodwill and intangibles assets arising on business combination. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the asset is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar business.

**Lease commitments**

The Group determines whether leases entered into by the Group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

**Depreciation rates**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

**Sources of estimation uncertainty**

**Impairment of fixed assets**

The Group determines whether there are indicators of impairment of tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

**Recoverability of intercompany debtors**

The Company determines whether there are indicators of impairment of intercompany balances. Factors taken into consideration include the net asset position and trading performance of the company with which the balance is held, and the existence of the Group support letter.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES (Continued)**

**Split of debt and equity in convertible loan note accounting**

The debt component of the convertible financial instrument is valued at the date of entering into the contract by reference to comparable debt instruments that do not include a conversion clause. The primary factor considered in reaching a valuation is the interest rate expected to be charged in the absence of such a conversion clause.

**Share based payment charge assumptions**

The Group determines the value of a share based payment charge on vested share options using a Black-Scholes option pricing model. Particular sources of estimation uncertainty include the risk free rate of return and share price volatility. Management uses comparable market data to determine appropriate assumptions when calculating the charge. In the current period the share based payment charge of vested options is not considered to be material and therefore no expense has been recognised in these financial statements.

**4. TURNOVER**

An analysis of turnover by class of business is as follows:

|  | 2023<br>£000  | 2022<br>£000  |
|--|---------------|---------------|
| Direct debit transaction processing fees | 9,842         | 8,322         |
| Administration fees                      | 947           | 811           |
| Home delivery fees                       | 1,020         | 349           |
| Other revenue                            | 78            | 1,111         |
| Late payment fees                        | 955           | -             |
|  | <u>12,842</u> | <u>10,593</u> |

All turnover is processed within the United Kingdom.

**5. OPERATING PROFIT**

The operating profit is stated after charging:

|   | 2023<br>£000 | 2022<br>£000 |
|---|--------------|--------------|
| Depreciation of tangible fixed assets   | 122          | 120          |
| Exchange differences                    | 79           | 435          |
| Amortisation of intangible fixed assets | 1,185        | 819          |
| Operating lease rentals                 | <u>188</u>   | <u>203</u>   |

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**6. AUDITORS' REMUNERATION**

During the year, the Group obtained the following services from the Group's auditors:

|  | <b>2023<br/>£000</b> | <b>2022<br/>£000</b> |
|--|----------------------|----------------------|
| Fees payable to the Group's auditors for the audit of the consolidated and parent Company's financial statements | <b>44</b>            | 39                   |
| Fees payable to the Group's auditors in respect of:  |                      |                      |
| Taxation compliance services   | <u><b>7</b></u>      | <u><b>6</b></u>      |

**7. EMPLOYEES**

Staff costs were as follows:

|                                     | <b>Group<br/>2023<br/>£000</b> | <b>Group<br/>2022<br/>£000</b> | <b>Company<br/>2023<br/>£000</b> | <b>Company<br/>2022<br/>£000</b> |
|-------------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Wages and salaries                  | <b>3,452</b>                   | 3,182                          | <b>1,023</b>                     | 1,030                            |
| Social security costs               | <b>410</b>                     | 392                            | <b>151</b>                       | 152                              |
| Cost of defined contribution scheme | <b>116</b>                     | 95                             | <b>70</b>                        | 59                               |
|                                     | <u><b>3,978</b></u>            | <u><b>3,669</b></u>            | <u><b>1,244</b></u>              | <u><b>1,241</b></u>              |

The average monthly number of employees, including the Directors, during the year was as follows:

|                   | <b>2023<br/>No.</b> | <b>2022<br/>No.</b> |
|-------------------|---------------------|---------------------|
| Directors         | <b>5</b>            | 5                   |
| Management        | <b>9</b>            | 7                   |
| Finance           | <b>4</b>            | 4                   |
| IT                | <b>9</b>            | 9                   |
| Customer Services | <b>24</b>           | 21                  |
| Trainers          | <b>9</b>            | 11                  |
| HR                | <b>2</b>            | 1                   |
|                   | <u><b>62</b></u>    | <u><b>58</b></u>    |

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**8. DIRECTORS' REMUNERATION**

Salaries and taxable benefits paid to statutory Directors is £1,214,000 (2022: £1,023,000).

Key management personnel consist of the executive and non-executive Directors of Premier Veterinary Group plc.

During the year key management exercised no share options (2022: Nil). Outstanding options at the end of the year to key management were 1,399,125 (2022: 1,399,125).

The highest paid director received remuneration of £649,000 (2022: £530,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £33,000 (2022: £31,000).

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

|                             | 2023<br>£000 | 2022<br>£000 |
|-----------------------------|--------------|--------------|
| Bank interest payable       | -            | 1            |
| Other loan interest payable | 2,116        | 968          |
|                             | <u>2,116</u> | <u>969</u>   |

**10. TAXATION**

|   | 2023<br>£000 | 2022<br>£000 |
|---|--------------|--------------|
| <b>CORPORATION TAX</b>                          |              |              |
| Current (credit)/charge on results for the year | (377)        | 1            |
| Adjustments in respect of previous periods      | -            | (195)        |
|   | <u>(377)</u> | <u>(194)</u> |
| <b>TOTAL CURRENT TAX</b>                        | <u>(377)</u> | <u>(194)</u> |
| <b>DEFERRED TAX</b>                             |              |              |
| Origination and reversal of timing differences  | 19           | 5            |
| <b>TOTAL DEFERRED TAX</b>                       | <u>19</u>    | <u>5</u>     |
| <b>TAXATION ON LOSS ON ORDINARY ACTIVITIES</b>  | <u>(358)</u> | <u>(189)</u> |

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**10. TAXATION (Continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 22.01% (2022: 19%). The differences are explained below:

|   | <b>2023</b><br><b>£000</b> | <b>2022</b><br><b>£000</b> |
|---|----------------------------|----------------------------|
| (Loss)/profit on ordinary activities before tax   | <u><b>(338)</b></u>        | <u><b>733</b></u>          |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.01% (2022: 19%) | <b>(75)</b>                | <b>139</b>                 |
| <b>EFFECTS OF:</b>  |                            |                            |
| Expenses not deductible for tax purposes  | <b>222</b>                 | <b>-</b>                   |
| Capital allowances for year in excess of depreciation   | <b>18</b>                  | <b>2</b>                   |
| Deferred tax not recognised   | <b>-</b>                   | <b>13</b>                  |
| Adjustments to tax charge in respect of prior periods   | <b>(49)</b>                | <b>(16)</b>                |
| Remeasurement of deferred tax for changes in tax rates  | <b>14</b>                  | <b>-</b>                   |
| Short-term timing difference leading to an increase (decrease) in taxation  | <b>11</b>                  | <b>-</b>                   |
| Movement in deferred tax not recognised   | <b>(280)</b>               | <b>-</b>                   |
| Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge               | <b>(362)</b>               | <b>(179)</b>               |
| Other differences leading to an increase (decrease) in the tax charge   | <b>143</b>                 | <b>(148)</b>               |
| <b>TOTAL TAX CHARGE FOR THE YEAR</b>  | <u><b>(358)</b></u>        | <u><b>(189)</b></u>        |

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**10. TAXATION (Continued)**

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

As enacted by the Government on 24 May 2021, the main rate of corporation tax increased from 19% to 25% with effect from 1 April 2023.

**11. EXCEPTIONAL ITEMS**

|                                     | <b>2023</b><br><b>£000</b> | <b>2022</b><br><b>£000</b> |
|-------------------------------------|----------------------------|----------------------------|
| Exceptional administration expenses | <b>1,056</b>               | 664                        |
|                                     | <b><u>1,056</u></b>        | <b><u>664</u></b>          |

During both years the Group incurred expenditure related to corporate finance activity.

**12. PARENT COMPANY PROFIT OR LOSS FOR THE YEAR**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £2,938,000 (2022: loss £1,600,000).

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**13. INTANGIBLE ASSETS**

**Group**

|                       | <b>Customer<br/>Lists<br/>£000</b> | <b>Development<br/>expenditure<br/>£000</b> | <b>Computer<br/>software<br/>£000</b> | <b>Goodwill<br/>£000</b> | <b>Total<br/>£000</b> |
|-----------------------|------------------------------------|---|---------------------------------------|--------------------------|-----------------------|
| <b>COST</b>           |                                    |   |                                       |                          |                       |
| At 1 October 2022     | 90                                 | 214   | 2,613                                 | 3,224                    | 6,141                 |
| Additions             | -                                  | -   | 1,333                                 | -                        | 1,333                 |
| Intra-group transfers | -                                  | (214)                                       | 214                                   | -                        | -                     |
| At 30 September 2023  | 90                                 | -   | 4,160                                 | 3,224                    | 7,474                 |
| <b>AMORTISATION</b>   |                                    |   |                                       |                          |                       |
| At 1 October 2022     | 90                                 | -   | 1,380                                 | 619                      | 2,089                 |
| Charge for the year   | -                                  | -   | 863                                   | 322                      | 1,185                 |
| At 30 September 2023  | 90                                 | -   | 2,243                                 | 941                      | 3,274                 |
| <b>NET BOOK VALUE</b> |                                    |   |                                       |                          |                       |
| At 30 September 2023  | -                                  | -   | 1,917                                 | 2,283                    | 4,200                 |
| At 30 September 2022  | -                                  | 214   | 1,233                                 | 2,605                    | 4,052                 |

Amortisation charged in the year is included within administrative expenses in the consolidated profit and loss account.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**14. TANGIBLE FIXED ASSETS**

**Group**

|                          | Long-term<br>leasehold<br>property<br>£000 | Fixtures and<br>fittings<br>£000 | Office<br>equipment<br>£000 | Total<br>£000 |
|--------------------------|--|----------------------------------|-----------------------------|---------------|
| <b>COST OR VALUATION</b> |  |                                  |                             |               |
| At 1 October 2022        | 242  | 19                               | 250                         | 511           |
| Additions                | -  | -                                | 20                          | 20            |
| At 30 September 2023     | 242  | 19                               | 270                         | 531           |
| <b>DEPRECIATION</b>      |  |                                  |                             |               |
| At 1 October 2022        | 110  | 19                               | 178                         | 307           |
| Charge for the year      | 73   | -                                | 49                          | 122           |
| At 30 September 2023     | 183  | 19                               | 227                         | 429           |
| <b>NET BOOK VALUE</b>    |  |                                  |                             |               |
| At 30 September 2023     | 59   | -                                | 43                          | 102           |
| At 30 September 2022     | 132  | -                                | 72                          | 204           |

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**14. TANGIBLE FIXED ASSETS (Continued)**

**Company**

|                          | <b>Long-term<br/>leasehold<br/>property<br/>£000</b> | <b>Office<br/>equipment<br/>£000</b> | <b>Total<br/>£000</b> |
|--------------------------|--|--------------------------------------|-----------------------|
| <b>COST OR VALUATION</b> |  |                                      |                       |
| At 1 October 2022        | 6  | 11                                   | 17                    |
| Additions                | -  | 2                                    | 2                     |
| At 30 September 2023     | <u>6</u>   | <u>13</u>                            | <u>19</u>             |
| <b>DEPRECIATION</b>      |  |                                      |                       |
| At 1 October 2022        | 4  | 9                                    | 13                    |
| Charge for the year      | 2  | 1                                    | 3                     |
| At 30 September 2023     | <u>6</u>   | <u>10</u>                            | <u>16</u>             |
| <b>NET BOOK VALUE</b>    |  |                                      |                       |
| At 30 September 2023     | <u>-</u>   | <u>3</u>                             | <u>3</u>              |
| At 30 September 2022     | <u>2</u>   | <u>2</u>                             | <u>4</u>              |

**15. FIXED ASSET INVESTMENTS**

**Company**

|                          | <b>Investments in subsidiary companies<br/>£000</b> |
|--------------------------|---|
| <b>COST OR VALUATION</b> |   |
| At 1 October 2022        | 3,465   |
| At 30 September 2023     | <u>3,465</u>  |

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**15. FIXED ASSET INVESTMENTS (Continued)**

**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the Company:

| <b>Name</b>                           | <b>Principal activity</b>                            | <b>Holding</b> |
|---------------------------------------|--|----------------|
| PVG 2007 Limited                      | Holding company                                      | 100%           |
| Premier Vet Alliance Limited          | Provide services to third party veterinary practices | 100%           |
| Premier Vet Alliance (US) Limited     | Provide services to third party veterinary practices | 100%           |
| Premier Vet Alliance B.V              | Provide services to third party veterinary practices | 100%           |
| Premier Vet Alliance S.A.R.L          | Provide services to third party veterinary practices | 100%           |
| Premier Vet Alliance GmbH             | Provide services to third party veterinary practices | 100%           |
| The Animal Healthcare Company Limited | Provide services to third party veterinary practices | 100%           |
| Premier Vet Alliance LLC              | Provide services to third party veterinary practices | 100%           |
| WVS Limited                           | Dormant  | 100%           |

The registered office address of PVG 2007 Limited, Premier Vet Alliance Limited, Premier Vet Alliance (US) Limited, Animal Healthcare Company Limited and WVS Limited is The Quorum, Bond Street South, Bristol, BS1 3AE.

The registered office addresses of the overseas subsidiaries are as follows:

Premier Vet Alliance B.V., Singel 540, 1017 AZ Amsterdam, The Netherlands.  
Premier Vet Alliance S.A.R.L., 37-39 avenue Ledru-Rollin, 75012, Paris, France  
Premier Vet Alliance GmbH, Rahel-Hirsch- Strasse 10, 10557 Berlin, Germany  
Premier Vet Alliance LLC, 10882 Crabapple Road, Suite 3B, Roswell, GA 30075, USA

PVG 2007 Limited, The Animal Healthcare Company Limited and Premier Vet Alliance (US) Limited are all directly owned by Premier Veterinary Group PLC. All other subsidiaries are indirectly owned as a result of the ownership of PVG 2007 Limited and Premier Vet Alliance (US) Limited.

PVG 2007 Limited (Company number 06167939) has elected to take the audit exemption allowed under s479A of the Companies Act 2006 relating to its individual statutory accounts.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**15. FIXED ASSET INVESTMENTS (Continued)**

**SUBSIDIARY UNDERTAKINGS (Continued)**

The aggregate of the share capital and reserves as at 30 September 2023 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| Name                                  | Aggregate of<br>share capital<br>and reserves<br>£000 | Profit/(Loss)<br>£000 |
|---------------------------------------|---|-----------------------|
| PVG 2007 Limited                      | 2,557   | (23)                  |
| Premier Vet Alliance Limited          | 2,390   | 627                   |
| Premier Vet Alliance (US) Limited     | (4,873)   | 421                   |
| Premier Vet Alliance B.V              | 37  | (10)                  |
| Premier Vet Alliance S.A.R.L          | (111)   | 593                   |
| Premier Vet Alliance GmbH             | 2   | (42)                  |
| The Animal Healthcare Company Limited | 4,399   | 2,140                 |
| Premier Vet Alliance LLC              | 723   | (475)                 |
| WVS Limited                           | -   | -                     |

**16. DEBTORS**

|                                    | Group<br>2023<br>£000 | Group<br>2022<br>£000 | Company<br>2023<br>£000 | Company<br>2022<br>£000 |
|------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Trade debtors                      | 31                    | 62                    | -                       | -                       |
| Amounts owed by Group undertakings | -                     | -                     | 11,532                  | 9,540                   |
| Other debtors                      | 727                   | 605                   | 545                     | 477                     |
| Prepayments and accrued income     | 320                   | 391                   | 53                      | 30                      |
|                                    | <u>1,078</u>          | <u>1,058</u>          | <u>12,130</u>           | <u>10,047</u>           |

Amounts owed by Group undertakings are unsecured and repayable on demand.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**17. CASH AND CASH EQUIVALENTS**

|                          | <b>Group<br/>2023<br/>£000</b> | <b>Group<br/>2022<br/>£000</b> | <b>Company<br/>2023<br/>£000</b> | <b>Company<br/>2022<br/>£000</b> |
|--------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Cash at bank and in hand | 10,223                         | 7,868                          | 8                                | 8                                |
|                          | <u>10,223</u>                  | <u>7,868</u>                   | <u>8</u>                         | <u>8</u>                         |

Cash at bank and in hand includes restricted cash of £9,229,000 (2022: £7,388,000).

Client cash is cash held on trust for the benefit of the Group's clients and is restricted, so is not available for use by the Group. Part of the UK based client cash is secured by way of debenture on all company assets, this amounts to £1,827,000 (2022: £1,639,000).

**18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | <b>Group<br/>2023<br/>£000</b> | <b>Group<br/>2022<br/>£000</b> | <b>Company<br/>2023<br/>£000</b> | <b>Company<br/>2022<br/>£000</b> |
|------------------------------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Bank loans                         | 10                             | 11                             | -                                | -                                |
| Other loans                        | 5,486                          | -                              | 5,486                            | -                                |
| Trade creditors                    | 10,166                         | 8,393                          | 472                              | 209                              |
| Amounts owed to Group undertakings | -                              | -                              | 14,597                           | 10,398                           |
| Corporation tax                    | -                              | 237                            | -                                | 106                              |
| Other taxation and social security | 469                            | 452                            | 35                               | 43                               |
| Other creditors                    | 111                            | 99                             | -                                | -                                |
| Accruals and deferred income       | 1,961                          | 1,244                          | 1,316                            | 736                              |
|                                    | <u>18,203</u>                  | <u>10,436</u>                  | <u>21,906</u>                    | <u>11,492</u>                    |

Included within trade creditors is a liability representing an amount of client cash which was held by the Group as at the 30 September 2023. This amount is £9,229,000 (2022: £7,388,000).

Amounts owed to Group undertakings are unsecured and repayable on demand.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

|             | <b>Group<br/>2023<br/>£000</b> | <b>Group<br/>2022<br/>£000</b> | <b>Company<br/>2023<br/>£000</b> | <b>Company<br/>2022<br/>£000</b> |
|-------------|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| Bank loans  | 17                             | 27                             | -                                | -                                |
| Other loans | 1,098                          | 6,502                          | 1,098                            | 6,502                            |
|             | <b>1,115</b>                   | <b>6,529</b>                   | <b>1,098</b>                     | <b>6,502</b>                     |

**20. LOANS**

Analysis of the maturity of loans is given below:

|  | <b>Group<br/>2023<br/>£000</b> | <b>Group<br/>2022<br/>£000</b> | <b>Company<br/>2023<br/>£000</b> | <b>Company<br/>2022<br/>£000</b> |
|--|--------------------------------|--------------------------------|----------------------------------|----------------------------------|
| <b>AMOUNTS FALLING DUE WITHIN ONE YEAR</b> |                                |                                |                                  |                                  |
| Bank loans                                 | 10                             | 11                             | -                                | -                                |
| Other loans                                | 5,486                          | -                              | 5,486                            | -                                |
|  | <b>5,496</b>                   | <b>11</b>                      | <b>5,486</b>                     | <b>-</b>                         |
| <b>AMOUNTS FALLING DUE 1-2 YEARS</b>       |                                |                                |                                  |                                  |
| Bank loans                                 | 17                             | 27                             | -                                | -                                |
| Other loans                                | -                              | 5,403                          | -                                | 5,403                            |
|  | <b>17</b>                      | <b>5,430</b>                   | <b>-</b>                         | <b>5,403</b>                     |
| <b>AMOUNTS FALLING DUE 2-5 YEARS</b>       |                                |                                |                                  |                                  |
| Other loans                                | 1,098                          | 1,098                          | 1,098                            | 1,098                            |
|  | <b>1,098</b>                   | <b>1,098</b>                   | <b>1,098</b>                     | <b>1,098</b>                     |
|  | <b>6,611</b>                   | <b>6,539</b>                   | <b>6,584</b>                     | <b>6,501</b>                     |

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

On the 25 January 2019 the Company entered into a term loan facility of £3,850,000 with Bybrook Financial Services Limited ("BFSL") whilst simultaneously repaying the previously issued £1,500,000 loan notes to BFSL. The Company had the right to repay the facility in full or in part before maturity. The loan was due for repayment 24 months after the drawdown date but this has subsequently been extended to December 2023.

On 1 May 2020 Premier Vet Alliance Limited entered into a loan facility of £50,000 with NatWest Bank. The loan is due for repayment in monthly instalments over 5 years, commencing after 12 months from drawdown, the final instalment is due in April 2026. The loan attracts interest at 2.5%.

As consideration for the purchase of The Animal Healthcare Company Limited in October 2020, Premier Veterinary Group plc took out a convertible loan with Denplan Limited of £1,534,695 and an additional loan of £1,500,000 also with Denplan. The former is reflected within loan liabilities as £1,098,000 (2022: £1,098,000) with the remainder of the balance held within the convertible debt option reserve. Accrued interest on both loans is held within accruals and deferred income.

As at the balance sheet date, BFSL held a fixed and floating charge over all the property and undertakings of the Group.

The BFSL loan and Denplan loan were repaid from the proceeds of a commercial loan facility entered into with Lloyds Bank in December 2023. Refer to note 28 for further details.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**21. DEFERRED TAXATION**

**Group**

|                           | <b>2023</b><br><b>£000</b> |
|---------------------------|----------------------------|
| At beginning of year      | (136)                      |
| Charged to profit or loss | (18)                       |
| <b>AT END OF YEAR</b>     | <b>(154)</b>               |

The provision for deferred taxation is made up as follows:

|                                  | <b>Group</b><br><b>2023</b><br><b>£000</b> | <b>Group</b><br><b>2022</b><br><b>£000</b> |
|----------------------------------|--|--|
| Accelerated capital allowances   | (128)                                      | (94)                                       |
| Intangible asset rollover relief | (28)                                       | (43)                                       |
| Temporary trading differences    | 2  | 1  |
|                                  | <b>(154)</b>                               | <b>(136)</b>                               |

**22. SHARE CAPITAL**

**ALLOTTED, CALLED UP AND FULLY PAID**

|   | <b>2023</b><br><b>£000</b> | <b>2022</b><br><b>£000</b> |
|---|----------------------------|----------------------------|
| 17,143,240 (2022: 17,143,240) Ordinary shares of £0.10 each | <b>1,714</b>               | <b>1,714</b>               |

**23. RESERVES**

**Share premium account**

Includes the premium arising on the issue of equity shares, net of issue expenditure.

**Other reserves**

Includes share based payments reserve and convertible debt option reserve.

**Merger Reserve**

This reserve represents the difference between the cost of investment in subsidiaries and their fair value which arises where merger relief is applied on a group reconstruction.

**Profit and loss account**

Includes all current and prior year retained profits and losses.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**24. SHARE-BASED PAYMENTS**

Options over ordinary shares were granted on 13 February 2019 under the 2014 Ark Therapeutics Group plc\* Enterprise Management Incentive Share Option Plan and the 2014 Ark Therapeutics Group plc\* Unapproved Share Option Plan (together, the "Plans") at an exercise price of 46.17 pence per share.

Subject to the achievement of pre-determined performance criteria, the options granted under the Plans are exercisable three years from the date of grant.

\* Ark Therapeutics Group plc changed its name to Premier Veterinary Group plc in March 2015.

The fair value of the options has been calculated using the Black-Scholes model. The weighted average fair value of the options at measurement date was nil pence per option.

|   | Weighted<br>average<br>exercise<br>price<br>(pence)<br>2023 | Number<br>2023   | Weighted<br>average<br>exercise<br>price<br>(pence)<br>2022 | Number<br>2022   |
|---|---|------------------|---|------------------|
| Outstanding at the beginning of the year  | 46.1  | 2,999,630        | 46.1  | 2,999,630        |
| Granted during the year                   | -   | -                | -   | -                |
| Exercised during the year                 | -   | -                | -   | -                |
| <b>OUTSTANDING AT THE END OF THE YEAR</b> | <b>46.1</b>   | <b>2,999,630</b> | <b>46.1</b>   | <b>2,999,630</b> |

The Directors consider that the share based payment expense is not material so have not reflected an expense in the year.

**25. PENSION COMMITMENTS**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £116,000 (2022: £95,000). Contributions totalling £11,000 (2022: £15,000) were payable to the fund at the reporting date and are included in creditors.

**26. COMMITMENTS UNDER OPERATING LEASES**

At 30 September 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

|  | Group<br>2023<br>£000 | Group<br>2022<br>£000 |
|--|-----------------------|-----------------------|
| Not later than 1 year                        | 200,000               | 141,000               |
| Later than 1 year and not later than 5 years | 222,000               | 330,000               |
|  | <b>422,000</b>        | <b>471,000</b>        |

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**27. RELATED PARTY TRANSACTIONS**

The Group operates the Ark Therapeutics Group plc Family Benefit Trust ("FBT"). Amounts due from the FBT were £Nil (30 September 2022: £Nil).

On 25 January 2019 a secured term loan facility was provided by BFSL of £3,850,000. £1,500,000 was provided to repay the previously issued loan notes and £2,350,000 was provided for the purposes of financing working capital and paying the arrangement fee. The facility was repayable 24 months after the date of the agreement. In the event of early repayment, the interest for any unexpired period to the end of the full term would become payable.

The repayment date as extended previously had subsequently been extended in FY21/22 until 31 December 2022 subject to the payment of a 10% arrangement fee. In September 2022, the date was extended again until 31 December 2023, subject to a further 10% arrangement fee. The interest rate in September 2022 was 12% per annum, and this increased to 24% per annum from 1 January 2023.

At 30 September 2023, amounts owed to BFSL were £3,948,500 (30 September 2022: £4,548,500). Interest, arrangement fees and other attributable expenses charged during the year were £1,484,000 (2022: £622,000). Capital repayments of £600,000 were made in the year (2022: £100,000).

On 15 December 2023, the facility, along with any unpaid interest, was repaid to BFSL in full - an amount of £4,000,425 in total. This repayment was made upon receipt of debt finance from a major bank.

Rajan Uppal, a Director of the Company, is the sole shareholder of BFSL and he and his wife are the Directors of BFSL. Crossroads Finance Limited, a company jointly owned and controlled by Dominic Tonner, Chief Executive Officer of PVG, and his spouse, has taken part in the PVG funding by entering into direct arrangements with BFSL.

During the 2020/21 financial year, in order to fund the acquisition of The Animal Healthcare Company Limited (AHC), two loan facilities were taken out with Denplan Limited. A £1,534,695 convertible loan and another £1,500,000 non-convertible loan. The former has a maturity date of October 2025 and carries an interest rate of 1% per annum. In order to determine the equity component of this loan, a coupon rate of 8% has been used. On the £1.5m loan, there was an interest rate of 5% per annum which increased to 8% in October 2021. In September 2022, the repayment date was extended again until 31 December 2023, subject to a 10% arrangement fee. The interest rate was increased to 24% per annum from 1 January 2023. On 15 December 2023, upon securing debt finance with a major bank, the £1.5m Denplan loan was repaid in full, along with any unpaid interest. This amounted to £2,365,643, which included £715,643 of interest and £150,000 of arrangement fees.

On the convertible loan, interest charged during the year was £102,000 (2022: £95,000). On the £1.5m Denplan loan, £526,000 in interest and arrangement fees was charged (2022: £129,000).

Denplan Limited is a company registered in the United Kingdom and limited by shares and was the former immediate parent of AHC. Throughout the 2020/21 financial year, post-acquisition, the Group received management charges from Denplan Limited amounting to £4,094,000 for services provided during the transition phase. As at 30 September 2023, the balance payable to Denplan was £nil (2022: £294,000).

On 15 March 2021, an issue of share capital was made to Dominic Tonner – a Director and the Chief Executive Officer of Premier Veterinary Group plc. 645,269 shares were issued at a nominal value of 10p per share, and the consideration due was £322,635. As at the 30 September 2023, the amount of £322,635 was held within 'Other Debtors' on the balance sheet (2022: £322,635). The Group incurred a tax charge of £105,000 as a result of this transaction which was paid to HMRC in the year. The £105,000 is being held within 'Other Debtors' as an amount receivable from Dominic Tonner.

**Premier Veterinary Group plc**  
**FINANCIAL STATEMENTS**

**Notes to the Financial Statements**  
**for year ended 30 September 2023**

**28. POST BALANCE SHEET EVENTS**

As at the date of signing these financial statements, the Group had successfully negotiated a loan facility with a major bank. This has been utilised in the repayment of existing loan finance and comes into force at a significantly lower rate of interest.

**29. CONTROLLING PARTY**

At the year end there was no individual controlling party.

# Company Information

## REGISTERED OFFICE

The Quorum  
Bond Street South  
Bristol  
BS1 3AE

## DIRECTORS

D S Tonner  
R Uppal  
G Dick  
N T Wood  
A Paull

## COMPANY REGISTRATION NUMBER

04313987

## COMPANY SECRETARY

Andrew Paull

## ADVISERS

### INDEPENDENT AUDITORS

Bishop Fleming LLP  
10 Temple Back  
Bristol  
BS1 6FL

# Year in, year out.



**PREMIER  
VETERINARY  
GROUP**

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