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IVC ACQUISITION PIKCO LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

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IVC ACQUISITION PIKCO LIMITED

CONTENTS

Company Information	1
Strategic Report	2 - 3
Directors' Report	4 - 5
Statement of Directors' Responsibilities	6
Independent Auditor's Report	7 - 8
Consolidated Profit and Loss Account	9
Consolidated Statement of Comprehensive Income	10
Consolidated Balance Sheet	11
Company Only Balance Sheet	12
Consolidated Statement of Changes in Equity	13
Company Only Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15 - 16
Notes to the Financial Statements	17 - 58

IVC ACQUISITION PIKCO LIMITED

COMPANY INFORMATION

Directors	A Farahani P G Franzen M A Gillings D R G Hillier
Registered Office	The Chocolate Factory Keynsham Bristol BS31 2AU
Bankers	HSBC Bank Plc 2nd Floor HSBC House Mitchell Way Southampton SO18 2XU
Auditor	Deloitte LLP Bristol

IVC ACQUISITION PIKCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their strategic report for the year ended 30 September 2019.

Business review

Strategy & Progress

The Group's strategy is to build the highest quality veterinary services Group in the UK and Europe by the acquisition of high quality Groups and practices, whilst continuing to grow existing practices organically. The practices are locally branded and led by clinically focused staff benefiting from enhanced buying, marketing, training and back office support.

Acquisitions are funded by a combination of funds from trading cash flows from subsidiaries, shareholders and debt facilities. A significant portion of the debt facilities was refinanced in February 2019. The funding is shown on the consolidated balance sheet and respective notes.

On 8 April 2019, Nestlé Purina PetCare EMENA acquired a minority shareholding in the ultimate parent company. This has also contributed significantly in funding the Group's acquisition strategy and given access to Nestlé Purina's unique product offering and expertise in pet care solutions.

Goodwill arising from acquisitions is written off over a period of between 5 and 15 years which creates a large charge to the Profit and Loss account but has no effect on cash flow.

The Group is cash generating from operating activities and has a policy of paying all creditors within terms.

Review of the business

The results for the year which are set out in the profit and loss account show an operating profit before amortisation of goodwill of £44M (2018 - £13M). Turnover was £1,024M (2018 - £667M) and included £154M related to 2019 acquisitions. The Group operating loss was £163M (2018 - £100M) after charging amortisation of £208M (2018 - £114M). Group adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and other costs) was £122M (2018 - £82M).

As at 30 September 2019, the Group had total assets less current liabilities of £1,950M (2018 - £1,555M) and net liabilities of £89M (2018 - net assets of £24M).

The directors are pleased with the results for the year and consider the financial position of the Group and Company at the year end to be satisfactory.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Group are considered to relate to competition from both national and local providers of veterinary services and the general state of the veterinary industry. This includes reputational and staff retention risks if key staff are lost.

The veterinary sector has historically been resilient to economic downturns and the Group's diverse range of services and products makes the directors believe the business is fairly resistant to economic pressures.

The ability to source key pharmaceutical supplies and complying with changes in laws and regulations are also key risks that the business faces. The risk of climate change is also an issue for the Group where its surgeries are in areas prone to flooding. Appropriate insurance is in place where this is the case. Climate change may also have an impact on the Group's ability to source key supplies which may lead to additional cost pressures in the supply chain. By developing a wide range of products and sources, this risk can be partially mitigated. Social attitudes to climate change may mean that the Group has to develop or reconfigure products or services which may increase the cost base.

Key performance indicators

Given the nature of the business, the Group's directors are of the opinion that key performance indicators are important. The Group uses a number of indicators to monitor and improve the development, performance and the position of the business. Indicators are reviewed and altered to meet changes in both the internal and external environments. The three main KPIs are like for like sales, the number of acquisitions during the year and the increase in adjusted EBITDA which can be found on page 9. The Group's directors are pleased to announce that the like for like sales grew by 8.2% and the number of acquisitions in the year was 164, adding 336 practices to the Group. Adjusted EBITDA increased by 47.8% as a result of this acquisition growth and strong organic growth.

IVC ACQUISITION PIKCO LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Future developments

The Group plans to continue with its strategy of acquiring high quality veterinary practices. The Group has funding facilities in place to fund the planned acquisitions. The Board has considered the impact of Brexit and is satisfied that the Group has sufficient levels of stocks to avoid disruption to operations during a transition period. Although there is a risk that the UK economy may be adversely affected by the effects of Brexit, as outlined above the veterinary sector has proven resilient to economic downturns. Therefore, the Board remains confident about future trading.

Approved by the board on 23 December 2019 and signed on its behalf by:



.....
M A Gillings
Director

IVC ACQUISITION PIKCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their annual report and the consolidated financial statements for the year ended 30 September 2019.

There have been a number of acquisitions in the UK and Europe during the year creating a Group of 1,331 practices as at 30 September 2019 (2018 - 995).

The results for the year ended 30 September 2019 show turnover of £1,024M (2018 - £667M) and Group adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and exceptional costs) of £122M (2018 - £82M). Loss before taxation for the year ended 30 September 2019 was £310M (2018 - £191M).

Principal activity

The principal activity of the Group is that of the provision of veterinary services.

The principal activity of the Company is that of a non-trading holding company. The Company was established to play a role in funding the Group's acquisition strategy of independent veterinary groups that provide high quality care. A full list of subsidiaries is detailed in note 24.

Directors of the Company

The directors who held office during the year and subsequently were as follows:

A J Davis (resigned 30 September 2019)
P G Franzen
D R G Hillier
N A Ringby (resigned 14 March 2019)
A Farahani (appointed 14 March 2019)
M A Gillings (appointed 27 June 2019)

Directors' insurance

The Group maintains insurance policies on behalf of all directors against liability arising from negligence, breach of duty and breach of trust in relation to the Group.

Dividends

The directors do not propose a dividend in the current year or prior period.

Employment of disabled persons

The Group's policy is to consider the recruitment of disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Employee involvement

The Group encourages the involvement of employees with information being provided on matters that concern them in regular meetings, email communications and through the Group's intranet. Regular consultations are done with employees on matters affecting them through team and one to one meetings. Staff appraisals are also performed twice a year in connection with this. To encourage employee involvement in the company's performance, bonuses linked to the company performance are paid out twice a year to certain employees. To make employees aware of financial and economic factors affecting the performance of the company, regular meetings and consultations happen as mentioned above.

Future developments

The Group plans to continue with its strategy of acquiring high quality veterinary practices. The Group has funding facilities in place to fund the planned acquisitions. The Group is strongly cash generating before investing in additional acquisitions. The Board has considered the impact of Brexit and concluded that they have an appropriate mitigation plan in place. The veterinary sector has historically been resilient to economic downturns and the Group is well placed to deal with this, as mentioned in the principal risks and uncertainties section of the Strategic Report.

IVC ACQUISITION PIKCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

Important post balance sheet events

After the year end, the Group acquired companies and businesses which are deemed to be immaterial to disclose individually. The total consideration payable in respect of these acquisitions amounted to £51M.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 2 to 5. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 42 to 43. In addition, the notes to the financial statements include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk.

The Group meets its day-to-day working capital requirements through free cash and its acquisition requirements through senior debt facilities. The Group's forecasts and projections, covering a period of at least 12 months from the approval of these financial statements, show that the Group should be able to operate within the level of its current debt facilities. After taking account of reasonably possible changes in trading performance, no material uncertainty exists regarding covenant compliance on the new facilities.

The directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of the financial statements confirms that:

- 1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware and
- 2) the director has taken all steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Financial Instruments

Objectives and policies

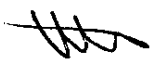
The board constantly monitors the Group's trading results and revise the projections as appropriate to ensure that the Group can continue to meet its future obligations as they fall due.

Price risk, credit risk, liquidity risk and cash flow risk

The Group is exposed to the usual credit and cash flow risk associated with selling on credit and manages this through credit control procedures. However, most of the Group's sales are paid in cash or by credit or debit card and are subject to little risk.

Credit risk in respect of bank balances is safeguarded by using banks with high credit ratings.

Approved by the board on 23 December 2019 and signed on its behalf by:


.....
M A Gillings
Director

IVC ACQUISITION PIKCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 - "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 of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 Company 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 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.

IVC ACQUISITION PIKCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IVC ACQUISITION PIKCO LIMITED

Opinion

In our opinion the financial statements of IVC Acquisition Pikco Limited (the 'parent Company') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent Company balance sheets;
- the consolidated and parent Company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 24.

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).

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 auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC'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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

IVC ACQUISITION PIKCO LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IVC ACQUISITION PIKCO LIMITED
(CONTINUED)**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Auditor's 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 auditor's 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions 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 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and of the parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

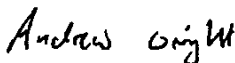
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Wright (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom

Date: 23 December 2019

IVC ACQUISITION PIKCO LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 £000	2018 £000
Turnover	3	1,024,015	667,265
Cost of sales		(576,545)	(414,467)
Gross profit		447,470	252,798
Administrative expenses	5	(409,951)	(243,258)
Other operating income	5	6,787	3,872
Share of operating profit in associate		76	17
Operating profit before amortisation		44,382	13,429
Amortisation of intangible fixed assets	10	(207,817)	(113,760)
Group operating loss	5	(163,435)	(100,331)
Finance costs	8	(146,576)	(91,036)
Loss on ordinary activities before taxation		(310,011)	(191,367)
Tax on loss on ordinary activities	9	(4,673)	(650)
Loss for the financial year		(314,684)	(192,017)
Loss attributable to:			
Equity shareholders of the Company		(314,454)	(192,098)
Non-controlling interest		(230)	81
		(314,684)	(192,017)

The above results were derived from continuing operations.

During the year the directors have reconsidered the measures used by the investors and management to assess the performance of the business and concluded the current presentation is a fairer reflection of these measures compared to those used in the prior year. The table below illustrates the Group's adjusted EBITDA for the year. Management uses this non-GAAP measure to assess the underlying profitability of the Group's day to day trading activities. This also strips out certain non-recurring expenses detailed in note 4.

	Note	2019 £000	2018 £000
Loss for the financial year		(314,684)	(192,017)
Tax charges	9	4,673	650
Net interest expense	8	146,749	91,036
Amortisation and depreciation	5	242,838	134,145
Costs of reorganisation and restructuring		13,237	25,747
Corporate finance costs		3,106	6,749
Finance/IT transformation projects		3,750	3,446
Costs of expanding in new markets and services		9,543	5,569
Exchange loss		6,017	(3,310)
Other		6,692	10,473
Earnings before interest, tax, depreciation, amortisation and non-recurring items ("adjusted EBITDA")		121,921	82,488

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR YEAR ENDED 30 SEPTEMBER 2019**

	Year ended 30 September 2019 £000	Year ended 30 September 2018 £000
Loss for the year	(314,684)	(192,017)
Currency translation differences on foreign currency net investments	(9,242)	(5,884)
Total comprehensive income for the year	(323,926)	(197,901)
Total comprehensive income attributable to:		
Owners of the Company	(323,696)	(197,982)
Non-controlling interest	(230)	81
	(323,926)	(197,901)

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED
(Registration number: 10510800)

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible fixed assets	10	1,702,500	1,423,185
Tangible fixed assets	11	125,929	79,356
Investments	12	59	290
		1,828,488	1,502,831
Current assets			
Stocks	13	37,322	22,271
Debtors	14	102,361	66,672
Cash at bank and in hand		209,789	116,069
		349,472	205,012
Creditors: Amounts falling due within one year	15	(215,171)	(152,551)
Provision for liabilities	9, 17	(13,099)	(9,476)
Net current assets		121,202	42,985
Total assets less current liabilities		1,949,690	1,555,292
Creditors: Amounts falling due after more than one year	15	(2,030,747)	(1,511,526)
Provisions for liabilities	17	(7,913)	(10,757)
Net (liabilities) / assets		(88,970)	23,533
Capital and reserves			
Called up share capital	18	9,568	9,568
Share premium reserve		511,878	300,416
Profit and loss account		(610,196)	(286,500)
Shareholders' (deficit) / funds		(88,750)	23,484
Non-controlling interest		(220)	49
Total (deficit) / equity		(88,970)	23,533

Approved by the board and authorised for issue on 23 December 2019 and signed on its behalf by:



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M A Gillings
Director

The notes on pages 17 to 58 form an integral part of these financial statements.

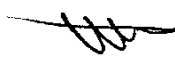
IVC ACQUISITION PIKCO LIMITED
(Registration number: 10510800)

COMPANY ONLY BALANCE SHEET
AS AT 30 SEPTEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	12	650,017	309,984
Current assets			
Debtors: Amounts falling due within one year	14	3	1
Debtors: Amounts falling due after more than one year	14	665,333	651,829
Cash at bank and in hand		1	12
		665,337	651,842
Creditors: Amounts falling due within one year	15	(9)	(4)
Net current assets		665,328	651,838
Total assets less current liabilities		1,315,345	961,822
Creditors: Amounts falling due after more than one year	15	(797,269)	(651,923)
Net assets		518,076	309,899
Capital and reserves			
Called up share capital	18	9,568	9,568
Share premium		511,878	300,416
Profit and loss account		(3,370)	(85)
Shareholders' funds		518,076	309,899

The loss for the financial year dealt with in the financial statements of the parent company was £3,285,000 (2018 - profit of £40,000). Additional exemptions that the parent company has made can be found in note 2.

Approved by the board and authorised for issue on 23 December 2019 and signed on its behalf by:


.....
M A Gillings
Director

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	Share capital £000	Share premium £000	Retained earnings £000	Total £000	Non-controlling interests £000	Total equity £000
Balance at 1 October 2018		9,568	300,416	(286,500)	23,484	49	23,533
Loss for the year (Deficit) / surplus relating to foreign exchange differences		-	-	(314,454) (9,242)	(314,454) (9,242)	(230) -	(314,684) (9,242)
Total comprehensive loss		-	-	(323,696)	(323,696)	(230)	(323,926)
Dividend payable to non-controlling interest		-	-	-	-	(39)	(39)
New share capital subscribed	18	-	211,462	-	211,462	-	211,462
Balance at 30 September 2019		9,568	511,878	(610,196)	(88,750)	(220)	(88,970)
Balance at 1 October 2017		9,568	300,416	(88,517)	221,467	(33)	221,434
Loss for the year (Deficit)/surplus relating to foreign exchange differences		-	-	(192,098) (5,885)	(192,098) (5,885)	81 1	(192,017) (5,884)
Total comprehensive (loss)/profit		-	-	(197,983)	(197,983)	82	(197,901)
Balance at 30 September 2018		9,568	300,416	(286,500)	23,484	49	23,533

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**COMPANY ONLY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	Share capital £000	Share premium £000	Retained earnings £000	Total £000
Balance at 1 October 2018		9,568	300,416	(85)	309,899
Loss for the year and total comprehensive income		-	-	(3,285)	(3,285)
New share capital subscribed	18	-	211,462	-	211,462
Balance at 30 September 2019		9,568	511,878	(3,370)	518,076

	Note	Share capital £000	Share premium £000	Retained earnings £000	Total £000
Balance at 1 October 2017		9,568	300,416	(125)	309,859
Profit for the year and total comprehensive income		-	-	40	40
Balance at 30 September 2018		9,568	300,416	(85)	309,899

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	Year ended 30 September 2019 £000	Year ended 30 September 2018 £000
Cash flows from operating activities:			
Loss for the year		(314,684)	(192,017)
Adjustments to cash flows for non-cash items:			
Depreciation, amortisation and impairment charges	5	242,838	134,145
Loss on asset disposal	5	(11)	872
Share of profit of Associates		(76)	(17)
Finance income	8	(173)	(45)
Finance costs	8	146,749	91,081
Income tax expense	9	4,673	650
		<u>79,316</u>	<u>34,669</u>
Working capital adjustments:			
(Increase) in stocks	10,13	(9,972)	(1,593)
(Increase) in debtors	10,14	(14,494)	(3,267)
(Decrease) / increase in creditors	10,15	(10,033)	112,373
Increase / (decrease) in provisions	17	499	(6,682)
		<u>45,316</u>	<u>135,500</u>
Cash generated from operations			
Income taxes paid		(2,868)	(5,506)
		<u>42,448</u>	<u>129,994</u>
Net cash generated from operating activities			
Cash flows from investing activities:			
Purchase of tangible assets	10,11	(54,152)	(26,274)
Purchase of intangible assets	10	(27)	-
Proceeds from disposal of tangible assets		210	-
Repayment of loan by associate		-	2,946
Acquisition of subsidiary undertakings and unincorporated businesses (net of cash acquired)	10	(477,858)	(437,717)
		<u>(531,827)</u>	<u>(461,045)</u>
Net cash flows from investing activities			
Cash flows from financing activities:			
Interest paid	8	(49,753)	(27,330)
Advance of other loans obtained	16	2,400	-
Advance of bank loans obtained	16	1,673,647	384,805
Debt issue costs paid	16	(29,264)	(2,611)
Repayment of bank loans	16	(1,220,019)	(3,046)
Repayment of other loans	16	(923)	-
Repayment of bank loans acquired with subsidiaries	16	-	(2,698)
Proceeds from issue of share capital	18	211,462	-
Hire purchase repayments	11	(3,897)	(2,601)
		<u>583,653</u>	<u>346,519</u>
Net cash generated from financing activities			

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 SEPTEMBER 2019 (CONTINUED)**

	Year ended 30 September 2019 £000	Year ended 30 September 2018 £000
Net increase in cash and cash equivalents	94,274	15,468
Effect of exchange rate fluctuations on cash held	(554)	(400)
Cash and cash equivalents at end of period	209,789	116,069
Cash and cash equivalents at start of period	116,069	101,001

There are no significant amounts of cash and cash equivalents that are held by the Group that are not available to the Group.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2019

1 General Information

The Company is a private company limited by share capital, incorporated in the United Kingdom under the Companies Act 2016 and registered in England and Wales.

The address of its registered office is:

The Chocolate Factory
Keynsham
Bristol
BS31 2AU

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The Group has early adopted the 'Amendments to FRS 102' published in December 2017 in preparing these financial statements and do not impact the financial statements.

Cash flow exemption

The Company has not presented a cash flow statement on the grounds that the Company's cash flows are included in the financial statements of the Group.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the Company operates. Monetary amounts in these financial statements are rounded to the nearest thousand pound.

Basis of consolidation

These financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 30 September 2019. Separate financial statements for the Company only have also been presented.

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2019

Parent Company profit

As permitted by section 408 of the Companies Act 2006, the parent Company's statement of comprehensive income has not been included in these financial statements. The Group loss for the year includes a loss of £3,285,000 (2018 - profit of £40,000) dealt with in the profit and loss account of the parent Company.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 2 to 5. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 42 to 43. In addition, the notes to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group meets its day-to-day working capital requirements through free cash and its acquisition requirements through senior debt facilities. The Group's forecasts and projections, covering a period of at least 12 months from the approval of these financial statements, show that the Group should be able to operate within the level of its current debt facilities. After taking account of reasonably possible changes in trading performance, and having completed a refinancing after the year end under which lenders are providing enlarged debt facilities to the Group, no material uncertainty exists regarding covenant compliance on the new facilities.

The directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Deferred consideration

The balance sheet includes amounts which are payable for the acquisition of subsidiaries which are dependent on the future performance of the trade acquired. In certain cases these are dependent on the continued employment of the vendor, and in other cases these are not dependent on employment condition. These amounts have been estimated based on the terms of the purchase agreements and the expected future performance based on the information available at the balance sheet date and may vary depending on actual results.

The directors have concluded the substance of the transaction means that; where there is no employment condition at the balance sheet date, the amount should be accounted for as consideration and not remuneration; and where there is an employment condition and an amount dependent on future performance (usually relating to revenue or EBITDA growth), the amount should be accounted for as remuneration not consideration. Adjustments to deferred consideration not relating to employment conditions are booked against goodwill and therefore are just a balance sheet reclassification.

Non-recurring

Certain costs have been stripped out of the Group's non-GAAP measure, adjusted EBITDA. The identification and classification of these costs requires judgement. Management have concluded that costs relating to the European transformation project, costs relating to the project of refinancing the Group and the costs associated with Nestlé acquiring a minority shareholding of the Group are non-recurring. See below and note 4 for more detail.

The Group balance sheet shows net liabilities at 30 September 2019. However, as outlined above, the directors consider that the adoption of the going concern basis of accounting remains appropriate.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2019

Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill

The balance sheet includes a significant value of goodwill which is assessed for triggers for impairment at each reporting date. Goodwill is monitored for impairment by country in line with the requirements of FRS102 around assessing triggers of impairment. Where any triggers are identified, a full impairment review is performed. For countries where a trigger was incurred, in calculating the value in use of the cash generating unit, management has made assumptions on the growth rates and discounts rates used. These are disclosed in note 10.

Deferred consideration

The balance sheet includes amounts which are payable for the acquisition of subsidiaries which are dependent on the future performance of the trade acquired. These amounts have been estimated based on the terms of the purchase agreements and the expected future performance based on information available at the balance sheet date and may vary depending on actual results.

Revenue recognition

Revenue represents amounts receivable from customers for veterinary services, related veterinary products, the sale of products on-line and crematoria services provided during the year.

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. The revenue recognition point is when a veterinary consultation, a veterinary procedure or a cremation is completed. Sales of goods are recognised when goods are dispatched and title has passed; for example, on-line sales are recognised when the goods are dispatched from the warehouse. Revenue is measured at the fair value of the consideration received or receivable, excluding value added tax and discounts.

Members of customer loyalty schemes, for example the Pet Health Plan, generally pay subscription fees on a monthly basis and receive consultation and treatments periodically. Revenue is recognised evenly over the twelve month period, which the Directors consider approximates to the timing of the services provided across the financial year.

Rebates

The Group receives income back from suppliers for purchasing a certain amount of stock or participating in promotions. Rebates are netted against cost of sales on an accruals basis, based on the expected entitlement that has been earned up to the balance sheet date for each relevant supplier contract. Amounts accrued are included within debtors on the balance sheet.

Grants

Grants (including donations) are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income. The impact of these grants is a reduction in the expense which the grant covers or a reduction in depreciation or amortisation if relating to an asset.

Other operating income

Other operating income mainly comprises rental income and is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Interest income

Interest income is recognised using the effective interest method.

Non- GAAP measures

In reporting financial information, the Group presents a non-GAAP measure which is not defined or specified under the requirements of FRS 102. The Group believes that their non-GAAP measure of adjusted EBITDA provides the user of the accounts with useful information about the Group's trading performance. This measure is consistent with how the business is monitored and reported internally to management and the Board.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2019

The Group makes adjustments to the statutory profit measure in order to arrive at adjusted EBITDA. The Group's policy is to exclude items that are considered to be significant in both nature and quantum and where treatment as an adjusted item provides stakeholders with additional useful information to assess the trading performance of the Group. On this basis, the following items were included as adjusting items to arrive at adjusted EBITDA:

- Interest receivable and similar income;
- interest payable and similar charges – this is a significant expense in the year and relates to the financing of the Group;
- depreciation – this is a non-cash item in the year;
- amortisation of goodwill - this is a non-cash item and a significant expense in the year;
- non-recurring items – see below.

Non-recurring costs

Non-recurring costs are one-off items, usually from large relocation or refinancing programmes. Including these in adjusted EBITDA would distort the true underlying profitability of the Group and so have been excluded from this measure.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

The financial statements of overseas subsidiary undertakings are translated at the rate ruling at the balances sheet date. The exchange differences arising on the retranslation of opening net assets is taken directly to reserves. All other translation differences are taken to the profit and loss account with the exception of differences on foreign currency borrowings to the extent that they are used to finance or provide a hedge against Group equity investments in foreign enterprises, which are taken to reserves together with the exchange difference on the net investment in these enterprises. Tax charges and credits attributable to exchange differences on those borrowings are also taken to reserves.

Intangible fixed assets

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the Company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill amortisation is charged on a straight line basis so as to write off the cost of the asset, less its residual value assumed to be zero, over its useful economic life. Purchased goodwill and goodwill attributable to the acquisition of subsidiaries is being written off over a period of between 5 and 15 years.

Other intangibles relate to software project costs which will start amortising once in management's intended use.

Tangible assets

Tangible assets are carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on assets is calculated so as to write off the cost of an asset, less its residual value, over their estimated useful lives as follows:

Freehold land	Nil
Freehold property	Straight line over 50 years
Leasehold improvements	Over the term of the lease
Fixtures and surgery equipment	Straight line over 5 years
Motor vehicles	Straight line over 4 years
Computer equipment	Straight line over 3 years

Investments

Investments comprise investments in associates and joint ventures where the Group has significant influence over the entity, but not control. The Group records its share of the associates or joint venture's post-tax profit or loss within profit and loss and its share of net assets within investments. No significant investments in associates are recorded at cost.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2019

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Stock comprises all cost of purchase, costs of conversion and other costs incurred in bringing stock to their present condition and location. The cost of stock is assigned using the first in-first out (FIFO) basis or weighted average cost formula.

Stocks are also assessed for impairment at each reporting date. The carrying amount of each item of inventory, or Group of similar items, is compared with its selling price less costs to complete and sell. If an item is found to be impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss recognised immediately in profit or loss.

There are no material differences between the carrying value and replacement value of cost of stocks. There is no stock pledged as securities for liabilities.

Trade debtors

Trade debtors are amounts due for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the debtors.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2019

Provisions

Provisions are recognised when the Company has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle the obligation and the amount of the obligation can be reliably estimated.

Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Tax

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

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial Instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the Company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial assets or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, and impairment loss is recognised in profit or loss as described below.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2019

A non-financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent from other assets or group of assets. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Turnover

The analysis of the Group's turnover for the year from continuing operations is as follows:

	2019 £000	2018 £000
Sale of goods	41,511	28,821
Rendering of services	982,504	638,444
	1,024,015	667,265

Sale of goods mainly relates to sales of drugs online and food and accessories sold in surgeries.

The total turnover of the Group for the year has been derived from its principal activity undertaken in:

	2019 £000	2018 £000
United Kingdom and Ireland	664,584	401,690
Mainland Europe	359,431	265,575
	1,024,015	667,265

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2019

4 Non-recurring costs

	2019 £000	2018 £000
Costs of reorganisation and restructuring	6,132	22,584
Corporate finance costs	3,106	4,296
Other (mainly IT projects)	2,180	3,446
	11,418	30,326

The above costs are included in Administrative costs except corporate finance costs which are included in finance costs.

During the prior year and until at the start of the current year, the Group re-located many of its people, systems and processes from mainland Europe to the UK and transformed its organisational structure. The costs of doing so have been disclosed as non-recurring as they are significant in nature and quantum in the current and prior years.

The corporate finance costs represent costs incurred in the refinancing and corporate restructuring of the Group. This started in the prior year, but did not conclude until the Spring of 2019 when the recapitalisation of the Group was performed and a minority shareholding was obtained by Nestlé.

These items have been stripped out of adjusted EBITDA to give the reader of the accounts a more informed view of the underlying profitability of the Group

The vast majority of the above non-recurring costs have been paid during the year and so there are no significant tax or cash flow effects that would differ from other expenditure not classified as exceptional. There are also no significant amounts provided at year end where the actual cash spend could differ from what has been accrued.

5 Operating loss

	2019 £000	2018 £000
Operating loss is stated after charging:		
Amortisation	207,817	113,760
Depreciation	35,021	20,385
Operating leases – property	40,911	27,230
Operating lease rentals	4,121	2,636
(Profit) / Loss on sale of tangible fixed assets	(11)	872
Auditor's remuneration – auditing of the financial statements	1,327	524
Auditor's remuneration – auditing of the statutory accounts of the subsidiaries	584	569
Auditor's remuneration – other advisory services	95	35
Exchange loss / (gain)	6,017	(3,310)

Other operating income within the income statement mainly relates to rent received and income received from charities and donations.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019****6 Staff costs**

The aggregate employee benefit expenses were as follows:

	2019 £000	2018 £000
Wages and salaries	491,352	336,063
Social security costs	43,235	34,557
Expense of defined contribution pension scheme	9,334	8,575
	543,921	379,195

The average number of persons employed by the Group (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Vets	4,986	3,134
Nurses	6,068	4,345
Support staff	6,522	4,289
	17,576	11,768

There are no employees employed by the parent company (2018 - Nil)

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2019	2018
	£000	£000
Remuneration (including benefits in kind)	1,107	666
Contributions paid to money purchase schemes	16	9
	1,123	675

During the year the number of directors who were receiving benefits was as follows:

	2019	2018
	No.	No.
Accruing benefits under money purchase pension scheme	3	2

In respect of the highest paid director:

	2019	2018
	£000	£000
Remuneration (including benefits in kind)	481	424
Company contributions to money purchase pension schemes	4	6
	485	430

The other directors are also directors of another group company and are remunerated by this company that resides outside of this reporting Group. It is not practicable to allocate their remuneration between their services as director of this Group and as directors of other group Companies.

There are no other key management personnel other than the directors of the company.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

8 Finance costs

	2019	2018
	£000	£000
Other interest receivable	(173)	(45)
Amortisation of debt issue costs and other bank fees	15,722	4,720
Bank loan interest	44,413	26,391
Other loan interest	24,325	10,607
Group interest payable	62,289	49,363
Finance costs	146,576	91,036

The other loan interest above is PIK interest and not repayable until 31 January 2025 or upon change of control. All interest above and also interest receivable relate to financial instruments not at fair value through profit and loss.

Included within amortisation of debt issue costs and other bank fees are previously capitalised debt issue costs that were written off of £7,934K following the re-financing in February 2019 (2018 - £Nil).

9 Corporation tax

	2019	2018
	£000	£000
Current tax:		
UK corporation tax	766	69
UK corporation tax adjustment to pre-acquisition periods	707	(1,087)
European corporation tax	3,892	2,493
European corporation tax adjustment to pre-acquisition periods	(437)	(6)
Total current tax	4,928	1,469
Deferred tax:		
Origination and reversal of timing differences	(362)	(819)
Differences relating to a prior period	107	-
Total deferred tax	(255)	(819)
Tax on loss on ordinary activities	4,673	650

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

9 Corporation tax (continued)

Tax on loss on ordinary activities for the year is higher than the standard rate of corporate tax in the UK of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £000	2018 £000
Loss on ordinary activities before taxation	(310,011)	(191,367)
Corporation tax at standard rate	(58,902)	(36,360)
Non deductible expenses (predominantly goodwill amortisation on consolidation and element of loan note interest)	39,409	27,575
Depreciation in excess of capital allowances	716	796
Other timing differences	-	151
Adjustment for pre-acquisition periods	(366)	(1,142)
Taxable losses	11,716	9,179
Increase / (decrease) in unrecognised deferred tax	12,257	-
Tax effect from difference in foreign tax rates	(157)	451
	63,575	37,010
Total tax expense	4,673	650
Deferred tax		
Deferred tax assets and liabilities		
2019		Liability £000
Fixed asset timing differences		1,368
Short term timing differences		185
Losses and other deductions		(792)
Other		-
		761
2018		Asset £000
Fixed asset timing differences		(247)
Short term timing differences		90
Losses and other deductions		964
Other		(33)
		774

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

9 Corporation tax (continued)

During the year beginning 1 October 2019, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £2,844,000. This is due to the difference between accumulated depreciation and amortisation and capital allowances.

There is no expiry date on timing differences, unused tax losses or tax credits.

There was £12,257,000 of unrecognised amounts of deferred tax at 30 September 2019 (2018 - £Nil).

10 Intangible fixed assets

	Goodwill	Other intangibles	Total intangible assets
	£000	£000	£000
Cost			
At 1 October 2018	1,583,869	93	1,583,962
Additions	496,863	27	496,890
Disposals	(185)	-	(185)
Foreign exchange differences	(10,687)	-	(10,687)
At 30 September 2019	2,069,860	120	2,069,980
Amortisation			
At 1 October 2018	160,777	-	160,777
Charge for the year	207,757	60	207,817
Foreign exchange differences	(1,114)	-	(1,114)
	367,420	60	367,480
Net book value			
At 30 September 2019	1,702,439	60	1,702,500
At 30 September 2018	1,423,092	93	1,423,185

In order to calculate the value in use of the cash generating units to support the carrying value of goods, the directors have used the following range of key assumptions dependent on the country:

	2019	2018
Discount rate	6.0-7.7%	8.0-9.0%
Growth rates – medium term	9.7-16.5%	9.7-16.5%
– long term	3.5-5.0%	3.5%
Tax rates	17.0-25.0%	17.0-25.0%

Of the £1,702,439K goodwill balance at year end (2018 - £1,423,092K), £647,504K was amortised over 5 years (2018 - £399,107K), £209,938K over 10 years (2018 - £106,651K) and £844,997K over 15 years (2018 - £917,334K).

The directors have considered the accounting requirements of FRS102 and have concluded that there were no other material intangible assets acquired with the above businesses.

There are no contractual commitments for acquisition of intangibles (2018 - £Nil).

There are no intangibles with restricted title or pledged as security for liabilities.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

10 Intangible fixed assets (continued)

All assets and liabilities acquired in the tables below are provisional. Per FRS102, the Group has up to 12 months to change these figures from acquisition date.

On 20 December 2018, Independent Vetcare Limited acquired 100% of the issued share capital of Westmorland Veterinary Services Limited, Westmorland Veterinary Services (Farm Animal) Limited and Westmorland Veterinary Services (Pets) Limited, obtaining control.

The companies contributed £2,378,000 of revenue and £578,000 of profit to the Group's loss for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below and represent the net book value of these net assets as no fair value adjustments were deemed necessary:

	Fair value on acquisition £000
Assets and liabilities acquired	
Financial assets	1,978
Stocks	91
Tangible assets	70
Financial liabilities	(2,050)
Total identifiable assets	89
Goodwill	12,626
Total consideration	12,715
Satisfied by:	
Cash	12,492
Costs of acquisition	222
Total consideration transferred	12,715
Cashflow analysis:	
Cash consideration	12,715
Less: cash and cash equivalent balances acquired	(579)
Net cash outflow arising on acquisition	12,136

The useful life of goodwill is 5 years.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019****10 Intangible fixed assets (continued)**

On 9 January 2019, Independent Vetcare Limited acquired 100% of the issued share capital of Vets Now Limited, obtaining control.

The company contributed £43,220,000 of revenue and £3,673,000 of profit to the Group's loss for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below and represent the net book value of these net assets as no fair value adjustments were deemed necessary:

	Fair value on acquisition £000
Assets and liabilities acquired	
Financial assets	9,279
Stocks	284
Tangible assets	6,421
Financial liabilities	<u>(9,733)</u>
Total identifiable assets	6,252
Goodwill	<u>63,188</u>
Total consideration	<u>69,440</u>
Satisfied by:	
Cash	68,503
Costs of acquisition	<u>937</u>
Total consideration transferred	<u>69,440</u>
Cashflow analysis:	
Cash consideration	69,440
Less: cash and cash equivalent balances acquired	<u>(4,584)</u>
Net cash outflow arising on acquisition	<u>64,856</u>

The useful life of goodwill is 5 years.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019****10 Intangible fixed assets (continued)**

On 28 March 2019, Independent Vetcare Limited acquired 100% of the issued share capital of Kernow Veterinary Group Limited, obtaining control.

The company contributed £3,478,000 of revenue and £382,000 of profit to the Group's loss for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below and represent the net book value of these net assets as no fair value adjustments were deemed necessary:

	Fair value on acquisition £000
Assets and liabilities acquired	
Financial assets	3,419
Stocks	103
Tangible assets	173
Financial liabilities	(4,654)
Total identifiable assets	(958)
Goodwill	12,581
Total consideration	11,623
Satisfied by:	
Cash	10,409
Deferred consideration	1,000
Costs of acquisition	214
Total consideration transferred	11,623
Cashflow analysis:	
Cash consideration	10,623
Less: cash and cash equivalent balances acquired	(739)
Net cash outflow arising on acquisition	9,884

The useful life of goodwill is 5 years.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019****10 Intangible fixed assets (continued)**

On 3 August 2019, Independent Vetcare Limited acquired 100% of the issued share capital of Scarsdale Vets (Derby) Limited, obtaining control.

The company contributed £3,132,000 of revenue and £89,000 of profit to the Group's loss for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below and represent the net book value of these net assets as no fair value adjustments were deemed necessary:

	Fair value on acquisition £000
Assets and liabilities acquired	
Financial assets	4,412
Stocks	596
Tangible assets	5,524
Financial liabilities	<u>(11,957)</u>
Total identifiable assets	(1,425)
Goodwill	<u>39,416</u>
Total consideration	<u>37,991</u>
Satisfied by:	
Cash	37,253
Costs of acquisition	<u>738</u>
Total consideration transferred	<u>37,991</u>
Cashflow analysis:	
Cash consideration	37,991
Less: cash and cash equivalent balances acquired	<u>(1,319)</u>
Net cash outflow arising on acquisition	<u>36,672</u>

The useful life of goodwill is 5 years.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

10 Intangible fixed assets (continued)

On 30 May 2019, Independent Vetcare Limited acquired the trade and net assets of Pool House Veterinary Group.

The business contributed £2,861,000 of revenue and £517,000 of loss to the Group's loss for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below and represent the net book value of these net assets as no fair value adjustments were deemed necessary:

	Fair value on acquisition £000
Assets and liabilities acquired	
Financial assets	404
Stocks	232
Tangible assets	655
Financial liabilities	-
Total identifiable assets	1,291
Goodwill	9,054
Total consideration	10,345
Satisfied by:	
Cash	10,345
Total consideration transferred	10,345
Cashflow analysis:	
Cash consideration	10,345
Net cash outflow arising on acquisition	10,345

The useful life of goodwill is 5 years.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019****10 Intangible fixed assets (continued)**

On 6 August 2019, Evidensia Nederland BV acquired 100% of the issued share capital of De Graafschap BV, obtaining control.

The company contributed £1,212,000 of revenue and £162,000 of profit to the Group's loss for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below and represent the net book value of these net assets as no fair value adjustments were deemed necessary:

	Fair value on acquisition £000
Assets and liabilities acquired	
Financial assets	534
Stocks	276
Tangible assets	591
Financial liabilities	<u>(632)</u>
Total identifiable assets	769
Goodwill	<u>18,808</u>
Total consideration	<u>19,577</u>
Satisfied by:	
Cash	18,078
Deferred consideration	<u>1,499</u>
Total consideration transferred	<u>19,577</u>
Cashflow analysis:	
Cash consideration	18,078
Less: cash and cash equivalent balances acquired	<u>905</u>
Net cash outflow arising on acquisition	<u>18,983</u>

The useful life of goodwill is 10 years.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

10 Intangible fixed assets (continued)

On 30 November 2018, Evidensia Nederland BV acquired 100% of the issued share capital of Stad & Land Dierenklinieken BV, Stad & Land Dierenklinieken Womerveer B.V., Stad & Land Dierenklinieken Hoorn BV and Stad & Land Dierenklinieken Amstelveen B.V., obtaining control.

The company contributed £3,717,000 of revenue and £605,000 of profit to the Group's loss for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below and represent the net book value of these net assets as no fair value adjustments were deemed necessary:

	Fair value on acquisition £000
Assets and liabilities acquired	
Financial assets	826
Stocks	156
Tangible assets	361
Financial liabilities	<u>(1,380)</u>
Total identifiable assets	(37)
Goodwill	<u>10,944</u>
Total consideration	<u>10,907</u>
Satisfied by:	
Cash	10,835
Costs of acquisition	<u>72</u>
Total consideration transferred	<u>10,907</u>
Cashflow analysis:	
Cash consideration	10,907
Less: cash and cash equivalent balances acquired	<u>(33)</u>
Net cash outflow arising on acquisition	<u>10,874</u>

The useful life of goodwill is 10 years.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019****10 Intangible fixed assets (continued)**

The Group acquired a number of other subsidiaries during the year of which individually were not material to include the identifiable assets acquired and liabilities assumed separately.

These acquisitions contributed £93,953,000 of revenue and £4,224,000 of profit to the Group's loss for the period between the date of acquisition and the balance sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below and represent the net book value of these net assets as no fair value adjustments were deemed necessary:

	Fair value on acquisition £000
Assets and liabilities acquired	
Financial assets	29,266
Stocks	3,340
Tangible assets	10,803
Financial liabilities	(37,820)
Total identifiable assets	5,589
Goodwill	330,172
Total consideration	335,761
Satisfied by:	
Cash	315,723
Costs of acquisition	10,317
Deferred consideration	9,721
Total consideration transferred	335,761
Cashflow analysis:	
Cash consideration	335,761
Less: cash and cash equivalent balances acquired	(21,653)
Net cash outflow arising on acquisition	314,108

The useful life of goodwill is 5 years for the UK acquisitions and 10 years for the Rest of Europe.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

11 Tangible assets

	Land & Buildings	Fixtures & surgery equipment	Motor vehicles	Computer equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 October 2018	39,181	94,399	2,455	24,180	160,215
Acquisitions	6,475	15,442	562	756	23,235
Additions	17,963	22,768	4,650	14,007	59,389
Disposals	-	(869)	(8)	(93)	(970)
Foreign exchange differences	(246)	(1,029)	(26)	(140)	(1,441)
At 30 September 2019	63,372	130,711	7,633	38,711	240,428
Depreciation					
At 1 October 2018	14,562	51,868	1,626	12,803	80,859
Charge for the year	4,556	17,738	4,536	8,191	35,021
Disposals	-	(668)	-	(93)	(761)
Foreign exchange differences	(66)	(494)	(7)	(53)	(620)
At 30 September 2019	19,052	68,445	6,154	20,847	114,499
Net book value					
At 30 September 2019	44,320	62,267	1,479	17,864	125,929
At 30 September 2018	24,618	45,026	3,356	11,262	79,356

The 1 October 2018 opening balances for cost and depreciation were adjusted to include assets with cost and accumulated depreciation of £9,139K which were previously omitted.

Included within the net book value of land and buildings is £9,881,000 (2018 - £3,946,000) in respect of freehold land and buildings and £34,231,000 (2018 - £15,766,000) in respect of short leasehold improvements.

There are no tangible assets pledged as security for liabilities or where this is restricted title (2018 - £Nil).

There are no contractual commitments for the acquisition of tangible assets at 30 September 2019 (2018 - £Nil).

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

11 Tangible assets (continued)

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts.

	2019	2018
	£000	£000
Fixtures and surgery equipment	5,782	4,902
Motor vehicles	1,789	99
Computer equipment	20	48
	7,591	5,049

12 Investments

Group	Investments in Associate £000
Cost	
At 1 October 2018	290
Additions	76
Foreign exchange differences	(4)
Reclassification (see below)	(303)
At 30 September 2019	59
Carrying amount	
At 30 September 2019	59
At 30 September 2018	290

During the year ended 30 September 2019, the Group purchased the remaining 50% of Dierenkliniek Wulven BV. The entity has therefore been fully consolidated into the Group since the purchase.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

12 Investments (continued)

Company

Shares in Group undertakings and participating interests	Shares in Group undertakings
	Total £000
Cost and net book value	
At 1 October 2018	309,984
Additions	340,033
At 30 September 2019	650,017

In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Details of undertakings

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are disclosed in note 24.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

13 Stocks

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Finished goods and consumables	37,322	22,271	-	-

There are no material differences between the carrying value of stocks and their replacement cost.

14 Debtors

	Group		Company	
	2019 £000	2018 £000	2019 £000	2018 £000
Trade debtors	53,097	30,455	-	-
Amounts owed by Group undertakings	-	6	665,333	651,829
Other debtors	34,141	24,821	4	1
Financial assets	87,238	55,282	665,337	651,830
Corporation tax asset	-	428	-	-
Deferred tax asset	-	774	-	-
Prepayments and accrued income	15,123	10,188	-	-
	102,361	66,672	665,337	651,830

Company debtors include £665,333,000 (2018 - £651,829,000) receivable after more than one year.

Amounts owed by Group undertakings mainly relates to amounts owed to the parent company, IVC Acquisition Topco Limited, repayable in 2025. Interest is charged at 11% per annum.

Other debtors include rebate debtors of £24,918,000 (2018 - £11,010,000).

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

15 Creditors

	Note	2019 £000	Group 2018 £000	2019 £000	Company 2018 £000
Due within one year					
Loans and borrowings	16	2,137	2,088	-	-
Trade creditors		78,454	50,077	-	-
Other taxes and social security costs		43,704	12,903	-	-
Other creditors		26,598	37,661	-	-
Financial liabilities		150,893	102,729	-	-
Accruals		59,383	49,822	9	4
Corporation tax		4,895	-	-	-
		215,171	152,551	9	4
Due after one year					
Loans and borrowings	16	1,402,964	947,083	196,839	110,241
Amounts owed to Group undertakings		626,456	562,547	600,430	539,786
Financial liabilities		2,029,420	1,509,630	797,269	650,027
Accruals		1,327	1,896	-	1,896
		2,030,747	1,511,526	797,269	651,923

The maturity profile of amounts due after one year is below:

2019	Due within 1-5 years £000	Due after 5 years £000	Total £000
Loans and borrowings	5,206	1,397,758	1,402,964
Amounts owed to Group undertakings	-	626,456	626,456
Accruals	-	1,327	1,327
2018			
Loans and borrowings	33,725	913,358	947,083
Amounts owed to Group undertakings	-	562,547	562,547
Accruals	-	1,896	1,896

Details of debt including security are disclosed in note 16 to the financial statements.

Amounts owed to Group undertakings mainly relates to amounts owed to the parent company, IVC Acquisition Topco Limited. Interest is charged at 11% per annum.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

16 Loans and borrowings

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Current loans and borrowings				
Hire purchase liabilities	2,137	2,088	-	-
	<u>2,137</u>	<u>2,088</u>	<u>-</u>	<u>-</u>
Non-current loans and borrowings				
Bank loan	1,202,127	832,098	-	-
Other loan	195,631	110,241	196,839	110,241
Hire purchase liabilities	5,206	4,744	-	-
	<u>1,402,964</u>	<u>947,083</u>	<u>196,839</u>	<u>110,241</u>

Total bank loans outstanding of £1,202,127,000 (2018 - £832,098,000) are stated after deducting £19,574,000 (2018 - £8,227,000) of costs associated with the raising of this finance, which are being released to the profit and loss account over the term of the debt which is an average of 7 years (i.e. total bank debt was £1,221,701,000 at 30 September 2019 (£840,325,000 at 30 September 2018) and are repayable in 2025. The rate of interest on each loan for each interest period is the percentage rate per annum, which is the aggregate of the applicable margin and LIBOR as the case may be (between 3.75% and 5.22%). Interest is paid in quarterly instalments, subject to the Group's compliance with banking covenants.

All loans are measured at amortised cost.

There are no significant restrictions from borrowing arrangements or regulatory requirements on ability of subsidiaries to transfer funds to the company in the form of cash dividends or to repay loans.

Other loans outstanding of £195,631,000 (2018 - £110,241,000) are stated net of costs associated with raising finance of £4,369,000 (2018 - £1,614,000). Included in accruals due after one year is interest of £1,212,000 (2018 - £1,896,000). The loan notes are repayable in full on 31 January 2025. Interest is levied at a rate of 10.5% per annum and is also not repayable until 31 January 2025 or upon change of control.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

17 Provision for liabilities

Group	Deferred consideration	Onerous lease provision	Deferred tax	Total
	£000	£000	£000	£000
At 1 October 2018	19,692	541	-	20,233
(Released) / charged in the year	(16,004)	875	(255)	(15,384)
Utilised in the year	(9,476)	(103)	-	(9,579)
From acquisitions	24,853	-	1,016	25,869
Foreign exchange differences	(127)	-	-	(127)
At 30 September 2019	18,938	1,313	761	21,012

	Group		Company	
	2019	2018	2019	2018
	£000	£000	£000	£000
Due within one year				
Deferred consideration	12,078	9,476	-	-
Onerous lease provision	260	-	-	-
Deferred tax	761	-	-	-
	13,099	9,476	-	-
Due after one year				
Deferred consideration	6,860	10,216	-	-
Onerous lease provision	1,053	541	-	-
	7,913	10,757	-	-

Deferred consideration relates to certain acquisitions made by a subsidiary company. The majority are repayable within a timeframe of one to three years. Amounts payable depend on the performance of the business acquired.

The onerous lease provision relates to onerous costs for the early termination of former surgery leases. The provision has been calculated based on the present value of the current rental payments and rates up until the next break clause.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019****18 Share capital and reserves**

	2019		2018	
	No. 000	£000	No. 000	£000
Ordinary shares of £0.01 each	359,432	3,594	359,432	3,594
Ordinary shares of £1 each	5,974	5,974	5,974	5,974
	365,406	9,568	365,406	9,568

Issue of shares

On 13 February 2019 as part of the refinancing and corporate restructuring of the Group, the company subscribed 1 A ordinary share for £1 to IVC Acquisition Topco Limited, its parent undertaking, for a consideration of £80,000,000.

On 30 May 2019, the company subscribed 1 share for £1 to IVC Acquisition Topco Limited for a consideration of £17,046,641.

On 31 July 2019, the company subscribed 1 share for £1 to IVC Acquisition Topco Limited for a consideration of £114,415,389.

Share rights

The shares have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption. All shares are now in issue and fully paid.

19 Pension schemes**Defined contribution pension scheme**

The Group operates defined contribution pension schemes. The pension cost charge for the year represented contributions payable by the Group to the schemes and amounted to £9,334,000 (2018 - £8,575,000).

Contributions totalling £1,708,000 (2018 - £1,113,000) were payable to the schemes at the end of the year and are included in creditors.

20 Contingent liabilities**Company**

The Company is bound by an intra-group cross guarantee in respect of bank debt with other members of the Group headed by one of its UK parent undertakings, IVC Acquisition Limited. The amount guaranteed at 30 September 2019 is £1,220,930,266 (2018 - £840,346,904) and is secured by a debenture over the assets and undertakings of certain companies in the Group.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

21 Financial commitments**Finance leases**

The total of future minimum lease payments is as follows:

	2019 £000	2018 £000
Not later than one year	3,176	2,088
Later than one year and not later than five years	5,118	4,744
More than five years	113	-
	8,407	6,832

Operating Leases

The total of future minimum lease payments is as follows:

	2019 £000	2018 £000
Not later than one year	42,058	33,745
Later than one year and not later than five years	150,864	102,655
Later than five years	157,875	137,090
	350,797	273,490

22 Parent and ultimate parent undertaking

The parent undertaking is IVC Acquisition Topco Limited, a company registered in Guernsey. The ultimate controlling party is Browne Holdings S.a.r.l. who control funds managed by EQT. There is no consolidation of this Group at a higher level which is publically available.

23 Related party transactions

The company has taken advantage of the exemption available and has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary of the group.

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

24 List of companies

Subsidiary undertakings	Country of Incorporation	Class	2019 Shares held %	2018 Shares held %
Evidensia Belgium BVBA	Belgium	Ordinary	100%	100%
Evidensia Belgium BVBA	Belgium	Ordinary	100%	-
Evidensia Danmark ApS *	Denmark	Ordinary	100%	100%
Evidensia Dyrehospital A/S	Denmark	Ordinary	100%	100%
Evidensia Academy ApS	Denmark	Ordinary	100%	100%
IVC Acquisition Midco Ltd *	England & Wales	Ordinary	100%	100%
IVC Acquisition Ltd *	England & Wales	Ordinary	100%	100%
Independent Vetcare Finance Limited	England & Wales	Ordinary	100%	100%
IVC Topco Limited	England & Wales	Ordinary	100%	100%
Independent Vetcare Limited	England & Wales	Ordinary	100%	100%
IVC Ltd	England & Wales	Ordinary	100%	100%
IVC Group International Limited	England & Wales	Ordinary	100%	100%
Petprescriptions Limited	England & Wales	Ordinary	100%	100%
Orwell Vets Limited	England & Wales	Ordinary	100%	100%
IVC (TB) Limited	England & Wales	Ordinary	100%	100%
Lansdown Veterinary Services Limited	England & Wales	Ordinary	100%	100%
Berry House Limited	England & Wales	Ordinary	100%	100%
Chase Vets Limited	England & Wales	Ordinary	100%	100%
Rhodes Veterinary Practice Limited	England & Wales	Ordinary	100%	100%
Purton Vets Limited	England & Wales	Ordinary	100%	100%
Oakfield Pet Health Centre Limited	England & Wales	Ordinary	100%	100%
Chase Vets Eastbourne Limited	England & Wales	Ordinary	100%	100%
Congleton Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
Fields Vets Limited	England & Wales	Ordinary	100%	100%
Cheshire Vets Medical Centre Limited	England & Wales	Ordinary	100%	100%
Wellpetclinic Limited	England & Wales	Ordinary	100%	100%
Orchard Vets Limited	England & Wales	Ordinary	100%	100%
Westwood Veterinary Practice	England & Wales	Ordinary	100%	100%
1066 Veterinary Centre	England & Wales	Ordinary	100%	100%
Corinium Veterinary Clinic Limited	England & Wales	Ordinary	100%	100%
Millpark Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
Well Pets Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
Kingston Veterinary Group Ltd	England & Wales	Ordinary	100%	100%
The Veterinary Hospital Ltd	England & Wales	Ordinary	100%	100%
Richard Hillman Veterinary Centre Ltd	England & Wales	Ordinary	100%	100%
St Mary's Veterinary Practice Limited	England & Wales	Ordinary	100%	100%
Celyn House Limited	England & Wales	Ordinary	100%	100%
Island Veterinary Service Limited	England & Wales	Ordinary	100%	100%
Gatehouse Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
Northdale Veterinary Practice Limited	England & Wales	Ordinary	100%	100%
Lowesmoor House Vets Limited	England & Wales	Ordinary	100%	100%

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

Subsidiary undertakings	Country of Incorporation	Class	2019 Shares held %	2018 Shares held %
Croft Vets Limited	England & Wales	Ordinary	100%	100%
Well House Vets Limited	England & Wales	Ordinary	100%	100%
Clifton Veterinary Practice	England & Wales	Ordinary	100%	100%
J Dinsdale Ltd	England & Wales	Ordinary	100%	100%
Alexander Veterinary Centre Ltd	England & Wales	Ordinary	100%	100%
Rhyd Broughton Veterinary Group Ltd	England & Wales	Ordinary	100%	100%
Abbey Vets (NE) Limited	England & Wales	Ordinary	100%	100%
Burch Vets Ltd	England & Wales	Ordinary	100%	100%
A & J Practice Management Ltd	England & Wales	Ordinary	100%	100%
Terrington Vets Ltd	England & Wales	Ordinary	100%	100%
Abbeylea Vets Ltd	England & Wales	Ordinary	100%	100%
Forest Lodge Veterinary Practice Ltd	England & Wales	Ordinary	100%	100%
Zetland Limited	England & Wales	Ordinary	100%	100%
Thanet One Limited	England & Wales	Ordinary	100%	100%
The Veterinary Clinic (Bearwood) Limited	England & Wales	Ordinary	100%	100%
Barton Lodge Veterinary Centre Ltd	England & Wales	Ordinary	100%	100%
Three Rivers Vets Limited	England & Wales	Ordinary	100%	100%
St Georges Veterinary Group Ltd	England & Wales	Ordinary	100%	100%
The Croft Veterinary Centre (Wolverhampton) Ltd	England & Wales	Ordinary	100%	100%
Acom Veterinary Practice Ltd	England & Wales	Ordinary	100%	100%
Mintlaw Vets Ltd	England & Wales	Ordinary	100%	100%
Budget Vets Ltd	England & Wales	Ordinary	100%	100%
Williams and Cummings Veterinary Group	England & Wales	Ordinary	100%	100%
Wellpets Animal Care Ltd	England & Wales	Ordinary	100%	100%
Mill House Vets Ltd	England & Wales	Ordinary	100%	100%
Albert Cottage Veterinary Clinic Ltd	England & Wales	Ordinary	100%	100%
Grove Lodge Veterinary Group Ltd	England & Wales	Ordinary	100%	100%
Robson & Prescott Ltd	England & Wales	Ordinary	100%	100%
Abbeylea Veterinary Centres Limited	England & Wales	Ordinary	100%	100%
Rosehill Vets Ltd	England & Wales	Ordinary	100%	100%
Blenheim Veterinary Centre Ltd	England & Wales	Ordinary	100%	100%
Kirks Vets	England & Wales	Ordinary	100%	100%
Beeches Veterinary Centre Ltd	England & Wales	Ordinary	100%	100%
Shipley Vets Ltd	England & Wales	Ordinary	100%	100%
Brownlow Veterinary Group Ltd	England & Wales	Ordinary	100%	100%
Victoria Veterinary Practice Ltd	England & Wales	Ordinary	100%	100%
Parkvets Ltd	England & Wales	Ordinary	100%	100%
My Vet Ltd	England & Wales	Ordinary	100%	100%
Haughley Veterinary Centre Ltd	England & Wales	Ordinary	100%	100%
Moorview Veterinary Practice Ltd	England & Wales	Ordinary	100%	100%
Usk Veterinary Centre Ltd	England & Wales	Ordinary	100%	100%
Cardiff Pet Health Ltd	England & Wales	Ordinary	100%	100%
Summerhill Veterinary Centre Ltd	England & Wales	Ordinary	100%	100%

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

Subsidiary undertakings	Country of incorporation	Class	2019 Shares held %	2018 Shares held %
Hall Place Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
CVG (D.C.) Limited	England & Wales	Ordinary	100%	100%
Drumahoe Veterinary Clinic Limited	England & Wales	Ordinary	100%	100%
Easipetcare Ltd	England & Wales	Ordinary	100%	100%
Alpha Veterinary Practice Limited	England & Wales	Ordinary	100%	100%
Kapsapea Limited	England & Wales	Ordinary	100%	100%
The Veterinary Clinic Limited	England & Wales	Ordinary	100%	100%
Wherry Veterinary Practice Limited	England & Wales	Ordinary	100%	100%
Market Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
LWAH Limited	England & Wales	Ordinary	100%	100%
NEVC Ltd	England & Wales	Ordinary	100%	100%
Avon Lodge Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
Taylor Veterinary Practice Limited	England & Wales	Ordinary	100%	100%
Glaven Veterinary Practice Limited	England & Wales	Ordinary	100%	100%
Taverham Veterinary Practice Holdings Limited	England & Wales	Ordinary	100%	100%
Taverham Veterinary Practice Limited	England & Wales	Ordinary	100%	100%
DVG Limited	England & Wales	Ordinary	100%	100%
The Colourful Consultancy Limited	England & Wales	Ordinary	100%	100%
Saxon Vets Limited	England & Wales	Ordinary	100%	100%
Steffan Veterinary Services Limited	England & Wales	Ordinary	100%	100%
Gilmore Pet Surgery Limited	England & Wales	Ordinary	100%	100%
A.C. Rawlins Limited	England & Wales	Ordinary	100%	100%
Bilton Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
New Street Vets Ltd	England & Wales	Ordinary	100%	100%
AVC 35 Limited	England & Wales	Ordinary	100%	100%
Castle Vets Pet Healthcare Limited	England & Wales	Ordinary	100%	100%
Dohne and Friends Limited	England & Wales	Ordinary	100%	100%
Barrow Hill Veterinary Group Ltd	England & Wales	Ordinary	100%	100%
Bourne Practice Ltd	England & Wales	Ordinary	100%	100%
Twickenham Vets Limited	England & Wales	Ordinary	100%	100%
Ark Veterinary Centre (Colchester) Limited	England & Wales	Ordinary	100%	100%
Hart Veterinary Limited	England & Wales	Ordinary	100%	100%
Blackberry Veterinary Clinic Limited	England & Wales	Ordinary	100%	100%
Springfield Veterinary Centre Ltd	England & Wales	Ordinary	100%	100%
Hook Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
Fivelands Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
H G H (V S) Limited	England & Wales	Ordinary	100%	100%
Petsco Limited	England & Wales	Ordinary	100%	100%
Petsco 2 Limited	England & Wales	Ordinary	100%	100%
Oakmount Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
The Barn Veterinary Practice Limited	England & Wales	Ordinary	100%	100%
Williams Vet Care Limited	England & Wales	Ordinary	100%	100%
Forest Vets Limited	England & Wales	Ordinary	100%	100%
Gilmore Pet Surgery Limited	England & Wales	Ordinary	100%	100%

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

Subsidiary undertakings	Country of Incorporation	Class	2019 Shares held %	2018 Shares held %
Biscot Mill Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
Amery Vets Limited	England & Wales	Ordinary	100%	100%
Towerwood Holdings Limited	England & Wales	Ordinary	100%	100%
Towerwood Vets Limited	England & Wales	Ordinary	100%	100%
Mainstone Veterinary Clinic Limited	England & Wales	Ordinary	100%	100%
Corner House Veterinary Practice Limited	England & Wales	Ordinary	100%	100%
Pets First Limited	England & Wales	Ordinary	100%	100%
Crown House Surgery Limited	England & Wales	Ordinary	100%	100%
The Vets' Place Limited	England & Wales	Ordinary	100%	100%
Holmefield Veterinary Clinics Limited	England & Wales	Ordinary	100%	100%
Aniwell Veterinary Company Ltd	England & Wales	Ordinary	100%	100%
Avon Lodge Veterinary Group Ltd	England & Wales	Ordinary	100%	100%
Lawrence Veterinary Centre Ltd	England & Wales	Ordinary	100%	100%
London Road Veterinary Centre Ltd	England & Wales	Ordinary	100%	100%
Hawthorne Lodge Veterinary Practice Limited	England & Wales	Ordinary	100%	100%
Mcphersons Veterinary Practice Ltd	England & Wales	Ordinary	100%	100%
Midforest Veterinary Practice Ltd	England & Wales	Ordinary	100%	100%
Carmel Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
The Shreen Veterinary Practice Ltd	England & Wales	Ordinary	100%	100%
Wilton House Veterinary Clinic Ltd	England & Wales	Ordinary	100%	100%
Woodland Veterinary Centre	England & Wales	Ordinary	100%	100%
Beech House Veterinary Centre	England & Wales	Ordinary	100%	100%
Avondale Veterinary Services Ltd	England & Wales	Ordinary	100%	100%
Mearley Vets Limited	England & Wales	Ordinary	100%	100%
Aberdeen Veterinary Referrals	England & Wales	Ordinary	100%	100%
Alder Veterinary Practice (Spalding Limited)	England & Wales	Ordinary	100%	100%
Chapelfield Veterinary Partnership Limited	England & Wales	Ordinary	100%	100%
Pro-Vets Group Ltd	England & Wales	Ordinary	100%	100%
Manor Vets Ltd	England & Wales	Ordinary	100%	100%
Foxcotte Veterinary Clinics Ltd	England & Wales	Ordinary	100%	100%
Abivale Veterinary Ltd	England & Wales	Ordinary	100%	100%
Vale Vets Ltd	England & Wales	Ordinary	100%	100%
Vale Animal Limited	England & Wales	Ordinary	100%	100%
Colebrook Vets Ltd	England & Wales	Ordinary	100%	100%
Lordswood Vets Ltd	England & Wales	Ordinary	100%	100%
Letchworth Veterinary Care Ltd	England & Wales	Ordinary	100%	100%
Willow Veterinary Care Ltd	England & Wales	Ordinary	100%	100%
Boness Veterinary Enterprises	England & Wales	Ordinary	100%	100%
Lydon Veterinary Centre Ltd	England & Wales	Ordinary	100%	100%
Earlswood Veterinary Referrals	England & Wales	Ordinary	100%	100%
Deane Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
Brown & Bentley Ltd	England & Wales	Ordinary	100%	100%
Walpole & Bingham Ltd	England & Wales	Ordinary	100%	100%
Shorewood Consultants Ltd	England & Wales	Ordinary	100%	100%

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

Subsidiary undertakings	Country of Incorporation	Class	2019 Shares held %	2018 Shares held %
Kingsteignton Vets Ltd	England & Wales	Ordinary	100%	100%
West Midlands Vets Limited	England & Wales	Ordinary	100%	100%
Veterinary Drugs To Go	England & Wales	Ordinary	100%	100%
Frontfoot Consultancy Suffolk Ltd	England & Wales	Ordinary	100%	100%
Amery Vets Ltd	England & Wales	Ordinary	100%	100%
Glenburn Veterinary Centre Limited	England & Wales	Ordinary	100%	100%
Wellpets Limited	England & Wales	Ordinary	100%	-
Crossroads Veterinary Services Limited	England & Wales	Ordinary	100%	-
GP Vets Limited	England & Wales	Ordinary	100%	-
Lakeside Veterinary Surgery Limited	England & Wales	Ordinary	100%	-
Sampson Park Limited	England & Wales	Ordinary	100%	-
Stamford Veterinary Centre Limited	England & Wales	Ordinary	100%	-
Norcross Veterinary Limited	England & Wales	Ordinary	100%	-
Pool Farm Veterinary Practice Limited	England & Wales	Ordinary	100%	-
The Lamond Veterinary Clinic Limited	England & Wales	Ordinary	100%	-
Alexandra & Hillyfields Vets Ltd	England & Wales	Ordinary	100%	-
Kieren Peterkin Limited	England & Wales	Ordinary	100%	-
FramVet Ltd	England & Wales	Ordinary	100%	-
Earl Soham Veterinary Centre Limited	England & Wales	Ordinary	100%	-
Waverley Veterinary Services Limited	England & Wales	Ordinary	100%	-
Macmerry Pet and Horse Centre Limited	England & Wales	Ordinary	100%	-
Companion Veterinary Clinic Limited	England & Wales	Ordinary	100%	-
Oval Pet Centre Limited	England & Wales	Ordinary	100%	-
Mondocane Limited	England & Wales	Ordinary	100%	-
Hungerford Vets Limited	England & Wales	Ordinary	100%	-
Shield Veterinary Centre Limited	England & Wales	Ordinary	100%	-
Bray House Veterinary Services Limited	England & Wales	Ordinary	100%	-
Belmont Vets Limited	England & Wales	Ordinary	100%	-
Rufford Veterinary Group Limited	England & Wales	Ordinary	100%	-
Alcombe Veterinary Practice Limited	England & Wales	Ordinary	100%	-
The Laurels Veterinary Centre (Hereford) Limited	England & Wales	Ordinary	100%	-
Easter Ross Vets Limited	England & Wales	Ordinary	100%	-
Pet Vets Limited	England & Wales	Ordinary	100%	-
Twin Enterprise Limited	England & Wales	Ordinary	100%	-
Subsidiary: Cambridge Veterinary Group Limited	England & Wales	Ordinary	100%	-
Brackley Pet Healthcare Limited	England & Wales	Ordinary	100%	-
Westmorland Veterinary Services (Farm Animal) Limited	England & Wales	Ordinary	100%	-
Westmorland Veterinary Services Limited	England & Wales	Ordinary	100%	-
Inc Westmorland Veterinary Services (Pets) Limited	England & Wales	Ordinary	100%	-
Simply Pets - Cheltenham	England & Wales	Ordinary	100%	-
Vets Now Limited	England & Wales	Ordinary	100%	-
VN Holdings Limited	England & Wales	Ordinary	100%	-
Vets Now Emergency Limited	England & Wales	Ordinary	100%	-
North Downs Vets Limited	England & Wales	Ordinary	100%	-
Forth Valley Vets Ltd	England & Wales	Ordinary	100%	-

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

Subsidiary undertakings	Country of incorporation	Class	2019 Shares held %	2018 Shares held %
Shaw Veterinary Centre Limited	England & Wales	Ordinary	100%	-
Crossways Animal Care Limited	England & Wales	Ordinary	100%	-
Robson Vets Limited	England & Wales	Ordinary	100%	-
Birch Veterinary Centre Limited	England & Wales	Ordinary	100%	-
The Riverside Veterinary Practice Limited	England & Wales	Ordinary	100%	-
Strathmore Veterinary Clinic Limited	England & Wales	Ordinary	100%	-
Fife Referrals Limited	England & Wales	Ordinary	100%	-
Kingsway Veterinary Group	England & Wales	Ordinary	100%	-
Fielding & Cumber Limited	England & Wales	Ordinary	100%	-
The Neighbourhood Veterinary Centre Limited	England & Wales	Ordinary	100%	-
Abbotskerswell Veterinary Centre Limited	England & Wales	Ordinary	100%	-
Martin Veterinary Centre Limited	England & Wales	Ordinary	100%	-
Knockanboy Veterinary Clinic Limited	England & Wales	Ordinary	100%	-
Avenue Veterinary Centre (Malvern) Limited	England & Wales	Ordinary	100%	-
Grove Veterinary Centre Limited	England & Wales	Ordinary	100%	-
Cient Hills Veterinary Group Limited	England & Wales	Ordinary	100%	-
Hawkedon and Homefield Vets Limited	England & Wales	Ordinary	100%	-
Wheelhouse Veterinary Centre Limited	England & Wales	Ordinary	100%	-
November Limited	England & Wales	Ordinary	100%	-
Kemow Veterinary Group Limited	England & Wales	Ordinary	100%	-
Lynton House Veterinary Group Limited	England & Wales	Ordinary	100%	-
South Lakes Veterinary Centre Limited	England & Wales	Ordinary	100%	-
Blake Veterinary Group Limited	England & Wales	Ordinary	100%	-
Highcliff Veterinary Practice Limited	England & Wales	Ordinary	100%	-
Jackson Vets Limited	England & Wales	Ordinary	100%	-
The Cheshire Pet Medical Centre (Sandbach) Limited	England & Wales	Ordinary	100%	-
Eden Veterinary Centre Limited	England & Wales	Ordinary	100%	-
Border Vets (Longtown) Limited	England & Wales	Ordinary	100%	-
Ashleigh Veterinary Centre Limited	England & Wales	Ordinary	100%	-
Clare Veterinary Group Limited	England & Wales	Ordinary	100%	-
Glenbrae Veterinary Clinic Limited	England & Wales	Ordinary	100%	-
Vet On The Hill Limited	England & Wales	Ordinary	100%	-
Adamsvet – Pet Care Limited	England & Wales	Ordinary	100%	-
Darley House Veterinary Centre Limited	England & Wales	Ordinary	100%	-
Straid Veterinary Clinic Limited	England & Wales	Ordinary	100%	-
AlphaPet Management Services Limited	England & Wales	Ordinary	100%	-
Tother Services Limited (share)	England & Wales	Ordinary	100%	-
Greg Toth Limited (share)	England & Wales	Ordinary	100%	-
Mansion Hill Veterinary Practice Limited	England & Wales	Ordinary	100%	-
George Hunt & Son Ltd	England & Wales	Ordinary	100%	-
WHVC Limited	England & Wales	Ordinary	100%	-
Cootes Veterinary Clinic Limited	England & Wales	Ordinary	100%	-
Scarsdale Vets (Derby) Limited ("Pride Referrals")	England & Wales	Ordinary	100%	-
Cogges Veterinary Practice Limited	England & Wales	Ordinary	100%	-

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2019

Subsidiary undertakings	Country of Incorporation	Class	2019 Shares held %	2018 Shares held %
Ark House Vets Limited	England & Wales	Ordinary	100%	-
Highfield Veterinary Centre Limited	England & Wales	Ordinary	100%	-
The Animal House Limited	England & Wales	Ordinary	100%	-
Fenwold Veterinary Practice Limited	England & Wales	Ordinary	100%	-
Paxton Veterinary Clinics Limited	England & Wales	Ordinary	100%	-
Petcare Veterinary Practice Limited	England & Wales	Ordinary	100%	-
UniVet Holding Oy *	Finland	Ordinary	100%	100%
Verna OY	Finland	Ordinary	100%	100%
Evidensia Eläinlääkäripalvelut Oy	Finland	Ordinary	100%	100%
Toijalan Eläinlääkäriasema Oy	Finland	Ordinary	100%	100%
Univet Kalanti OY	Finland	Ordinary	51%	51%
Animagi Hevosklinikat Oy	Finland	Ordinary	100%	100%
Evidensia France SAS	France	Ordinary	100%	-
Oncovet SAS	France	Ordinary	100%	-
Vetotech SAS	France	Ordinary	100%	-
SCP Campagnie Weill	France	Ordinary	100%	-
Wivetix Services GIE	France	Ordinary	100%	-
TKS Tierärztliche Klinik Stommeln GmbH	Germany	Ordinary	100%	100%
Evidensia Deutschland GmbH *	Germany	Ordinary	100%	100%
Evidensia Tierärztliche Klinik Betzdorf GmbH	Germany	Ordinary	100%	100%
Kleintiergesundheitszentrum Ravensburg Evidensia GmbH	Germany	Ordinary	100%	100%
Evidensia Tiergesundheitszentrum 004 GmbH	Germany	Ordinary	100%	100%
Evidensia Vet Zentrum Berchtesgadener Land	Germany	Ordinary	100%	100%
Kleintierpraxis Dr. Schiele GmbH	Germany	Ordinary	100%	100%
Evidensia Tierärztliche Klinik für Kleintiere Norderstedt GmbH	Germany	Ordinary	100%	100%
Kleintierspezialisten Dres. Schmerbach & Höpfner GmbH	Germany	Ordinary	100%	100%
Tierklinik am Nordring Evidensia Nürnberg GmbH	Germany	Ordinary	100%	100%
Evidensia Tierkliniken und -praxen Nordrhein GmbH	Germany	Ordinary	100%	100%
Veteria Fachtierarzt-Zentrum & Tagesklinik GmbH	Germany	Ordinary	100%	100%
Kleintierpraxis Dr. Swenshon GmbH	Germany	Ordinary	100%	100%
Tierärztliches Augenzentrum München GmbH	Germany	Ordinary	100%	100%
Evidensia Tiergesundheitszentrum 008 GmbH	Germany	Ordinary	100%	100%
Evidensia Tiergesundheitszentrum 015 GmbH	Germany	Ordinary	100%	-
Evidensia Tiergesundheitszentrum 017 GmbH	Germany	Ordinary	100%	-
Evidensia Tiergesundheitszentrum 018 GmbH	Germany	Ordinary	100%	-
Evidensia Tiergesundheitszentrum 019 GmbH	Germany	Ordinary	100%	-
Evidensia Tiergesundheitszentrum 020 GmbH	Germany	Ordinary	100%	-
Tierärztliche Klinik Reichenberg Evidensia GmbH	Germany	Ordinary	100%	-
Tierarztpraxis Dr Haas GmbH	Germany	Ordinary	100%	-
Tierärztliche Gemeinschaftspraxis Seligenstadt GmbH	Germany	Ordinary	100%	-
Kleintierzentrum AM Kurpark Numbrecht GmbH	Germany	Ordinary	100%	-
Tierarztpraxis Shacrenhcim GmbH	Germany	Ordinary	100%	-

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

Subsidiary undertakings	Country of incorporation	Class	2019 Shares held %	2018 Shares held %
Tierarztpraxis Dr Schilling GmbH	Germany	Ordinary	100%	-
Independent Vetcare Ireland Limited	Ireland	Ordinary	100%	-
Anicare Veterinary Facilities Limited	Ireland	Ordinary	100%	-
Milan Veterinary Limited	Isle of Man	Ordinary	100%	100%
Arg Beiyin Limited	Isle of Man	Ordinary	100%	100%
Evidensia Nederland B.V. *	Netherlands	Ordinary	100%	100%
Dierenzorggroep B.V. **	Netherlands	Ordinary	-	100%
Dierenzorggroep VA B.V. **	Netherlands	Ordinary	-	100%
Dierenzorggroep GD B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Wulven B.V. **	Netherlands	Ordinary	-	50%
Dierenzorggroep Brabant B.V. **	Netherlands	Ordinary	-	100%
Dierenzorggroep LD B.V. **	Netherlands	Ordinary	-	100%
Evidensia Vets & Pets Dierenklinieken B.V. **	Netherlands	Ordinary	-	100%
Evidensia Vets & Pets Facilities B.V. **	Netherlands	Ordinary	-	100%
Veterinair Verwijscentrum de Pletesberg B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Thorbeckelaan B.V. **	Netherlands	Ordinary	-	100%
Dier Medisch Centrum Gouda B.V. **	Netherlands	Ordinary	-	100%
Dierenartsenpraktijk de Zuidwesthoek B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Velp-Veluwezooom **	Netherlands	Ordinary	-	100%
Dierenziekenhuis Rotterdam B.V. **	Netherlands	Ordinary	-	100%
Kleine huisdieren kliniek krimpden B.V. **	Netherlands	Ordinary	-	100%
Evidensia Spoedkliniek de Veluwe B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Enschede B.V. **	Netherlands	Ordinary	-	100%
Kliniek voor gezelschapdieren Uitgeest **	Netherlands	Ordinary	-	100%
Dierenkliniek Dikketje Dap B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Vossegat B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Verstappen B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek IJsselstein **	Netherlands	Ordinary	-	100%
Farmarts Gezelschapdieren B.V. **	Netherlands	Ordinary	-	100%
Diergeneeskundig Centrum Almere B.V. **	Netherlands	Ordinary	-	100%
Dierenartsenpraktijk van Zeebroeck B.V. **	Netherlands	Ordinary	-	100%
Diergeneeskundig Centrum Paterswoldseweg B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Nuenen B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek De 5 Olifanten **	Netherlands	Ordinary	-	100%
Dierenkliniek Vossegat B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Bokhove & Bouman B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Lieshout B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Winsum B.V. **	Netherlands	Ordinary	-	100%
Mijn Dierenkliniek Hillegom B.V. **	Netherlands	Ordinary	-	100%
Mijn Dierenkliniek Lisse B.V. **	Netherlands	Ordinary	-	100%
Budacom B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek De Warande B.V. **	Netherlands	Ordinary	-	100%

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

Subsidiary undertakings	Country of incorporation	Class	2019 Shares held %	2018 Shares held %
Dierenkliniek Mortelplein B.V. **	Netherlands	Ordinary	-	100%
Dierenartsenpraktijk Bodegraven B.V. **	Netherlands	Ordinary	-	100%
Dierenartsenpraktijk Gaasterland B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Dommelen B.V. **	Netherlands	Ordinary	-	100%
Mijn Dierenkliniek De Mare B.V. **	Netherlands	Ordinary	-	100%
Mijn Dierenkliniek Leiden B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Volendam B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Den Herd B.V. **	Netherlands	Ordinary	-	100%
Dier en Dokter B.V. **	Netherlands	Ordinary	-	100%
Dier en Dokter Eindhoven B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Ridderkerk B.V. **	Netherlands	Ordinary	-	100%
Evidensia Veterinair Centrum Zuid Holland B.V. **	Netherlands	Ordinary	-	100%
Dierenziekenhuis Nunspeet B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Benschop-Oudewater B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Strijthagen B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Leidschendam B.V. **	Netherlands	Ordinary	-	100%
Dierenartsenpraktijk Peize B.V. **	Netherlands	Ordinary	-	100%
Dierenartsenpraktijk Horst e.o. B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Kortenoord B.V. **	Netherlands	Ordinary	-	100%
Dierenkliniek Jol B.V. **	Netherlands	Ordinary	-	100%
Dierenartsenpraktijk van Stad tot Wad **	Netherlands	Ordinary	-	100%
Caressa Dierenziekenhuizen B.V. **	Netherlands	Ordinary	-	100%
Hugo Verwijsklinieken B.V. **	Netherlands	Ordinary	-	100%
Caressa Dierenziekenhuiz Den Haag B.V. **	Netherlands	Ordinary	-	100%
Caressa Dierenziekenhuiz Rotterdam B.V. **	Netherlands	Ordinary	-	100%
Caressa Dierenziekenhuiz Amsterdam B.V. **	Netherlands	Ordinary	-	100%
Caressa Dierenziekenhuiz Haarlem B.V. **	Netherlands	Ordinary	-	100%
Caressa Dierenziekenhuiz Utrecht B.V. **	Netherlands	Ordinary	-	100%
Evidensia B B.V.	Netherlands	Ordinary	100%	100%
Evidensia 017 B.V.	Netherlands	Ordinary	100%	100%
Evidensia 016 B.V.	Netherlands	Ordinary	100%	100%
Evidensia A B.V.	Netherlands	Ordinary	100%	100%
Dierenkliniek de Kempen B.V. **	Netherlands	Ordinary	100%	100%
Evidensia 040 B.V.	Netherlands	Ordinary	100%	100%
Evidensia 027 B.V.	Netherlands	Ordinary	100%	100%
Dierenkliniek de Postwagen B.V.	Netherlands	Ordinary	100%	100%
Evidensia 037 B.V.	Netherlands	Ordinary	100%	100%
Evidensia 024 B.V.	Netherlands	Ordinary	100%	100%
Dierenkliniek Zuid **	Netherlands	Ordinary	100%	100%
Evidensia 028 B.V.	Netherlands	Ordinary	100%	100%
Dierenkliniek de Arker B.V. **	Netherlands	Ordinary	100%	100%
Evidensia 032 B.V.	Netherlands	Ordinary	100%	100%
Westwoud Wognum B.V. **	Netherlands	Ordinary	100%	100%
Evidensia 039 B.V.	Netherlands	Ordinary	100%	100%

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

Subsidiary undertakings	Country of incorporation	Class	2019 Shares held %	2018 Shares held %
Evidensia 040 B.V.	Netherlands	Ordinary	100%	-
Evidensia 041 B.V.	Netherlands	Ordinary	100%	-
Evidensia 042 B.V.	Netherlands	Ordinary	100%	-
Evidensia 043 B.V.	Netherlands	Ordinary	100%	-
Evidensia 044 B.V.	Netherlands	Ordinary	100%	-
Evidensia 045 B.V.	Netherlands	Ordinary	100%	-
Evidensia 046 B.V.	Netherlands	Ordinary	100%	-
Evidensia 047 B.V.	Netherlands	Ordinary	100%	-
Evidensia 050 B.V.	Netherlands	Ordinary	100%	-
Tandheelkundig Dierenarts Knaake B.V.	Netherlands	Ordinary	100%	100%
Majesta Huisdierencrematoria Nederland B.V.	Netherlands	Ordinary	100%	100%
Majesta Huisdierencrematorium 2 B.V. **	Netherlands	Ordinary	-	100%
Huisdieren- en paardencrematorium Rotterdam B.V.	Netherlands	Ordinary	100%	100%
Dierencrematorium Majesta Utrecht B.V. **	Netherlands	Ordinary	-	100%
Dierencrematorium Majesta Smilde B.V. **	Netherlands	Ordinary	-	100%
Dierencrematorium Majesta Schagerbrug B.V. **	Netherlands	Ordinary	-	100%
Dierencrematorium Majesta Naarden B.V. **	Netherlands	Ordinary	-	100%
Dierencrematorium Majesta Maashorst Uden B.V. **	Netherlands	Ordinary	-	100%
Dierencrematorium Majesta Jori B.V. **	Netherlands	Ordinary	-	100%
Dierencrematorium Majesta Flevoiland B.V. **	Netherlands	Ordinary	-	100%
Dierencrematorium Majesta Rotterdam B.V. **	Netherlands	Ordinary	-	100%
Dierenartsenpraktijk Landsmeer B.V.	Netherlands	Ordinary	100%	-
Dierenartsenpraktijk Zuidwolde B.V.	Netherlands	Ordinary	100%	-
Dierenkliniek Duurstede B.V.	Netherlands	Ordinary	100%	-
Dierenkliniek Stad & Land B.V.	Netherlands	Ordinary	100%	-
Stad & Land Dierenklinieken Alkmaar B.V.	Netherlands	Ordinary	100%	-
Stad & Land Dierenklinieken Wormerveer B.V.	Netherlands	Ordinary	100%	-
Stad & Land Dierenklinieken Hoom B.V.	Netherlands	Ordinary	100%	-
Stad & Land Dierenklinieken Amstelveen B.V.	Netherlands	Ordinary	100%	-
Diergezondheidscentrum De Limes B.V.	Netherlands	Ordinary	100%	-
Het Arendsnest B.V. (holdco), Subsidiaries: SHCN Dierenuitvaart B.V.; Dierbaar Dierenuitvaart B.V.; Dierenzorg B.V., Dierencrematorium Parkstad B.V. and Dierencrematorium Beek B.V.	Netherlands	Ordinary	100%	-
SKDU en DGC B.V.	Netherlands	Ordinary	100%	-
Lingsedijk B.V.	Netherlands	Ordinary	100%	-
De Graafschap Dierenartsen B.V.	Netherlands	Ordinary	100%	-
Dierenartsenpraktijk Zelhem B.V.	Netherlands	Ordinary	100%	-
Pet Health Care BV	Netherlands	Ordinary	100%	-
Dierenkliniek Bloombird BV	Netherlands	Ordinary	100%	-
Dierenkliniek Zuidoostbeemster BV	Netherlands	Ordinary	100%	-
J de Jong Dierenartsen BV	Netherlands	Ordinary	100%	-
Evidensia Dierenklinieken BV	Netherlands	Ordinary	100%	-
Evidensia NL Dierenklinieken BV	Netherlands	Ordinary	100%	-
Glenshane Veterinary Clinics Limited	Northern Ireland	Ordinary	100%	100%

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 30 SEPTEMBER 2019**

Subsidiary undertakings	Country of incorporation	Class	2019 Shares held %	2018 Shares held %
Rathgael Veterinary Clinic Limited	Northern Ireland	Ordinary	100%	100%
Cedarmount Veterinary Clinic Limited	Northern Ireland	Ordinary	100%	100%
Fenaghy Veterinary Clinic (NI) Ltd	Northern Ireland	Ordinary	100%	100%
Roe Valley Veterinary Clinic Ltd	Northern Ireland	Ordinary	100%	100%
Evidensia Dyrehelse AS *	Norway	Ordinary	100%	100%
Smådyrkrematoriet AS	Norway	Ordinary	100%	100%
Kristiansand Dyreklinikk AS	Norway	Ordinary	100%	100%
Evidensia Smådyr AS	Norway	Ordinary	100%	100%
Vestfold Dyrehospital (iVet) AS	Norway	Ordinary	100%	100%
Sentrum Dyreklinikk AS	Norway	Ordinary	100%	-
Moseng Dyreklinikk AS	Norway	Ordinary	100%	-
Crown Veterinary Services Limited	Scotland	Ordinary	100%	100%
The Cambushinnie Service Company Limited	Scotland	Ordinary	100%	100%
K & M Donald Limited	Scotland	Ordinary	100%	100%
Shore Veterinary Centre Limited	Scotland	Ordinary	100%	100%
Boyce & Houston Ltd	Scotland	Ordinary	100%	100%
Vermuyden Veterinary Practice Ltd	Scotland	Ordinary	100%	100%
Kilbarchan Veterinary Practice Ltd	Scotland	Ordinary	100%	100%
Boothroyds and Woodwards Ltd	Scotland	Ordinary	100%	100%
PVG (Fife) Ltd	Scotland	Ordinary	100%	100%
DentalVets Ltd	Scotland	Ordinary	100%	100%
Ardene House Vet Practice Ltd	Scotland	Ordinary	100%	100%
Crieff Vets Limited	Scotland	Ordinary	100%	100%
ICR Veterinary Group Ltd	Scotland	Ordinary	100%	100%
Shedden Vets Limited	Scotland	Ordinary	100%	100%
MBM Vets Limited	Scotland	Ordinary	100%	100%
Abervet 2015 Ltd	Scotland	Ordinary	100%	100%
The Dermatology Referral Service Limited	Scotland	Ordinary	100%	-
Evidensia Holding AB *	Sweden	Ordinary	100%	100%
Evidensia Acquisition AB *	Sweden	Ordinary	100%	100%
Evidensia Djursjukvård Holding AB *	Sweden	Ordinary	100%	100%
Evidensia Djursjukvård AB *	Sweden	Ordinary	100%	100%
K64 Stockholm AB	Sweden	Ordinary	100%	100%
Evidensia Häst AB *	Sweden	Ordinary	100%	100%
Evidensia Smådjur AB *	Sweden	Ordinary	100%	100%
Ugglarps Gård Hästkliniken AB **	Sweden	Ordinary	-	100%
Djurklinikerna i Visby **	Sweden	Ordinary	-	100%
Djursjukhuset i Närke AB **	Sweden	Ordinary	-	100%
Vätter Veterinärerna **	Sweden	Ordinary	-	100%
Mälarhöjdens Veterinärpraktik AB **	Sweden	Ordinary	-	100%
Kullabygden Smådjursklinik AB **	Sweden	Ordinary	-	100%
Veterinärhuset Södra Berget AB **	Sweden	Ordinary	-	100%
Öresunds Veterinärklinik AB **	Sweden	Ordinary	-	100%
Öresunds Veterinärklinik Limhamn AB **	Sweden	Ordinary	-	100%

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2019

Subsidiary undertakings	Country of incorporation	Class	2019 Shares held %	2018 Shares held %
Veterinärhuset Lidköping AB **	Sweden	Ordinary	-	100%
Cremet AB	Sweden	Ordinary	100%	-
Ulvby Smadjursklinik AB	Sweden	Ordinary	100%	-
Lunds Djursjukhus AB	Sweden	Ordinary	100%	-
Kleintierpraxis ACR AG	Switzerland	Ordinary	100%	100%
Bessy's Kleintierklinik AG	Switzerland	Ordinary	100%	100%
ENNETSeeKLINIK für Kleintiere AG	Switzerland	Ordinary	100%	100%
Kleintierpraxis Schwäntenmos AG	Switzerland	Ordinary	100%	100%

The principal activity of all companies listed above is veterinary services except those marked * which are intermediate holding companies.

** Entity was involved in a legal merger during the year and is now within another company in the Group (Evidensia Smadjur AB if Sweden and Evidensia Dierenkliniken BV, Evidensia NL Dierenkliniken BV and Majesta Huisdierencrematia Nederland BV if Netherlands)

The registered office for all companies registered in England and Wales is The Chocolate Factory, Keynsham, Bristol BS31 2AU. The registered office for all companies registered in Scotland is 58 Argyle Street, Inverness IV2 3BB. The registered office for all companies registered in Northern Ireland is 133 Galgorm Road, Ballymena BT42 1DE. The registered office for all companies registered in the Isle of Man is 33-37 Athol Street, Douglas, Isle of Man IM1 1LB.

The only direct holding relating to the company is IVC Acquisition Midco Ltd.

The company has provided parent company guarantees to the following subsidiaries:

Abervet 2015 Limited (no. 10387254)	Mainstone Veterinary Clinic Limited (no. 05418711)
Alexandra & Hillyfields Vets Ltd (no. SC489580)	Market Veterinary Centre Limited (no. 05362341)
Corner House Vets Limited (no. 05883638)	New Street Vets Limited (no. 07960768)
Amery Vets Limited (no. 07956545)	North Downs Vets Limited (no. 08572723)
Ark Veterinary Centre (Colchester) Limited (no. 09253332)	Oakmount Veterinary Centre Limited (no. 07492068)
Bilton Veterinary Centre Limited (no.05143483)	Rathgael Veterinary Clinic Limited (no. NI612795)
Birch Veterinary Centre Limited (no. 07509368)	Saxon Vets Limited (no. 08376358)
Biscot Mill Veterinary Centre Limited (no. 07364167)	Shaw Veterinary Centre Limited (no. 05632414)
Blackberry Veterinary Clinic Limited (no. 05344618)	Springfield Veterinary Centre Limited (no. 07195200)
Bourne Practice Limited (no. 06579515)	Steffan Veterinary Services Limited (no. 04459814)
Castle Vets Pet Healthcare Limited (no. 07803840)	The Lamond Veterinary Clinic Limited (no. SC510841)
Cedarmount Veterinary Clinic Limited (no. NI057852)	The Riverside Veterinary Practice Limited (no. 04865749)
Crossways Animal Care Limited (no. 08914273)	The Vets' Place Limited (no. 05824821)
Crown House Surgery Limited (no. 05354883)	Tother Services Limited (no. 06170802)
Drumahoe Veterinary Clinic Limited (no. NI617042)	Robson Vets Limited (no. SC418845)
Easter Ross Vets Limited (no. SC471159)	Towerwood Vets Limited (no. 08175904)
Fivelands Veterinary Centre Limited (no. 09705430)	Twickenham Vets Limited (no. 08257400)
Forth Valley Vets Ltd (no. SC457442)	Strathmore Veterinary Clinic Limited (no. 06983534)
Gilmore Pet Surgery Limited (no. 07003578)	Kingsway Veterinary Group Limited (no. 09532840)
Greg Toth Limited (no. 07055581)	Fielding & Cumber Limited (no. 06466832)
Holmefield Veterinary Clinic Limited (no. 09505196)	Abbotskerswell Veterinary Centre Limited (no. 10387254)
Hook Veterinary Centre Limited (no. 08142760)	Knockanboy Veterinary Clinic Limited (no. NI615478)
ICR Veterinary Group Ltd (no. SC336336)	Avenue Veterinary Centre (Malvern) Limited (no. 07914417)
Kieren Peterkin Limited (no. 04300286)	Grove Veterinary Centre Limited (no. 07754530)
Lakeside Veterinary Surgery Limited (no. 09613835)	Hawkedon and Homefield Vets Limited (no. 07993771)
LWAH Limited (no. 06537982)	November Limited (no. 03881136)
Macmerry Pet and Horse Centre Limited (no. SC402135)	Williams Vet Care Limited (no. 07413123)

The notes on pages 17 to 58 form an integral part of these financial statements.

IVC ACQUISITION PIKCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2019

Subsidiary undertakings	Country of incorporation	Class	2019 Shares held %	2018 Shares held %
Veterinärhuset Lidköping AB **	Sweden	Ordinary	-	100%
Cremit AB	Sweden	Ordinary	100%	-
Ulvby Smadjursklinik AB	Sweden	Ordinary	100%	-
Lunds Djursjukhus AB	Sweden	Ordinary	100%	-
Kleintierpraxis ACR AG	Switzerland	Ordinary	100%	100%
Bessy's Kleintierklinik AG	Switzerland	Ordinary	100%	100%
ENNETSeeKLINIK für Kleintiere AG	Switzerland	Ordinary	100%	100%
Kleintierpraxis Schwäntenmos AG	Switzerland	Ordinary	100%	100%

The principal activity of all companies listed above is veterinary services except those marked * which are intermediate holding companies.

** Entity was involved in a legal merger during the year and is now within another company in the Group (Evidensia Smadjur AB if Sweden and Evidensia Dierenkliniken BV, Evidensia NL Dierenkliniken BV and Majesta Huisdierencrematia Nederland BV if Netherlands)

The registered office for all companies registered in England and Wales is The Chocolate Factory, Keynsham, Bristol BS31 2AU. The registered office for all companies registered in Scotland is 58 Argyle Street, Inverness IV2 3BB. The registered office for all companies registered in Northern Ireland is 133 Galgorm Road, Ballymena BT42 1DE. The registered office for all companies registered in the Isle of Man is 33-37 Athol Street, Douglas, Isle of Man IM1 1LB.

The only direct holding relating to the company is IVC Acquisition Midco Ltd.

The following subsidiary companies are claiming exemption from audit under section 479a of the Companies Act 2006 for the period ending 30 September 2019:

Abervet 2015 Limited (no. 10387254)	Mainstone Veterinary Clinic Limited (no. 05418711)
Alexandra & Hillyfields Vets Ltd (no. SC489580)	Market Veterinary Centre Limited (no. 05362341)
Corner House Veterinary Practice Limited (no. 06452918)	New Street Vets Limited (no. 07960768)
Amery Vets Limited (no. 07956545)	North Downs Vets Limited (no. 08572723)
Ark Veterinary Centre (Colchester) Limited (no. 09253332)	Oakmount Veterinary Centre Limited (no. 07492068)
Bilton Veterinary Centre Limited (no. 05143483)	Rathgael Veterinary Clinic Limited (no. NI612795)
Birch Veterinary Centre Limited (no. 07509368)	Saxon Vets Limited (no. 08376358)
Biscot Mill Veterinary Centre Limited (no. 07364167)	Shaw Veterinary Centre Limited (no. 05632414)
Blackberry Veterinary Clinic Limited (no. 05344618)	Springfield Veterinary Centre Limited (no. 07195200)
Bourne Practice Limited (no. 06579515)	Steffan Veterinary Services Limited (no. 04459814)
Castle Vets Pet Healthcare Limited (no. 07803840)	The Lamond Veterinary Clinic Limited (no. SC510841)
Cedarmount Veterinary Clinic Limited (no. NI057852)	The Riverside Veterinary Practice Limited (no. 04865749)
Crossways Animal Care Limited (no. 08914273)	The Vets' Place Limited (no. 05824821)
Crown House Surgery Limited (no. 05354883)	Tother Services Limited (no. 06170802)
Drumahoe Veterinary Clinic Limited (no. NI617042)	Robson Vets Limited (no. SC418845)
Easter Ross Vets Limited (no. SC471159)	Towerwood Vets Limited (no. 08175904)
Fivelands Veterinary Centre Limited (no. 09705430)	Twickenham Vets Limited (no. 08257400)
Forth Valley Vets Ltd (no. SC457442)	Strathmore Veterinary Clinic Limited (no. 06983534)
Gilmore Pet Surgery Limited (no. 07003578)	Kingsway Veterinary Group Limited (no. 09532840)
Greg Toth Limited (no. 07055581)	Fielding & Cumber Limited (no. 06466832)
Holmefield Veterinary Clinic Limited (no. 09505196)	Abbotskerswell Veterinary Centre Limited (no. 10387254)
Hook Veterinary Centre Limited (no. 08142760)	Knockanboy Veterinary Clinic Limited (no. NI615478)
ICR Veterinary Group Ltd (no. SC336336)	Avenue Veterinary Centre (Malvern) Limited (no. 07914417)
Kieren Peterkin Limited (no. 04300286)	Grove Veterinary Centre Limited (no. 07754530)
Lakeside Veterinary Surgery Limited (no. 09613835)	Hawkedon and Homefield Vets Limited (no. 07993771)
LWAH Limited (no. 06537982)	November Limited (no. 03881136)
Macmerry Pet and Horse Centre Limited (no. SC402135)	Williams Vet Care Limited (no. 07413123)

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