

**REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012
FOR
YOUR VETS (HOLDINGS) LIMITED**

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for the Year Ended 31 March 2012**

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YOUR VETS (HOLDINGS) LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2012

DIRECTORS

M J V Bishop
J G Stirling
A L Lomax
D E Gibbons
Ms J Martin

SECRETARY:

M J V Bishop

REGISTERED OFFICE:

Unit 2
Rumbush Farm
Rumbush Lane, Earlswood
Solihull
West Midlands
B94 5LW

REGISTERED NUMBER:

07071834 (England and Wales)

AUDITORS:

Stewart Fletcher and Barrett
Chartered Accountants
Registered Auditors
Manor Court Chambers
126 Manor Court Road
Nuneaton
Warwickshire
CV11 5HL

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2012**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2012

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of providing veterinary services

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the performance of the business for the year ending 31 March 2012, and of its position at the year end. The comparative results of the company and group are for the fifteen and a half month period from incorporation of the Your Vets (Holdings) Group through to 31 March 2011

The results for the year show a group pre-tax loss of £491,485 for the year ended 31 March 2012 on group turnover of £6,755,945. This compares with a group pre-tax loss of £415,675 for the period to 31 March 2011 on group turnover of £7,516,265.

On a like for like basis, group turnover increased by 12.9% versus the period ended 31 March 2011, coupled with maiden revenues from the new Dagenham branch which opened in February 2012 of £39,000.

This substantial like for like growth, well ahead of comparative UK veterinary profession revenue growth, was driven by strong growth in the Coventry branch which was relocated in September 2010, coupled with strong growth in the Midlands out of hours service which opened in April 2011 and which is based at the Coventry branch.

The group pre-tax loss for the year ended 31 March 2012 was, as expected, impacted by initial trading losses and start-up expenditure at the new Dagenham branch of £141,000, and is stated after charging depreciation of £200,262 (2011 period £159,481), and goodwill amortisation of £237,604 (2011 period £306,905).

During the year, the group invested heavily in the new Dagenham branch as well as the refurbishment and expansion of the Rayleigh branch. Wythall and Nuneaton branches provide improved and expanded clinical facilities at those branches. In total, fixed asset additions in the year were £1,144,604 (2011 period £966,932), including property improvements and fixtures and fittings of £827,613 (2011 period £736,782).

The company raised £552,033 from the issue of new equity and long dated debt during the year, but due to the significant expenditure on new branches, coupled with expansion of the clinical capability of the mature branches in the portfolio, net debt as at 31 March 2012 increased to £1,840,529 (2011 £1,330,099), of which £910,811 (2011 £935,425) was due after more than one year.

Consolidated shareholder funds decreased slightly over the year, from £3,689,517 as at 31 March 2011, to £3,492,705 as at 31 March 2012.

Since the year ending 31 March 2012, the group opened a further new branch in Olton, Solihull in July 2012, and the group has re-financed its banking facilities, which coupled with a further new equity raise should provide the growth funds for further new branch expansion.

The economic environment remains competitive but the management of the group remain confident of the continued success of the group.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2012.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report.

M J V Bishop
J G Stirling
A L Lomax
D E Gibbons

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2012**

DIRECTORS - continued

Other changes in directors holding office are as follows

Ms J Martin - appointed 15 September 2011

S J Foster ceased to be a director after 31 March 2012 but prior to the date of this report

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 and the group'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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Stewart Fletcher and Barrett, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



M J V Bishop - Director

21 December 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF YOUR VETS (HOLDINGS) LIMITED

We have audited the financial statements of Your Vets (Holdings) Limited for the year ended 31 March 2012 on pages five to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Peter White (Senior Statutory Auditor)
for and on behalf of Stewart Fletcher and Barrett
Chartered Accountants
Registered Auditors
Manor Court Chambers
126 Manor Court Road
Nuneaton
Warwickshire
CV11 5HL

21 December 2012

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER: 07071834)

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2012

	Notes	Year Ended 31 3 12		Period 10 11 09 to 31 3 11	
		£	£	£	£
TURNOVER			6,755,945		7,516,265
Continuing operations		6,755,945		-	
Acquisitions		-		7,516,265	
		<u>6,755,945</u>		<u>7,516,265</u>	
Net operating expenses	2		<u>7,104,349</u>		<u>7,780,220</u>
OPERATING LOSS	4		(348,404)		(263,955)
Continuing operations		(348,404)		-	
Acquisitions		-		(263,955)	
		<u>(348,404)</u>		<u>(263,955)</u>	
Interest payable and similar charges	5		<u>143,081</u>		<u>151,720</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(491,485)		(415,675)
Tax on loss on ordinary activities	6		<u>30,127</u>		<u>3,914</u>
LOSS FOR THE FINANCIAL YEAR FOR THE GROUP			<u>(521,612)</u>		<u>(419,589)</u>
TOTAL RECOGNISED GAINS AND LOSSES					
The group has no recognised gains or losses other than the losses for the current year or previous period					

The notes form part of these financial statements

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER: 07071834)

CONSOLIDATED BALANCE SHEET
31 March 2012

	Notes	2012	2011
		£	£
FIXED ASSETS			
Intangible assets	8	4,214,409	4,452,680
Tangible assets	9	1,744,458	798,615
Investments	10	-	-
		<u>5,958,867</u>	<u>5,251,295</u>
CURRENT ASSETS			
Stocks	11	195,182	199,520
Debtors	12	622,358	516,011
Cash at bank and in hand		1,874	4,042
		<u>819,414</u>	<u>719,573</u>
CREDITORS			
Amounts falling due within one year	13	<u>2,298,991</u>	<u>1,300,279</u>
NET CURRENT LIABILITIES		<u>(1,479,577)</u>	<u>(580,706)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,479,290	4,670,589
CREDITORS			
Amounts falling due after more than one year	14	(910,811)	(935,425)
PROVISIONS FOR LIABILITIES	18	<u>(75,774)</u>	<u>(45,647)</u>
NET ASSETS		<u><u>3,492,705</u></u>	<u><u>3,689,517</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	98,395	87,112
Share premium	20	4,335,511	4,021,994
Profit and loss account	20	(941,201)	(419,589)
SHAREHOLDERS' FUNDS	24	<u><u>3,492,705</u></u>	<u><u>3,689,517</u></u>

The financial statements were approved by the Board of Directors on 21 December 2012 and were signed on its behalf by



M J V Bishop - Director

The notes form part of these financial statements

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER: 07071834)

COMPANY BALANCE SHEET
31 March 2012

	Notes	2012	2011
		£	£
FIXED ASSETS			
Intangible assets	8	-	-
Tangible assets	9	-	-
Investments	10	4,160,000	4,160,000
		<u>4,160,000</u>	<u>4,160,000</u>
CURRENT ASSETS			
Debtors	12	923,106	825,563
Cash at bank		96	2,364
		<u>923,202</u>	<u>827,927</u>
CREDITORS			
Amounts falling due within one year	13	658,096	309,548
		<u>658,096</u>	<u>309,548</u>
NET CURRENT ASSETS		<u>265,106</u>	<u>518,379</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,425,106	4,678,379
CREDITORS			
Amounts falling due after more than one year	14	723,929	931,269
		<u>723,929</u>	<u>931,269</u>
NET ASSETS		<u>3,701,177</u>	<u>3,747,110</u>
CAPITAL AND RESERVES			
Called up share capital	19	98,395	87,112
Share premium	20	4,335,511	4,021,994
Profit and loss account	20	(732,729)	(361,996)
		<u>3,701,177</u>	<u>3,747,110</u>
SHAREHOLDERS' FUNDS	24	<u>3,701,177</u>	<u>3,747,110</u>

The financial statements were approved by the Board of Directors on 21 December 2012 and were signed on its behalf by



M J V Bishop - Director

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2012

	Notes	Year Ended 31 3 12 £	£	Period 10 11 09 to 31 3 11 £	£
Net cash inflow from operating activities	1		456,424		88,747
Returns on investments and servicing of finance	2		(158,723)		(232,757)
Taxation			17,751		(93,321)
Capital expenditure	2		(888,445)		(602,894)
Acquisitions and disposals	2		-		(800,000)
			<u>(572,993)</u>		<u>(1,640,225)</u>
Financing	2		436,345		1,562,593
Decrease in cash in the period			<u>(136,648)</u>		<u>(77,632)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		(136,648)		(77,632)	
Cash inflow from increase in debt and lease financing		<u>(116,790)</u>		<u>(1,252,467)</u>	
Change in net debt resulting from cash flows			(253,438)		(1,330,099)
New finance leases			<u>(256,992)</u>		<u>-</u>
Movement in net debt in the period			(510,430)		(1,330,099)
Net debt at 1 April			<u>(1,330,099)</u>		<u>-</u>
Net debt at 31 March			<u>(1,840,529)</u>		<u>(1,330,099)</u>

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER: 07071834)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2012**

1 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year Ended 31 3 12 £	Period 10 11 09 to 31 3 11 £
Operating loss	(348,404)	(263,955)
Depreciation charges	437,866	466,386
Loss on disposal of fixed assets	-	1,352
Decrease/(increase) in stocks	4,338	(101,182)
Increase in debtors	(99,357)	(133,355)
Increase in creditors	461,981	119,501
Net cash inflow from operating activities	456,424	88,747

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Year Ended 31 3 12 £	Period 10 11 09 to 31 3 11 £
Returns on investments and servicing of finance		
Interest paid	(59,395)	(120,933)
Interest element of hire purchase payments	(23,438)	(11,778)
Finance costs	(75,890)	(100,046)
Net cash outflow for returns on investments and servicing of finance	(158,723)	(232,757)
Capital expenditure		
Purchase of intangible fixed assets	(833)	-
Purchase of tangible fixed assets	(887,612)	(612,316)
Sale of tangible fixed assets	-	9,422
Net cash outflow for capital expenditure	(888,445)	(602,894)
Acquisitions and disposals		
Acquisition of subsidiary	-	(800,000)
Net cash outflow for acquisitions and disposals	-	(800,000)
Financing		
New loans in year	474,973	1,470,000
Loan repayments in year	(297,778)	(693,415)
Capital repayments in year	(60,405)	-
Amount withdrawn by directors	(5,245)	36,902
Share issue	324,800	749,106
Net cash inflow from financing	436,345	1,562,593

The notes form part of these financial statements

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER. 07071834)

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2012**

3 ANALYSIS OF CHANGES IN NET DEBT

	At 1 4 11 £	Cash flow £	Other non-cash changes £	At 31 3 12 £
Net cash				
Cash at bank and in hand	4,042	(2,168)		1,874
Bank overdraft	(81,674)	(134,480)		(216,154)
	<u>(77,632)</u>	<u>(136,648)</u>		<u>(214,280)</u>
Debt				
Hire purchase	(57,955)	60,405	(256,992)	(254,542)
Debts falling due within one year	(297,778)	(350,000)	-	(647,778)
Debts falling due after one year	(896,734)	172,805	-	(723,929)
	<u>(1,252,467)</u>	<u>(116,790)</u>	<u>(256,992)</u>	<u>(1,626,249)</u>
Total	<u><u>(1,330,099)</u></u>	<u><u>(253,438)</u></u>	<u><u>(256,992)</u></u>	<u><u>(1,840,529)</u></u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 March 2012**

I ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2009, is being amortised evenly over its estimated useful life of twenty years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Improvements to property	- 25% on reducing balance, Straight line over 5 years, Straight line over 15 years and Straight line over 10 years
Plant and machinery	- 25% on reducing balance, Straight line over 4 years, Straight line over 8 years, Straight line over 10 years, Straight line over 6 years and Straight line over 7 years
Fixtures and fittings	- 25% on reducing balance, Straight line over 4 years and Straight line over 10 years
Motor vehicles	- 100% on cost and 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2012

2 ANALYSIS OF OPERATIONS

	Continuing £	2012 Acquisitions £	Total £
Net operating expenses			
Other operating income	(1,610)	-	(1,610)
Raw materials and consumables	1,770,426	-	1,770,426
Other external charges	446,289	-	446,289
Staff costs (see note 3)	3,183,939	-	3,183,939
Depreciation	437,866	-	437,866
Other operating charges	1,267,439	-	1,267,439
	<u>7,104,349</u>	<u>-</u>	<u>7,104,349</u>
	Continuing £	2011 Acquisitions £	Total £
Net operating expenses			
Raw materials and consumables	-	2,057,131	2,057,131
Other external charges	-	570,136	570,136
Staff costs (see note 3)	-	3,305,696	3,305,696
Depreciation	-	467,738	467,738
Other operating charges	-	1,379,519	1,379,519
	<u>-</u>	<u>7,780,220</u>	<u>7,780,220</u>

3 STAFF COSTS

	Year Ended 31 3 12 £	Period 10 11 09 to 31 3 11 £
Wages and salaries	3,107,165	3,244,229
Social security costs	35,752	39,974
Other pension costs	41,022	21,493
	<u>3,183,939</u>	<u>3,305,696</u>

The average monthly number of employees during the year was as follows

	Year Ended 31 3 12	Period 10 11 09 to 31 3 11
Directors	5	5
Administration	16	14
Clinical	113	91
	<u>134</u>	<u>110</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2012

4 OPERATING LOSS

The operating loss is stated after charging

	Year Ended 31 3 12	Period 10 11 09 to 31 3 11
	£	£
Hire of plant and machinery	84,024	134,538
Depreciation - owned assets	158,701	132,099
Depreciation - assets on hire purchase contracts	40,060	25,441
Loss on disposal of fixed assets	-	1,352
Goodwill amortisation	237,604	306,905
Patents and licences amortisation	1,500	1,938
Auditors' remuneration	20,000	12,917
	<u> </u>	<u> </u>
Directors' remuneration	373,810	424,821
Directors' pension contributions to money purchase schemes	-	6,000
	<u> </u>	<u> </u>

Information regarding the highest paid director is as follows

	Year Ended 31 3 12	Period 10 11 09 to 31 3 11
	£	£
Emoluments etc	104,994	125,250
Pension contributions to money purchase schemes	-	3,000
	<u> </u>	<u> </u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Year Ended 31 3 12	Period 10 11 09 to 31 3 11
	£	£
Bank interest	-	1,272
Bank loan interest	59,395	119,661
Hire purchase	23,438	11,778
Other finance costs	28,330	19,009
Transaction costs	31,918	-
	<u> </u>	<u> </u>
	143,081	151,720
	<u> </u>	<u> </u>

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER: 07071834)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2012

6 TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows

	Year Ended 31 3 12 £	Period 10 11 09 to 31 3 11 £
Current tax		
UK corporation tax	-	1,054
Over provision prior year	-	(16,775)
Total current tax	-	(15,721)
Deferred tax	30,127	19,635
Tax on loss on ordinary activities	<u>30,127</u>	<u>3,914</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	Year Ended 31 3 12 £	Period 10 11 09 to 31 3 11 £
Loss on ordinary activities before tax	<u>(491,485)</u>	<u>(415,675)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2011 - 20%)	(98,297)	(83,135)
Effects of		
Expenses not deductible for tax purposes	57,277	69,674
Depreciation in excess of capital allowances	41,020	14,515
Adjustments to tax charge in respect of previous periods	-	(16,775)
Current tax charge	<u>-</u>	<u>(15,721)</u>

7 LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(370,733) (2011 - £(361,996))

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER: 07071834)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2012

8 INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 April 2011	4,752,085	9,438	4,761,523
Additions	-	833	833
	<hr/>	<hr/>	<hr/>
At 31 March 2012	4,752,085	10,271	4,762,356
	<hr/>	<hr/>	<hr/>
AMORTISATION			
At 1 April 2011	306,905	1,938	308,843
Amortisation for year	237,604	1,500	239,104
	<hr/>	<hr/>	<hr/>
At 31 March 2012	544,509	3,438	547,947
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 March 2012	4,207,576	6,833	4,214,409
	<hr/>	<hr/>	<hr/>
At 31 March 2011	4,445,180	7,500	4,452,680
	<hr/>	<hr/>	<hr/>

On 17 December 2009 the company purchased the entire Ordinary and Preference share capital of Pet Vaccination UK Limited for consideration of £4,160,000. The fair value of the assets and liabilities of the group of which Pet Vaccination UK Limited was the parent company at the date of acquisition were as follows

	£
Fixed assets	364,054
Current assets	346,097
Bank loans and overdrafts	(386,909)
Creditors falling due for payment within one year	(833,315)
Creditors falling due for payment after one year	(82,012)
	<hr/>
	(592,085)
	<hr/>

Goodwill on consolidation under the acquisition method of £4,752,085 was recognised

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER: 07071834)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2012

9 TANGIBLE FIXED ASSETS

Group

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2011	255,693	184,435	481,090	33,977	955,195
Additions	562,655	302,241	264,958	14,750	1,144,604
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2012	818,348	486,676	746,048	48,727	2,099,799
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
At 1 April 2011	23,867	49,382	72,158	11,173	156,580
Charge for year	33,782	76,817	76,679	11,483	198,761
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2012	57,649	126,199	148,837	22,656	355,341
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 31 March 2012	760,699	360,477	597,211	26,071	1,744,458
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2011	231,826	135,053	408,932	22,804	798,615
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes £285,253 (2011 - £52,706) in respect of assets held under hire purchase contracts

10 FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2011 and 31 March 2012	4,160,000
	<hr/>
NET BOOK VALUE	
At 31 March 2012	4,160,000
	<hr/>
At 31 March 2011	4,160,000
	<hr/>

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER: 07071834)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2012

10 FIXED ASSET INVESTMENTS - continued

The group or the company's investments at the balance sheet date in the share capital of companies include the following

Subsidiary

Pet Vaccination UK Limited

Nature of business Veterinary services

	%		
Class of shares	holding		
Ordinary shares	100 00		
Preferred ordinary shares	100 00		
		2012	2011
		£	£
Aggregate capital and reserves		574,581	574,581
Loss for the year/period		-	(1,054)
		<u> </u>	<u> </u>

On 17 December 2009 the company purchased the entire Ordinary and Preference share capital of Pet Vaccination UK Limited for consideration of £4,160,000. The consideration was settled by issuing 700,000 Ordinary shares of 10p each in the company with a value of £3,360,000 and a payment of £800,000 in cash. The transaction has been accounted for under the acquisition method.

11 STOCKS

	Group	
	2012	2011
	£	£
Stocks	<u>195,182</u>	<u>199,520</u>

12 DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts falling due within one year				
Trade debtors	64,641	45,449	-	-
Other debtors	276,495	232,760	31,613	46,492
Directors' current accounts	45,208	37,085	11,803	11,803
Tax	-	16,775	-	-
Prepayments	236,014	183,942	96,679	81,037
	<u>622,358</u>	<u>516,011</u>	<u>140,095</u>	<u>139,332</u>
Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	783,011	686,231
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Aggregate amounts	<u>622,358</u>	<u>516,011</u>	<u>923,106</u>	<u>825,563</u>

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER: 07071834)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2012

13 CREDITORS- AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts (see note 15)	513,932	379,452	297,778	297,778
Other loans (see note 15)	350,000	-	350,000	-
Hire purchase contracts (see note 16)	67,660	19,264	-	-
Trade creditors	896,416	607,099	-	-
Taxation	2,031	1,054	-	-
Social security and other taxes	264,718	145,919	-	-
Other creditors	75,229	31,001	-	-
Directors' current accounts	41,967	39,089	-	-
Accrued expenses	87,038	77,401	10,318	11,770
	<u>2,298,991</u>	<u>1,300,279</u>	<u>658,096</u>	<u>309,548</u>

14 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans (see note 15)	598,956	896,734	598,956	896,734
Other loans (see note 15)	124,973	-	124,973	-
Hire purchase contracts (see note 16)	186,882	38,691	-	-
Amounts owed to group undertakings	-	-	-	34,535
	<u>910,811</u>	<u>935,425</u>	<u>723,929</u>	<u>931,269</u>

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER: 07071834)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2012

15 LOANS

An analysis of the maturity of loans is given below

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Amounts falling due within one year or on demand				
Bank overdrafts	216,154	81,674	-	-
Bank loans	297,778	297,778	297,778	297,778
Other loans	350,000	-	350,000	-
	<u>863,932</u>	<u>379,452</u>	<u>647,778</u>	<u>297,778</u>
Amounts falling due between one and two years				
Bank loans payable in one to two years	297,778	297,778	297,778	297,778
	<u>297,778</u>	<u>297,778</u>	<u>297,778</u>	<u>297,778</u>
Amounts falling due between two and five years				
Bank loans payable in two to five years	301,178	598,956	301,178	598,956
Other loans payable in two to five years	124,973	-	124,973	-
	<u>426,151</u>	<u>598,956</u>	<u>426,151</u>	<u>598,956</u>

16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2012 £	2011 £
Net obligations repayable		
Within one year	67,660	19,264
Between one and five years	186,882	38,691
	<u>254,542</u>	<u>57,955</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2012

16 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES - continued

The following operating lease payments are committed to be paid within one year

Group	Land and buildings		Other operating leases	
	2012 £	2011 £	2012 £	2011 £
Expiring				
Within one year	-	-	22,955	2,657
Between one and five years	16,500	16,500	56,902	126,821
In more than five years	284,585	204,350	-	-
	<u>301,085</u>	<u>220,850</u>	<u>79,857</u>	<u>129,478</u>

17 SECURED DEBTS

The following secured debts are included within creditors

	Group	
	2012 £	2011 £
Bank overdrafts	216,154	81,674
Bank loans	896,734	1,194,512
Hire purchase contracts	254,542	57,955
	<u>1,367,430</u>	<u>1,334,141</u>

18 PROVISIONS FOR LIABILITIES

	Group	
	2012 £	2011 £
Deferred tax		
Accelerated capital allowances	<u>75,774</u>	<u>45,647</u>

Group	Deferred tax £
Balance at 1 April 2011	45,647
Profit and loss account credit	30,127
Balance at 31 March 2012	<u>75,774</u>

19 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2012 £	2011 £
983,952	Ordinary	10p	<u>98,395</u>	<u>87,112</u>

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER. 07071834)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2012**

19 CALLED UP SHARE CAPITAL - continued

112,836 Ordinary shares of 10p were issued during the period for cash of £552,033

20 RESERVES

Group

	Profit and loss account £	Share premium £	Totals £
At 1 April 2011	(419,589)	4,021,994	3,602,405
Deficit for the year	(521,612)		(521,612)
Cash share issue	-	313,517	313,517
	<u>(941,201)</u>	<u>4,335,511</u>	<u>3,394,310</u>
At 31 March 2012			

Company

	Profit and loss account £	Share premium £	Totals £
At 1 April 2011	(361,996)	4,021,994	3,659,998
Deficit for the year	(370,733)		(370,733)
Cash share issue	-	313,517	313,517
	<u>(732,729)</u>	<u>4,335,511</u>	<u>3,602,782</u>
At 31 March 2012			

21 CAPITAL COMMITMENTS

	2012 £	2011 £
Contracted but not provided for in the financial statements	<u>157,577</u>	<u>-</u>

22 TRANSACTIONS WITH DIRECTORS

At the year end Mr M Bishop, a director of the company, owes the company £11,803 (2011 £11,803) and is owed £53,770 (2011 £50,892) by the group. The amounts are included in debtors and creditors respectively.

At the year end Mr J Stirling, a director of the company, owes the group an amount of £45,208 (2011 £37,085) which is included in debtors.

Sales have taken place with directors totalling £956 (2011 £1,403) at market value. Debtors in respect of transactions with directors total £2,206 (2011 £1,928).

23 ULTIMATE CONTROLLING PARTY

The company is not under the control of any one individual.

YOUR VETS (HOLDINGS) LIMITED (REGISTERED NUMBER: 07071834)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2012

24 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group		
	2012	2011
	£	£
Loss for the financial year	(521,612)	(419,589)
New share capital subscribed	324,800	4,109,106
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(196,812)	3,689,517
Opening shareholders' funds	3,689,517	-
	<hr/>	<hr/>
Closing shareholders' funds	3,492,705	3,689,517
	<hr/>	<hr/>
 Company		
	2012	2011
	£	£
Loss for the financial year	(370,733)	(361,996)
New share capital subscribed	324,800	4,109,106
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(45,933)	3,747,110
Opening shareholders' funds	3,747,110	-
	<hr/>	<hr/>
Closing shareholders' funds	3,701,177	3,747,110
	<hr/>	<hr/>

25 SHARE-BASED PAYMENT TRANSACTIONS

On 28th March 2011 the company granted equity share-based options, under the Your Vets (Holdings) Limited Enterprise Management Incentive Plan, over 25,000 ordinary shares at an option price of £4.80 per share to six key employees of the group. There are no performance targets in respect of the exercise. The option will vest on the third anniversary of the grant date, and must be exercised prior to the fifth anniversary of the grant date.