

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014
FOR
YOUR VETS (HOLDINGS) LIMITED**

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for the Year Ended 31 March 2014**

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YOUR VETS (HOLDINGS) LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2014

DIRECTORS:

M J V Bishop
J G Stirling
D E Gibbons
Mrs 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
Statutory Auditor
Manor Court Chambers
Townsend Drive
Nuneaton
Warwickshire
CV11 6RU

**GROUP STRATEGIC REPORT
for the Year Ended 31 March 2014**

The directors present their strategic report of the company and the group for the year ended 31 March 2014.

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the performance of the business for the year ending 31 March 2014 and to highlight the significant progress made by the company in growing the company and improving profitability during a period of new branch expansion.

Group revenues increased by 11.7% to £9,171k for the year ended 31 March 2014, versus £8,212k last year.

The new branches at Dagenham and Solihull opened last year continued to grow strongly and delivered revenues of £1,299K, a growth of 52.3% compared to last year. The mature branches also grew strongly by some 7.4% compared to last year.

The strong revenue growth in the new branches significantly reduced losses in those branches, although, as expected, the reported pre-tax loss for the year ended 31 March 2014 continued to be impacted by start-up trading losses at the new Dagenham and Solihull branches although these were significantly lower than last year. Operating loss £327k lower than in 2013 and Group EBITDA £389k higher than last year

The Directors are pleased to report that since the 31 March 2014, the Dagenham & Solihull branches have continued to grow revenues strongly and that both branches are predicted to move into profit in the forthcoming financial year.

Underlying mature branch profitability improved by £135k, reflecting mature branch revenues £542k higher than the year ending 31 March 2013, and improved gross margins reflecting increasing drug purchasing power and the growth of more complex veterinary services in the new branches.

The result for the year is after charging non-cash depreciation of £407k (2013: £342k) and goodwill amortisation of £238k (2013: £238k). Depreciation increased significantly compared to the year ended 31 March 2013 reflecting a full years' depreciation charge on the significant investment in equipping and refitting the new Dagenham and Solihull branches incurred last year.

Fixed asset additions in the year were significantly lower and totalled £170k (2013: £947k).

Shareholder funds decreased in the year, from £3,017k as at 31 March 2013, to £2,398k as at 31 March 2014.

Since the year ending 31 March 2014, revenues in both the mature portfolio and the Dagenham and Solihull branches have continued to grow strongly, and the new branches are now trading at or close to breakeven. There will be no further new branches in the forthcoming financial year, and the key focus of the Board will be to consolidate the continued growth of the existing branches and to improve practice margins further, before re-commencing further portfolio expansion.

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

PRINCIPAL RISKS AND UNCERTAINTIES

The external commercial environment is expected to remain competitive. However, the directors remain confident of the continued success of the company.

The management of the business and the execution of the company's strategy are subject to common commercial risks such as the economy and stakeholders.

ON BEHALF OF THE BOARD:



M J V Bishop - Director

19 December 2014

**REPORT OF THE DIRECTORS
for the Year Ended 31 March 2014**

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2014.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2014.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2013 to the date of this report.

M J V Bishop
J G Stirling
D E Gibbons
Mrs J Martin

Other changes in directors holding office are as follows:

A L Lomax ceased to be a director after 31 March 2014 but prior to the date of this report.

It is with regret the directors report the death of Mr A Lomax on 18 April 2014.

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

19 December 2014

**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 2014 on pages five to twenty. 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 Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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 Group Strategic Report and 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
Statutory Auditor
Manor Court Chambers
Townsend Drive
Nuneaton
Warwickshire
CV11 6RU

19 December 2014

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2014

	Notes	2014 £	£	2013 £	£
TURNOVER			9,171,217		8,212,223
Other operating income			-		1,999
			<u>9,171,217</u>		<u>8,214,222</u>
Raw materials and consumables		2,220,576		2,057,871	
Other external charges		<u>240,054</u>		<u>371,390</u>	
			<u>2,460,630</u>		<u>2,429,261</u>
			6,710,587		5,784,961
Staff costs	2	5,020,774		4,502,554	
Depreciation		<u>644,692</u>		<u>582,474</u>	
Other operating charges		<u>1,509,075</u>		<u>1,491,237</u>	
			<u>7,174,541</u>		<u>6,576,265</u>
OPERATING LOSS	3		(463,954)		(791,304)
Interest receivable and similar income			<u>2,454</u>		<u>28</u>
			(461,500)		(791,276)
Interest payable and similar charges	4		<u>321,586</u>		<u>188,998</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			(783,086)		(980,274)
Tax on loss on ordinary activities	5		<u>(66,894)</u>		<u>(183,378)</u>
LOSS FOR THE FINANCIAL YEAR FOR THE GROUP			<u>(716,192)</u>		<u>(796,896)</u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the losses for the current year or previous year.

CONSOLIDATED BALANCE SHEET
31 March 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Intangible assets	7	3,736,201	3,975,305
Tangible assets	8	2,104,720	2,340,798
Investments	9	-	-
		<u>5,840,921</u>	<u>6,316,103</u>
CURRENT ASSETS			
Stocks	10	280,256	249,418
Debtors	11	906,041	792,573
Cash at bank and in hand		2,795	2,755
		<u>1,189,092</u>	<u>1,044,746</u>
CREDITORS			
Amounts falling due within one year	12	2,200,601	2,349,361
NET CURRENT LIABILITIES		<u>(1,011,509)</u>	<u>(1,304,615)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,829,412</u>	<u>5,011,488</u>
CREDITORS			
Amounts falling due after more than one year	13	2,431,828	1,994,368
NET ASSETS		<u><u>2,397,584</u></u>	<u><u>3,017,120</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	106,607	104,291
Share premium	19	4,671,257	4,598,877
Convertible debt reserve	19	56,300	52,048
Share based payment reserve	19	17,708	-
Profit and loss account	19	(2,454,288)	(1,738,096)
SHAREHOLDERS' FUNDS	22	<u><u>2,397,584</u></u>	<u><u>3,017,120</u></u>

The financial statements were approved by the Board of Directors on 19 December 2014 and were signed on its behalf by:



M J V Bishop - Director

COMPANY BALANCE SHEET
31 March 2014

	Notes	£	2014	£	2013	£
FIXED ASSETS						
Intangible assets	7		-		-	
Tangible assets	8		-		-	
Investments	9		4,160,000		4,160,000	
			<u>4,160,000</u>		<u>4,160,000</u>	
CURRENT ASSETS						
Debtors	11	1,676,360		1,618,707		
Cash at bank		16		118		
		<u>1,676,376</u>		<u>1,618,825</u>		
CREDITORS						
Amounts falling due within one year	12	207,555		420,005		
NET CURRENT ASSETS			<u>1,468,821</u>		<u>1,198,820</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			5,628,821		5,358,820	
CREDITORS						
Amounts falling due after more than one year	13		2,181,690		1,597,282	
NET ASSETS			<u>3,447,131</u>		<u>3,761,538</u>	
CAPITAL AND RESERVES						
Called up share capital	18		106,607		104,291	
Share premium	19		4,671,256		4,598,876	
Convertible debt reserve	19		56,300		52,048	
Share based payment reserve	19		17,708		-	
Profit and loss account	19		(1,404,740)		(993,677)	
SHAREHOLDERS' FUNDS	22		<u>3,447,131</u>		<u>3,761,538</u>	

The financial statements were approved by the Board of Directors on 19 December 2014 and were signed on its behalf by:



M J V Bishop - Director

CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2014

	Notes	2014 £	2013 £
Net cash outflow from operating activities	1	(153,159)	(59,518)
Returns on investments and servicing of finance	2	(87,379)	(207,320)
Taxation		(14,751)	2,900
Capital expenditure	2	(169,509)	(499,554)
		<u>(424,798)</u>	<u>(763,492)</u>
Financing	2	213,089	771,163
(Decrease)/increase in cash in the period		<u>(211,709)</u>	<u>7,671</u>

Reconciliation of net cash flow to movement in net debt

	3		
(Decrease)/increase in cash in the period		(211,709)	7,671
Cash inflow from increase in debt and lease financing		<u>(233,750)</u>	<u>(497,597)</u>
Change in net debt resulting from cash flows		(445,459)	(489,926)
New finance leases		-	(440,155)
Movement in net debt in the period		<u>(445,459)</u>	<u>(930,081)</u>
Net debt at 1 April		<u>(2,770,610)</u>	<u>(1,840,529)</u>
Net debt at 31 March		<u>(3,216,069)</u>	<u>(2,770,610)</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2014

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating loss	(463,954)	(791,304)
Depreciation charges	644,692	579,935
Loss on disposal of fixed assets	-	2,539
Increase in stocks	(30,838)	(54,236)
Increase in debtors	(161,765)	(8,499)
(Decrease)/increase in creditors	(141,294)	212,047
Net cash outflow from operating activities	(153,159)	(59,518)

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

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	2,454	28
Interest paid	(99,264)	(71,860)
Interest element of hire purchase payments	(64,997)	(17,724)
Finance costs	56,720	(117,764)
Share option expense	17,708	-
Net cash outflow for returns on investments and servicing of finance	(87,379)	(207,320)
Capital expenditure		
Purchase of tangible fixed assets	(169,509)	(506,404)
Sale of tangible fixed assets	-	6,850
Net cash outflow for capital expenditure	(169,509)	(499,554)
Financing		
New loans in year	350,000	723,362
Loan repayments in year	(400,095)	(300,000)
Issue of convertible loan stock	343,958	250,040
Capital repayments in year	(130,653)	(147,983)
Amount withdrawn by directors	(24,817)	(23,517)
Share issue	74,696	269,261
Net cash inflow from financing	213,089	771,163

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Year Ended 31 March 2014

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.13 £	Cash flow £	At 31.3.14 £
Net cash:			
Cash at bank and in hand	2,755	40	2,795
Bank overdraft	(209,364)	(211,749)	(421,113)
	<u>(206,609)</u>	<u>(211,709)</u>	<u>(418,318)</u>
Debt:			
Hire purchase	(546,714)	130,653	(416,061)
Debts falling due within one year	(420,005)	220,005	(200,000)
Debts falling due after one year	<u>(1,597,282)</u>	<u>(584,408)</u>	<u>(2,181,690)</u>
	<u>(2,564,001)</u>	<u>(233,750)</u>	<u>(2,797,751)</u>
Total	<u><u>(2,770,610)</u></u>	<u><u>(445,459)</u></u>	<u><u>(3,216,069)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31 March 2014

1. 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, Straight line over 10 years and Straight line over 7 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 5 years
Fixtures and fittings	- 25% on reducing balance, Straight line over 4 years, Straight line over 10 years and Straight line over 7 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.

Convertible debt

The proceeds received on issue of the group's convertible debt are allocated into their liability and equity components and presented separately in the balance sheet.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently remeasured. On conversion, the debt and equity elements are credited to the share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2014

2. STAFF COSTS

	2014 £	2013 £
Wages and salaries	4,921,272	4,409,779
Social security costs	45,478	43,302
Other pension costs	54,024	49,473
	<u>5,020,774</u>	<u>4,502,554</u>

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

	2014	2013
Directors	5	5
Administration	21	13
Clinical	183	170
	<u>209</u>	<u>188</u>

3. OPERATING LOSS

The operating loss is stated after charging:

	2014 £	2013 £
Hire of plant and machinery	69,865	103,473
Depreciation - owned assets	263,926	233,328
Depreciation - assets on hire purchase contracts	141,661	107,502
Loss on disposal of fixed assets	-	2,539
Goodwill amortisation	237,604	237,604
Patents and licences amortisation	1,500	1,500
Auditors' remuneration	20,000	20,000
Share option expense	17,708	-
	<u>426,510</u>	<u>432,233</u>
Directors' remuneration	-	10,500
Compensation to director for loss of office	-	-

Information regarding the highest paid director is as follows:

	2014 £	2013 £
Emoluments etc	<u>96,178</u>	<u>109,588</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Bank loan interest	120,010	84,208
Interest on convertible loan	54,045	11,877
Hire purchase	64,997	17,724
Other finance costs	46,122	54,116
Transaction costs	36,412	21,073
	<u>321,586</u>	<u>188,998</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2014

5. TAXATION

Analysis of the tax credit

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

	2014 £	2013 £
Current tax:		
UK corporation tax	10	-
Over provision prior year	15,000	-
Total current tax	15,010	-
Deferred tax	(81,904)	(183,378)
Tax on loss on ordinary activities	<u>(66,894)</u>	<u>(183,378)</u>

Factors affecting the tax credit

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

	2014 £	2013 £
Loss on ordinary activities before tax	<u>(783,086)</u>	<u>(980,274)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2013 - 20%)	(156,617)	(196,055)
Effects of:		
Expenses not deductible for tax purposes	74,723	78,181
Capital allowances in excess of depreciation	(1,172)	(12,726)
Utilisation of tax losses	(15,263)	2,383
Adjustments to tax charge in respect of previous periods	15,000	-
Unused losses carried forward	98,339	128,217
Current tax credit	<u>15,010</u>	<u>-</u>

6. 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 £(411,063) (2013 - £(260,948)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2014

7. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 April 2013 and 31 March 2014	4,752,085	10,271	4,762,356
AMORTISATION			
At 1 April 2013	782,113	4,938	787,051
Amortisation for year	237,604	1,500	239,104
At 31 March 2014	1,019,717	6,438	1,026,155
NET BOOK VALUE			
At 31 March 2014	3,732,368	3,833	3,736,201
At 31 March 2013	3,969,972	5,333	3,975,305

8. TANGIBLE FIXED ASSETS

Group

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2013	1,041,944	1,026,589	929,098	18,618	3,016,249
Additions	34,680	134,353	476	-	169,509
At 31 March 2014	1,076,624	1,160,942	929,574	18,618	3,185,758
DEPRECIATION					
At 1 April 2013	150,620	268,185	243,111	13,535	675,451
Charge for year	108,619	196,182	95,703	5,083	405,587
At 31 March 2014	259,239	464,367	338,814	18,618	1,081,038
NET BOOK VALUE					
At 31 March 2014	817,385	696,575	590,760	-	2,104,720
At 31 March 2013	891,324	758,404	685,987	5,083	2,340,798

The net book value of tangible fixed assets includes £508,530 (2013 - £606,568) in respect of assets held under hire purchase contracts.

9. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2013 and 31 March 2014	4,160,000
NET BOOK VALUE	
At 31 March 2014	4,160,000
At 31 March 2013	4,160,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2014

9. 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

	% holding	2014 £	2013 £
Class of shares:			
Ordinary shares	100.00		
Preferred ordinary shares	100.00		
Aggregate capital and reserves		<u>574,581</u>	<u>574,581</u>

10. STOCKS

	Group	
	2014 £	2013 £
Stocks	<u>280,256</u>	<u>249,418</u>

11. DEBTORS

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Amounts falling due within one year:				
Trade debtors	135,295	121,197	-	-
Other debtors	228,732	231,345	39,946	37,946
Directors' current accounts	65,797	56,744	11,803	11,803
Deferred tax asset	189,507	107,603	258,419	160,080
Prepayments	<u>286,710</u>	<u>275,684</u>	<u>129,138</u>	<u>138,004</u>
	<u>906,041</u>	<u>792,573</u>	<u>439,306</u>	<u>347,833</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>1,237,054</u>	<u>1,270,874</u>
Aggregate amounts	<u>906,041</u>	<u>792,573</u>	<u>1,676,360</u>	<u>1,618,707</u>
Deferred tax asset				
	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Accelerated capital allowances	(68,912)	(52,477)	-	-
Losses carried forward	<u>258,419</u>	<u>160,080</u>	<u>258,419</u>	<u>160,080</u>
	<u>189,507</u>	<u>107,603</u>	<u>258,419</u>	<u>160,080</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2014

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts (see note 14)	621,113	409,364	200,000	200,000
Other loans (see note 14)	-	220,005	-	220,005
Hire purchase contracts (see note 15)	165,923	149,628	-	-
Trade creditors	813,395	821,998	-	-
Taxation	5,190	4,931	-	-
Social security and other taxes	541,160	648,887	-	-
Other creditors	5,515	3,362	-	-
Directors' current accounts	14,222	29,986	-	-
Accrued expenses	34,083	61,200	7,555	-
	<u>2,200,601</u>	<u>2,349,361</u>	<u>207,555</u>	<u>420,005</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans (see note 14)	1,396,631	1,212,440	1,396,631	1,212,440
Other loans (see note 14)	785,059	384,842	785,059	384,842
Hire purchase contracts (see note 15)	250,138	397,086	-	-
	<u>2,431,828</u>	<u>1,994,368</u>	<u>2,181,690</u>	<u>1,597,282</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2014

14. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2014 £	2013 £	2014 £	2013 £
Amounts falling due within one year or on demand:				
Bank overdrafts	421,113	209,364	-	-
Bank loans	200,000	200,000	200,000	200,000
Other loans	-	220,005	-	220,005
	<u>621,113</u>	<u>629,369</u>	<u>200,000</u>	<u>420,005</u>
Amounts falling due between one and two years:				
Bank loans payable in one to two years	200,000	200,000	200,000	200,000
Other loans payable in one to two years	245,280	-	245,280	-
	<u>445,280</u>	<u>200,000</u>	<u>445,280</u>	<u>200,000</u>
Amounts falling due between two and five years:				
Bank loans payable in two to five years	450,000	650,090	450,000	650,090
Other loans payable in two to five years	539,779	-	539,779	-
	<u>989,779</u>	<u>650,090</u>	<u>989,779</u>	<u>650,090</u>
Amounts falling due in more than five years:				
Repayable otherwise than by instalments				
Bank loans payable in more than five years	746,631	362,350	746,631	362,350
Other loans more payable in more than five years	-	384,842	-	384,842
	<u>746,631</u>	<u>747,192</u>	<u>746,631</u>	<u>747,192</u>

15. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

Group

	Hire purchase contracts	
	2014 £	2013 £
Net obligations repayable:		
Within one year	165,923	149,628
Between one and five years	250,138	397,086
	<u>416,061</u>	<u>546,714</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2014

15. 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	
	2014	2013	2014	2013
	£	£	£	£
Expiring:				
Within one year	-	-	27,049	1,915
Between one and five years	-	-	58,918	64,333
In more than five years	350,550	353,200	-	-
	<u>350,550</u>	<u>353,200</u>	<u>85,967</u>	<u>66,248</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2014	2013
	£	£
Bank overdrafts	421,113	209,364
Bank loans	1,596,631	1,412,440
Hire purchase contracts	416,061	546,714
	<u>2,433,805</u>	<u>2,168,518</u>

At 31 March 2014 the bank borrowings were secured by the following; a standard debenture from Pet Vaccination Clinic Limited, Pet Vaccination (UK) Limited and Your Vets (Holdings) Limited over all of the company's assets and undertakings, Keyman insurance on the lives of Michael John Bishop and Janet Christine Martin and an intercreditor deed.

17. DEFERRED TAX

Group		£
Balance at 1 April 2013		(107,603)
Profit and loss account credit		(81,904)
Balance at 31 March 2014		<u>(189,507)</u>
Company		£
Balance at 1 April 2013		(160,080)
Profit and loss account credit		(98,339)
Balance at 31 March 2014		<u>(258,419)</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2014	2013
Number:	Class:		£	£
1,066,069	Ordinary	10p	<u>106,607</u>	<u>104,291</u>

23,155 Ordinary shares of 10p were issued during the period for cash of £74,696

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2014

19. RESERVES

Group

	Profit and loss account £	Share premium £	Convertible debt reserve £	Share based payment reserve £	Totals £
At 1 April 2013	(1,738,096)	4,598,877	52,048	-	2,912,829
Deficit for the year	(716,192)				(716,192)
Cash share issue	-	72,380	-	-	72,380
Issue of convertible debt	-	-	4,252	-	4,252
Share option expense	-	-	-	17,708	17,708
At 31 March 2014	<u>(2,454,288)</u>	<u>4,671,257</u>	<u>56,300</u>	<u>17,708</u>	<u>2,290,977</u>

Company

	Profit and loss account £	Share premium £	Convertible debt reserve £	Share based payment reserve £	Totals £
At 1 April 2013	(993,677)	4,598,876	52,048	-	3,657,247
Deficit for the year	(411,063)				(411,063)
Cash share issue	-	72,380	-	-	72,380
Issue of convertible debt	-	-	4,252	-	4,252
Share option expense	-	-	-	17,708	17,708
At 31 March 2014	<u>(1,404,740)</u>	<u>4,671,256</u>	<u>56,300</u>	<u>17,708</u>	<u>3,340,524</u>

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At the year end Mr. M. Bishop, a director of the company, owes the company £11,803 (2013 £11,803) and is owed £26,025 (2013 £41,789) 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 £65,797 (2013 £56,744) which is included in debtors.

Sales have taken place with directors totalling £2,491 (2013 £1,327) at market value. Debtors in respect of transactions with directors total £841 (2013 £1,960).

21. ULTIMATE CONTROLLING PARTY

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

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2014 £	2013 £
Loss for the financial year	(716,192)	(796,896)
New share capital subscribed	74,696	269,260
Issue of convertible debt	4,252	52,050
Share option	17,708	-
Net reduction of shareholders' funds	<u>(619,536)</u>	<u>(475,586)</u>
Opening shareholders' funds	3,017,120	3,492,706
Closing shareholders' funds	<u>2,397,584</u>	<u>3,017,120</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31 March 2014

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS - continued

Company

	2014 £	2013 £
Loss for the financial year	(411,063)	(260,948)
New share capital subscribed	74,696	269,260
Issue of convertible debt	4,252	52,049
Share option	17,708	-
Net (reduction)/addition to shareholders' funds	(314,407)	60,361
Opening shareholders' funds	3,761,538	3,701,177
Closing shareholders' funds	3,447,131	3,761,538

23. SHARE-BASED PAYMENT TRANSACTIONS

On 28 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.

On 18 February 2013 the company granted a further 4,808 equity share-based options, under the Your Vets (Holdings) Limited Enterprise Management Incentive Plan at an option price of £5.20 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.

No options have been exercised as at 31 March 2014.

The fair value of the options have been calculated under the Black-Scholes model using the following inputs: Volatility 8.33%, Dividends 0%, Risk-free rate 2.38% (28 March 2011) and 0.87% (18 February 2013)

The appropriate expense recognised under other staff costs totalling £17,708.