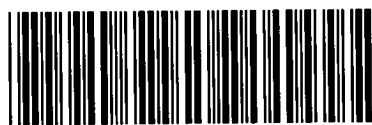


Registration number: 07703740

INDEPENDENT VETCARE FINANCE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

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COMPANIES HOUSE

INDEPENDENT VETCARE FINANCE LIMITED

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INDEPENDENT VETCARE FINANCE LIMITED
COMPANY INFORMATION

| | |
|--------------------------|---|
| Directors | A J Davis D R G Hillier S Caton |
| Registered office | Station House East Ashley Avenue Bath BA1 3DS |
| Bankers | HSBC plc 2nd Floor HSBC House Mitchell Way Southampton Hampshire SO18 2XU |
| Auditors | Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT |

INDEPENDENT VETCARE FINANCE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their strategic report for the year ended 30 September 2016.

Fair review of the business


The results for the year which are set out in the profit and loss account, show an operating loss of £4,668 (2015 profit of: £57,265). At 30 September 2016, the company had net assets of £3,262,402 (2015: £3,559,726). The directors of the company consider that the financial position at the year end is satisfactory.

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The company 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 directors do not consider the inclusion of an analysis using key performance indicators to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the company as the only role is to invest in trading subsidiary companies.

Principal risks and uncertainties

The management of the business and the execution of the strategy of the group to which the company belongs are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from both national and local providers of veterinary services and the general state of the veterinary industry.

Approved by the Board 6/12/16 and signed on its behalf by:


.....
A J Davis
Director

INDEPENDENT VETCARE FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2016

The directors present their report and the financial statements for the year ended 30 September 2016.

Directors of the company

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

A J Davis

D R G Hillier

S Caton

Financial instruments

Objectives and policies

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

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

The company is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments are such that they are not subject to price risk or liquidity risk.

Future developments

The group to which the company belongs 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 business is strongly cash generating before investing in additional acquisitions.

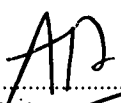
Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on and signed on its behalf by:

 6/12/16
.....
A J Davis
Director

INDEPENDENT VETCARE FINANCE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report, Strategic 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). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT VETCARE FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements of Independent Vetcare Finance Limited for the year ended 30 September 2016, set out on pages 7 to 16. 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 (APB's) Ethical Standards for Auditors to the financial statements.

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 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 Directors' Report and Strategic Report 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its 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 Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


INDEPENDENT VETCARE FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT

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


.....
Andrew Brookes (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

6 December 2016

INDEPENDENT VETCARE FINANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2016

| | Note | 2016 £ | 2015 £ |
|--|-------------|-------------------------|-------------------------|
| Turnover | 3 | - | 82,257 |
| Administrative expenses | | <u>(4,668)</u> | <u>(24,992)</u> |
| Operating (loss)/profit | | (4,668) | 57,265 |
| Costs of reorganisation and restructuring | 4 | (280,543) | 7,084,422 |
| Other interest receivable and similar income | 8 | 7,042 | 2,328,969 |
| Interest payable and similar charges | 9 | <u>-</u> | <u>(2,648,198)</u> |
| (Loss)/profit before tax | | (278,169) | 6,822,458 |
| Taxation | 10 | <u>-</u> | <u>-</u> |
| (Loss)/profit for the financial year | | <u><u>(278,169)</u></u> | <u><u>6,822,458</u></u> |

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

INDEPENDENT VETCARE FINANCE LIMITED

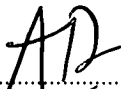
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BALANCE SHEET

AS AT 30 SEPTEMBER 2016

| | Note | 2016 £ | 2015 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Investments | 11 | <u>3,446,992</u> | <u>3,446,992</u> |
| Current assets | | | |
| Debtors | 12 | - | 1,847 |
| Cash at bank and in hand | | <u>220,562</u> | <u>1,195,138</u> |
| | | 220,562 | 1,196,985 |
| Creditors: Amounts falling due within one year | 13 | <u>(240,000)</u> | <u>(919,098)</u> |
| Net current (liabilities)/assets | | <u>(19,438)</u> | <u>277,887</u> |
| Total assets less current liabilities | | 3,427,554 | 3,724,879 |
| Creditors: Amounts falling due after more than one year | 13 | <u>(165,152)</u> | <u>(165,153)</u> |
| Net assets | | <u>3,262,402</u> | <u>3,559,726</u> |
| Capital and reserves | | | |
| Called up share capital | 14 | 500,001 | 500,001 |
| Share premium reserve | | 17,937 | 17,937 |
| Retained earnings | | <u>2,744,464</u> | <u>3,041,788</u> |
| Total equity | | <u>3,262,402</u> | <u>3,559,726</u> |

Approved and authorised by the Board and signed on its behalf by:


 6/12/16

 A J Davis
 Director

INDEPENDENT VETCARE FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2016

| | Share capital £ | Share premium £ | Retained earnings £ | Total £ |
|---|----------------------------|--------------------------------|------------------------------------|--------------------|
| At 1 October 2015 | 500,001 | 17,937 | 3,041,788 | 3,559,726 |
| Loss for the year and total comprehensive income | - | - | (278,169) | (278,169) |
| Dividends | - | - | (19,155) | (19,155) |
| At 30 September 2016 | <u>500,001</u> | <u>17,937</u> | <u>2,744,464</u> | <u>3,262,402</u> |

| | Share capital £ | Share premium £ | Retained earnings £ | Total £ |
|---|----------------------------|--------------------------------|------------------------------------|--------------------|
| At 1 October 2014 | 500,001 | 17,937 | (3,780,670) | (3,262,732) |
| Profit for the year and total comprehensive income | - | - | 6,822,458 | 6,822,458 |
| At 30 September 2015 | <u>500,001</u> | <u>17,937</u> | <u>3,041,788</u> | <u>3,559,726</u> |

INDEPENDENT VETCARE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 General information

The company is a private company limited by share capital, incorporated and domiciled in England and Wales.

The address of its registered office is:

Station House East
Ashley Avenue
Bath
BA1 3DS

These financial statements are presented in Pounds Sterling.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

Name of parent of group

These financial statements are consolidated in the financial statements of IVC Midco Limited.

The financial statements of IVC Midco Limited may be obtained from Companies House.

Judgements

No significant judgements have been made by management in preparing these financial statements.

Key sources of estimation uncertainty

No key sources of uncertainty have been made by management in preparing these financial statements other than those detailed in these accounting policies.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

INDEPENDENT VETCARE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

2 Accounting policies (continued)

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

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.

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

INDEPENDENT VETCARE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

2 Accounting policies (continued)

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 statement of financial position 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, an impairment loss is recognised in profit or loss as described below.

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. 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 present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss 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.

INDEPENDENT VETCARE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

3 Turnover

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

| | 2016 £ | 2015 £ |
|-----------------------------|-----------|---------------|
| Management charges received | <u>-</u> | <u>82,257</u> |

4 Exceptional items

| | 2016 £ | 2015 £ |
|---|----------------|--------------------|
| Exceptional costs on reorganisation and restructuring - continuing operations | <u>280,543</u> | <u>(7,084,422)</u> |

On 30 September 2016, the company had loans totalling £280,543 owed from IVC Bidco Limited (2015 - £7,084,422 owed to). As part of group financing restructure the directors agreed that it was in the best interests of the company and its members to write off the loans. Therefore an agreement was made with IVC Bidco Limited on 30 September 2016 to waive the full balance of £280,543 owed to the company (2015 - £7,084,422 owed by the company).

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

| | 2016 £ | 2015 £ |
|-----------------------|-----------|-----------------|
| Wages and salaries | - | (71,169) |
| Social security costs | <u>-</u> | <u>7,229</u> |
| | <u>-</u> | <u>(63,940)</u> |

There were no employees during the year other than the directors.

6 Directors' remuneration

Directors' remuneration for the year was borne by a fellow group undertaking.

7 Auditors' remuneration

| | 2016 £ | 2015 £ |
|-----------------------------------|-----------|--------------|
| Audit of the financial statements | <u>-</u> | <u>9,500</u> |

Auditors' remuneration for the year was borne by a fellow group undertaking.

INDEPENDENT VETCARE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

8 Other interest receivable and similar income

| | 2016 | 2015 |
|--------------------------------|--------------|------------------|
| | £ | £ |
| Interest income on investments | <u>7,042</u> | <u>2,328,969</u> |

9 Interest payable and similar charges

| | 2016 | 2015 |
|---|----------|------------------|
| | £ | £ |
| Interest expense on other finance liabilities | <u>-</u> | <u>2,648,198</u> |

10 Taxation

All of the company's taxable losses have been group relieved to a subsidiary company without reimbursement.

11 Investments in subsidiaries, joint ventures and associates

| | 2016 | 2015 |
|-----------------------------|------------------|------------------|
| | £ | £ |
| Investments in subsidiaries | <u>3,446,992</u> | <u>3,446,992</u> |

| | |
|--|------------------|
| Subsidiaries | £ |
| Cost and net book value | |
| At 1 October 2015 and at 30 September 2016 | <u>3,446,992</u> |

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 as follows:

| Undertaking | Country of incorporation | Holding | Proportion of voting rights and shares held | |
|-----------------------------|-----------------------------|----------|--|------|
| | | | 2016 | 2015 |
| Subsidiary undertakings | | | | |
| Independent Vetcare Limited | England and Wales | Ordinary | 100% | 100% |
| Advanced Vetcare Limited | England and Wales | Ordinary | 100% | 100% |
| Berry House Limited | England and Wales | Ordinary | 100% | 100% |

The principal activity of Independent Vetcare Limited is the provision of veterinary services.

The principal activity of Advanced Vetcare Limited is that of a dormant company.

The principal activity of Berry House Limited is that of a dormant company.

INDEPENDENT VETCARE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

12 Debtors

| | 2016 £ | 2015 £ |
|-------------------|-----------|-----------|
| Other receivables | - | 1,847 |

13 Creditors

| | 2016 £ | 2015 £ |
|---|----------------|----------------|
| Due within one year | | |
| Other creditors | - | 660,000 |
| Accrued expenses | 240,000 | 259,098 |
| | <u>240,000</u> | <u>919,098</u> |
| Due after one year | | |
| Other non-current financial liabilities | 165,152 | 165,153 |

Other creditors comprises deferred consideration of £nil (2015 - £660,000) in relation to certain acquisitions made by a subsidiary company. Amounts due after more than one year comprises amounts owed to group undertakings.

14 Share capital

Allotted, called up and fully paid shares

| | No. | 2016 £ | No. | 2015 £ |
|----------------------------|----------------|----------------|----------------|----------------|
| Ordinary shares of £1 each | <u>500,001</u> | <u>500,001</u> | <u>500,001</u> | <u>500,001</u> |

15 Dividends

| | 2016 £ | 2015 £ |
|----------------|---------------|-----------|
| Dividends paid | <u>19,155</u> | <u>-</u> |

16 Contingent liabilities

The company is bound by an intra-group cross guarantee in respect of bank debt with other members of the group headed by its ultimate UK parent undertaking, IVC Bidco Limited. The amount guaranteed at 30 September 2016 is £136,430,160 (2015: £80,000,000) and is secured by a debenture over the assets and undertakings of certain companies in the group.

INDEPENDENT VETCARE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

17 Parent and ultimate parent undertaking

The company is wholly owned by its immediate parent undertaking, Independent Vetcare Holdings Limited, a company registered in England and Wales. The ultimate parent undertaking is IVC Holdings 1 Sarl, a company registered in Luxembourg, which is controlled by funds managed by Summit Partners Europe Private Equity Fund LP.

18 Transition to FRS 102

There are no transitional adjustments as a result of adopting FRS102 for the first time.