

INDEPENDENT VETCARE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

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INDEPENDENT VETCARE LIMITED
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INDEPENDENT VETCARE LIMITED
COMPANY INFORMATION

Directors D R G Hillier (Chief Executive Officer)
A J Davis (Financial Director)

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 LIMITED**DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013**

The directors present their report and the financial statements for the year ended 30 September 2013. The comparative period is from 19 August 2011 to 30 September 2012.

Principal activity

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

During the year, the entire issued share capital of a number of companies was acquired by the company.

Date of acquisition	Company name	Principal activity
4 October 2012	Congleton Veterinary Centre Limited	Provision of veterinary services
2 November 2012	Fields Veterinary Limited	Provision of veterinary services
16 November 2012	Cheshire Pet Medical Centre Limited	Provision of veterinary services
21 December 2012	Overtactic Limited	Provision of veterinary services
8 February 2013	Wellpetclinic Limited	Provision of veterinary services
1 March 2013	Orchard Vets Limited	Provision of veterinary services
8 March 2013	Keyte & Kemp Limited	Provision of veterinary services
8 March 2013	Crown Veterinary Services Limited	Provision of veterinary services
17 April 2013	1066 Veterinary Centre Limited	Provision of veterinary services
25 April 2013	Corinium Veterinary Clinic Limited	Provision of veterinary services
3 June 2013	Millpark Veterinary Centre Limited	Provision of veterinary services
7 June 2013	Well Pets Veterinary Centre Limited	Provision of veterinary services

The company also acquired the trade and assets of a number of unincorporated businesses during the year.

Date of acquisition	Business name	Principal activity
1 March 2013	Pets Barn Veterinary Group	Provision of veterinary services
8 March 2013	Kessock Equine Veterinary Clinic	Provision of veterinary services
12 April 2013	Lakeview Veterinary Centre	Provision of veterinary services
16 April 2013	Mulberry Court Veterinary Surgery	Provision of veterinary services
24 April 2013	Donald Kingsnorth & Associates Veterinary Practice	Provision of veterinary services
19 July 2013	Elm Veterinary Group	Provision of veterinary services
16 September 2013	Ashcroft Veterinary Surgery	Provision of veterinary services

On 8 March 2013, the trade and net assets of Crown Veterinary Services Limited were transferred into Independent Vetcare Limited

On 30 June 2013, the trade and net assets of the following fellow wholly owned group entities were transferred into Independent Vetcare Limited:

Cheshire Pet Medical Centre Limited
Congleton Veterinary Centre Limited
Fields Veterinary Limited
Overtactic Limited

On 31 August 2013, the trade and net assets of the following fellow wholly owned group entities were transferred into Independent Vetcare Limited:

Wellpetclinic Limited
Orchard Vets Limited
Keyte & Kemp Limited
1066 Veterinary Centre Limited

The principal activity of the above entities was that of the provision of veterinary services. The principal activity of Independent Vetcare Limited following the transfers continued to be that of the provision of veterinary services.

INDEPENDENT VETCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2013

Directors of the company

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

D R G Hillier (Chief Executive Officer)

A J Davis (Financial Director)

Employment of disabled persons

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

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seen to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Future developments

The company 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.

Important post balance sheet events

After the year end, the company acquired the entire share capital of Kingston Veterinary Group Limited, and the trade and net assets of Winterbourne & Brimsham Vets, an unincorporated business.

The principal activity of the above is the provision of veterinary services and the total consideration payable in respect of these acquisitions amounted to £3,455,000.

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 which they know the auditors are unaware of.

Appointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 30/11/14 and signed on its behalf by:


A J Davis (Financial Director)
Director

INDEPENDENT VETCARE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

The directors present their strategic report and the financial statements for the year ended 30 September 2013.

Business review

Strategy & Progress

The group's strategy is to build the highest quality veterinary services group in the UK by the acquisition of high quality groups and practices. The practices are locally branded and led by clinically focussed staff benefiting from enhanced buying power, marketing, training and back office support.

During the year we acquired 29 practices (2012 acquired 23 practices) creating a group of 71 practices at 30th September 2013.

Acquisitions are funded by a combination of funds provided by shareholders, loan stock holders and term loans from HSBC bank. This funding is shown on the balance sheet as Creditors: Amounts falling due after more than one year.

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

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

Fair review of the business

The results for the year, which are set out in the profit and loss account, show an operating profit before amortisation and exceptional costs of £3,468,140 (2012: £591,291). This equates to an operating loss of £2,642,962 (2012: £773,186) after charging amortisation of £6,081,548 (2012: £1,313,761) and costs of reorganisation and restructuring. The company EBITDA (earnings before interest, tax, depreciation and amortisation and before costs of reorganisation and restructuring) was £4,596,600 (2012: £667,558).

At 30 September the company had total assets less current liabilities of £34,214,806 (2012: £28,151,046).

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

Key performance indicators

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.

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.

Directors' Insurance

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

INDEPENDENT VETCARE LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

Financial instruments

Objectives and policies

The board constantly monitors the group's trading results and revise 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 group to which the company belongs is exposed to the usual credit and cashflow risks associated with selling on credit and manages this through credit control procedures. However most of the company's sales are paid in cash or by credit or debit card and are subject to little risk. The nature of its financial statements are such that they are not subject to price and liquidity risk.

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' the directors of all companies are required to provide disclosures regarding the adoption of the going concern basis of accounting.

The directors have prepared forecasts for the next 12 months that indicate the company has sufficient financial resources. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Approved by the Board on 30/11/14 and signed on its behalf by:


A J Davis (Financial Director)
Director

INDEPENDENT VETCARE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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 AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT VETCARE LIMITED

We have audited the financial statements of Independent Vetcare Limited for the year ended 30 September 2013, set out on pages 9 to 23. 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 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 6), 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.

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. 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 2013 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 AUDITOR'S REPORT TO THE MEMBERS OF
INDEPENDENT VETCARE LIMITED**

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  (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date:

30 January 2014

INDEPENDENT VETCARE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

		Year ended 30 September 2013	19 August 2011 to 30 September 2012
	Note	£	£
Turnover (including acquisitions of £4,131,106)		32,697,565	6,753,716
Cost of sales		(19,130,634)	(3,912,031)
Gross profit		13,566,931	2,841,685
Administrative expenses		(10,168,604)	(2,279,131)
Other operating income		69,813	28,737
Operating profit before amortisation and exceptional costs	2	3,468,140	591,291
Amortisation of goodwill		(6,081,548)	(1,313,761)
Costs of reorganisation and restructuring		(29,554)	(50,716)
Operating loss (including operating profit of acquisitions of £158,179)		(2,642,962)	(773,186)
Income from shares in group undertakings		1,300,365	1,792,388
Write off of fixed asset investments	3	(1,092,551)	(1,724,689)
Other interest receivable and similar income	5	92	-
Interest payable and similar charges	6	(2,563,023)	(673,517)
Loss on ordinary activities before taxation		(4,998,079)	(1,379,004)
Tax on loss on ordinary activities	7	38,256	108,867
Loss for the financial year	17	(4,959,823)	(1,270,137)

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.

The table below illustrates the company EBITDAM:

	Year ended 30 September 2013	19 August 2011 to 30 September 2012
	£	£
Loss on ordinary activities before taxation	(4,998,079)	(1,379,004)
Interest payable (net of interest received)	2,562,931	673,517
Write off of fixed asset investments	1,092,551	1,724,689
Income from shares in group undertakings	(1,300,365)	(1,792,388)
Amortisation of goodwill	6,081,548	1,313,761
Depreciation	593,403	76,267
Costs of reorganisation and restructuring	29,554	50,716
Profit on disposal of fixed assets	(10,691)	-
Intra group management charges	545,748	-
Earnings before interest, tax, depreciation, amortisation and management charges (EBITDAM) and before exceptional items	4,596,600	667,558

INDEPENDENT VETCARE LIMITED
(REGISTRATION NUMBER: 07746795)
BALANCE SHEET
AS AT 30 SEPTEMBER 2013

	Note	30 September 2013 £	30 September 2012 £
Fixed assets			
Intangible fixed assets	8	27,624,784	24,076,301
Tangible fixed assets	9	2,203,150	950,721
Investments	10	4,628,336	3,658,040
		<u>34,456,270</u>	<u>28,685,062</u>
Current assets			
Stocks	11	845,573	539,256
Debtors	12	3,297,711	2,119,283
Cash at bank and in hand		1,596,073	1,737,919
		<u>5,739,357</u>	<u>4,396,458</u>
Creditors: Amounts falling due within one year	13	<u>(5,980,821)</u>	<u>(4,930,474)</u>
Net current liabilities		<u>(241,464)</u>	<u>(534,016)</u>
Total assets less current liabilities		<u>34,214,806</u>	<u>28,151,046</u>
Creditors: Amounts falling due after more than one year	14	<u>40,444,765</u>	<u>29,421,182</u>
Capital and reserves			
Called up share capital	16	1	1
Profit and loss account	17	<u>(6,229,960)</u>	<u>(1,270,137)</u>
Shareholders' deficit	18	<u>(6,229,959)</u>	<u>(1,270,136)</u>
Total capital, reserves and long term liabilities		<u>34,214,806</u>	<u>28,151,046</u>

Approved by the Board and authorised for issue on 30/1/14 and signed on its behalf by:


A J Davis (Financial Director)
Director

INDEPENDENT VETCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Exemption from cash flow

The company has not presented a cash flow statement on the grounds that it is a wholly owned subsidiary and a group cash flow statement is included in the financial statements of the parent company. The company is therefore exempt from the requirements of FRS1.

Exemption from preparing group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so under section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Independent Vetcare Holdings Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

True and fair override on the transfer of trade and net assets of subsidiary undertaking

On 8 March 2013, 30 June 2013 and on 31 August 2013, a group reorganisation was undertaken. The trade and net assets of nine of its subsidiary undertakings as detailed in the Directors' Report were transferred to the company with consideration payable being equal to the carrying value in the balance sheet of their tangible net assets. As part of this reorganisation the Independent Vetcare Limited investment in those companies was written down, leaving a residual balance transferred to goodwill equal to the original goodwill arising on acquisition of the companies, this representing the substance of the impact of the reorganisation. Following the transfer of the trade and assets, those companies have remained dormant.

Going concern

The company meets its day to day working capital requirements through loans from its intermediate parent company, Independent Vetcare Finance Limited. The financial statements have been prepared on a going concern basis, on the basis that the directors of Independent Vetcare Finance Limited have confirmed they have no intention of seeking repayment of the debt within the next 12 months from the date of approval of these financial statements.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Goodwill

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Acquired goodwill is written in equal annual instalments over its useful economic life, which is considered by the directors to be 5 years.

INDEPENDENT VETCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

Tangible fixed assets and depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Leasehold properties	Over the term of the lease
Fixtures and surgery equipment	Straight line over 5 years
Motor vehicles	Straight line over 4 years
Computer equipment	Straight line over 3 years

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Stock

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract and represent a constant proportion of the balance of capital repayments outstanding.

Financial instruments

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 in the balance sheet. The corresponding dividends relating to the liability component are charged as an interest expense in the profit and loss account.

INDEPENDENT VETCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

2 Operating loss

Operating loss is stated after charging:

	Year ended 30 September 2013 £	19 August 2011 to 30 September 2012 £
Operating leases - plant and machinery	90,913	16,238
Operating leases - other assets	1,104,433	242,582
Profit on sale of tangible fixed assets	(10,691)	-
Depreciation of owned assets	593,403	76,267
Hire purchase interest	9,800	-
Amortisation	6,081,548	1,313,761
Auditor's remuneration - the audit of the company's accounts	31,250	5,000
Auditor's remuneration - other compliance services	36,480	7,500
Auditor's remuneration - taxation compliance	26,569	9,230
Auditor's remuneration - corporate finance services	-	70,801

In addition to the above, the auditors were paid £197,613 (2012: £356,100) in relation to financial due diligence and acquisitions advice which are included as part of the cost of investments in note 10.

All directors are remunerated through the company's parent undertaking Independent Vetcare Finance Limited.

3 Write off of fixed asset investments

	Year ended 30 September 2013 £	19 August 2011 to 30 September 2012 £
Amounts written off investments	1,092,551	1,724,689

Amounts written off investments are explained in the accounting policies on page 11 of the financial statements.

INDEPENDENT VETCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

4 Particulars of employees

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

	Year ended 30 September 2013 No.	19 August 2011 to 30 September 2012 No.
Assistant vets	144	81
Nurses	240	71
Support staff	255	59
	<u>639</u>	<u>211</u>

The aggregate payroll costs were as follows:

	Year ended 30 September 2013 £	19 August 2011 to 30 September 2012 £
Wages and salaries	11,796,570	2,939,269
Social security costs	991,721	243,979
	<u>12,788,291</u>	<u>3,183,248</u>

All directors remuneration is paid by the company's parent undertaking, Independent Vetcare Finance Limited.

5 Other interest receivable and similar income

	Year ended 30 September 2013 £	19 August 2011 to 30 September 2012 £
Bank interest receivable	<u>92</u>	<u>-</u>

6 Interest payable and similar charges

	Year ended 30 September 2013 £	19 August 2011 to 30 September 2012 £
Interest on bank borrowings	-	2,890
Intra group interest	2,563,023	670,627
	<u>2,563,023</u>	<u>673,517</u>

INDEPENDENT VETCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

7 Taxation

Tax on loss on ordinary activities

	Year ended 30 September 2013 £	19 August 2011 to 30 September 2012 £
Current tax		
Adjustments in respect of previous years	4,761	-
Deferred tax		
Origination and reversal of timing differences	(43,017)	(108,867)
Total tax on loss on ordinary activities	(38,256)	(108,867)

INDEPENDENT VETCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

Factors affecting current tax charge for the year

Tax on loss on ordinary activities for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.5% (2012 - 25%).

The differences are reconciled below:

	Year ended 30 September 2013 £	19 August 2011 to 30 September 2012 £
Loss on ordinary activities before taxation	(4,998,079)	(1,379,004)
Corporation tax at standard rate	(1,174,549)	(344,751)
Depreciation in excess of capital allowances	23,188	35,250
Losses surrendered to group companies without reimbursement	212,071	181,148
Other timing differences	259,398	20,767
Losses arising in period carried forward	163,958	106,561
Dividends received not taxable	(305,586)	(74,585)
Non deductible expenses (predominantly the write-off of fixed asset investments)	821,520	75,610
Adjustments in respect of previous periods	4,761	-
Total current tax	4,761	-

The company has tax losses available to carry forward against future profits of £1,820,755 (2012: £1,109,915). A deferred tax asset in respect of the tax losses to carry forward against future profits of £418,774 (2012: £266,380) at the standard rate of UK corporation tax of 23% has not been recognised on the grounds that there is insufficient evidence that the asset will be recoverable. A deferred tax asset on losses of £18,176 (2012: £21,493) has been recognised and offset against deferred tax liabilities as disclosed in note 15 of the financial statements.

INDEPENDENT VETCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 October 2012	25,390,062
Additions	4,841,436
Transferred from investments	3,669,741
Transferred from group companies	<u>1,118,854</u>
At 30 September 2013	<u>35,020,093</u>
Amortisation	
At 1 October 2012	1,313,761
Charge for the year	<u>6,081,548</u>
At 30 September 2013	<u>7,395,309</u>
Net book value	
At 30 September 2013	<u>27,624,784</u>
At 30 September 2012	<u>24,076,301</u>

The amounts transferred from group companies relate to those transferred on 8 March 2013, 30 June 2013 and on 31 August 2013 as detailed on page 2 (directors' report) and on page 11 of these financial statements.

Details of additions including fair values of assets acquired are disclosed in the financial statements of the ultimate parent company, Independent Vetcare Holdings Limited.

INDEPENDENT VETCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

9 Tangible fixed assets

	Short leasehold land and buildings £	Fixtures and surgery equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 October 2012	226,126	672,607	34,764	93,491	1,026,988
Additions	263,270	692,999	33,682	583,714	1,573,665
Disposals	-	(9,445)	-	-	(9,445)
Transferred from group companies	99,640	161,495	10,731	6,440	278,306
At 30 September 2013	589,036	1,517,656	79,177	683,645	2,869,514
Depreciation					
At 1 October 2012	205	57,975	3,535	14,552	76,267
Charge for the year	66,317	406,171	22,997	97,918	593,403
Eliminated on disposals	-	(3,306)	-	-	(3,306)
At 30 September 2013	66,522	460,840	26,532	112,470	666,364
Net book value					
At 30 September 2013	522,514	1,056,816	52,645	571,175	2,203,150
At 30 September 2012	225,921	614,632	31,229	78,939	950,721

The amounts transferred from group companies relate to those transferred on 8 March 2013, 30 June 2013 as detailed on page 2 (directors' report) and on page 11 of these financial statements.

Included within additions are £8,893 of leasehold property, £221,697 of fixtures and surgery equipment, £19,732 of motor vehicles and £21,934 of computer equipment that were acquired from various trade and asset purchases of unincorporated businesses during the year.

INDEPENDENT VETCARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

10 Investments held as fixed assets

	30 September 2013 £	30 September 2012 £
Shares in group undertakings and participating interests	<u>4,628,336</u>	<u>3,658,040</u>
		Subsidiary undertakings £
Cost		
At 1 October 2012		3,658,040
Additions		5,732,588
Amounts written off		(1,092,551)
Transferred to goodwill		<u>(3,669,741)</u>
At 30 September 2013		<u>4,628,336</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	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Purton Vets Limited	Ordinary	100%	Dormant
Oakfield Pet Health Clinic Limited	Ordinary	100%	Dormant
Rhodes Veterinary Practice Limited	Ordinary	100%	Dormant
Chase Vets Limited	Ordinary	100%	Provision of veterinary services
Chase Vets Eastbourne Limited	Ordinary	100%	Provision of veterinary services
Abington Park Referrals Limited	Ordinary	100%	Dormant
Congleton Veterinary Centre Limited	Ordinary	100%	Dormant
Fields Veterinary Limited	Ordinary	100%	Dormant
Cheshire Pet Medical Centre Limited	Ordinary	100%	Dormant
Overtactic Limited	Ordinary	100%	Dormant
Wellpetclinic Limited	Ordinary	100%	Dormant
Orchard Vets Limited	Ordinary	100%	Dormant
Keyte & Kemp Limited	Ordinary	100%	Dormant

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Crown Veterinary Services Limited	Ordinary	100%	Dormant
1066 Veterinary Centre Limited	Ordinary	100%	Dormant
Corinium Veterinary Clinic Limited	Ordinary	100%	Provision of veterinary services
Millpark Veterinary Centre Limited	Ordinary	100%	Provision of veterinary services
Well Pets Veterinary Centre Limited	Ordinary	100%	Provision of veterinary services

Details of the fair values of assets acquired relating to each company are disclosed in the financial statements of the parent company, Independent Vetcare Holdings Limited.

11 Stocks

	30 September 2013 £	30 September 2012 £
Goods for resale	<u>845,573</u>	<u>539,256</u>

12 Debtors

	30 September 2013 £	30 September 2012 £
Trade debtors	1,418,211	988,808
Amounts owed by group undertakings	562,209	-
Other debtors	721,226	849,071
Prepayments and accrued income	<u>596,065</u>	<u>281,404</u>
	<u>3,297,711</u>	<u>2,119,283</u>

13 Creditors: Amounts falling due within one year

	30 September 2013 £	30 September 2012 £
Trade creditors	3,570,697	1,948,601
Obligations under finance lease and hire purchase contracts	44,180	38,177
Corporation tax	67,626	190,498
Other taxes and social security	1,398,414	989,177
Other creditors	233,716	1,135,402
Accruals and deferred income	<u>666,188</u>	<u>628,619</u>
	<u>5,980,821</u>	<u>4,930,474</u>

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14 Creditors: Amounts falling due after more than one year

	30 September 2013 £	30 September 2012 £
Obligations under finance lease and hire purchase contracts	25,095	-
Amounts owed to group undertakings	40,419,670	29,221,182
Other creditors	-	200,000
	<u>40,444,765</u>	<u>29,421,182</u>

15 Provisions

	Deferred tax £
At 1 October 2012	-
Credited to the profit and loss account	(43,017)
On transfer of assets from group companies	43,017
	-
At 30 September 2013	<u>-</u>

Analysis of deferred tax

	30 September 2013 £	30 September 2012 £
Difference between accumulated depreciation and amortisation and capital allowances	63,177	52,845
Other timing differences	(45,001)	(31,352)
Tax losses available	(18,176)	(21,493)
	<u>-</u>	<u>-</u>

16 Share capital

Allotted, called up and fully paid shares

	30 September 2013		30 September 2012	
	No.	£	No.	£
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

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17 Reserves

	Profit and loss account £
At 1 October 2012	(1,270,137)
Loss for the period	<u>(4,959,823)</u>
At 30 September 2013	<u><u>(6,229,960)</u></u>

18 Reconciliation of movement in shareholders' funds

	Year ended 30 September 2013 £	19 August 2011 to 30 September 2012 £
Loss attributable to the members of the company	(4,959,823)	(1,270,137)
New share capital subscribed	<u>-</u>	<u>1</u>
Net reduction to shareholders' funds	(4,959,823)	(1,270,136)
Shareholders' deficit at start of period	<u>(1,270,136)</u>	<u>-</u>
Shareholders' deficit at end of period	<u><u>(6,229,959)</u></u>	<u><u>(1,270,136)</u></u>

19 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 parent undertaking, Independent Vetcare Holdings Limited. The amount guaranteed at 30 September 2013 is £23,726,019 (2012: £15,115,000) and is secured by a debenture over the assets and undertakings of each company in the group.

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20 Commitments

Operating lease commitments

As at 30 September 2013 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	30 September 2013 £	30 September 2012 £
Land and buildings		
Within two and five years	189,678	53,595
Over five years	<u>1,184,280</u>	<u>479,267</u>
	<u>1,373,958</u>	<u>532,862</u>
Other		
Within one year	7,115	58,617
Within two and five years	107,987	52,487
Over five years	<u>10,608</u>	<u>6,244</u>
	<u>125,710</u>	<u>117,348</u>

21 Post balance sheet events

After the year end, the company acquired the entire share capital of Kingston Veterinary Group Limited, and the trade and net assets of Winterbourne & Brimsham Vets, an unincorporated business.

The principal activity of the above is the provision of veterinary services and the total consideration payable in respect of these acquisitions amounted to £3,455,000.

22 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group headed by Independent Vetcare Holdings Limited.

During the year, rent of £63,820 was paid to S Caton and £40,240 to M Caton, both minority shareholders of the ultimate parent company.

23 Control

The company is controlled by Independent Vetcare Finance Limited, a wholly owned subsidiary of Independent Vetcare Holdings Limited, both companies registered in England and Wales. Independent Vetcare Holdings Limited is ultimately controlled by funds managed by August Equity Partners II GP Limited, a company registered in England and Wales and which is considered to have no single controlling party.