

Registration number: 09140907

**LINNAEUS GROUP BIDCO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2017**

TUESDAY



A07 \*A7BDC7AA\* #253  
31/07/2018  
COMPANIES HOUSE

## **LINNAEUS GROUP BIDCO LIMITED**

### **CONTENTS**

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 21
Detailed Profit and Loss Account	22 to 23

## **LINNAEUS GROUP BIDCO LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	N S Cox
	P D Coxon
	L V Hill
	R R J Kay
	W M McKee
	D P Mobbs
	P W Renwick
<b>Registered office</b>	Highlands Road Shirley Solihull West Midlands B90 4NH
<b>Auditors</b>	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

## **LINNAEUS GROUP BIDCO LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2017**

The directors present their strategic report for the year ended 30 November 2017.

#### **Principal activity**

The principal activity of the company is that of an intermediate holding company.

#### **Fair review of the business**


The results for the year, which are set out in the profit and loss account, show a loss before tax of £6,551,421 (2016 - £1,459,167). At 30 November 2017 the company had total assets less current liabilities of £127,862,383 (2016 - £28,554,269).

The directors of the company consider that the financial position at the year end is satisfactory.

#### **Principal risks and uncertainties**

Details of principal risks and uncertainties, key performance indicators, financial instruments and going concern are disclosed in the group financial statements of the parent company, Linnaeus Group Limited.

Approved by the Board on 29/5/18 and signed on its behalf by:



.....  
P D Coxon  
Director

**LINNAEUS GROUP BIDCO LIMITED**

**DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2017**

The directors present their report and the financial statements for the year ended 30 November 2017.

**Directors of the company**

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

N S Cox

P D Coxon

L V Hill

R R J Kay

W M McKee

D P Mobbs

P W Renwick

**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.

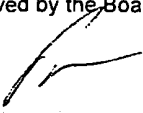
**Disclosure of information to the auditors**

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 21/5/18 and signed on its behalf by:

  
.....  
P D Coxon  
Director

## **LINNAEUS GROUP BIDCO LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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 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.

## **LINNAEUS GROUP BIDCO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINNAEUS GROUP BIDCO LIMITED**

#### **Opinion**

We have audited the financial statements of Linnaeus Group Bidco Limited (the 'company') for the year ended 30 November 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **LINNAEUS GROUP BIDCO LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LINNAEUS GROUP BIDCO LIMITED**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

#### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

Date: .....

29 May 2018



**LINNAEUS GROUP BIDCO LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 2017**

	Note	2017 £	2016 £
Turnover		-	-
Administrative expenses		<u>(13,595)</u>	<u>5,458</u>
Operating (loss)/profit	3	(13,595)	5,458
Other interest receivable and similar income	4	11,596	-
Interest payable and similar charges	5	<u>(6,549,422)</u>	<u>(1,464,625)</u>
Loss before tax		(6,551,421)	(1,459,167)
Taxation	6	<u>1,804</u>	<u>(2,387)</u>
Loss for the financial year		<u><u>(6,549,617)</u></u>	<u><u>(1,461,554)</u></u>

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

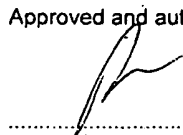
The notes on pages 10 to 21 form an integral part of these financial statements.

**LINNAEUS GROUP BIDCO LIMITED**

**(REGISTRATION NUMBER: 09140907)**  
**BALANCE SHEET AS AT 30 NOVEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	7	82,710	26,887
Investments	8	29,895,149	11,984,385
		<u>29,977,859</u>	<u>12,011,272</u>
<b>Current assets</b>			
Debtors	9	109,326,303	26,056,953
Cash at bank and in hand		5,387,752	4,580,814
		<u>114,714,055</u>	<u>30,637,767</u>
Creditors: Amounts falling due within one year	10	(16,829,531)	(14,094,770)
Net current assets		<u>97,884,524</u>	<u>16,542,997</u>
Total assets less current liabilities		<u>127,862,383</u>	<u>28,554,269</u>
Creditors: Amounts falling due after more than one year	10	<u>136,324,440</u>	<u>30,466,709</u>
Provisions for liabilities	6	583	583
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Profit and loss account		(8,462,641)	(1,913,024)
Total equity		<u>(8,462,640)</u>	<u>(1,913,023)</u>
Total capital, reserves and long term liabilities		<u>127,862,383</u>	<u>28,554,269</u>

Approved and authorised by the Board on 29/5/18 and signed on its behalf by:

  
P D Coxon  
Director

The notes on pages 10 to 21 form an integral part of these financial statements.

**LINNAEUS GROUP BIDCO LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2017**

	Share capital £	Profit and loss account £	Total £
At 1 December 2016	1	(1,913,024)	(1,913,023)
Loss for the year	-	(6,549,617)	(6,549,617)
At 30 November 2017	<u>1</u>	<u>(8,462,641)</u>	<u>(8,462,640)</u>

	Share capital £	Profit and loss account £	Total £
At 1 December 2015	1	(451,470)	(451,469)
Loss for the year	-	(1,461,554)	(1,461,554)
At 30 November 2016	<u>1</u>	<u>(1,913,024)</u>	<u>(1,913,023)</u>

The notes on pages 10 to 21 form an integral part of these financial statements.

## **LINNAEUS GROUP BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017**

#### **1 General information**

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

The address of its registered office is:

Highlands Road  
Shirley  
Solihull  
West Midlands  
B90 4NH

#### **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' and the Companies Act 2006.

##### **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.

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

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of Linnaeus Group Limited.

The financial statements of Linnaeus Group Limited may be obtained from Companies House.

##### **Going concern**

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

##### **Judgements and estimation uncertainty**

These financial statements do not contain any significant judgements or estimation uncertainty.

##### **Tax**

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

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

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

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

## **LINNAEUS GROUP BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017**

#### **Tangible assets**

Tangible assets are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Furniture, fittings and equipment	15% reducing balance

#### **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.

#### **Investments**

Investments in equity shares which are publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

#### **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.

#### **Trade creditors**

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

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

#### **Borrowings**

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

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

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

#### **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.

## **LINNAEUS GROUP BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017**

#### **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 asset 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.

##### ***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.

**LINNAEUS GROUP BIDCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017**

**3 Operating profit**

Arrived at after charging:

	2017 £	2016 £
Depreciation expense	<u>11,072</u>	<u>3,563</u>

Audit fees for both periods have been borne by a subsidiary company.

**4 Other interest receivable and similar income**

	2017 £	2016 £
Interest income on investments	<u>11,596</u>	<u>-</u>

**5 Interest payable and similar expenses**

	2017 £	2016 £
Interest on bank overdrafts and borrowings	5,015,761	1,029,024
Finance costs adjacent to interest	<u>1,533,661</u>	<u>435,601</u>
	<u>6,549,422</u>	<u>1,464,625</u>

# **LINNAEUS GROUP BIDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017**

### **6 Taxation**

Tax charged/(credited) in the profit and loss account

	2017 £	2016 £
<b>Current taxation</b>		
UK corporation tax	-	1,804
UK corporation tax adjustment to prior periods	(1,804)	-
	<u>(1,804)</u>	<u>1,804</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	-	583
Tax (receipt)/expense in the income statement	<u>(1,804)</u>	<u>2,387</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 19.33% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Loss before tax	<u>(6,551,421)</u>	<u>(1,459,167)</u>
Corporation tax at standard rate	(1,266,390)	(291,833)
Effect of expense not deductible in determining taxable profit (tax loss)	300,000	-
Deferred tax expense relating to changes in tax rates or laws	-	265
Decrease in UK and foreign current tax from adjustment for prior periods	(1,804)	-
Tax increase from effect of capital allowances and depreciation	91	-
Tax increase arising from group relief	966,299	293,955
Total tax (credit)/charge	<u>(1,804)</u>	<u>2,387</u>

#### **Deferred tax**

Deferred tax assets and liabilities

	Liability £
<b>2017</b>	
Difference between accumulated depreciation and capital allowances	<u>583</u>
<b>2016</b>	
Difference between accumulated depreciation and capital allowances	<u>583</u>



# **LINNAEUS GROUP BIDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017**

### **7 Tangible assets**

	<b>Furniture, fittings and equipment £</b>
<b>Cost</b>	
At 1 December 2016	30,452
Additions	66,895
At 30 November 2017	<u>97,347</u>
<b>Depreciation</b>	
At 1 December 2016	3,565
Charge for the year	11,072
At 30 November 2017	<u>14,637</u>
<b>Carrying amount</b>	
At 30 November 2017	<u>82,710</u>
At 30 November 2016	<u>26,887</u>

### **8 Investments in subsidiaries, joint ventures and associates**

	<b>2017 £</b>	<b>2016 £</b>
Investments in subsidiaries	<u>29,895,149</u>	<u>11,984,385</u>
<b>Subsidiaries</b>		<b>£</b>
<b>Cost</b>		
At 1 December 2016		11,984,385
Additions		17,910,764
At 30 November 2017		<u>29,895,149</u>
<b>Carrying amount</b>		
At 30 November 2017		<u>29,895,149</u>
At 30 November 2016		<u>11,984,385</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 disclosed in note 16.

# **LINNAEUS GROUP BIDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017**

### **9 Debtors**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
Amounts owed by group undertakings	14	109,270,888	25,994,277
Other debtors		-	1
Prepayments		55,415	62,675
		<u>109,326,303</u>	<u>26,056,953</u>

### **10 Creditors**

	<b>Note</b>	<b>2017 £</b>	<b>2016 £</b>
<b>Due within one year</b>			
Loans and borrowings	11	-	850,206
Trade creditors		112,912	151,625
Amounts due to group undertakings	14	16,616,619	12,866,135
Other creditors		100,000	225,000
Corporation tax liability	6	-	1,804
		<u>16,829,531</u>	<u>14,094,770</u>
<b>Due after one year</b>			
Loans and borrowings	11	135,824,440	30,441,709
Other creditors		500,000	25,000
		<u>136,324,440</u>	<u>30,466,709</u>

Other creditors comprises of £550,000 of deferred consideration payable in respect of acquisitions.

Details of the debt including security are disclosed in note 11 to the financial statements.

# **LINNAEUS GROUP BIDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017**

### **11 Loans and borrowings**

	2017 £	2016 £
<b>Current loans and borrowings</b>		
Bank borrowings	<u>-</u>	<u>850,206</u>
	2017 £	2016 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	<u>135,824,440</u>	<u>30,441,709</u>

The bank loans are secured by a debenture over the assets and undertakings of each company in the group.

Total bank loans outstanding of £135,824,440 (2016 - £31,291,915) (after deducting £3,918,060 (2016 - £594,085)) of costs associated with the raising of this finance which are being released to the profit and loss account over the term of the debt in accordance with FRS 102, ie total bank debt was £139,742,500 (2016 - £31,886,000) at 30 November 2017) are repayable in full on the termination date, the amount of which have been agreed with the bank.

A portion of the loans have a final repayment date of 2 June 2024. Interest is levied at a rate of 6.50% over LIBOR per annum, subject to the group's compliance with banking covenants.

The remaining portion of loans have a final repayment date of 2 June 2022. Interest is levied at a rate of 3.00% over LIBOR per annum, subject to the group's compliance with banking covenants.

### **12 Share capital**

#### **Allotted, called up and fully paid shares**

	2017 No.	£	2016 No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### **13 Contingent liabilities**

The company is bound by an intra-group cross guarantee in respect of loan notes with other members of the group headed by its ultimate parent undertaking, Linnaeus Group Limited. The amount guaranteed at 30 November 2017 is £44,024,537 (2016 - £32,391,831) and is secured by a debenture over the assets and undertaking of certain companies in the group.

## **LINNAEUS GROUP BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017**

#### **14 Related party transactions**

##### **Forem Holdings Acquisitions Limited**

At the balance sheet date, the company was owed £10,119,954 (2016 - £10,119,954) from Forem Holdings Acquisitions Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **Forem Holdings Limited**

At the balance sheet date, the company owed £nil (2016 - £716,535) to Forem Holdings Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **North Downs Specialist Referrals Limited**

At the balance sheet date, the company was owed £100,849 (2016 - owed £3,532,991 to) from North Downs Specialist Referrals Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **Avonvale Newco Limited**

At the balance sheet date, the company was owed £4,857,553 (2016 - £4,632,860) from Avonvale Newco Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **Avonvale Veterinary Centres Limited**

At the balance sheet date, the company was owed £148,464 (2016 - £95,463) from Avonvale Veterinary Centres Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **Calder Newco Limited**

At the balance sheet date, the company was owed £8,879,391 (2016 - £8,855,233) from Calder Newco Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **Calder Vets Limited**

At the balance sheet date, the company was owed £nil (2016 - £2,278,093) from Calder Vets Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **Heathcote Newco Limited**

At the balance sheet date, the company was owed £1,224,668 (2016 - £nil) from Heathcote Newco Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **Shires Newco Limited**

At the balance sheet date, the company was owed £3,472,927 (2016 - £nil) from Shires Newco Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **Village Vet Newco Limited**

At the balance sheet date, the company was owed £51,653,298 (2016 - £nil) from Village Vet Newco Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **Village Vet London Limited**

At the balance sheet date, the company was owed £1,756,245 (2016 - £nil) from Village Vet London Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **Blythwood Newco Limited**

At the balance sheet date, the company was owed £6,018,591 (2016 - £nil) from Blythwood Newco Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **Spinney Lodge Newco Limited**

At the balance sheet date, the company was owed £4,010,826 (2016 - £nil) from Spinney Lodge Newco Limited, a company under common control. The loan is interest free with no fixed repayment terms.

##### **Petcare V Limited**

At the balance sheet date, the company was owed £15,164,187 (2016 - £nil) from Petcare V Limited, a company under common control. The loan is interest free with no fixed repayment terms.

## **LINNAEUS GROUP BIDCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017**

#### **15 Parent and ultimate parent undertaking**

The company is controlled by its immediate and only parent company Linnaeus Group Limited, incorporated in England and Wales. The ultimate controlling party is Sovereign Capital Limited Partnership III, incorporated in England and Wales.

#### **16 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 (all companies registered in England and Wales):

<b>Subsidiary undertakings</b>	<b>Principal activity</b>	<b>Class</b>	<b>2017 Shares held %</b>	<b>2016 Shares held %</b>
Martin Referral Services Limited	Dormant company	Ordinary	100	100
Willows Veterinary Services Limited	Provision of specialist veterinary services	Ordinary	100	100
Forem Holdings Acquisitions Limited	Intermediate parent company	Ordinary	87.5	87.5
Forem Holdings Limited*	Intermediate parent company	Ordinary	87.5	87.5
Forem Limited*	Dormant company	Ordinary	87.5	87.5
North Downs Specialist Referrals Limited*	Provision of specialist veterinary services	Ordinary	87.5	87.5
Avonvale Newco Limited	Intermediate parent company	Ordinary	86.5	86.5
Medicines4Pets Limited*	Dormant company	Ordinary	86.5	86.5
Avonvale Veterinary Centres Limited*	Provision of veterinary services	Ordinary	86.5	86.5
PawPicked Limited*	Dormant company	Ordinary	86.5	86.5
Cherrydownvets Limited	Provision of veterinary services	Ordinary	100	100
Calder Newco Limited	Intermediate parent company	Ordinary	88.4	86.4
Calder Vets Limited*	Provision of veterinary services	Ordinary	88.4	86.4
Donnachie and Townley Limited	Provision of veterinary services	Ordinary	100	100
VRCC Limited	Provision of specialist veterinary services	Ordinary	100	-

# **LINNAEUS GROUP BIDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017**

<b>Subsidiary undertakings</b>	<b>Principal activity</b>	<b>Class</b>	<b>2017 Shares held %</b>	<b>2016 Shares held %</b>
Shires Newco Limited	Intermediate parent company	Ordinary	89.87	-
Shires Vets Limited*	Provision of veterinary services	Ordinary	89.87	-
Heathcote Newco Limited	Intermediate parent company	Ordinary	82.14	-
Burnfoot Veterinary Ventures Limited*	Provision of veterinary services	Ordinary	82.14	-
Village Vet Newco Limited	Intermediate parent company	Ordinary	90.10	-
Village Vet Holding Limited*	Intermediate parent company	Ordinary	90.10	-
Village Vet London Limited*	Provision of veterinary services	Ordinary	90.10	-
Village Vet Cambridge Limited*	Provision of veterinary services	Ordinary	90.10	-
Petcare V Limited*	Intermediate parent company	Ordinary	90.10	-
London Vet Specialists Limited*	Provision of specialist veterinary services	Ordinary	90.10	-
A to Z Vets Limited*	Provision of veterinary services	Ordinary	90.10	-
A is for Antelope Limited*	Dormant company	Ordinary	90.10	-
B is for Bear Limited*	Dormant company	Ordinary	90.10	-
D is for Dog Limited*	Dormant company	Ordinary	90.10	-
E is for Elephant Limited*	Dormant company	Ordinary	90.10	-
F is for Fox Limited*	Dormant company	Ordinary	90.10	-
Well Animal Clinic Newco Limited*	Provision of veterinary services	Ordinary	79.68	-
Blythwood Veterinary Limited*	Provision of veterinary services	Ordinary	95	-
Blythwood Newco Limited	Intermediate parent company	Ordinary	95	-
Spinney Lodge Newco Limited	Intermediate parent company	Ordinary	100	-
Spinney Lodge Veterinary Hospital Limited*	Provision of veterinary services	Ordinary	100	-

**LINNAEUS GROUP BIDCO LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017**

<b>Subsidiary undertakings</b>	<b>Principal activity</b>	<b>Class</b>	<b>2017</b>	<b>2016</b>
			<b>Shares held</b>	<b>Shares held</b>
			<b>%</b>	<b>%</b>
Cathcart & Winn Veterinary Hospital Limited	Provision of veterinary services	Ordinary	100	-
Nantorman Limited	Provision of veterinary services	Ordinary	100	-
Clarke and Marshall Limited	Provision of veterinary services	Ordinary	100	-

\*held indirectly