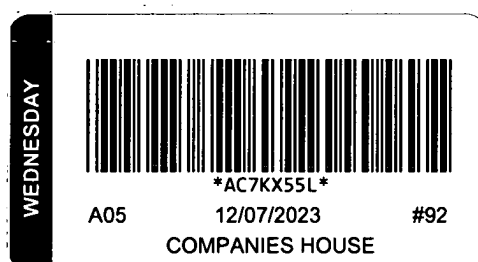


Registered number: 09140907

LINNAEUS GROUP BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



LINNAEUS GROUP BIDCO LIMITED

COMPANY INFORMATION

Directors

E B Johnson (resigned 31 March 2023)
R A Reidy (resigned 19 May 2023)
A Bernal (resigned 31 December 2022)
J Hendrickson (appointed 31 March 2023)
B Garish (appointed 31 March 2023)
S T Connell (appointed 19 May 2023)
A D Scipio Del Campo

Registered number

09140907

Registered office

Friars Gate
1011 Stratford Road
Shirley
West Midlands
B90 4BN

Independent auditors

Hazlewoods LLP
Chartered Accountants & Statutory Auditor
Windsor House
Bayshill Rd
Cheltenham
GL50 3AT

LINNAEUS GROUP BIDCO LIMITED

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LINNAEUS GROUP BIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their strategic report for the year ended 31 December 2022.

Principal activity

The principal activity of the company is that of a non-trading 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 £143,000 (2021 - £30.3 million). At 31 December 2022, the company had total assets less current liabilities of £745.7 million (2021 - £709 million).

The Directors consider the financial position of the company at the year end to be satisfactory.

Key performance indicators

Given the principal activity is a holding company, the Company's directors are of the opinion that there are no key performance indicators reviewed for the Company. The key performance indicators of the group are shown in the strategic report of the consolidated financial statements of Mars Pet Services UK Limited.

Principal risks and uncertainties

The principal risk to the company is the performance of its subsidiary companies, and as such the risks that apply to those subsidiaries. The key business risks and uncertainties affecting the Group are considered to relate to competition from both national and local providers of veterinary services affecting prices of the services offered, the considerations paid for the hospital's acquisitions and our ability to recruit doctors in veterinary medicine. The change of the demand of our services is as well a key risk affecting our operating and financial performance mostly due to the fixed cost nature of our business. These risks and uncertainties are managed day to day by discreet management teams responsible for each segment of the Group's business and who report to the Directors.

Section 172 statement

The Directors believe that they have effectively implemented their duties under section 172 of the Companies Act 2006. The Directors have considered the long-term strategy of the Company as mentioned in "Future developments" in the Directors' report below and consider that this strategy will continue to deliver long term success to the company's business and its stakeholders.

The Directors recognise the importance of wider stakeholders in delivering their strategy and achieving sustainability within the business. The main stakeholders in the company are considered to be the shareholders, employees, suppliers and customers.

Due to the nature of our business, good customer and community relations are key to the ongoing success of the Company. The Company is committed to maintaining an excellent reputation and strives to achieve high standards. As a part of this, the Company is selective in the suppliers used and aims to provide a range of pet care and veterinary services to the communities in which we operate while maintaining cost efficiencies for the benefit of our shareholders.

In ensuring that all our stakeholders are considered as part of every decision process we believe we act fairly and mutually between all members of the Company.

Supplier statement policy

The Company agrees terms and conditions for its business transactions with suppliers before orders are placed. Payments are then made in accordance with these obligations.

We believe it is important to pay our suppliers promptly and on time for the service they provide. The intention is that suppliers are paid in line with their agreed payment terms, which is consistent with the wider Mars Pet Services UK Limited Group. The average time to pay invoices is well within 45 days, which is the average payment terms agreed with suppliers.

LINNAEUS GROUP BIDCO LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**


Supply chain management

The Company makes use of trusted suppliers, many of which have been used for a number of years. Where possible, the Company will seek to benefit from these close relationships and look to engineer cost efficient solutions which result in mutual benefit to the Company and its suppliers, as well as the customer.

This report was approved by the board on

06-07-2023

and signed on its behalf.

DocuSigned by:

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S T Connell
Director

LINNAEUS GROUP BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the year, after taxation, amounted to £143,000 (2021 - £30.3 million).

The Directors do not propose a dividend in the current year or prior period.

Directors

The directors who served during the year and subsequently were:

E B Johnson (resigned 31 March 2023)
R A Reidy (resigned 19 May 2023)
A Bernal (resigned 31 December 2022)
J Hendrickson (appointed 31 March 2023)
B Garish (appointed 31 March 2023)
S T Connell (appointed 19 May 2023)
A D Scipio Del Campo

Financial risk management

Objectives and policies

The board constantly monitors the company'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 is able to adequately manage and monitor any liquidity risks as they arise through short-term intra group assistance. Credit risk in respect of bank balances is safeguarded by using banks with high credit ratings.

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.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

Whilst the Company has made a loss in the year, the losses have been driven by non cash movements and as such is considered, by the Directors to not be a significant risk to the going concern of the Company. The Company meets its day-to-day working capital requirements through free cash and its acquisition requirements through a loan facility from a connected company. The Company's forecasts and projections, covering a period of at least 12 months from the approval of these financial statements, and taking into account plausible downside scenarios, show that the Company should be able to repay its debts as they become due and payable.

The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure of information to 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 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.

Directors' liabilities

The Company maintains liability insurance for its directors and officers, which is a qualifying third party indemnity provision for the purpose of the Companies Act 2006. The indemnity was in force throughout the financial year and also at the date of approval of the financial statements.

LINNAEUS GROUP BIDCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Matters covered in the Strategic Report

The Company has chosen in accordance with Section 414C(II) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Company's Strategic Report, the information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review, details of the principal risks and uncertainties and the Company's approach to compliance with Section 172(1) of the Companies Act 2006.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

This report was approved by the board on 06-07-2023 and signed on its behalf.

DocuSigned by:

Saskia Connell

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S T Connell
Director

LINNAEUS GROUP BIDCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard, 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then 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;
- 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 to 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 AUDITORS' REPORT TO THE MEMBERS OF LINNAEUS GROUP BIDCO LIMITED

Opinion

In our opinion, Linnaeus Group Bidco Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"); which comprise: the balance sheet as at 31 December 2022; the profit and loss account, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

LINNAEUS GROUP BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINNAEUS GROUP BIDCO LIMITED (CONTINUED)

Strategic Report and Directors' Report

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 year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, 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.

LINNAEUS GROUP BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINNAEUS GROUP BIDCO LIMITED (CONTINUED)

Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation, employment regulations, health and safety legislation and other legislation specific to the industry in which the company operates such as the Code of Conduct - Royal College of Veterinary Surgeons and Practice Standards Scheme, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of false revenue to overstate the performance of the business and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of minutes of meetings held by the board and those charged with governance;
- Challenging assumptions and judgements made by management in determining their accounting estimates, in particular in relation to contingent consideration.
- Identifying and testing journal entries with unusual account combinations in relation to revenue and profits;
- Consideration of the revenue recognition policy and testing of transactional revenue through obtaining supporting evidence, such as animal treatment history and bank statement, for a sample of transactions; and
- Consideration of any changes to the control environment.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. This description forms part of our Auditors' Report.

LINNAEUS GROUP BIDCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINNAEUS GROUP BIDCO LIMITED (CONTINUED)

Use of our report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Companies Act 2006 Exception Reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

DocuSigned by:

Simon Worsley

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Simon Worsley (Senior Statutory Auditor)

for and on behalf of
Hazlewoods LLP

Chartered Accountants
Statutory Auditor

Windsor House
Bayshill Rd.
Cheltenham
GL50 3AT

Date: 06-07-2023

LINNAEUS GROUP BIDCO LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £000
Cost of sales		<u>7</u>	<u>-</u>
Gross profit		7	-
Administrative expenses		<u>(150)</u>	<u>(440)</u>
Operating loss	3	(143)	(440)
Interest payable and similar expenses	5	<u>-</u>	<u>(29,904)</u>
Loss before tax		(143)	(30,344)
Loss for the financial year		(143)	(30,344)

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 13 to 23 form part of these financial statements.

LINNAEUS GROUP BIDCO LIMITED
REGISTERED NUMBER:09140907

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	8	230	383
Investments	9	540,269	503,509
		<u>540,499</u>	<u>503,892</u>
Current assets			
Debtors	10	193,375	203,354
Bank and cash balances		11,803	1,815
		<u>205,178</u>	<u>205,169</u>
Total assets less current liabilities		<u>745,677</u>	<u>709,061</u>
Net assets		<u><u>745,677</u></u>	<u><u>709,061</u></u>
Capital and reserves			
Called up share capital	11	-	-
Share premium reserve	12	858,476	821,717
Profit and loss account	12	(112,799)	(112,656)
		<u>745,677</u>	<u>709,061</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 06-07-2023

DocuSigned by:

Saskia Connell

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S T Connell
 Director

The notes on pages 13 to 23 form part of these financial statements.

LINNAEUS GROUP BIDCO LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
At 1 January 2021	-	26,146	(82,312)	(56,166)
Loss for the year	-	-	(30,344)	(30,344)
Shares issued during the year	-	795,571	-	795,571
At 1 January 2022	-	821,717	(112,656)	709,061
Loss for the year	-	-	(143)	(143)
Shares issued during the year	-	36,759	-	36,759
At 31 December 2022	-	858,476	(112,799)	745,677

The notes on pages 13 to 23 form part of these financial statements.

LINNAEUS GROUP BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Linnaeus Group Bidco Limited is a private company limited by shares, registered in England and Wales.

The address of its registered office is:

Friars Gate
1011 Stratford Road
Shirley
West Midlands
B90 4BN

2. Accounting policies

2.1 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.

2.2 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.

2.3 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

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.

2.4 Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions subject to conditions. The Company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cashflows is included in the consolidated financial statements of its ultimate parent undertaking, Mars Pet Services UK Limited;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a) (iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.29(a), 12.29(b) and 12.29A as information is provided in the consolidated financial statements of its ultimate parent undertaking in the UK, Mars Pet Services UK Limited; and
- from disclosing transactions with other wholly owned companies within the wider Group headed by the ultimate parent company as required by FRS 102 paragraph 33.8.

2.5 Name of parent of group

These financial statements are consolidated in the financial statements of Mars Pet Services UK Limited.

The financial statements of Mars Pet Services UK Limited may be obtained from Companies House.

2.6 Group financial statements not prepared

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirements to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Mars Pet Services UK Limited, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company.

LINNAEUS GROUP BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2. Accounting policies (continued)****2.7 Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

Whilst the Company has made a loss in the year,, the losses have been predominantly driven by non-cash movements such as interest on connected party loans and as such is considered, by the Directors, to not be a significant risk to the going concern of the Company. The Company meets its day-to-day working capital requirements through free cash from subsidiary entities. The Company's forecasts and projections, covering a period of at least 12 months from the approval of these financial statements, and taking into account plausible downside scenarios, show that the Company should be able to repay its debts as they become due and payable.

The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.8 Judgements and estimation uncertainty

There are no significant judgements or critical estimates noted.

2.9 Tangible fixed 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 to administrative expenses, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Over the term of the lease
Furniture, fixtures and equipment	Over 5 years
Computer Equipment	Over 3 years

2.10 Valuation of investments

Investment in subsidiary company is held at cost less accumulated impairment losses.

2.11 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.

2.12 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.

LINNAEUS GROUP BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 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.

2.14 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.

Financial instruments are classified, recognised and measured in terms of FRS 102 section 11 for basic financial instruments and section 12 for more complex financial instruments. For basic financial instruments, only section 11 will apply whereas section 11 and 12 will apply for the more complex financial instruments and transactions.

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 balance sheet 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.

2.15 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, and 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.

For financial assets carried at amortised cost, the amount of an impairment 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 31 DECEMBER 2022****3. Operating loss**

Arrived at after charging/(crediting):

	2022	2021
	£000	£000
Depreciation expense	153	214
Operating lease expense - property	(5)	-
	<u>148</u>	<u>214</u>

4. Auditors' remuneration

Audit fees and fees payable to the Company's auditors for non-audit services for both years have been borne by a related group company.

5. Interest payable and similar expenses

	2022	2021
	£000	£000
Loans from group undertakings	-	29,871
Other interest payable	-	33
	<u>-</u>	<u>29,904</u>

6. Directors' remuneration

The Directors are also officers of another group company and are not remunerated by the company. It is not practicable to allocate their remuneration between their services as director of this Company and other group companies.

7. Taxation

	2022	2021
	£000	£000
Current taxation		
UK corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>

LINNAEUS GROUP BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****7. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Loss on ordinary activities before tax	(143)	(30,344)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(27)	(5,765)
Effects of:		
Effect of expenses not deductible in determining tax profit (tax loss)	29	5,682
Tax increase/(decrease) from effect of capital allowances and depreciation	-	16
Tax increase arising from group relief	-	67
Other timing differences leading to an increase (decrease) in taxation	(21)	-
Other	19	-
Total tax charge for the year	-	-

Factors that may affect future tax charges

In the budget of 3 March 2021, the Chancellor of the Exchequer announced that corporation tax rates will increase to 25% from April 2023. The Directors do not believe the impact of this increase to be material to the financial statements.

LINNAEUS GROUP BIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Tangible assets

	Leasehold improvements £000	Furniture, fittings and equipment £000	Total £000
Cost or valuation			
At 1 January 2022	42	1,137	1,179
At 31 December 2022	42	1,137	1,179
Depreciation			
At 1 January 2022	7	789	796
Charge for the year on owned assets	4	149	153
At 31 December 2022	11	938	949
Net book value			
At 31 December 2022	31	199	230
At 31 December 2021	35	348	383

9. Investments

Subsidiaries

	2022 £000	2021 £000
Cost and carrying amount		
At 1 January 2022	503,509	480,626
Additions	-	22,883
Loans capitalised	36,760	-
At 31 December 2022	540,269	503,509

Details of undertaking

Details of investments in which the company holds 20% or more of the nominal value of any class of share capital are disclosed in note 15.

In the opinion of the Directors, the aggregate value of the Company's Investment in subsidiary undertakings is not less than the amount included in the balance sheet.

LINNAEUS GROUP BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****10. Debtors**

	2022	2021
	£000	£000
Amounts owed by group undertakings	193,370	203,354
Other debtors	3	-
Tax recoverable	2	-
	193,375	203,354

Amounts owed by group undertakings of £193,370,978 (2021 - £203,434,509) are unsecured, interest free and receivable on demand.

11. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid shares		
6 (2021 - 5). Ordinary Shares shares of £1.00 each	6	5

Rights, preferences and restrictions

There is a single class of Ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

12. Reserves

Ordinary share capital relates to the issue of share capital.

Share premium reserve is the excess received over the nominal value on the issue of share capital.

Profit and loss reserve is the accumulated profit or loss since incorporation less any dividends paid.

13. Related party transactions

The company has taken advantage of the exemption available and has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary of the wider Mars group.

LINNAEUS GROUP BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****14. Controlling party**

The company's immediate parent is Linnaeus Group Limited, incorporated in England and Wales.

The ultimate parent is Mars Incorporated, incorporated in the United States of America.

The most senior parent entity producing publicly available financial statements is Mars Pet Services UK Limited. These financial statements are available upon request from Companies House.

The ultimate controlling party is Mars Incorporated.

The parent of the largest group in which these financial statements are consolidated is Mars Incorporated, incorporated in the United States of America.

The address of Mars Incorporated is:
1209 Orange Street, Wilmington, DE, 19801

The parent of the smallest group in which these financial statements are consolidated is Mars Pet Services UK Limited, incorporated in England and Wales.

15. 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 unless stated):

Name	Principal activity	Class	Proportion of voting rights and shares held - 2022	Proportion of voting rights and shares held - 2021
Martin Referral Services Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Willows Veterinary Services Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Forem Holdings Acquisitions Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Forem Holdings Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Forem Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
North Downs Specialist Referrals Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Avonvale Newco Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Medicines4Pets Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Avonvale Veterinary Centres Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Pawpicked Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Cherrydownvets Ltd	Entered members voluntary liquidation	Ordinary	100	100 %
Calder Newco Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Calder Vets Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Donnachie and Townley Limited	Entered members voluntary liquidation	Ordinary	100	100 %
VRCC Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Shires Newco Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Shires Vets Ltd*	Entered members voluntary liquidation	Ordinary	100	100 %

LINNAEUS GROUP BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****15. Details of undertakings (continued)**

Healthcote Newco Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Burnfoot Veterinary Ventures Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Village Vet Newco Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Village Vet Holding Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Village Vet Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Village Vet London Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Village Vet Cambridge Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Petcare V Limited	Entered members voluntary liquidation	Ordinary	100	100 %
London Vet Specialists Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
A To Z Vets Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
A Is For Antelope Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
B Is For Bear Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
D Is For Dog Limited	Entered members voluntary liquidation	Ordinary	100	100 %
E Is For Elephant Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
F Is For Fox Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Well Animal Clinic Newco Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Blythwood Veterinary Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Blythwood Newco Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Spinney Lodge Newco Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Spinney Lodge Veterinary Hospital Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Nantorman Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Clark And Marshall Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Linnaeus Veterinary Limited	Provision of veterinary services	Ordinary	100	100 %
Cinque Ports Newco Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Cinque Ports Veterinary Group Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Milbourn Equine Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Leadon Vale Veterinary Centre Limited	Entered members voluntary liquidation	Ordinary	100	100 %
AAS Vets Newco Limited	Entered members voluntary liquidation	Ordinary	100	100 %
AAS Veterinary Services Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Broadway Heritage Holdings Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Broadway SA Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Kentdale Veterinary	Entered members voluntary liquidation	Ordinary	100	100 %
Orthopaedics Limited	Entered members voluntary liquidation	Ordinary	100	100 %

LINNAEUS GROUP BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****15. Details of undertakings (continued)**

Greenside Veterinary Practice Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Bradbury Property Holdings Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Wear Referrals Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Cromwell (St Ives) Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Cromwell (St Neots) Limited	Entered members voluntary liquidation	Ordinary	100	100 %
The Cromwell Veterinary Group Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Eastcott Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Brentknol Veterinary Centre Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Vet4life Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Boundary Vets Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Maven Vets Limited	Entered members voluntary liquidation	Ordinary	100	100 %
The Barn Animal Hospital Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Black Paw Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Patergeddes Limited	Entered members voluntary liquidation	Ordinary	100	100 %
St Clair Veterinary Clinics Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Cave Veterinary Specialists Ltd	Entered members voluntary liquidation	Ordinary	100	100 %
The Park Veterinary Group Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Alder Veterinary Practice Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Black Vets Limited**	Entered members voluntary liquidation	Ordinary	100	100 %
DVS Group Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Veterinary Radiology Limited**	Entered members voluntary liquidation	Ordinary	100	100 %
Castlegate 598 Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Davies Veterinary Specialists Limited	Entered members voluntary liquidation	Ordinary	100	100 %
Peak Veterinary Practice Limited	Non-trading entity	Ordinary	100	100 %
Veterinary Vision Limited**	Entered members voluntary liquidation	Ordinary	100	100 %
West Midland Referrals Limited**	Entered members voluntary liquidation	Ordinary	100	100 %
Sandhole Veterinary Centre Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
The Chess Veterinary Centre Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Woodward Veterinary Practice Limited**	Entered members voluntary liquidation	Ordinary	100	100 %
The Oaks Clinic (Holding) Company Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
The Oaks Veterinary Clinic Limited*	Entered members voluntary liquidation	Ordinary	100	100 %
Linnaeus Referrals Limited previously Pets at Home		Ordinary	100	100 %
Veterinary Specialist Group Limited	Intermediate parent company	Ordinary	100	100 %
Dick White Referrals Limited*	Non-trading entity	Ordinary	100	100 %

LINNAEUS GROUP BIDCO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****15. Details of undertakings (continued)**

Anderson Moore Veterinary Specialists Limited*	Non-trading entity	Ordinary	100	100 %
Northwest Veterinary Specialists Limited*	Non-trading entity	Ordinary	100	100 %
Eye-Vet Limited*	Non-trading entity	Ordinary	100	100 %
Veterinary Specialists (Scotland) Limited*	Non-trading entity	Ordinary	100	100 %
St Annes Vets Limited*	Non-trading entity	Ordinary	100	100 %
City Vets (Exeter) Limited*	Non-trading entity	Ordinary	100	100 %
Wildbore Veterinary Limited*	Non-trading entity	Ordinary	100	100 %
St. John Cooper Consultancy Limited	Provision of veterinary services	Ordinary	100	100 %
Cotswold Veterinary Group Limited*	Provision of veterinary services	Ordinary	100	100 %
Hermitage Veterinary Clinic Company Limited*	Provision of veterinary services	Ordinary	100	100 %
Firhouse Veterinary Clinic Company Limited*	Provision of veterinary services	Ordinary	100	100 %
Carton Veterinary Clinic Limited T/A My Vet*	Provision of veterinary services	Ordinary	100	100 %
Primrose Hill Veterinary Clinic Limited*	Provision of veterinary services	Ordinary	100	100 %
Blackrock Vets Limited*	Provision of veterinary services	Ordinary	100	100 %
Linnaeus Veterinary Ireland Limited	Intermediate parent company	Ordinary	100	100 %
Forest Veterinary Centre Limited	Entered members voluntary liquidation	Ordinary	100	%
Palmerston Veterinary Group Limited	Entered members voluntary liquidation	Ordinary	100	%
Wilbury Veterinary Services Limited	Entered members voluntary liquidation	Ordinary	100	%
Parkhill Vets Limited	Entered members voluntary liquidation	Ordinary	100	%
WSHPM Limited	Entered members voluntary liquidation	Ordinary	100	%

* Held indirectly

** These subsidiaries had the Members' Voluntary process concluded during the year end and were dissolved in April 2022.

All companies have the registered address of Friars Gate, 1011 Stratford Road, Shirely, West Midlands, B90 4BN with the exception of the following companies registered in Scotland or Republic of Ireland:

Greenside Veterinary Practice with registered address of Greenside Farm, St Boswells, Roxburgshire, TD6 0AJ; Hawick Veterinary Practice Limited with registered address of 1 Earl Street, Hawick, Roxburgshire, TD9 9PZ; Patergeddes Limited and St Clair Veterinary Clinics Limited with registered address of 2 Pottery Street, Kirkcaldy, KY1 3ET;

Veterinary Specialists (Scotland) Limited with registered address of 1 Deepark Road, Livingstone, EH54 8AG; Hermitage Veterinary Clinic Company Limited with registered address Lucan Road, Ballydowd, Lucan, Co. Dublin, Ireland;

Firhouse Veterinary Clinic Company Limited with registered address Firhouse Shopping Centre, Ballycullen Avenue, Fire, Firhouse, Dublin 24, Ireland;

Carton Veterinary Clinic Limited T/A My Vet with registered address Lucan Road, Ballydowd, Lucan, Co. Dublin, Ireland;

Primrose Hill Veterinary Clinic Limited with registered address Primrose Hill, Tivoli Road, Dun Laoghaire Ireland;

Blackrock Vets Limited with registered address 25 Stillorgan park, Blackrock, Dublin, Ireland; and

Linnaeus Veterinary Ireland Limited with registered address 10 Earlsfort Terrace, Dublin 2, Dublin, D02 T380, Ireland

