

**VETPARTNERS GROUP FINANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

VETPARTNERS GROUP FINANCE LIMITED

Contents

Company Information	<u>1</u>
Directors' Report	<u>2</u>
Strategic Report	<u>3</u>
Statement of Directors' Responsibilities	<u>4</u>
Independent Auditor's Report	<u>5 to 7</u>
Profit and Loss Account	<u>8</u>
Balance Sheet	<u>9</u>
Statement of Changes in Equity	<u>10</u>
Notes to the Financial Statements	<u>11 to 19</u>

VETPARTNERS GROUP FINANCE LIMITED

Company Information

Directors	W D Grout R J M Oliver
Registered office	6th Floor 10 New Burlington Street London W1S 3BE
Bankers	HSBC Bank PLC Client Services (North Region) 2nd Floor 62-76 Park Street London SE1 9DZ
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

VETPARTNERS GROUP FINANCE LIMITED

Directors' Report for the Year Ended 30 June 2019

The directors present their report and the financial statements for the year ended 30 June 2019.

Directors of the company

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

W D Grout

R J M Oliver

I Kozaroski (appointed 22 October 2018 and resigned 13 November 2018)

J C Malone (resigned 29 November 2018)

P M Rattle (resigned 24 August 2018)

M Stanworth (resigned 29 November 2018)

Financial instruments

Objectives and policies

The board constantly monitors the trading results and projections of the underlying investment as appropriate to ensure that the company can meet its future obligations as they fall due.

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

The company's loan stock is subject to price and liquidity risk as disclosed in note 11 to the financial statements.

Credit risk in respect of bank balances is safeguarded by using banks with high credit ratings.

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

The financial statements have been prepared on a going concern basis on that the company's investment will continue to have value and there are no liabilities payable within the next 12 months. 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 financial statements.

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 30 June 2020 and signed on its behalf by:

.....
R J M Oliver
Director

VETPARTNERS GROUP FINANCE LIMITED

Strategic Report for the Year Ended 30 June 2019

The directors present their strategic report for the year ended 30 June 2019.

Principal activity

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

Fair review of the business

The directors of the company consider that the financial position at the year end is satisfactory. The results for the year, which are set out in the profit and loss account, show an operating profit of £179,567,450 (2018 - loss of £9,028). At 30 June 2019, the company had total assets less current liabilities of £85,193,283 (2018 - £216,186,369).

Included in operating profit for the year was a profit on disposal of the company's investment in VetPartners Limited of £179,704,140 in November 2018. The company's principal activity is now essentially holding a minority investment in the new VetPartners group.

Principal risks and uncertainties

As the company now holds a minority investment only, the principal risks and uncertainties are purely related to the underlying performance of that investment. At the current time, there are clearly difficulties in the veterinary sector related to the COVID-19 outbreak. However, the directors are satisfied with the long-term value of the investment.

Approved by the Board on 30 June 2020 and signed on its behalf by:

.....
R J M Oliver
Director

VETPARTNERS GROUP FINANCE LIMITED

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

VETPARTNERS GROUP FINANCE LIMITED

Independent Auditor's Report to the Members of VetPartners Group Finance Limited

Opinion

We have audited the financial statements of VetPartners Group Finance Limited (the 'company') for the year ended 30 June 2019, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of its profit 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.

VETPARTNERS GROUP FINANCE LIMITED

Independent Auditor's Report to the Members of VetPartners Group Finance 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. This description forms part of our auditor's report.

VETPARTNERS GROUP FINANCE LIMITED

Independent Auditor's Report to the Members of VetPartners Group Finance Limited

Use of our report

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.

.....
Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

30 June 2020

VETPARTNERS GROUP FINANCE LIMITED**Profit and Loss Account for the Year Ended 30 June 2019**

	Note	2019 £	2018 £
Turnover		-	-
Administrative expenses		(527)	(1,198)
Profit on disposal of fixed asset investments		179,704,140	-
Exceptional administrative expenses	<u>4</u>	<u>(136,163)</u>	<u>(7,830)</u>
Operating profit/(loss)		179,567,450	(9,028)
Interest payable and similar charges	<u>5</u>	<u>(14,033,042)</u>	<u>(8,107,774)</u>
Profit/(loss) before tax		165,534,408	(8,116,802)
Taxation	<u>7</u>	<u>-</u>	<u>-</u>
Profit/(loss) for the financial year and total comprehensive income		<u><u>165,534,408</u></u>	<u><u>(8,116,802)</u></u>

The above results were derived from continuing operations.

The notes on pages 11 to 19 form an integral part of these financial statements.

VETPARTNERS GROUP FINANCE LIMITED

(Registration number: 09750991)

Balance Sheet as at 30 June 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	<u>8</u>	<u>85,837,206</u>	<u>145,040,867</u>
Current assets			
Debtors: Amounts falling due within one year	<u>9</u>	-	75,994,074
Cash at bank and in hand		-	<u>13,613</u>
		-	76,007,687
Creditors: Amounts falling due within one year	<u>10</u>	<u>(643,923)</u>	<u>(4,862,185)</u>
Net current assets		<u>(643,923)</u>	<u>71,145,502</u>
Total assets less current liabilities		<u>85,193,283</u>	<u>216,186,369</u>
	<u>10</u>		
Creditors: Amounts falling due after more than one year		-	<u>224,993,414</u>
Capital and reserves			
Called up share capital	<u>12</u>	1	1
Share premium reserve		34,049,882	-
Retained earnings		<u>51,143,400</u>	<u>(8,807,046)</u>
Total equity		<u>85,193,283</u>	<u>(8,807,045)</u>
Total capital, reserves and long term liabilities		<u>85,193,283</u>	<u>216,186,369</u>

Approved and authorised by the Board on 30 June 2020 and signed on its behalf by:

.....

R J M Oliver
Director

The notes on pages 11 to 19 form an integral part of these financial statements.

VETPARTNERS GROUP FINANCE LIMITED

Statement of Changes in Equity for the Year Ended 30 June 2019

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 July 2018	1	-	(8,807,046)	(8,807,045)
Profit for the year	-	-	165,534,408	165,534,408
Dividends	-	-	(105,583,962)	(105,583,962)
New share capital subscribed	-	1,747,289	-	1,747,289
Other share premium reserve movements	-	32,302,593	-	32,302,593
At 30 June 2019	<u>1</u>	<u>34,049,882</u>	<u>51,143,400</u>	<u>85,193,283</u>

	Share capital £	Retained earnings £	Total £
At 1 July 2017	1	(690,244)	(690,243)
Loss for the year	-	(8,116,802)	(8,116,802)
At 30 June 2018	<u>1</u>	<u>(8,807,046)</u>	<u>(8,807,045)</u>

The notes on pages 11 to 19 form an integral part of these financial statements.

VETPARTNERS GROUP FINANCE LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2019

1 General information

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

The address of its registered office is:

6th Floor
10 New Burlington Street
London
W1S 3BE

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, unless otherwise stated.

Statement of compliance

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

Basis of preparation

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

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 VetPartners UK Holdings Limited.

The financial statements of VetPartners UK Holdings Limited may be obtained from Companies House.

Going concern

The financial statements have been prepared on a going concern basis on the assumption that support from fellow group companies and its financiers will continue to be forthcoming for the foreseeable future.

Judgements and estimation uncertainty

The directors consider that there are no key areas of judgement or estimation uncertainty to be disclosed in these financial statements.

VETPARTNERS GROUP FINANCE LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2019

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change 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 amounts equals the highest amount that is more likely than not to be recovered based on current or future taxable profits.

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

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

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.

VETPARTNERS GROUP FINANCE LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2019

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.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, they are otherwise classified as operating leases. Payments made under operating leases are charged to the profit or loss account on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

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

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.

VETPARTNERS GROUP FINANCE LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2019

Financial instruments (continued)

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.

3 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2019	2018
	£	£
Gain (loss) from disposals of investments	179,704,140	-

On 28 November 2018, the company disposed of its interest in VetPartners Limited. The consideration received, net of associated sales costs, was £374,795,007 and the company's investment at the time amounted to £195,090,867.

VETPARTNERS GROUP FINANCE LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2019

4 Exceptional items

	2019	2018
	£	£
Exceptional expenses	136,163	7,830

Exceptional costs above related to various redundancy and restructuring costs.

5 Interest payable and similar expenses

	2019	2018
	£	£
Interest on preference shares	10,186,602	4,801,795
Interest expense on loan notes	-	3,227,552
Other finance costs	3,846,440	78,427
	14,033,042	8,107,774

Other finance costs above relate to fees incurred on the raising of finance.

6 Directors' remuneration

The company incurred no directors' remuneration in the current or prior year. The company had no employees other than the directors.

VETPARTNERS GROUP FINANCE LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2019

7 Taxation

Tax charged in the profit and loss account

	2019 £	2018 £
Current taxation		
UK corporation tax	-	-

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit/(loss) before tax	165,534,408	(8,116,802)
Corporation tax at standard rate	31,451,538	(1,542,192)
Effect of revenues exempt from taxation	(34,143,787)	-
Effect of expense not deductible in determining taxable profit	1,935,454	1,383,443
Increase (decrease) from tax losses for which no deferred tax asset was recognised	756,795	-
Losses surrendered by way of group relief	-	158,749
Total tax charge	-	-

VETPARTNERS GROUP FINANCE LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2019

8 Investments in subsidiaries, joint ventures and associates

	2019 £	2018 £
Investments in subsidiaries	-	145,040,867
Investments in associates	85,837,206	-
	<u>85,837,206</u>	<u>145,040,867</u>

Subsidiaries

£

Cost and carrying amount

At 1 July 2018	145,040,867
Additions	50,050,000
Disposals	(195,090,867)
At 30 June 2019	-
At 30 June 2018	<u>145,040,867</u>

Associates

£

Cost and carrying amount

Additions and at 30 June 2019	<u>85,837,206</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	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Associates				
Scooby Equityco Limited		Ordinary and preference	25%	0%
	Jersey			

9 Debtors

	2019 £	2018 £
Amounts owed by group undertakings	-	75,991,766
	<u>-</u>	<u>75,991,766</u>

VETPARTNERS GROUP FINANCE LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2019

10 Creditors

	Note	2019 £	2018 £
Due within one year			
Amounts owed to group undertakings		643,923	-
Other payables		-	60,392
Accrued expenses		-	4,801,793
		<u>643,923</u>	<u>4,862,185</u>
Due after one year			
Loans and borrowings	11	-	224,993,414

Amounts owed to group undertakings incur interest at a rate of 5% per annum.

11 Loans and borrowings

	2019 £	2018 £
Non-current loans and borrowings		
Redeemable preference shares	-	224,993,414

The preference shares accrue dividends at a rate of 9.5% annum, such dividends only becoming payable on redemption of the shares. The shares are redeemable on 6 April 2025 or on an exit event.

VETPARTNERS GROUP FINANCE LIMITED

Notes to the Financial Statements for the Year Ended 30 June 2019

12 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
B Ordinary shares of £0.001 each	2,253	2.25	1,000	1.00
A ordinary shares of £0.001 each	-	-	516	0.52
Deferred shares of £0.001 each	32,302,593	0.03	-	-
	32,304,846	2	1,516	2

New shares allotted

During the year 50,050,000 Preference shares having an aggregate nominal value of £1 were allotted for an aggregate consideration of £50,050,000. These shares were allotted on various dates up to 29 November 2018..

During the year 737 B Ordinary shares having an aggregate nominal value of £1 were allotted for an aggregate consideration of £1,747,289. These shares were allotted on various dates throughout the year..

The A Ordinary shares were converted into B Ordinary shares on 29 November 2018, the A ordinary shares were converted to B ordinary shares. On the same date the company redeemed the majority of its preference shares, leaving a balance of 32,302,593 preference shares, which were then converted into deferred shares.

13 Parent and ultimate parent undertaking

At the balance sheet date, the company was controlled by Ares Management Limited, incorporated in England and Wales. The ultimate controlling party is Ares Management LP, a limited partnership registered in the United States of America, which is considered to have no single controlling party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.