

Registration number: 09750991

VETPARTNERS GROUP FINANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT



VETPARTNERS GROUP FINANCE LIMITED

CONTENTS

Company Information	1
Strategic Report	2
Directors' Report	3 to 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 7
Profit and Loss Account	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 18

VETPARTNERS GROUP FINANCE LIMITED

COMPANY INFORMATION

Directors	W D Grout R Oliver
Registered office	Leeman House Station Business Park Holgate Park Drive York YO26 4GB
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

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2018

The directors present their strategic report for the year ended 30 June 2018.

Principal activity

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

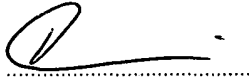
Fair review of the business

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 loss of £9,028 (2017 - £7,442). At 30 June 2018, the company had total assets less current liabilities of £216,186,369 (2017 - £24,824,328).

Principal risks and uncertainties

The management of the business and the execution of the strategy of the group to which the company belongs are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from both national and local providers of veterinary services and the UK macro-economic environment in which the business operates.

Approved by the Board on 29/3/19 and signed on its behalf by:



R Oliver
Director

VETPARTNERS GROUP FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report and the financial statements for the year ended 30 June 2018.

Directors of the company

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

W D Grout (appointed 5 April 2018)

J C Malone (resigned 29 November 2018)

R Oliver (appointed 5 April 2018)

M Stanworth (resigned 29 November 2018)

K L Cook (resigned 5 April 2018)

D T Lonsdale (resigned 5 April 2018)

N J Myerscough (resigned 15 May 2018)

P M Rattle (appointed 5 April 2018 and resigned 24 August 2018)

The following director was appointed after the year end:

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

Financial instruments

Objectives and policies

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

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

The company'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 the assumption that support from fellow group companies and its financiers will continue to be forthcoming for the foreseeable future. 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.

VETPARTNERS GROUP FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

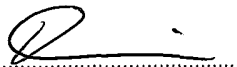
Disclosure of information to the auditors

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 29/3/19 and signed on its behalf by:



R 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 2018, 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 2018 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.

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.

VETPARTNERS GROUP FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VETPARTNERS GROUP FINANCE LIMITED

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 5, 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.

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

Date: 29 Mar 2019

VETPARTNERS GROUP FINANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 £	2017 £
Turnover		-	-
Administrative expenses		(1,198)	(2,518)
Exceptional administrative expenses	3	<u>(7,830)</u>	<u>(4,924)</u>
Operating loss		(9,028)	(7,442)
Other interest receivable and similar income	4	-	134,119
Interest payable and similar charges	5	<u>(8,107,774)</u>	<u>(2,500,720)</u>
Loss before tax		(8,116,802)	(2,374,043)
Taxation	7	<u>-</u>	<u>-</u>
Loss for the financial year and total comprehensive income		<u><u>(8,116,802)</u></u>	<u><u>(2,374,043)</u></u>

The above results were derived from continuing operations.


The notes on pages 11 to 18 form an integral part of these financial statements.

VETPARTNERS GROUP FINANCE LIMITED

**(REGISTRATION NUMBER: 09750991)
BALANCE SHEET AS AT 30 JUNE 2018**

	Note	2018 £	2017 £
Fixed assets			
Investments	8	<u>145,040,867</u>	<u>18,600,001</u>
Current assets			
Debtors: Amounts falling due within one year	9	75,994,074	2,554
Debtors: Amounts falling due after more than one year	9	-	5,912,752
Cash at bank and in hand		<u>13,613</u>	<u>319,667</u>
		76,007,687	6,234,973
Creditors: Amounts falling due within one year	10	<u>(4,862,185)</u>	<u>(10,646)</u>
Net current assets		<u>71,145,502</u>	<u>6,224,327</u>
Total assets less current liabilities		<u>216,186,369</u>	<u>24,824,328</u>
Creditors: Amounts falling due after more than one year	10	<u>224,993,414</u>	<u>25,514,571</u>
Capital and reserves			
Called up share capital	12	1	1
Retained earnings		<u>(8,807,046)</u>	<u>(690,244)</u>
Total equity		<u>(8,807,045)</u>	<u>(690,243)</u>
Total capital, reserves and long term liabilities		<u>216,186,369</u>	<u>24,824,328</u>

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



R Oliver
Director

The notes on pages 11 to 18 form an integral part of these financial statements:

VETPARTNERS GROUP FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	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>

	Share capital £	Retained earnings £	Total £
At 1 July 2016	1	1,683,799	1,683,800
Loss for the year	-	(2,374,043)	(2,374,043)
At 30 June 2017	<u>1</u>	<u>(690,244)</u>	<u>(690,243)</u>

The notes on pages 11 to 18 form an integral part of these financial statements.

VETPARTNERS GROUP FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1 General information

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

The address of its registered office is:

Leeman House
Station Business Park
Holgate Park Drive
York
YO26 4GB

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.

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.

VETPARTNERS GROUP FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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.

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.

VETPARTNERS GROUP FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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.

VETPARTNERS GROUP FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

3 Exceptional items

	2018 £	2017 £
Exceptional expenses	<u>7,830</u>	<u>4,924</u>

Exceptional costs in the prior year related to redundancy and restructuring costs.

4 Other interest receivable and similar income

	2018 £	2017 £
Interest income on investments	<u>-</u>	<u>134,119</u>

5 Interest payable and similar expenses

	2018 £	2017 £
Interest on preference shares	4,801,795	-
Interest expense on loan notes	3,227,552	2,486,480
Other finance costs	<u>78,427</u>	<u>14,240</u>
	<u>8,107,774</u>	<u>2,500,720</u>

6 Directors' remuneration

The directors' remuneration for the period was borne by a fellow group undertaking.

7 Taxation

Tax charged in the profit and loss account

	2018 £	2017 £
Current taxation		
UK corporation tax	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.75%).

The differences are reconciled below:

	2018 £	2017 £
Loss before tax	<u>(8,116,802)</u>	<u>(2,374,043)</u>
Corporation tax at standard rate	(1,542,192)	(468,873)
Effect of expense not deductible in determining taxable profit	1,383,443	368,306
Losses surrendered by way of group relief	<u>158,749</u>	<u>100,567</u>
Total tax charge	<u>-</u>	<u>-</u>

VETPARTNERS GROUP FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

8 Investments in subsidiaries, joint ventures and associates

	2018 £	2017 £
Investments in subsidiaries	<u>145,040,867</u>	<u>18,600,001</u>
Subsidiaries		£
Cost and carrying amount		
At 1 July 2017		18,600,001
Additions		<u>126,440,866</u>
At 30 June 2017		<u>18,600,001</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	
			2018	2017
Subsidiary undertakings				
VetPartners Group Limited	England and Wales	Ordinary	100%	100%

VetPartners Limited is owned indirectly via VetPartners Group Limited.

VetPartners Group Finance Limited holds 100% of the ordinary share capital of the following subsidiaries indirectly via VetPartners Group Limited via VetPartners Limited, all of which are registered in England and Wales except where indicated. The principal activity of each company is the provision of veterinary services except where indicated:

VetPartners Practices Limited
 R&S Dowding Limited
 Braid Vets Limited (registered in Scotland)
 Beechwood Veterinary Group Limited
 Eastfield Veterinary Clinic Limited
 Ashleigh Veterinary Clinic Limited
 The Elisabeth Huntenburg Veterinary Practice Limited
 Rutland House Surgery Limited
 Woodcroft Veterinary Group Limited
 Ashlands Veterinary Services (2006) Limited
 Hadrian Vets Limited
 Border Vets Limited (registered in Scotland)
 Wilson Veterinary Limited
 Prince Bishop Veterinary Centre Limited
 Southfields (Cheshire) Limited
 Chantry Vets Limited
 Robert Young (Kelso) Limited (registered in Scotland)
 David Ashworth Limited

VETPARTNERS GROUP FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

York Vets Limited
Littlecroft Vets Limited
Valley Vets Ltd
Veterinary Emergency Treatment Services Limited
Minster Veterinary Practice Limited
York Canine Hydrotherapy Limited (dormant)
Westway Veterinary Centres Limited
Vetsavers UK Limited (dormant)
Best Friends Group Limited
A & E Vets Limited (dormant)
Best Friends Veterinary Group Limited
Vetsavers Joint Venture Partnership Limited (dormant)

York Canine Hydrotherapy Limited is owned indirectly via Minster Veterinary Practice Limited. Veterinary Emergency Treatment Services Limited is owned indirectly via Valley Vets Limited. Caring Vets LLP is owned indirectly via NVH Limited. Vetsavers UK Limited is held indirectly via Westway Veterinary Centres Limited. A & E Vets Limited, Best Friends Veterinary Group Limited and Vetsavers Joint Venture Partnership Limited are all held indirectly via Best Friends Group Limited.

The following companies were acquired during the year.

Robin Lewis & Associates Limited (dormant)
Sapphire Imaging Limited
Nethan Valley Veterinary Centre Limited (registered in Scotland)
Wyre Forest Veterinary Centre Limited
Tameside Veterinary Clinic Limited
Mimram Veterinary Centre Limited
Natterjacks Vets Limited
Vets2You (dormant)
Uplands Way Vets Limited
Ash Tree Veterinary Practice Limited
Heywood Veterinary Centre Limited
Parker And Crowther Limited
Kinfauns Veterinary Centre Limited
Oak Tree Vet Centre Limited (registered in Scotland)
Sanctuary Vets Limited
Caerphilly Veterinary Clinic Limited
M Nelson Limited
Adelaide Clinic Limited
Severn Veterinary Centre Limited
Quarry Veterinary Clinic Limited
Bromyard Vets Limited
Meridian Veterinary Practice Limited
Gillervet Limited
Lancaster Veterinary Centre Limited
Forest Veterinary Centre Limited
Hampden Partners Limited
Beeston Animal Health Limited
Oakwood Veterinary Referrals Limited
Hale Veterinary Group Limited
Coastway (Hove) Limited
Anderson Abercromby Veterinary Referrals Limited
Ashlea Veterinary Centre Limited
NVH Limited
Caring Vets LLP

The principal activity of all companies is the provision of veterinary services, except for the companies noted as being indirectly owned above, which are all dormant.

VETPARTNERS GROUP FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

9 Debtors

	2018 £	2017 £
Amounts due from group undertakings	75,991,766	5,912,752
Other receivables	2,308	2,554
	<u>75,994,074</u>	<u>5,915,306</u>
Less non-current portion	-	(5,912,752)
Total current trade and other receivables	<u>75,994,074</u>	<u>2,554</u>

Details of non-current trade and other receivables

£Nil (2017 - £5,912,752) of amounts owed from group undertakings is classified as non-current.

10 Creditors

	Note	2018 £	2017 £
Due within one year			
Other payables		60,392	10,646
Accrued expenses		4,801,793	-
		<u>4,862,185</u>	<u>10,646</u>
Due after one year			
Loans and borrowings	11	224,993,414	24,721,523
Amounts owed to group undertakings		-	793,048
		<u>224,993,414</u>	<u>25,514,571</u>

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

11 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Redeemable preference shares	224,993,414	-
Loan notes	-	24,721,523
	<u>224,993,414</u>	<u>24,721,523</u>

Loan notes outstanding of £nil (2017 - £24,721,523) are stated net of costs associated with raising finance of £nil (2017 - £122,776). Included in the value of loan notes is interest accrued of £nil (2017 - £667,669). The loan notes are unsecured and interest is levied at a rate of 12% per annum. The loan notes are due for repayment in full in October 2020.

The preference shares, which are stated net of costs associated with raising finance of £2,006,586, 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 2018

12 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
B Ordinary shares of £0.001 (2017 - £1) each	1,000	1	1	1

New shares allotted

During the year 175,000,000 preference shares having an aggregate nominal value of £1 were allotted for an aggregate consideration of £1. These shares were allotted on 6 April 2018.

During the year 52,000,000 preference shares having an aggregate nominal value of £1 were allotted for an aggregate consideration of £1. These shares were allotted on 30 April 2018.

The 1 ordinary share of £1 was converted into 1000 B ordinary shares of 0.001p on 5 April 2018. Previously each share ranked equally for the payment of any dividends, this is still the case, but it is subject to the payment of the fixed cumulative cash preferential dividend to the preference shareholders. In addition on distributions of capital (including on winding up) the holders of the preference shares are paid first, then the A ordinary shareholders (not yet allocated) and the balance to the holders of the B ordinary shares. Non redeemable. Each share carries one vote on a written resolution; on a resolution on a show of hands; and on a resolution taken by poll.

13 Financial guarantee contracts

The company is bound by an intra-group cross guarantee in respect of bank debt with other members of the group headed by its ultimate parent undertaking, VetPartners UK Holdings Limited. The amount guaranteed is £234,000,000 (2017 - £94,000,000).

14 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.