Registration number: 10510862

IVC Acquisition Midco Ltd

Annual Report and Consolidated Financial Statements

for the Year Ended 30 September 2020

IVC Acquisition Midco Ltd

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IVC Acquisition Midco Ltd

Company Information

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IVC Acquisition Midco Ltd

Strategic Report for the Year Ended 30 September 2020

The directors present their Strategic Report together with the audited consolidated financial statements for IVC Acquisition Midco Ltd ("the Company") and its subsidiaries ("the Group") for the year ended 30 September 2020. This Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to IVC Acquisition Midco Ltd and its subsidiary undertakings when viewed as a whole.

Strategy and progress
IVC Acquisition Midco Ltd is an investment holding company of IVC Evidensia. It indirectly owns 1,536 sites (2019 - 1,345) of vet practices and crematoria across the United Kingdom and Europe through a number of subsidiaries. During the year, the Group continued its expansion plans and entered new markets such as Belgium.

What the IVC Evidensia Group does is driven by the Group's mission and informed by its core values. The Group's mission is to bring people together to make animal care better. The Group's strategy is to build the highest quality veterinary services group in the United Kingdom and Europe by the acquisition of high quality groups and practices, whilst continuing to grow existing practices organically. Ensuring excellent care, client satisfaction and staff fulfilment leads to sustainable and flourishing clinics. The practices are locally branded and led by clinically focused staff benefiting from enhanced buying, marketing, training and back office support.

At IVC Evidensia there is a shared common vision, customer promise, purpose and group strategy across all of the Group's operations throughout Europe, providing a full range of first opinion and referral veterinary care, online pharmacies and crematoria services. The Group is united by its unique values:

We care - We care for animals and people, keep our promises, treat each other with decency and respect.
We dare - We dare to innovate, encourage entrepreneurial thinking and identify opportunities to succeed in a changing world.
We share - We share knowledge, best practice and make decisions based on trust, dialogue, commitment and engagement.

The Group's whole business is built around six key principles:

Belief in people
The success of a practice is down to the individuals that work there. That is why the Group invests in continuous professional development for all IVC Evidensia staff.

Clinically led practices
The Group believes that the best practices are led by its vets and wants it to stay that way. That is why so much emphasis is placed on the Group's clinical boards.

Investment in your practice
The Group invests money in refurbishments, facilities, equipment and technology so that it can provide the best possible care for its patients.

An independent spirit
Your clinic is the heart of your community and the Group wants it to stay that way. The Group always keep the spirit of the original practice intact.

Strategy and progress (continued)

Exceptional care
The Group knows your primary concern is delivering the best possible care. That is why IVC Evidensia practices always put their patients first.

Sharing expertise
The Group is incredibly proud of the depth of talent among its referral clinicians, as well as their state-of-the-art facilities.

For more on the Group's ethical statement and how the directors apply this strategy with all stakeholders in mind, refer to the s172 statement on page 5.

Acquisitions are funded by a combination of funds from trading cash flows from subsidiaries, shareholders and debt facilities. In August 2020 the Group raised a £160m incremental term loan to pay down the outstanding revolving credit facility and to fund a strong near-term acquisition pipeline. The funding is shown on the Consolidated Statement of Financial Position and in the respective notes to the financial statements.

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

Review of the business
The results for the year which are set out in the Consolidated Statement of Profit or Loss show an operating profit of £91M (2019 - £28M) and a loss before tax of £73M (2019 - £115M). The losses are mainly because of the level of interest charges to service the Group's debt, which are not fully covered by operating profits. Turnover was £1,311M (2019 - £1,025M) and included £61M related to 2020 acquisitions.

Adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and other costs) the main profit measure reviewed by management was £221M (2019 - £132M) (see note 37).

During the year, the Group took advantage of certain Covid-19 government initiatives across Europe and was able to claim £19M (2019 - £Nil) of government support. This is shown net of associated costs in the Consolidated Statement of Profit or Loss. In addition, the Group was also able to defer £45M of payments in respect of VAT and payroll taxes which would otherwise have been due in current year. Of this, a minimum of £12M has to be paid by 30 September 2021 with the remainder needing being paid by 30 September 2022.

As at 30 September 2020, the Group had total assets less current liabilities of £2,698M (2019 - £2,446M) and net assets of £193M (2019 - £244M).

The directors are pleased with the results for the year, particularly given the impact the Covid-19 pandemic had on the third quarter of the year. Despite the impact of the Covid-19 pandemic, the results for the year are in line with managements expectations at the start of the year reflecting how well the business recovered from the impact and how resilient it is to economic downturns.

Principal risks and uncertainties
The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Group are considered to relate to competition from both national and local providers of veterinary services, for both custom and staff resources, the risk of a downturn in business as result of the impact of the Covid-19 pandemic, the risk of being unable to obtain supplies of drugs and medical products and risks associated with climate change.

Principal risks and uncertainties (continued)
The Covid-19 pandemic has led to recessions in all of the countries in which the Group operates. Recessions invariably lead to a reduction in consumer discretionary spend. However, the veterinary sector has historically been resilient to economic downturns as people continue spending on the welfare of their pets. The Group's diverse range of services and products, including referral centres, on-line sales and Pet Health Plans and its geographic spread mean that the business is fairly resistant to economic pressures. The Group adjusted the resources in practices and made necessary changes to processes in order for its sites to function during the Covid-19 pandemic and varying government lockdowns across different markets. The effect of these changes was demonstrated by the limited impact of the Covid-19 restrictions on the Group's trading after the reporting date.

The ability to source key pharmaceutical supplies and complying with changes in laws and regulations are also key risks that the business faces. If the continued impact of Covid-19 leads to key suppliers having to reduce operations, there may be extended delivery periods or increased costs for supplies which could reduce profitability. Although this situation has not arisen, to mitigate this ongoing risk, the Group has increased inventory levels.

Climate change is becoming an increased risk for the Group and the directors take this issue seriously. The success of the business over the long term will partly depend on how environmentally sustainable operations can become as well as economical. Climate risks include:

- Reputational risk if the Group does not reduce its environmental impact and carbon footprint across operations and supply chain and customers may go to a different provider.
- Climate change may produce extreme weather events affecting demand as people delay using the Group's services. Extreme weather could also cut off supply meaning the Group is unable to offer services.
- Stricter environmental legislation could affect the Group's competitiveness and cost of services. This in turn could reduce demand as well as limiting supply if governments deem that parts of the supply chain or operations are not environmentally sustainable.

To mitigate these risks, the Board is committed to producing an environmental strategy that will reduce the Group's environmental footprint over the long term and enhance the Group's reputation as an environmentally friendly vet. Although no formal non-financial environmental KPIs are monitored at present by the Board, the data has been assessed as to what will be used going forward, metrics defined and there is a strategy to reduce the carbon footprint.

In terms of extreme weather events, appropriate insurance is in place to deal with any loss of demand and damage. The geographically diverse range of locations of clinics across the countries in which IVC Evidensia offers services and purchases supplies, does mitigate the risk of significant disruption to activities from extreme weather events.

Key performance indicators
Given the nature of the business, the Group's directors are of the opinion that key performance indicators are important. The Group uses a number of indicators to monitor and improve the development, performance and the position of the business. Indicators are reviewed and altered to meet changes in both the internal and external environments. The three main KPIs are like for like sales, the number of acquisitions during the year and the increase in adjusted EBITDA which can be found on page 3 and note 37. The Group's directors are pleased to announce that the like for like sales grew by 6.7% (2019 - 8.1%) and the number of acquisitions in the year was 141 (2019 - 164), adding 230 (2019 - 336) practices to the Group. Adjusted EBITDA increased by 66.58% (2019 – 59.14%) as a result of this acquisition growth and strong organic growth.

Section 172 (1) statement
The directors of the Group are required to act in accordance with the duties detailed in section 172 of the Companies Act 2006, which are summarised as follows:

A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) The likely consequences of any decision in the long term;
b) The interest of the company's employees;
c) The need to foster the company's business relationships with suppliers, customers and others;
d) The impact of the company's operations on the community and the environment;
e) The desirability of the company maintaining a reputation for high standards of business conduct; and
f) The need to act fairly as between members of the company.

The statement below sets out how the directors have acted in accordance with these duties.

Financial position and ethical statement
The directors have established procedures that enable them to be informed on a regular basis as to:

- The financial position of the Group, including assets and liabilities, profits and losses;
- Projected profitability, cash flows and funding requirements;
- The financial procedures in place for all Group companies; and
- The controls in place for all Group companies.

These procedures provide the basis on which the board can make decisions and take action, steps underpinned by the IVC Evidensia Ethical Statement, which outlines the values and responsibilities of the Group. This entails behaving ethically in all aspects of business and caring for the environment. The Group sets good examples in the way employees and business partner's act towards each other, always respecting laws and regulations in the countries the Group does business. The Ethical Statement has been adopted by the Board and responsibility for compliance rests with the whole Group. The statement is the foundation of the trust that is established with all of the Group's stakeholders.

The Board identified its stakeholders by assessing which resources are relied upon to deliver the Group's strategy (which is set out on pages 2 and 3). Stakeholders that the directors identified from this process comprise seven categories. These are outlined below with an overview of their interests, their concerns, how the Board communicates with them and the ways in which the Board has acted with regard to these groups when taking key decisions throughout the year.

Customers
The Board initiates the design, implementation and regular review of a platform of care that promotes the welfare of animals the Group treats, adhering to all relevant national legislation. Customers expect the highest clinical standards and care to be observed. When a clinic joins IVC Evidensia, its staff are trained in safety and clinical standards to ensure animals receive care of a consistently high standard. The IVC Evidensia Hygiene Booklet was created by the Board to ensure hygiene safety in the clinics is maintained at consistently high levels.

To ensure clinical excellence across the Group, Clinical Boards are established in each country the Group operates in, which review clinical procedures and ensure clinical guidance reflects best practice. These country boards are overseen by the Group Veterinary Medical Board. This guides the Group on matters of ethics or professional standards, making recommendations on matters such as laboratory quality, education, hygiene, anti-microbial resistance and professional conduct, as well as promoting an exchange of ideas between countries.

Section 172 (1) statement (continued)

Customers (continued)

During the year, the Board communicates with its customers by receiving updates on key customer issues at its regular board meetings and members of the Board attend site visits so they can hear first-hand about customer concerns. The Board also reviews customer feedback through social media channels, surveys and mail and this helps to inform its actions. For example, IVC Evidensia tracks and scores highly in customer net promoter score surveys (an average score of 93.0 during the year) and in customer 'Onswitch' surveys. Based on these communications, the Board takes appropriate actions to make sure its customers are in its highest regard such as the nutrition programme based on consumer feedback mentioned below.

This year, the Board reluctantly took a decision to temporarily close a limited number of vet practices during the main period of the Covid-19 pandemic, for the safety of customers and staff. Social distancing policies, additional protective personal equipment was sourced and provided to all surgeries and other safety measures were implemented before clinics were re-opened (see Other Stakeholders section below for more detail). Other decisions that show the Board have the highest regard for its customers include the adoption of a new nutrition programme this year to support improved health of customers' pets. Insurance initiatives and healthcare plans, such as the Pet Health Club in the United Kingdom, are also offered to customers to help provide visibility of costs throughout the year.

Recently IVC Evidensia launched a Care Fund, to assist customers who could not otherwise afford lifesaving treatment for their animal. This not only protects animal welfare it also protects the well-being of customers and staff by providing support to an often challenging and immensely stressful decision making process. This was introduced following feedback from staff and, in turn, from customers.

Employees

The ethical statement commits the Group to provide a safe, happy and secure work environment where all of its people are treated with care, respect, empathy and kindness.

Vets joining IVC Evidensia gain access to regular training, clinical guidance and are supported in health and safety, human resources, finance and marketing activities. This enables them to focus on the clinical aspects of their work, and for many this is a key motivation in joining IVC Evidensia. The Board takes their interests into account by making vets part of a professional network of clinics, providing training via the IVC Evidensia Academy and setting standards via the in-country clinical boards.

The Board had employees' and customers' safety interests as its highest priority during the Covid-19 pandemic. Safety equipment was quickly put in place, clinical operating procedures were changed, and support provided so that office staff could work from home. The Group complies with the local statutory guidance on managing the risk of Covid-19 and carried out a Covid-19 risk assessment. Cleaning, handwashing and hygiene procedures are all performed in line with that guidance and the Board has taken all reasonable steps to help people work from home and maintain social distancing in the office or practice workplaces. The Board acted swiftly by furloughing staff where required to protect their roles for the future during periods of reduced activity.

The Board also showed its commitment to the mental wellbeing of staff by developing a mental health strategy in conjunction with Mental Health First Aid England. A Wellbeing week held in November 2019 was highly successful with mass staff participation at the support centre in Keynsham, United Kingdom. Support for the LGBT+ community within the Group is provided through wellbeing champions and the Group also makes a counselling service available to all employees.

Section 172 (1) statement (continued)

Employees (continued)

The Board communicates key messages and Group performance with its staff through monthly meetings where questions are asked by employees and via bi-weekly video newsletters sent to all employees. In addition, there are regular meetings coordinated throughout the Group, based on areas of interest or specialism, for example the farm animal clinical directors' meetings. This gives clinicians an opportunity to share experience and best practice. Based on these communications, the Board changes staff policy appropriately.

Suppliers

The Board is committed to the fair treatment of suppliers and is committed to paying within agreed terms of credit. Operations teams build strong relationships with suppliers to develop mutually beneficial and lasting partnerships, engaging through regular interactions and formal reviews.

The Board recognises that relationships with suppliers are important to the Group's long-term success. It communicates with them by being briefed on supplier feedback and issues on a regular basis. Based on these communications, the Board adjusts certain practices with suppliers in order to improve its supply chain. The Group's ethical statement prohibits engagement with corruption or bribery and a zero-tolerance policy towards suppliers is taken with this.

Environment

The ethical statement commits the board to act and implement procedures that minimise the impact the business has on the environment and to develop relationships with suppliers who share this ideal. This was shown, to a great extent, in Sweden where the business has committed to not only being carbon neutral, but "climate-positive".

The Group set up a "Green Team" in its support centre in the United Kingdom which looks at initiatives to reduce the Group's carbon footprint and improve the environment. Examples of initiatives introduced include encouraging staff to join community litter picking activities and the sharing of vegan recipes to help staff reduce their carbon footprint through their diet.

Community

The Board takes the interests of the community and its social responsibility very seriously. This is illustrated to a global extent when the Group provided a quick response to the Australian bushfires in January 2020, taking a decision to fully fund teams of the Group's vets and nurses to work in Australia to aid wildlife recovery.

Nearer to home, the Group considers the social impact its business has on local communities and puts in policies and strategies in relation to this. At the United Kingdom support centre in Keynsham, local animal charities are supported with frequent fund-raising activities. In Finland, the Evidensia Rauma clinic agreed to neuter cats at the local animal shelter for cost price, thereby making them suitable for adoption. In addition to providing direct employment to c. 19,770 people, IVC Evidensia has invested in its Vets Graduate Academy, with an intake this year of 400, and its Nurse Academy.

The Board communicates with its community through senior management attending local community forums such as the Somerdale community forum at its support centre at Keynsham. This has led to the Board changing its policies in the community such as local fundraisers.

Section 172 (1) statement (continued)

Investors

The Group is funded by a mixture of equity and loan finance, meaning the Board has to consider the interests of both shareholders and lenders. The Board is committed to providing its stakeholders with sustainable, profitable growth over the longer term. This is underpinned by the Group's highly acquisitive strategy. During the year the Board took the decision to refresh the Group's Revolving Credit Facility, thereby providing funding for future acquisitions whilst maintaining liquidity for protection of the business through the pandemic, ensuring the Group had sufficient cash and working capital.

Encouraging practices to join the Group's network increases its purchasing power and economies of scale, allowing investment into existing and new surgeries. The Group can then offer customers access to a greater range of treatments. In addition, this creates increased shareholder returns. The Board has expanded into new countries such as Belgium this year and also invested in new veterinary areas such as the large France hospital acquisition (Fregis) to unlock new markets and develop revenue streams.

The Board also made the difficult decision undertaking a limited scope redundancy programme in its United Kingdom support office.

The Group has an open dialogue with shareholders and lenders through email communication, individual and Group meetings. Discussions cover a wide range of topics including financial performance, strategy, outlook, governance and ethical practices.

Government and regulators

The Group regularly interacts with local governments and regulators in each market to ensure animal safety is maintained in the Group's practices.

The Group regularly communicates with the respective regulators in a variety of ways through its Group Veterinary Medical Board and national Clinical Boards in each market.

Illustration of how the Board considers all stakeholder views in its acquisition strategy

The Group has continued its highly acquisitive strategy this year by purchasing another 230 sites. The Group had 1,331 sites at the start of the year and now has 1,536 sites across the United Kingdom and Europe. The Board considers all stakeholders' interests as part of its acquisition strategy.

Employees benefit through the acquisition strategy. Employees have access to a professional network with high quality training and this can be achieved by being part of a bigger group. In addition, as the Group increases its economies of scale, further investment can be made into existing surgeries, increasing the range of treatment made available. Customers want their pet to have the highest care possible and this is achieved by bringing sites into the Group where vets can access the highest safety and hygiene standards as well as access to more referral centres. This means that the customer can get high quality care by sending its animal to a vet in a larger network.

Suppliers can also benefit from the Group's acquisition strategy. They want to access more vets and can achieve higher volumes by the Group acquiring further sites. Investors seek a return on their investment, and this is in part achieved by purchasing more sites and increasing the scale of operations.

Future developments

The Group plans to continue with its strategy of acquiring high quality veterinary practices. The Group has funding facilities in place for its immediate pipeline of acquisitions following a further successful refinance in August 2020. The Board has considered the continued impact of the Covid-19 pandemic and is satisfied that the Group has sufficient levels of inventory to avoid disruption to operations and has changed processes to cope with any existing or future national or local lockdowns. Although there is a risk that economies will be adversely affected by the continued effects of the Covid-19 pandemic, the veterinary sector has proven resilient to economic downturns. Therefore, the Board remains confident about future trading.

Approved by the board on 01/06/2021 and signed on its behalf by:

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M A Gillings

Director

IVC Acquisition Midco Ltd

Directors' Report for the Year Ended 30 September 2020

The directors present their Annual Report together with the audited consolidated financial statements for IVC Acquisition Midco Ltd ("the Company") and its subsidiaries ("the Group") for the year ended 30 September 2020.

There have been a number of acquisitions in the UK and Europe during the year creating a Group of 1,536 practices as at 30 September 2020 (2019 - 1,331).

The results for the year ended 30 September 2020 show turnover of £1,311M (2019 - £1,025M) and Group adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and exceptional costs) of £221M (2019 - £132M) (see note 37). Loss before tax for the year ended 30 September 2020 was £73M (2019 - £115M).

Principal activity
The principal activity of the Group is that of the provision of veterinary services in the United Kingdom and Europe.

The principal activity of the Company is that of a non-trading holding company. The Company was established to play a role in funding the Group's acquisition strategy of independent veterinary groups that provide high quality care. A full list of subsidiaries is detailed in note 38.

Directors of the Company

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

S M Clarke (appointed 12 May 2020)
A Farahani
P G Franzen
M A Gillings
D R G Hillier (resigned 2 March 2020)
P M Kenyon (appointed 24 January 2020)

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

Dividends
The directors do not propose the payment of a dividend in the current year or prior year.

Political and other donations
There were no political or other donations during the current year or prior year.

As outlined in the Strategic Report, the Group supports a number of charities by providing resources, the cost of which is not practically quantifiable.

Going concern

The financial statements include details of the financial position of the Group, its cash flows, liquidity position and borrowing. In addition, the notes to the financial statements include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit risk and liquidity risk.

The Group meets its day-to-day working capital requirements through operating cash flows and its acquisition requirements through senior debt facilities. The Group's forecasts and projections, covering a period of at least 12 months from the approval of these financial statements, show that the Group should be able to operate within the level of its current debt facilities. After taking account of reasonably possible changes in trading performance, no material uncertainty exists regarding covenant compliance on the existing facilities shown in note 21 of the financial statements.

As part of the going concern assessment, the Group modelled various scenarios including the impact of reasonable possible changes related to the Covid-19 pandemic. These reflected the learnings and changes implemented as a result of the pandemic thus far and Government initiatives or grants were assumed to be unavailable. It was assumed that the impact will be less severe than the first wave, as, since that point in time:

- The industry regulators have accepted that the veterinary sector is an essential service so restrictions on services would be minimal.
- Clinics would remain open having the personal, protective equipment they need and having tried and tested alternative working procedures in place.
- Following the first national lockdown that ended in July 2020, the Group has seen no significant impact on revenue in areas which have been subject to subsequent local lockdowns, indicating that the actions taken by the Group, and the reaction of customers, has been such that trading at or above pre-lockdown levels will continue despite further lockdowns.

The sensitives applied were as follows:

- impact of Brexit in the form of delays in receiving inventory;
- increase in bank interest rates by 1%;
- a devaluation of GBP vs Swedish Krona/Euro by 10%; and
- a reduction of revenue corresponding to 25% of FY20 revenue with a reduction in Gross profit at the same margin as FY20 and assuming no additional Covid-19 initiatives are available

The sensitivity analyses showed that the Group would still have sufficient cash flows to allow it to service its debt and settle trading liabilities, and comply with covenant requirements under its banking facilities for a period of at least 12 months from the date of signing of the financial statements.

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

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

Employee engagement
The Group encourages the involvement of employees with information being provided on matters that concern them in regular meetings, email communications and through the Group's intranet. Regular consultations are conducted with employees on matters affecting them through team and one to one meetings. Staff appraisals are also performed twice a year in connection with this. To encourage employee involvement in the Group's performance, certain employees participate in bonus schemes linked to performance. To make employees aware of financial and economic factors affecting the performance of the Group, regular meetings, webcasts and consultations happen as mentioned above.

For more detail on how the Group engages with its employees, refer to the S172 (1) statement on pages 5 to 8.

Engagement with suppliers, customers and others
For more detail on how the Group engages with its suppliers and customers, refer to the Section 172 (1) statement on pages 5 to 8.

For more detail, refer to page 2 in the Strategic Report.

Energy and carbon reporting

Total UK energy use
The Board is delighted to disclose its energy and emission figures for the first time in its annual report and accounts.

For the year ended 30 September 2020, the Group consumed 6,658 tonnes of $CO2$ emissions in the UK* resulting from the purchase of electricity for its own use, including for the purposes of transport.

During the same period, the Group consumed 5,542 tonnes of $CO2$ emissions in the UK* from stationary or mobile activities for which business is responsible involving the combustion of gas.

Also in the same period, the Group consumed 788 tonnes of $CO2$ emissions in the UK* from activities for which the Group is responsible, involving the consumption of fuel for the purposes of transport.

This meant the Group consumed 62,356,761kWhs as a result of electricity, gas and transport consumption in the United Kingdom as defined above. The above equates to 0.0190 Kg $CO2$ emissions for every £1 of revenue that the Group earns.

In order to calculate these figures, the Group had to pro-rate energy consumption for gas and electricity from a sample of offices and practices. This is because the UK business has recently changed energy suppliers and not all information was available when surgeries were on many different provider platforms. Consumption relating to transport was extracted from the United Kingdom's expenses system.

Energy and carbon reporting (continued)

Total UK energy use (continued)
During the year, the Group made energy efficiency measures to help bring down the Group's carbon emissions. For more details on this, see the Section 172 (1) statement on page 7.

**The above figures only include companies in the United Kingdom that were not exempt from the requirements. Therefore the figures only include Independent Vetcare Limited and Vets Now Emergency Limited. These two companies make up 82% of the United Kingdom revenue so is the vast majority of the United Kingdom business.*

Events after the reporting period

On 9 February it was announced that, as part of its long-term commitment to IVC, EQT Private Equity is making a substantial 15% investment through its EQT IX fund, and with the transaction EQT VII fund is partially exiting its stake but will remain invested in the company. In addition, Silver Lake, a leading global technology investment firm, will be making a new 15% minority investment in IVC to help further unlock and accelerate growth from digital and technology opportunities. Lastly, Nestlé, which joined EQT Private Equity in 2019 as a minority investor and strategic partner, is also increasing its minority stake in IVC by 5% as part of this transaction. The transaction completed on 25 May 2021.

Also as part of this transaction, Islay New Group Holding SA, a company registered in Luxembourg acquired the entire shareholding of IVC New Top Holding S.A. (an indirect parent company of the Company) which was controlled by Browne Holding S.à.r.l. As no shareholder owns more than 50% of Islay New Group Holding SA, Islay New Group Holding SA became the new ultimate parent company from 25 May 2021.

During the period from 1 October 2020 through to 12 May 2021 the Group has entered into agreements to acquire 100% of the issued shares or trade and net assets of 28 additional veterinary practices within the United Kingdom. The aggregate enterprise value of these acquisitions totals £134,178,000.

During the period from 1 October 2020 through to 12 May 2021 the Group has entered into agreements to acquire either 100% of the issued shares of certain acquisitions or 49% of the issued shares for acquisitions in France, or the trade and net assets of 67 additional veterinary practices throughout Europe. The aggregate enterprise value of these acquisitions totals £112,305,000. Subsequent to 30 September 2020 the Group has acquired a veterinary practice in Spain. This was the first acquisition within the country.

For further details on these acquisitions refer to note 32 of the financial statements. There have been no material acquisitions between 12 May 2021 and the date of signing of the consolidated financial statements.

On 20 April 2021, the Group refinanced its loans and borrowings. The Group drew down additional borrowing on a new B3 Facility (GBP) and B4 Facility (EUR) that amounted to £219m and £318m respectively. This was used to repay the drawn down revolving credit facility of £185m plus interest of £1m. Fees associated with refinancing amounted to £5m and the additional borrowing was used to pay these. The funds were also used to repay existing B2 Facility lenders who wished to exit and this amounted to £96m.

Additionally, the funds were used to repay the Payment In Kind debt in the Company's immediate parent undertaking, IVC Acquisition Pikco which amounted to £232m at this date. The amounts owed to the immediate parent undertaking reduced by £232m because of this. The remainder of the unused additional borrowing was received in Cash of £17m. Subsequently the B1 Facility (GBP) £602m and the remaining B2 Facility (EUR) £430m were merged into the new B3 Facility (GBP) and B4 Facility (EUR) resulting in total loan values at 20 April 2021 of B3 Facility (GBP) £821m and B4 Facility (EUR) £748m. A new revolving credit facility was also agreed and this was undrawn at £348m.

Principal risks

The Group faces a diverse range of risks and uncertainties. Risks which have the potential to have a material impact on the business have been identifies as principal risks. Management, through its Executive Risk Control Group, has carried out a robust assessment of the principal risks facing the Group.

The Group's approach to holistic risk management is designed to encourage clear decision making on which risks the Group takes and how it manage these risks. Fundamental to this process is a sound understanding of every risk's potential strategic, commercial, financial, compliance, legal and reputational implications.

The Group will endeavour to ensure that it has effective risk management processes in place to support the delivery of strategic priorities. This will enable the Group to meet the expectations of its stakeholders and uphold its values. Emerging risks will continue to be monitored as part of ongoing risk management processes as the Group strives to embed sound risk management in its strategic planning, budgeting and performance management processes.

Strategic = S   Financial = F   Operational = O   Regulatory = R

Principal Risk		Context	Mitigation
The Group may fail to continue to successfully implement its acquisition strategy	S	Mergers and acquisitions remain key to the strategic growth plan	The Group has developed a proven integration strategy where material synergies are immediately available from day 1
Failure to adequately identify and manage risks	S	A lack of effective risk management acts against identifying risks early.	The Group has recruited a Risk and Internal Audit Director to develop and embed an appropriate framework and culture of enterprise risk management across the Group.
Failure to recognise and respond to the impact of competitor activity	S	There could be a change in the competitive environment	Competitor activity is closely monitored and normal executional risks managed to optimise value creation.
Impact of shifting consumer trends	S	Economic and consumer landscapes have drastically changed in 2020	Consumer trends are monitored continuously to enable the Executive to anticipate and respond agilely to changing consumer habits.
Inability to attract, retain and enhance the calibre and build the necessary depth of talent required	S	It is critical to the continued growth and success of the Group that it is able to attract and retain key talent	The Executive has been strengthened with a new CEO, CFO, HR Director and Chief Marketing Officer. Experienced talent has been recruited in key functional support areas.
Breach of data privacy compliance	R	A breach of UK and EU privacy laws could result in reputational damage and potentially punitive fines.	A Data Protection Officer / Head of Compliance has been hired and a robust data privacy programme initiated and in flight
Failure to implement appropriate corporate governance	R	A UK company of the size of IVCE should align to the principles of an appropriate code of corporate governance.	The Group is moving to alignment with Waites Principles as a precursor to compliance with the UK Code of Corporate Governance in the longer term.

Principal risks (continued)

Strategic = S Financial = F Operational = O Regulatory = R

Principal Risk		Context	Mitigation
Breach of anti-bribery, corruption and AML regulations	R	A breach of statutory regulations could result in reputational damage and potentially punitive fines	The Group has initiated a holistic compliance programme to bring it to general compliance with a number of regulations including anti-bribery and corruption, AML, code of conduct and anti modern slavery
Failure to monitor and respond to changing veterinary regulatory landscape	R	Changes to the veterinary regulatory landscape impacting the industry may present challenges to the Group's strategy and service offer.	The impact of current and future general regulatory changes is being currently assessed in detail and plans developed accordingly through GVMB in liaison with the RCVS
Banking covenant breach	F	A breach of covenants agreed with lending banks could jeopardise the continuation of necessary banking facilities	Actual and forecast leverage is monitored monthly by the finance (Group) team to identify trends and prompt appropriate action.
Potential for fraud due to gaps in financial controls	F	A major fraud would damage the company financially and could do irreparable damage to its reputation.	A risk assessment of all key financial processes and controls has been conducted and potential gaps are being addressed and will be regularly tested by Internal Audit
Breach of compliance with payroll regulations	F	Non-compliance with payroll regulations can be reputationally damaging and result in punitive fines	Current payroll system requires manual interventions which could result in calculation errors. Funding has been agreed to replace this system in due course
A failure to effectively manage business disruption	O	Business disruption can be caused by a number of factors including economic downturn, pandemics, Brexit and other major incidents	The Group has developed a crisis management framework which is being invoked in navigating it through Covid-19 and the potential impact of Brexit. The minimal impact of Covid-19 has further shown the resilience of the veterinary sector.
The Group may be unable to recruit or retain veterinarians and clinical staffing in the face shortages and competition for their services.	O	This could impact on practices' ability to deliver acceptable levels of service to clients, jeopardising growth and benefitting competitors	A number of short, medium, and longer-term initiatives are in progress and being considered to address this risk. A pipeline of talent will continue to be built through the Graduate Academy
Cyber security breach	O	Breaches of the Group's information technology could have a material adverse effect on the Group's reputation and operations	The Group has recruited a Head of Cyber Security and embarked on a security improvement programme to address areas of immediate concern based on business risk and to align IVCE's security controls with the appropriate UK-government standards in the longer term

Principal risks (continued)

Strategic = S Financial = F Operational = O Regulatory = R			
Principal Risk		Context	Mitigation
IT systems stability	O	Failures of the Group's information technology systems, including failures resulting from systems conversions, may unduly disrupt the Group's operations	Critical systems are robust and have system recovery plans detailing procedures required to restore service in line with business agreed targets. The frequency of regular testing is determined by criticality of each system

Financial risk management objectives and policies
Apart from the Principal Risks summarised above, the Group's risk management policies are established to identify and analyse financial risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group is exposed to credit risk, market risk and liquidity risk from its use of financial instruments. The Group's objective, policies and processes for managing those risks are described in further detail in note 27 to the financial statements.

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

Credit risk
The Group is exposed to credit risk from cash and cash equivalents with banks and financial institutions. The Group has policies in place to ensure that that banks used for financing hold an acceptable risk rating by independent parties.

The Group is also exposed to credit risk on its trade receivables. Trade receivables consist of a large number of customers.

Foreign currency risk
There is a risk that significant fluctuations in European currencies causes an adverse impact on the Group's profitability or ability to pay key suppliers or lenders. The Group mitigates this risk by having a portion of its debt in Euros so any weakening of the Euro which leads to lower profitability also leads to reduced debt for the Group.

Liquidity risk
The Group's policy is to ensure that it will always have sufficient cash to allow it to meets its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements.

For further details on credit risk, foreign currency risks and liquidity risk see note 27.

Information included in the Strategic Report
The Strategic Report includes a summary of the likely future developments in the business of the Company and Group.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of the financial statements confirms that:

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(2) the director has taken all steps he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditor

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the board on 01/06/2021 and signed on its behalf by:

....

M A Gillings

Director

IVC Acquisition Midco Ltd

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual 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 Group financial statements in accordance with International Accounting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006 and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 Group and Company and of the profit or loss of the Company for that period.

In preparing the Company financial statements, the directors are required to:

- select suitable accounting policies 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provides additional disclosures when compliance with a specific requirement in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. The directors consider the Annual Report and the financial statements, taken as a whole provides the information necessary to assess the Company's performance, business model and strategy and is fair, balanced and understandable.

IVC Acquisition Midco Ltd

Independent Auditor's Report to the Members of IVC Acquisition Midco Ltd

Opinion

In our opinion:

- the financial statements of IVC Acquisition Midco Ltd (the 'parent Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30th September 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements for the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of profit or loss;
- the consolidated statement of comprehensive income;
- the consolidated and parent Company statement of financial position;
- the consolidated and parent Company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 38.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions 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 Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters 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 Group's or the parent 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.

We have nothing to report in respect of these matters.

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 respect of these matters.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, 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 Group's and the parent 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 Group or the parent 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

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.

In the light of the knowledge and understanding of the Group and of the parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Independent Auditor's Report to the Members of IVC Acquisition Midco Ltd (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

We have nothing to report in respect of these matters.

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.

Andrew Wright

....

Andrew Wright (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom

Date: 1 June 2021

IVC Acquisition Midco Ltd

Consolidated Statement of Profit or Loss for the Year Ended 30 September 2020

	Note	2020 £'000	2019 £'000	2018 £'000
Revenue	5	1,311,097	1,025,283	668,407
Cost of sales	6	(763,802)	(625,325)	(414,504)
Gross profit		547,295	399,958	253,903
Other operating income	7	10,753	6,787	3,872
Administrative expenses	6	(467,193)	(378,465)	(261,181)
Operating profit/(loss)		90,855	28,280	(3,406)
Finance expense	11	(185,452)	(159,889)	(102,012)
Finance income	11	17,368	173	3,355
Revaluation of financial instruments	23	4,685	16,533	-
Share of profit of equity accounted associates		-	76	17
Loss before tax		(72,544)	(114,827)	(102,046)
Tax credit	12	7,124	3,784	3,695
Loss for the year		(65,420)	(111,043)	(98,351)
Attributable to:				
Owners of the parent		(65,039)	(111,076)	(98,333)
Non-controlling interest		(381)	33	(18)
Loss for the year		(65,420)	(111,043)	(98,351)

The above results were derived from continuing operations.

The notes on pages 33 to 194 form part of these financial statements.

IVC Acquisition Midco Ltd

Consolidated Statement of Comprehensive Income
For the Year Ended 30 September 2020

	Note	For the year ended 30 September		
		2020	2019	2018
		£'000	£'000	£'000
Loss for the year		(65,420)	(111,043)	(98,351)
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss net of tax:				
Remeasurements of defined benefit pension schemes	28	(38)	(827)	(16)
Items that may be reclassified subsequently to profit or loss net of tax:				
Exchange differences on translation of foreign operations £'000 (net of tax expense of £535 for 2020, tax credit of £61 for 2019 and tax expense of £38 for 2018)		9,312	(10,089)	(8,020)
Other comprehensive income/(loss) for the year net of tax		9,274	(10,916)	(8,036)
Total comprehensive loss for the year		(56,146)	(121,959)	(106,387)
Total comprehensive income/(loss) for the year attributable to:				
Owners of the parent		(56,146)	(121,992)	(106,370)
Non-controlling interest		-	33	(17)
		(56,146)	(121,959)	(106,387)

The notes on pages 33 to 194 form part of these financial statements.

IVC Acquisition Midco Ltd

(Company number: 10510862)
Consolidated Statement of Financial Position as at 30 September 2020

	Note	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Assets					
Non-current assets					
Property, plant and equipment	13	464,551	424,410	313,046	223,783
Goodwill	16	2,020,342	1,781,907	1,347,752	1,004,539
Other intangible assets	15	272,064	216,159	100,901	-
Investments in equity accounted associates	17	-	32	-	-
Other investments	17	245	27	27	2,735
Total non-current assets		2,757,202	2,422,535	1,761,726	1,231,057
Current assets					
Inventories	18	40,484	37,322	22,271	15,035
Trade and other receivables	19	149,418	135,931	91,969	58,468
Income tax receivable		3,727	678	1,250	-
Cash and cash equivalents		219,514	209,789	116,057	101,001
Total current assets		413,143	383,720	231,547	174,504
Total assets		3,170,345	2,806,255	1,993,273	1,405,561
Liabilities					
Current liabilities					
Trade and other payables	20	(352,098)	(283,196)	(841,939)	(620,436)
Loans and borrowings	21	-	-	-	(2)
Lease liabilities	14	(45,543)	(29,826)	(27,726)	(19,741)
Income tax payable		(3,687)	(5,573)	(822)	(1,237)
Employee benefit liabilities	22	(17,403)	(7,912)	(9,567)	(9,672)
Contingent consideration	23	(53,710)	(33,750)	(5,857)	(5,729)
Total current liabilities		(472,441)	(360,257)	(885,911)	(656,817)
Non-current liabilities					
Trade and other payables	20	(756,604)	(637,232)	-	-
Loans and borrowings	21	(1,374,521)	(1,202,127)	(832,098)	(451,869)
Lease liabilities	14	(296,054)	(281,604)	(213,699)	(151,811)
Deferred tax liability	24	(46,655)	(36,925)	(17,267)	(668)
Employee benefit liabilities	22, 28	(3,034)	(2,251)	(1,291)	(1,187)
Contingent consideration	23	(27,762)	(41,589)	(16,773)	(10,588)
Total non-current liabilities		(2,504,630)	(2,201,728)	(1,081,128)	(616,123)

IVC Acquisition Midco Ltd

(Company number: 10510862)
Consolidated Statement of Financial Position as at 30 September 2020 (continued)

	Note	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Total liabilities		(2,977,071)	(2,561,985)	(1,967,039)	(1,272,940)
NET ASSETS		193,274	244,270	26,234	132,621
Equity					
Share capital	25	9,568	9,568	9,568	9,568
Share premium reserve	25, 26	645,599	569,178	300,416	300,416
Consideration received for shares to be issued	26	-	71,271	-	-
Translation reserve	26	(5,056)	(13,987)	(3,898)	4,123
Accumulated deficit	26	(456,815)	(391,738)	(279,835)	(181,486)
Equity attributable to the owners of the parent		193,296	244,292	26,251	132,621
Non-controlling interests		(22)	(22)	(17)	-
TOTAL EQUITY		193,274	244,270	26,234	132,621

The financial statements were approved by the board of directors and authorised for issue and signed on its behalf by:

....
M A Gillings
Director

Date: 01/06/2021

The notes on pages 33 to 194 form part of these financial statements.

IVC Acquisition Midco Ltd

(Company number: 10510862)
Company Statement of Financial Position as at 30 September 2020

	Note	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
Assets				
Non-current assets				
Investments in subsidiaries	17	655,167	650,017	290,309
Total non-current assets		655,167	650,017	290,309
Current assets				
Trade and other receivables	19	735,440	662,372	596,623
Total current assets		735,440	662,372	596,623
Total assets		1,390,607	1,312,389	886,932
Liabilities				
Current liabilities				
Trade and other payables	20	(27,948)	(25,155)	(596,634)
Total current liabilities		(27,948)	(25,155)	(596,634)
Non-current liabilities				
Trade and other payables	20	(707,527)	(637,232)	-
Total non-current liabilities		(707,527)	(637,232)	-
Total liabilities		(735,475)	(662,387)	(596,634)
NET ASSETS		655,132	650,002	290,298
Equity				
Share capital	25	9,568	9,568	9,568
Share premium reserve	25, 26	645,599	569,178	300,416
Consideration received for shares to be issued	26	-	71,271	-
Accumulated deficit	26	(35)	(15)	(19,686)
TOTAL EQUITY		655,132	650,002	290,298

The Company has taken advantage of the exemption allowed under section 408 for the Companies Act 2006 and has not presented its own Statement of Profit or Loss or Statement of Comprehensive Income. The loss of the Company for the year was £20,000 (2019 – profit of £19,671,000, 2018 - profit of £86,924,000).

The financial statements were approved by the board of directors and authorised for issue and signed on its behalf by:

....

M A Gillings

Director
Date: 01/06/2021
The notes on pages 33 to 194 form part of these financial statements.

IVC Acquisition Midco Ltd

Consolidated Statement of Changes in Equity as at 30 September 2020

	Share capital £'000	Share premium £'000	Consideration received for shares to be issued £'000	Translation reserve £'000	Accumulated deficit £'000	Total attributable to equity holders of parent £'000	Non-controlling interests £'000	Total Equity £'000
Balance at 1 October 2019	9,568	569,178	71,271	(13,987)	(391,738)	244,292	(22)	244,270
Comprehensive income/(loss) for the year								
Loss for the year	-	-	-	-	(65,039)	(65,039)	(381)	(65,420)
Other comprehensive income/(loss) for the year	-	-	-	8,931	(38)	8,893	381	9,274
Total comprehensive income/(loss) for the year	-	-	-	8,931	(65,077)	(56,146)	-	(56,146)
Transactions with owners								
Issue of share capital	-	5,150	-	-	-	5,150	-	5,150
Issue of share capital from prior year contribution	-	71,271	(71,271)	-	-	-	-	-
Total transactions with owners	-	76,421	(71,271)	-	-	5,150	-	5,150
Balance at 30 September 2020	9,568	645,599	-	(5,056)	(456,815)	193,296	(22)	193,274

The notes on pages 33 to 194 form part of these financial statements. See notes 25 and 26 for more detail on the issue of share capital from prior year contribution.

IVC Acquisition Midco Ltd

Consolidated Statement of Changes in Equity as at 30 September 2020 (continued)

	Share capital £'000	Share premium £'000	Consideration received for shares to be issued £'000	Translation reserve £'000	Accumulated deficit £'000	Total attributable to equity holders of parent £'000	Non-controlling interests £'000	Total Equity £'000
Balance at 1 October 2018	9,568	300,416	-	(3,898)	(279,835)	26,251	(17)	26,234
Comprehensive (loss)/income for the year								
(Loss)/income for the year	-	-	-	-	(111,076)	(111,076)	33	(111,043)
Other comprehensive loss for the year	-	-	-	(10,089)	(827)	(10,916)	-	(10,916)
Total comprehensive (loss)/income for the year	-	-	-	(10,089)	(111,903)	(121,992)	33	(121,959)
Transactions with owners								
Dividends payable to non-controlling interest	-	-	-	-	-	-	(38)	(38)
Issue of share capital	-	268,762	-	-	-	268,762	-	268,762
Consideration received for shares to be issued	-	-	71,271	-	-	71,271	-	71,271
Total transactions with owners	-	268,762	71,271	-	-	340,033	(38)	339,995
Balance at 30 September 2019	9,568	569,178	71,271	(13,987)	(391,738)	244,292	(22)	244,270

The notes on pages 33 to 194 form part of these financial statements. See notes 25 and 26 for more detail on the issue of share capital from prior year contribution.

Consolidated Statement of Changes in Equity as at 30 September 2020 (continued)

	Share capital £'000	Share premium £'000	Translation reserve £'000	Accumulated deficit £'000	Total attributable to equity holders of parent £'000	Non-controlling interests £'000	Total Equity £'000
Balance at 1 October 2017	9,568	300,416	4,123	(181,486)	132,621	-	132,621
Comprehensive (loss)/income for the year							
Loss for the year	-	-	-	(98,333)	(98,333)	(18)	(98,351)
Other comprehensive (loss)/income for the year	-	-	(8,021)	(16)	(8,037)	1	(8,036)
Total comprehensive loss for the year	-	-	(8,021)	(98,349)	(106,370)	(17)	(106,387)
Balance at 30 September 2018	9,568	300,416	(3,898)	(279,835)	26,251	(17)	26,234

The notes on pages 33 to 194 form part of these financial statements.

IVC Acquisition Midco Ltd

Company Statement of Changes in Equity as at 30 September 2020

	Share capital £'000	Share premium £'000	Consideration received for shares to be issued £'000	Accumulated deficit £'000	Total equity £'000
Balance at 1 October 2019	9,568	569,178	71,271	(15)	650,002
Comprehensive loss for the year					
Loss for the year	-	-	-	(20)	(20)
Total comprehensive loss for the year	-	-	-	(20)	(20)
Transactions with owners					
Issue of share capital	-	5,150	-	-	5,150
Issue of share capital from prior year contribution	-	71,271	(71,271)	-	-
Total transactions with owners	-	76,421	(71,271)	-	5,150
30 September 2020	9,568	645,599	-	(35)	655,132

	Share capital £'000	Share premium £'000	Consideration received for shares to be issued £'000	Accumulated deficit £'000	Total equity £'000
Balance at 1 October 2018	9,568	300,416	-	(19,686)	290,298
Comprehensive income for the year					
Profit for the year	-	-	-	19,671	19,671
Total comprehensive income for the year	-	-	-	19,671	19,671
Transactions with owners					
Issue of share capital	-	268,762	-	-	268,762
Consideration received for shares to be issued	-	-	71,271	-	71,271
Total transactions with owners	-	268,762	71,271	-	340,033
30 September 2019	9,568	569,178	71,271	(15)	650,002

The notes on pages 33 to 194 form part of these financial statements.

IVC Acquisition Midco Ltd

Consolidated Statement of Cash Flows for the Year Ended 30 September 2020

	Note	2020 £'000	2019 £'000	2018 £'000
Cash flows from operating activities				
Operating profit/(loss)		90,855	28,280	(3,406)
Adjustments for:				
Depreciation of property, plant and equipment	13	37,648	32,068	18,735
Depreciation of right-of-use assets	13	43,928	35,228	25,221
Amortisation of other intangible assets	15	27,858	18,399	5,092
Impairment losses on right-of-use assets	13	3,305	782	-
(Gain)/Loss on sale of property, plant and equipment		(183)	(11)	872
Cash generated from operations before working capital		203,411	114,746	46,514
Decrease/(increase) in trade and other receivables	19	1,661	(13,493)	(894)
Decrease/(increase) in inventories	18	3,037	(9,973)	(1,593)
Increase/(decrease) in trade and other payables	20	57,317	(8,988)	14,440
Increase/(decrease) in employee benefits liabilities	22	9,491	(1,655)	(105)
Cash generated from operations		274,917	80,637	58,362
Income taxes paid		(7,982)	(2,868)	(5,506)
Net cash flows from operating activities		266,935	77,769	52,856
Investing activities				
Acquisition of subsidiary undertakings and trade and assets acquisitions, net of cash acquired	29	(248,041)	(467,069)	(426,160)
Payment of contingent consideration	23	(16,392)	(6,114)	(3,786)
Purchases of property, plant and equipment		(47,520)	(56,001)	(26,274)
Proceeds on sale of property, plant and equipment		3,504	218	-
Repayment of loan by associate		-	-	2,946
Proceeds from sale of investments		1,791	-	-
Net cash used in investing activities		(306,658)	(528,966)	(453,274)

IVC Acquisition Midco Ltd

Consolidated Statement of Cash Flows for the Year Ended 30 September 2020 (continued)

	Note	2020 £'000	2019 £'000	2018 £'000
Financing activities				
Issue of ordinary shares	25	5,150	268,762	-
Contribution from parent undertaking	25,26	-	71,271	-
Dividends paid to non-controlling interests		-	(38)	-
Proceeds from bank and other loans		262,384	1,606,402	384,805
Proceeds from intercompany loans		-	-	95,508
Debt issue costs paid		(5,268)	(29,264)	(2,611)
Repayment of bank and other loans		(105,521)	(1,220,904)	(3,046)
Repayment of intercompany loans			(57,872)	-
Repayment of loans acquired with subsidiaries		-	-	(2,698)
Principal paid on lease liabilities	14	(33,953)	(32,235)	(22,859)
Interest paid on lease liabilities	14	(15,226)	(12,560)	(8,211)
Interest paid on loans and borrowings		(54,971)	(49,753)	(27,330)
Net cash from financing activities		52,595	543,809	413,558
Net increase in cash and cash equivalents		12,872	92,612	13,140
Cash and cash equivalents at beginning of year		209,789	116,057	101,001
Effect of foreign exchange rate changes		(3,147)	1,120	1,916
Cash and cash equivalents at end of year		219,514	209,789	116,057

The notes on pages 33 to 194 form part of these financial statements.

1 General information

IVC Acquisition Midco Ltd ("the Company") is a private company limited by share capital, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office of the Company is The Chocolate Factory, Keynsham, Bristol, BS31 2AU.

The principal activity of the Company and its subsidiaries ("the Group") is that of the provision of veterinary services in the United Kingdom and Europe. The principal activity of the Company is that of a non-trading holding company. The Company was established to play a role in funding the Group's acquisition strategy of independent veterinary groups that provide high quality care. A full list of subsidiaries is detailed in note 38.

2 Accounting policies

Basis of accounting

The consolidated financial statements of the Group ("the consolidated financial statements") have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act. The Company financial statements ("separate financial statements") have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). The consolidated financial statements and separate financial statements will be referred to collectively as the financial statements. All accounting policies have been applied consistently, unless otherwise stated.

For all periods up to and including the year ended 30 September 2019, the Group and Company prepared its financial statements in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"). These consolidated financial statements and separate financial statements for the year ended 30 September 2020 and comparative periods are the first the Group and Company has prepared in accordance with IFRSs and FRS 101 respectively. Refer to notes 35 and 36 for information on how the Group adopted IFRSs and how the Company adopted FRS 101.

The financial statements are presented in Pounds Sterling which is the Company's functional currency. Monetary amounts are rounded to the nearest thousand.

The financial statements have been prepared on the historical cost basis except where the IFRS requires an alternative treatment. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in *Inventories* ("IAS 2") or value in use in *Impairment of Assets* ("IAS 36").

2 Accounting policies (continued)

Basis of accounting (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Disclosure exemptions adopted

In preparing separate financial statements the Company has taken advantage of certain disclosure exemptions conferred by FRS 101:

- The requirement of paragraphs 6 and 21 of IFRS 1 *First-time adoption of International Financial Reporting Standards* ("IFRS 1");
- The requirements of IFRS 7 *Financial Instruments: Disclosures* ("IFRS 7") as equivalent disclosures are provided in the consolidated financial statements;
- The requirements of paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement* ("IFRS 13") as equivalent disclosures are provided in the consolidated financial statements;
- The requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* ("IAS 1") to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- The requirements of paragraph 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1;
- The requirements of IAS 7 *Statement of Cash Flows* ("IAS 7");
- The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8"); and
- The requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures* ("IAS 24"); and
- The requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

2 Accounting policies (continued)

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements consolidate the separate financial statements of the Group for the three years ended 30 September 2020. Separate financial statements for the Company only have also been presented.

A subsidiary is an entity controlled by the Group. The Group controls an investee if all of the following three elements are present: power over the investee, exposure or rights to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The results of subsidiaries acquired or disposed of during the year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the individual financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

De-facto control exists when the size of the Group's own voting rights relative to the size and dispersion of other vote holders, give the Group the practical ability unilaterally to direct the relevant activities of the acquired business. The Group holds less than 50% of voting rights in various acquired business in France and Belgium, with the remaining majority of voting rights being held by numerous individual shareholders. The relevant activities of these acquired businesses are controlled by Supervisory Committees and Partnerships, for which the Group maintains majority positions and ability to direct these relevant activities. The Group has determined that the Group has the practical ability unilaterally to direct the relevant financial and operating activities of these acquired businesses, and has consolidated the entities as a subsidiaries.

Inter-company transactions and balances held between members of the Group are eliminated in full.

Intra-group losses may indicate an impairment that requires recognition in the separate financial statements.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Business combination

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the Consolidated Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Profit or Loss from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Goodwill represents the excess of the consideration transferred in a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

2 Accounting policies (continued)

Business combination (continued)
Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in the acquisition cost at its fair value and, is classified as a financial liability, remeasured subsequently through profit or loss to fair value. In determining the fair value of contingent consideration, the amounts expected to be payable in the future are discounted to their present value as at the date of acquisition, if the impact is considered material. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. See note 4 of the financial statements for further details. For business combinations completed on or after 1 October 2017, direct costs of acquisition are recognised immediately as an expense.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess, being a gain from bargain purchase, is credited in full to the Consolidated Statement of Profit or Loss on the acquisition date.

Going concern
The financial statements include details of the financial position of the Group, its cash flows, liquidity position and borrowing facilities. In addition, the notes to the consolidated financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

The Group meets its day-to-day working capital requirements through operating cash flows and its acquisition requirements through senior debt facilities. The Group's forecasts and projections, covering a period of at least 12 months from the approval of the consolidated financial statements, show that the Group should be able to operate within the level of its current debt facilities. After taking account of reasonably possible changes in trading performance, no material uncertainty exists regarding covenant compliance on the existing facilities shown in note 21 of the consolidated financial statements.

As part of the going concern assessment, the Group modelled various sensitivity scenarios including the impact of reasonable possible changes related to the Covid-19 pandemic. These reflected the learnings and changes implemented as a result of the impact of the pandemic thus far and Government initiatives or grants were assumed to be unavailable. It was assumed that the impact will be less severe than the first wave, as since that point in time:

- The industry regulators have accepted that the veterinary sector is an essential service so restrictions on services would be minimal;
- Clinics would remain open having the personal, protective equipment they need and having tried and tested alternative working procedures in place; and
- Following the first national lockdown that ended in July 2020, the Group has seen no significant impact on revenue in areas which have been subject to subsequent local lockdowns, indicating that the actions taken by the Group, and the reaction of customers, has been such that trading at or above pre-lockdown levels will continue despite further lockdowns.

2 Accounting policies (continued)

Going concern (continued)

The sensitives applied were as follows:

- impact of Brexit in the form of delays in receiving inventory;
- increase in bank interest rates by 1%;
- a devaluation of GBP vs Swedish Krona/Euro by 10%; and
- a reduction of revenue corresponding to 25% of FY 20 revenue with a reduction in Gross profit at the same margin as FY20 and assuming no additional Covid-19 initiatives are available

The sensitivity analyses showed that the Group would still have sufficient cash flows to allow it to service its debt and settle trading liabilities, and comply with covenant requirements under its banking facilities for a period of at least 12 months from the date of signing of the financial statements.

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

Revenue recognition

Revenue represents amounts earned from customers for veterinary services, the sale of products on-line ("E-commerce") and crematoria services provided during the year. The Group identifies performance obligations arising from these services. The transaction price is derived from fixed prices. The Group assesses whether control of goods or services transfers to the customer at a point in time or over time to determine when satisfaction of performance obligations occurs.

Revenue for the delivery of veterinary services is recognised at the point in time a veterinary consultation or procedure is completed. A majority of veterinary services are performed as one-off treatments, however the Group also operates the Pet Health Club ("PHC"), where members pay an annual subscription fee on a monthly basis and receive a variety of benefits including various consultations and treatments periodically plus discounts for the year of membership. Those benefits which give members a material right that would not have been received without being a PHC member are identified as performance obligations. The transaction price, being the annual subscription fee, is allocated to each of the identified performance obligations based on the stand-alone selling prices of the performance obligations. Revenue from the PHC is recognised as performance obligations are satisfied which is at the point in time services are provided to customers, with the exception of worm and flea treatments and discounts which are recognised over time. Where transfer of PHC services to the customer does not match the pattern of monthly payments made by members, contract assets or contract liabilities are recognised. The IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") practical expedient to not disclose information about performance obligations not yet satisfied at the reporting date has been applied in respect of the PHC since these performance obligations are part of a contract originally expected to have a duration of one year.

Revenue from the sale of products, primarily being those sold in the E-commerce revenue stream but also including the sale of products within veterinary practices, is recognised when title has passed to the customer. For E-commerce, this is the point customers receive goods following delivery. The Group uses 3rd party providers to deliver goods and acts as principal in arranging this delivery for the customer. Delivery costs are therefore presented gross in the Consolidated Statement of Profit or Loss.

Revenue for the delivery of crematoria services is recognised at the point in time when cremation is complete.

2 Accounting policies (continued)

Rebates

The Group receives cash refunds or credits against purchases from suppliers for purchasing a certain amount of inventories or participating in promotions. Rebates are recognised within cost of sales in the Consolidated Statement of Profit or Loss and are recognised as they are earnt by the Group based on the expected entitlement for each relevant supplier contract up to the reporting date. To ensure that rebates are reflected within inventory valuation, an adjustment is made by the Group at the reporting date to reduce inventories by the average percentage manufacturer rebate received in the year, with the corresponding entry recognised in cost of sales. For rebates receivable in cash, amounts accrued are included within other receivables in the Consolidated Statement of Financial Position.

Grants

The Group records both grants from governments and grants or donations from other organised bodies or individuals. The Group has applied the same accounting treatment to all grants and donations recognised in the period. Grants and donations are recognised only when there is reasonable assurance that the Group will comply with any conditions of the grant and that the grants will be received. Conditions include specific requests from the donor or government that the proceeds should be spent on a certain items of equipment.

Grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to income or to assets. Grants relating to income are recognised in 'Other operating income' or netted against the associated expense, over the period in which the related costs are recognised. Grants relating to assets are recognised in deferred income and released to the Consolidated Statement of Profit or Loss over the expected useful life of the asset. The Group has not participated in any such asset schemes in any of the three years ended 30 September 2020. Where there are associated conditions attached to a grant, recognition within the Consolidated Statement of Profit or Loss reflects the fulfilment of those conditions. The impact of these grants is a reduction in the expense which the grant covers or a reduction in depreciation or amortisation if relating to an asset.

During the year, the Group took advantage of certain government Covid-19 initiatives such as the job furlough schemes. The proceeds from these government initiatives have been recognised on an accrual basis and have been netted against the associated costs within the Consolidated Statement of Profit or Loss, either above gross profit or below gross profit depending on the category of employee or type of cost they are associated with.

Other operating income

Other operating income mainly comprises rental income and is recognised on an accrual basis in accordance with the substance of the relevant agreement.

Interest income

Interest income is recognised using the effective interest method.

Borrowing costs

Interest expense is recognised on the basis of the effective interest method and is included in finance expense in the Consolidated Statement of Profit or Loss.

2 Accounting policies (continued)

Foreign currency transactions and balances
Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. At each reporting date, monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period end date. Any exchange gains or losses arising on the re-translation of monetary items are recorded within finance income or finance costs as the gains and losses relate primarily to movements in loans and borrowings which are financing activities. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

On consolidation the individual financial statements of overseas subsidiary undertakings are translated to Pound Sterling at the rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. The exchange differences arising on the retranslation of opening net assets and the results of overseas subsidiary undertakings are recognised within other comprehensive income and accumulated in the translation reserve. Tax charges and credits attributable to exchange differences on those borrowings are also recognised within the translation reserve.

Exceptional items
Exceptional items refer to items of income or expense within the consolidated statement of comprehensive income, which are of such size, nature or incidence that their exclusion is considered necessary to explain the performance of the Group and improve the comparability between periods. They are one-off, non-recurring events which the business considers exceptional in nature, therefore relevant to users of the accounts in analysing underlying trading performance. It is noted that these are costs that management considers are of a size, nature or incidence and therefore may not be material in size but in management's view are necessary to exclude in achieving comparability between periods.

EBITDA is defined as earnings before interest, tax, depreciation and amortisation. Adjusted EBITDA is defined as EBITDA adjusted for exceptional items, non-recurring items and certain non-cash items.

Taxation
The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Profit or Loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group 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, except for differences arising on:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax is also recognised on unused tax losses or tax credits in the Group. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2 Accounting policies (continued)

Taxation (continued)

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the temporary differences can be utilised.

When there is uncertainty concerning the Group's filing position regarding the tax bases of assets or liabilities, the taxability of certain transactions or other tax-related assumptions then the Group:

- Considers whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- Determines, if it is probable that the tax authorities will accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle the current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

The Group adopted IFRIC 23 *Uncertainty over Income Tax Treatments* ("IFRIC 23") with a transition date of 1 October 2017.

2 Accounting policies (continued)

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. See note 4 of the financial statements for further details. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Valuation analysis inputs:	Range %
Customer acquisition costs – working capital	0 – 0.5
Customer acquisition costs – workforce	0.5 – 1.5
Customer acquisition costs – fixed assets	0.4 – 0.7
New customer sales and marketing	2.0

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit or Loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit or Loss.

A summary of the policies applied to the Group's intangible assets is:

Intangible asset	Customer relationships	Brand
Useful life	9 - 11 years	20 years
Amortisation method	Straight line basis over the useful life	Straight line basis over the useful life

2 Accounting policies (continued)

Property, plant and equipment
Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. As well as the purchase price, cost includes directly attributable costs.

Depreciation on assets is calculated so as to write off the cost of an asset, less its residual value, over their estimated useful lives as follows:

Asset class	**Depreciation method and rate**
Freehold land	Nil
Freehold property	Straight line over 50 years
Leasehold improvements	Over the term of the lease
Fixtures and surgery equipment	Straight line over 3-5 years
Motor vehicles	Straight line over 3-5 years
Computer equipment	Straight line over 3-5 years

Investments in associates
Where the Group has the power to influence (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Under the equity method, investments in associates are initially recognised in the Consolidated Statement of Financial Position at cost which is the fair value of consideration paid at the date of acquisition. Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired the carrying amount of the investment is tested for the impairment in the same way as intangible assets and property, plant and equipment.

Subsequently, the Group's share of associates' profit or loss and other comprehensive income is recognised in the Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income respectively, with a corresponding increase or decrease in the investment in associate. If the Group's investment in the associate is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of the investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate.

Investments in subsidiaries
Investments in subsidiaries in the separate financial statements are carried at cost less any provision for losses arising on impairment.

Impairment of non-financial assets (excluding inventories and deferred tax assets)
Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly. See note 4 of the financial statements for further details.

2 Accounting policies (continued)

Impairment of non-financial assets (excluding inventories and deferred tax assets) (continued)
Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGUs"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss. An impairment loss recognised for goodwill is not reversed.

Inventories
Inventories comprise drugs and consumables at practices.

Inventories are stated at the lower of cost and net realisable value (i.e. estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale). Cost comprises all cost of purchase and other costs incurred in bringing the inventories to their present condition and location. The cost of inventories is assigned using the first in-first out (FIFO) formula.

Inventories are assessed for impairment at each reporting date. The carrying amount of each item of inventory, or group of similar items, is compared with its selling price less costs to complete and sell. If an item is found to be impaired, its carrying amount is reduced to selling price less costs to complete and sell, and an impairment loss recognised immediately in profit or loss.

Financial instruments
Financial instruments held by the Group and Company are classified in accordance with the provisions of IFRS 9 *Financial Instruments* ("IFRS 9").

Financial assets
All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets</u>
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

Fair value through other comprehensive income
The Group and Company does not have any financial assets classified as being at fair value through other comprehensive income.

Amortised cost
These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect the contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

2 Accounting policies (continued)

Financial assets (continued)
Amortised cost (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or (where appropriate) a shorter period, to the amortised cost of a financial instrument.

Impairment provisions for current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses ("ECL"). Current trade receivables are grouped by those that share similar credit risk characteristics. During this process the probability of the non-payment of the trade receivables is assessed based on the number of days that they have been past due. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account, with the loss being recognised within administrative expenses in the Consolidated Statement of Profit or Loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

For all other financial assets, the Group and Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group and Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default that was expected to occur at the reporting date on the financial instrument as estimated at the date of initial recognition. In making this assessment, the Group and Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Consolidated Statement of Financial Position. The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

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.

Fair value through profit or loss
The Group and Company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

2 Accounting policies (continued)

Financial liabilities
The Group and Company does not have any financial liabilities held for trading.

Financial liabilities includes loans and borrowings and contingent consideration which are initially recognised at fair value net of any transaction cost directly attributable to the issue of the instrument. Such liabilities are subsequently measured at amortised cost using the effective interest method, with the exception of contingent consideration, which ensures that any interest expense over the period of repayment is at a constant rate on the balance of the liability carried in the Statement of Financial Position. Contingent consideration is measured at fair value through profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid and received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or (where appropriate) a shorter period, to the amortised cost of a financial instrument.

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss. When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Modification of financial instruments
If the terms of a financial instrument are modified, then the Group and Company evaluates whether the cash flows of the modified financial instrument are substantially different in qualitative and quantitative terms. The cash flows are considered to be substantially different in quantitative terms if the difference between the adjusted discounted present value and the original carrying amount of the financial instrument is more than ten percent. If this is the case, or the modification is substantial qualitatively by virtue of the nature of the change to the terms, then the contractual rights to cash flows from the original financial instrument are deemed to have expired. In this case, the original financial instrument is derecognised and a new financial instrument is recognised at fair value plus any eligible transaction costs. Deferred financing costs are deferred and amortized to financial costs over the term of the relevant loan, using the effective interest method. When the relevant loan is terminated or extinguished, the unamortized loan fees are written-off in the Consolidated Statement of Profit or Loss.

If the modification of a financial instrument measured at amortised cost or FVOCI does not result in derecognition of the financial instrument, then the Group and Company first recalculates the gross carrying amount of the financial instrument using the original effective interest rate of the financial instrument and recognises the resulting difference as a modification gain or loss in profit or loss. For floating-rate financial instruments, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs or fees incurred and modification fees received adjust the gross carrying amount of the modified financial instrument and are amortised over the remaining term of the modified financial instrument.

2 Accounting policies (continued)

Financial guarantee contracts
Financial guarantee contracts are recognised as at the time the financial guarantee contract is issued.

Liabilities arising are initially measured at fair value and subsequently at the higher of:
- the amount determined in accordance with the expected credit loss model under IFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the requirements of IFRS 15.

The fair value of financial guarantee contracts is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the financial guarantee contract or the estimated amount that would be payable to a third party for assuming the obligations. The fair values of financial guarantee contracts that are issued in relation to borrowings or other payables of group undertakings for no compensation are recognised as part of the cost of the investment.

Short-term employee benefits
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the discounted amount of benefits expected to be paid in exchange for the related service.

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.

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

2 Accounting policies (continued)

Defined benefit pension obligation
Defined benefit surpluses and deficit are measured at:

- The fair value of plan assets at the reporting date; less
- Plan liabilities calculated using the project unit credit method discounted to its present value using yields available on high quality corporate bonds that have maturity dates approximating to the terms of the liabilities and are denominated in the same currency as the post-employment benefit obligation; less
- The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:

- Actuarial gains and losses
- Return on plan assets (interest exclusive): and
- Any asset ceiling effects (interest exclusive).

Service costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation (asset) at the beginning of the annual period to the balance of the net defined benefit obligation (asset), considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.

Settlements of defined benefit schemes are recognised in the period in which the settlement occurs.

Leases
Identifying Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:
(a) There is an identified asset;
(b) The Group obtains substantially all the economic benefits from use of the identified asset; and
(c) The Group has the right to direct use of the identified asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

2 Accounting policies (continued)

Leases (continued)
In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16 *Leases* ("IFRS 16").

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a term of 12 months or less.

The Group has elected to use the recognition exemptions listed above and thus does not apply the right-of-use asset and lease liability measurement requirements to these items. Leases of low value assets and short-term leases are expensed on a straight line basis over the life of the lease.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. The method of calculation of the Group's incremental borrowing rate is detailed in note 4. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:
- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

2 Accounting policies (continued)

Leases (continued)
Where a variable lease payment that is dependent on an index or rate is present in the lease, the lease liability and right-of-use asset is re-measured once the rate is known. Any variable lease payments that are not dependent on an index or rate are expensed in the period they are incurred.

When the Group renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiation increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is re-measured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

Management has calculated the lease term for each lease to be from the date of initial application (being 1 October 2017), to the agreed lease expiration date as stated within the signed lease agreements. The duration of these leases are long term in nature, the average lease length at acquisition is 8.5 years and new property leases signed at acquisition are for 25 years, and as a result Management is reasonably certain that the leases will not be extended past these dates.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor, the Group has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

See the note 4 of the financial statements for further details.

3 Changes in accounting policy

New standards, interpretations and amendments effective from 1 October 2017

On first-time adoption of IFRS all standards, interpretations and amendments effective on the reporting date were applied to all periods prepared under IFRSs. Refer to notes 35 and 36 for information on how the Group adopted IFRSs and how the Company adopted FRS 101.

3 Changes in accounting policy (continued)

New standards, interpretation and amendments not yet effective

There are a number of standards, amendments to standards and interpretations which have been issued by the International Accounting Standards Board ("IASB") that are effective in future accounting periods that the Group has decided not to adopt early. The following amendments are effective for the reporting periods beginning on or after 1 January 2020:

- IAS 1 *First-time adoption of International Financial Reporting Standards* ("IAS 1") and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* ("IAS 8") (Amendment - Definition of Material)
- IFRS 3 *Business Combinations* ("IFRS 3") (Amendment - Definition of Business)
- Revised *Conceptual Framework for Financial Reporting* ("Conceptual Framework")
- IFRS 9 and IFRS 7 *Financial Instrument: Disclosures* ("IFRS 7") (Amendment – Interest Rate Benchmark Reform)

In May 2020, the IASB issued amendments to IFRS 16 'Covid-19 Related Rent Concessions'. These amendments modify the requirements of IFRS 16 to permit lessees to not apply modification accounting to certain leases where the contractual terms have been affected due to Covid-19 (e.g. rent holidays or other rent concessions). The amendments are effective for reporting periods beginning on or after 1 June 2020, with earlier application permitted. Due to the Group's size, there were no rent reliefs or rent concessions given as a result of the Covid-19 pandemic. As such the Group did not early adopt these amendments.

The following amendments are effective for reporting periods beginning on or after 1 January 2021:

Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

These amendments to various IFRS standards are mandatorily effective for reporting periods beginning on or after 1 January 2021, and the Group has not adopted them early for the current reporting period. The amendments provide relief to Group in respect of LIBOR linked loans whose contractual terms are affected by interest benchmark reform.

The following amendments are effective for reporting periods beginning on or after 1 January 2022:

- IFRS 3 (Amendment - Reference to the revised Conceptual Framework)
- IAS 16 *Property, Plant and Equipment* (Amendment - Proceeds before Intended Use)
- IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* (Amendment - Onerous Contracts-Cost of Fulfilling a Contract)
- Annual Improvements to IFRSs (2018-2020 Cycle) - IFRS 9, Illustrative Examples accompanying IFRS 16

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments are effective for reporting periods beginning on or after 1 January 2023.

The directors are currently assessing the impact of these new accounting standards and amendments. The directors do not expect any standards issued by the IASB, but not yet effective, to have a material impact on the Group.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's and Company's accounting policies, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies
There are no critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty in the consolidated financial statements
The key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Leases - the determination of the incremental borrowing rate used to measure lease liabilities
Management has concluded that that the interest rate implicit in the leases cannot always be readily determined therefore the leases held have been discounted by the incremental borrowing rate (IBR), being the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain assets of a similar value to the right-of-use assets in a similar economic environment. This involves assumptions and estimates, which would affect the carrying value of the lease liabilities and corresponding right-of-use assets.

To determine the IBR, the Group uses entity-specific synthetic credit ratings for each operating territory as a starting point, and adjusts this for conditions specific to each lease such as its term and security. The Group has used IBRs in the range of 2.45% to 17.56%.

For details on the carrying value of leases and sensitivity analysis see note 14.

Valuation of intangible assets on acquisition
The Group has performed a valuation analysis in order to determine the value of intangible assets, customer relationships, to be recorded in relation to each acquisition. Management has grouped acquisitions by geographical location, in line with geographical analysis as disclosed in note 10 and then by acquisition types based on similarities in historic performance and financial trends. The details of carrying amount of intangible assets acquired are disclosed in note 15 and 29.

The calculation utilised a multiple period excess earnings model, an income based valuation approach. This analysis involves certain assumptions requiring significant judgement, including the following:

Valuation analysis inputs:	**Range** %
Discount rates	8.5 – 10.1
Attrition rates	20.0

For details of the inputs used for impairment refer to note 16. For details on the sensitivity analysis of these inputs refer to note 15.

4 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty in the consolidated financial statements (continued)

Contingent consideration
The Consolidated Statement of Financial Position includes amounts which are payable for the acquisition of subsidiaries which are dependent on the future performance of the trade acquired. Contingent consideration is estimated based on the terms of the purchase contract and the entity's knowledge of the business and how the current economic environment is likely to impact it. The assumptions utilized in the calculation based on financial performance include projected revenue and/or earnings before interest, tax, depreciation and amortisation amounts and risk adjusted discount rates. Contingent consideration involves certain assumptions requiring significant judgment and actual results may differ from assumed and estimated amounts. The carrying value of contingent consideration is disclosed in note 23.

In certain cases, these are dependent on the continued employment of the vendor, and in other cases these are not dependent on employment condition. These amounts have been estimated at acquisition date based on the terms of the purchase agreements and the expected future performance based on the information available at the year end and may vary depending on actual results.

For potential payments related to financial performance the expected payment is determined separately in respect of each earn-out or growth payment agreement taking into consideration the expected level of profitability of each material acquisition. For individually immaterial acquisitions, historical pay-out percentages have been used to determine the fair value of contingent consideration. Contingent consideration is remeasured each reporting period, and subsequent changes in fair value, including accretion for the passage of time, are recognized within revaluation of financial instruments in the Consolidated Statement of Profit or Loss. For details of the assumptions used for contingent consideration and sensitivity analysis refer to note 23.

Key source of estimation uncertainty in the separate financial statements
There is deemed to be no key sources of estimation uncertainty in the separate financial statements.

5 Revenue

The directors assess that the Group has one class of business relating to the provision of veterinary goods and services.

Disaggregation of Revenue

The Group has disaggregated revenue into various categories in the following table which is intended to:

- depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors; and
- enable users to understand the relationship with revenue geographical analysis provided in note 10.

Please see note 10 for disclosures related to the disaggregation of revenue by geographical market.

Type of good or service

	2020 £'000	2019 £'000	2018 £'000
Sale of goods	59,651	41,511	28,821
Rendering of services	1,174,557	926,865	606,589
Pet Health Club	76,889	56,907	32,997
	1,311,097	1,025,283	668,407

Timing of transfer of goods and services

	2020 £'000	2019 £'000	2018 £'000
Point in time	1,257,275	985,448	645,309
Over time	53,822	39,835	23,098
	1,311,097	1,025,283	668,407

	2020 £'000	2019 £'000	2018 £'000
Point in time – sale of goods	59,651	41,511	28,821
Point in time – rendering of services	1,197,624	943,937	616,488
Over time – rendering of services	53,822	39,835	23,098
	1,311,097	1,025,283	668,407

Revenue alternative performance measures have been presented in note 37.

6 Expenses by nature

	2020	2019	2018
Cost of sales	**£'000**	**£'000**	**£'000**
Cost of inventories recognised as expense	223,550	178,162	120,285
Write-down of inventory to net realisable value	1,832	853	509
Reversal of write-down of inventory to net realisable value	(1,110)	(701)	(1,684)
Employee benefit costs (note 9)	498,658	408,167	256,727
Grants	(10,571)	-	-
Lab costs and other direct costs	51,443	38,844	38,667
	763,802	625,325	414,504
Administrative expenses			
Advertising	10,593	8,685	5,078
Amortisation of intangibles (note 15)	27,858	18,399	5,092
Auditors' remuneration (note 8)	2,494	2,006	1,128
Computer running costs	17,775	15,262	9,469
Depreciation of property plant and equipment (note 13)	37,648	32,068	18,735
Depreciation of Right-of-use assets (note 13)	43,928	35,228	25,221
Impairment of Right-of-use assets (note 13)	3,305	782	-
Exceptional items (note 37)	19,626	15,423	37,523
Costs of entering markets with significant regulatory barriers to entry	604	2,906	-
Other admin costs	76,748	53,359	38,640
(Gain)/loss on disposal of property, plant and equipment	(183)	(11)	872
Employee benefit costs (note 9)	175,794	140,846	77,301
Grants	(8,195)	-	-
Property related costs	27,496	23,964	22,473
Repairs and maintenance	11,323	9,943	5,881
Loss allowance on trade receivables (note 19)	4,308	3,248	3,504
Staff travel and training	16,071	16,357	10,264
	467,193	378,465	261,181

Reversal of write down of inventories have been recognised mainly where the obsolescence rate applied to inventory on acquisition is reduced in years subsequent to the acquisition date.

Included within other admin costs are sundry office costs including light and heat, insurance, cleaning, telephone and postage costs.

Amortisation charges on the Group's intangible assets and depreciation charges on the Group's property, plant and equipment, including right-of-use assets, are recognised in administrative expenses in the Consolidated Statement of Profit or Loss.

Grants relate to income received in respect of the United Kingdom furlough scheme. There are no unfulfilled conditions or other contingences attached to these grants.

7 Other operating income

	2020 £'000	2019 £'000	2018 £'000
Sundry income	4,068	3,056	1,920
Out of hours/Licence fees	1,523	616	27
Donations received	3,664	1,868	1,145
Rent received – Sub Leases	1,314	1,170	697
Grants	184	77	83
	10,753	6,787	3,872

Sundry income is comprised of multiple, recurring items such as funding from manufacturers for training courses and income from non-IVC employees attending IVC led training courses.

8 Auditors' remuneration

The analysis of the auditor's remuneration is as follows:

	2020 £'000	2019 £'000	2018 £'000
Fees payable to the Company's auditor and their associates for:			
The audit of the Company's financial statements	1,377	1,327	524
The audit of the Company's subsidiaries financial statements*	1,089	584	569
Total audit fees	2,466	1,911	1,093
Other advisory services	28	95	35
Total non-audit fees	28	95	35

*In the year ended 30 September 2020 includes £13,000 of attestation services required by Law (30 September 2019 - £19,000, 30 September 2018 - £18,000)

9 Employee benefit costs

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

	2020 No.	2019 No.	2018 No.
Vets	5,529	4,986	3,134
Nurses	7,025	6,068	4,345
Support staff	7,216	6,522	4,289
	19,770	17,576	11,768

There are no employees employed by the Company (2019 - Nil, 2018 - Nil).

Their aggregate employee benefit expenses (including directors' remuneration) were as follows:

	2020 £'000	2019 £'000	2018 £'000
Wages and salaries	587,277	496,009	323,590
Social security costs	63,426	43,645	33,274
Expenses of defined contribution pension scheme	24,028	17,986	8,257
Expenses of defined benefits pension scheme	451	336	297
Grants	(18,766)	-	-
	656,416	557,976	365,418

Changes have been made in the table above in respect of 2019 and 2018 to more accurately reflect the correct allocations of employee benefit expenses.

Directors' remuneration and key management personnel

The directors' remuneration for the year was as follows:

	2020 £'000	2019 £'000	2018 £'000
Remuneration (including benefits in kind)	2,001	1,107	666
Expenses of defined contribution pension scheme	8	16	9
	2,009	1,123	675

During the year 1 director accrued benefits under money purchase schemes (2019 - 3, 2018 - 2).

In respect of the highest paid director:

	2020 £'000	2019 £'000	2018 £'000
Remuneration (including benefits in kind)	669	481	424
Expenses of defined contribution pension scheme	-	4	6
	669	485	430

The directors are also directors of another group company and are remunerated by this company that resides outside of this reporting Group. It is not practicable to allocate their remuneration between their services as director of this Group and as directors of other group companies.

In relation to the 3 companies IVC New Topco Holding S.A, IVC Acquisition Midco Limited and IVC Acquisition Pikco Limited, key management personnel are considered to be the Board members of these entities plus board members of IVC Acquisition Limited and IVC Acquisition Topco Limited.

9 Employee benefit costs (continued)

Key management personnel compensation is as follows:

	2020 £'000	2019 £'000	2018 £'000
Wages and salaries	2,171	1,160	755
Expenses of defined contribution pension scheme	8	16	9
	2,179	1,176	764

10 Geographical analysis

The Group has two regions, United Kingdom and Europe. The Europe region consists of the Group's operations in Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, the Republic of Ireland, Sweden and Switzerland.

Description of the types of products and services from which each region derives its revenues

The Group provides a wide range of veterinary products and services from which both regions derive their revenues. This includes the treatment of animals, prevention services, pet health plans, crematoria services and also the supply of products such as medicines and pet food.

30 September 2020	**UK £'000**	**Europe £'000**	**Total £'000**
Total revenue	834,688	476,409	1,311,097
Total revenue from external customers	834,688	476,409	1,311,097
Group revenue per Consolidated Statement of Profit or Loss			1,311,097
30 September 2019			
Total revenue	661,285	363,998	1,025,283
Total revenue from external customers	661,285	363,998	1,025,283
Group revenue per Consolidated Statement of Profit or Loss			1,025,283
30 September 2018			
Total revenue	402,839	265,568	668,407
Total revenue from external customers	402,839	265,568	668,407
Group revenue per Consolidated Statement of Profit or Loss			668,407

10 Geographical analysis (continued)

	External revenue by location of customers		
	2020 £'000	2019 £'000	2018 £'000
United Kingdom	834,688	661,285	402,839
Sweden	133,399	119,080	105,977
Netherlands	147,155	104,888	47,113
Other	195,855	140,030	112,478
	1,311,097	1,025,283	668,407

11 Finance income and expense

Recognised in profit or loss	2020 £'000	2019 £'000	2018 £'000
Finance income			
Interest income	399	173	45
Foreign exchange gains on loans and borrowings	-	-	2,336
Foreign exchange gains on intercompany balances*	16,969	-	974
Total finance income	17,368	173	3,355
Finance expense			
Interest expense on lease liabilities	(15,218)	(12,950)	(8,211)
Interest expense on bank borrowings	(77,313)	(58,322)	(30,538)
Other loan interest	(80)	(11,659)	(44)
Group loan interest	(76,209)	(70,941)	(63,219)
Foreign exchange losses on loans and borrowings	(16,632)	(164)	-
Foreign exchange losses on intercompany balances*	-	(5,853)	-
Total finance expense	(185,452)	(159,889)	(102,012)

*Intercompany balances which do not eliminate on consolidation.

Included within interest on bank borrowings are previously capitalised debt issue costs that were written off of £Nil (2019 - £7,934,000, 2018 - £Nil). The written off debt issue costs in the year ended 30 September 2019 were a result of refinancing and change of loan facilities from HSBC Bank PLC to National Westminster Bank PLC. Further information on the refinancing is provided in note 21.

11 Finance income and expense (continued)

Finance income and expense includes the following in respect of assets/(liabilities) not at fair value through profit or loss:

	2020 £'000	2019 £'000	2018 £'000
Total interest income on financial assets	17,368	173	3,355
Total interest expense on financial liabilities	(185,452)	(159,889)	(102,012)
	(168,084)	(159,716)	(98,657)

12 Taxation

	2020 £'000	2019 £'000	2018 £'000
Current tax:			
UK corporation tax	2,022	766	69
UK corporation tax – prior year adjustments	(1,224)	707	(1,087)
European tax	3,423	3,892	2,492
European tax – prior year	(2,368)	(437)	(6)
Total current tax	1,853	4,928	1,468
Deferred tax			
Origination and reversal of timing differences	(10,154)	(4,576)	(2,621)
Effect of changes in tax rates	3,668	(604)	1
Differences relating to a prior period	1,262	107	-
Recognition of previously unrecognised deferred tax assets	(3,753)	(3,639)	(2,543)
Total deferred tax (note 24)	(8,977)	(8,712)	(5,163)
Tax credit	(7,124)	(3,784)	(3,695)

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax applied to profits for the year are as follows:

	2020 £'000	2019 £'000	2018 £'000
Loss before tax	(72,544)	(114,827)	(102,046)
Tax at the UK corporation tax rate of 19% (2019 - 19%, 2018 - 19%)	(13,783)	(21,817)	(19,389)
Non-deductible expenses	(924)	(2,489)	7,434
Adjustment to tax charge in respect of prior year	(2,330)	(366)	(1,142)
Group relief (claimed)/surrendered	5,001	13,222	11,700
Effect of different tax rates of subsidiaries in other jurisdictions	(962)	(476)	343
Unrecognised deferred tax movement	2,269	8,747	(2,642)
Effect of changes in tax rates	3,605	(605)	1
Total tax credit	(7,124)	(3,784)	(3,695)

12 Taxation (continued)

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised in other comprehensive income:

	2020 £'000	2019 £'000	2018 £'000
Deferred tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on leases	(15)	2	(4)
Exchange differences on intangible assets	550	(63)	42

Changes in tax rates and factors affecting the future tax charge

United Kingdom

Finance Act 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 30 September 2019 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year end.

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date, as result deferred tax balances as at 30 September 2020 continue to be measured at 19%. If all of the deferred tax was to reverse at the amended rate the impact to the closing DT position would be to increase the deferred tax liability by £10,979,000.

France

The French corporate income tax rate is to reduce for fiscal years starting on or after 1 January 2021 to 26.5% where French consolidated tax revenue is below €250m and 27.5% above that threshold. For fiscal years starting after 1 January 2022 the rate will reduce further to 25%, with the revenue thresholds removed.

Netherlands

On 18 December 2018 the Dutch Tax Plan 2019 was substantively enacted with a corporate income tax rate of 25% to apply for calendar year 2019, a 22.55% rate for calendar year 2020 and a rate of 20.5% from 1 January 2021. On 17 December 2019 the Dutch Tax Plan 2020 was substantively enacted. The 22.55% rate that was due to apply from 1 January 2020 was repealed and the rate remained at 25%. Further, the 20.5% that was due to apply from 1 January 2021 was also repealed and replaced with a 21.7% rate. On 15 December 2020 the 2021 Tax Plan was substantively enacted. The 21.7% that was due to apply from 1 January 2021 was repealed with the 25% rate retained.

There were no other factors that may affect future tax charges.

13 Property, plant and equipment

Group

Property, plant and equipment	Land and buildings £'000	Fixtures and surgery equipment £'000	Motor vehicles £'000	Computer equipment £'000	Right-of-use assets £'000	Total £'000
Cost						
At 1 October 2017	30,664	60,841	1,106	14,775	178,013	285,399
Additions	9,709	16,613	629	7,213	10,834	44,998
Acquired through business combinations	256	10,939	3,606	2,206	80,150	97,157
Disposals	(1,193)	(2,495)	(3,340)	-	-	(7,028)
Exchange differences	(402)	(1,658)	5	(1)	(2,260)	(4,316)
At 30 September 2018	39,034	84,240	2,006	24,193	266,737	416,210
Additions	17,963	21,514	2,558	13,966	21,326	77,327
Acquired through business combinations	6,475	14,160	509	746	82,940	104,830
Disposals	-	(869)	(8)	(76)	(17)	(970)
Exchange differences	(99)	(40)	(21)	(140)	(2,138)	(2,438)
At 30 September 2019	63,373	119,005	5,044	38,689	368,848	594,959

13 Property, plant and equipment (continued)

Group

	Land and buildings £'000	Fixtures and surgery equipment £'000	Motor vehicles £'000	Computer equipment £'000	Right-of-use assets £'000	Total £'000
Cost						
At 30 September 2019	63,373	119,005	5,044	38,689	368,848	594,959
Additions	13,170	15,728	609	18,013	9,761	57,281
Acquired through business combinations	5,070	5,413	421	121	53,437	64,462
Disposals	(2,883)	(7,230)	(239)	(297)	(169)	(10,818)
Exchange differences	1,399	2,820	76	781	5,346	10,422
At 30 September 2020	80,129	135,736	5,911	57,307	437,223	716,306
Accumulated depreciation and impairment						
At 1 October 2017	10,802	38,183	1,106	8,563	2,962	61,616
Charge for the year	4,080	9,312	1,222	4,121	25,221	43,956
Disposals	(320)	-	(813)	-	-	(1,133)
Exchange differences	(147)	(891)	1	-	(238)	(1,275)
At 30 September 2018	14,415	46,604	1,516	12,684	27,945	103,164

13 Property, plant and equipment (continued)

Group

	Land and buildings £'000	Fixtures and surgery equipment £'000	Motor vehicles £'000	Computer equipment £'000	Right-of-use assets £'000	Total £'000
Accumulated depreciation and impairment						
At 30 September 2018	14,415	46,604	1,516	12,684	27,945	103,164
Charge for the year	4,556	16,122	3,282	8,108	35,228	67,296
Disposals	-	(669)	-	(77)	(16)	(762)
Impairment	-	-	-	-	782	782
Exchange differences	81	455	(4)	(53)	(410)	69
At 30 September 2019	19,052	62,512	4,794	20,662	63,529	170,549
Charge for the year	6,974	19,774	226	10,674	43,928	81,576
Disposals	(351)	(6,558)	(219)	(200)	(114)	(7,442)
Impairment	-	-	-	-	3,305	3,305
Exchange differences	528	1,480	24	337	1,398	3,767
At 30 September 2020	26,203	77,208	4,825	31,473	112,046	251,755
Net book value						
At 30 September 2020	53,926	58,528	1,086	25,834	325,177	464,551
At 30 September 2019	44,321	56,493	250	18,027	305,319	424,410
At 30 September 2018	24,619	37,636	490	11,509	238,792	313,046
At 1 October 2017	19,862	22,658	-	6,212	175,051	223,783

Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)

13 Property, plant and equipment (continued)

The net book value and depreciation charge for right-of-use assets by class of underlying asset is as follows:

Group Right-of-use assets Cost	Land and buildings £'000	Fixtures and surgical equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
At 1 October 2017	164,613	11,318	1,353	729	178,013
Additions	87,184	2,542	1,015	243	90,984
Exchange differences	(2,216)	(48)	1	3	(2,260)
At 30 September 2018	249,581	13,812	2,369	975	266,737
Additions	97,950	3,017	3,176	123	104,266
Disposals	-	-	-	(17)	(17)
Exchange differences	(2,035)	(90)	(11)	(2)	(2,138)
At 30 September 2019	345,496	16,739	5,534	1,079	368,848
Additions	58,120	2,123	2,799	156	63,198
Disposals	-	(11)	(158)	-	(169)
Exchange differences	5,033	222	83	8	5,346
At 30 September 2020	408,649	19,073	8,258	1,243	437,223
Accumulated depreciation and impairment					
At 1 October 2017	-	2,845	68	49	2,962
Charge for the year	21,757	2,664	568	232	25,221
Exchange differences	(229)	(9)	-	-	(238)
At 30 September 2018	21,528	5,500	636	281	27,945
Charge for the year	30,020	2,799	2,106	303	35,228
Disposals	-	-	-	(16)	(16)
Impairment	782	-	-	-	782
Exchange differences	(356)	(47)	(6)	(1)	(410)
At 30 September 2019	51,974	8,252	2,736	567	63,529
Charge for the year	35,215	6,082	2,364	267	43,928
Disposals	-	(5)	(109)		(114)
Impairment	3,305	-	-	-	3,305
Exchange differences	1,186	153	53	6	1,398
At 30 September 2020	91,680	14,482	5,044	840	112,046
Net book value					
At 30 September 2020	316,969	4,591	3,214	403	325,177
At 30 September 2019	293,522	8,487	2,798	512	305,319
At 30 September 2018	228,053	8,312	1,733	694	238,792
At 1 October 2017	164,613	8,473	1,285	680	175,051

13 Property, plant and equipment (continued)

The 1 October 2017 opening balances for cost and accumulated depreciation in respect of land and buildings, fixtures and surgery equipment and computer equipment were adjusted to include assets with cost and accumulated depreciation of £9,952,000 which were previously omitted. The total impact on the net book value of property, plant and equipment and the Group's retained earnings at 1 October 2017 is £Nil.

For the period ended 30 September 2018, additions of land and buildings have been increased by £4,907,000, additions of computer equipment have been increased by £115,000 and disposals of fixtures and surgery equipment have been increased by £2,495,000, disposals of motor vehicles have been increased by £3,340,000. Further, the depreciation charge on disposal of motor vehicles increased by £813,000. These adjustments are all in relation to additions and disposals of property, plant and equipment which were not accounted for in the year. The total impact on the net book value of property, plant and equipment at 30 September 2018 is £Nil. None of these additions or disposal adjustments have been reflected in the cash flow statement as they are non-cash in nature.

For the period ended 30 September 2018, the exchange differences in cost of £2,113,000 were previously netted against exchange movements in depreciation of £1,049,000 and included in cost but have been restated and included in cost and depreciation respectively.

Included within the net book value of land and buildings at 30 September 2020 is £4,803,000 (30 September 2019 - £8,371,000, 30 September 2018 - £3,946,000, 1 October 2017 - £4,173,000) in respect of freehold land and buildings and £49,122,000 (30 September 2019 - £34,231,000, 30 September 2018 - £15,766,000, 1 October 2017 - £14,842,000) in respect of short leasehold improvements. Of this amount at 30 September 2020 £262,000 relates to freehold land which is not depreciated (30 September 2019 - £77,000, 30 September 2018 - £80,000 and 1 October 2017 - £84,000).

There is no property, plant and equipment pledged as security for liabilities or where there is restricted title (30 September 2019 - £Nil, 30 September 2018 - £Nil, 1 October 2017 - £Nil).

There are no contractual commitments for the acquisition of property, plant and equipment at 30 September 2020 (30 September 2019 - £Nil, 30 September 2018 - £Nil, 1 October 2017 - £Nil).

In the year ended 30 September 2020, an impairment charge of £3,305,000 (30 September 2019 - £782,000, 30 September 2018 - £Nil) was made to the right-of-use asset in respect of onerous leases. Those leases that were deemed to be onerous at each period end were subject to an impairment review in line with IAS 36. Given the onerous leases arose as a result of the Group abandoning the properties, these are deemed to no longer be revenue-generating and would therefore have no value in use. As such, these right-of-use assets were written down in full through an impairment charge.

Company

The Company has no tangible fixed assets.

14 Leases

Group

Nature of lease activities

The Group leases a number of properties in the multiple jurisdictions from which it operates. In these jurisdictions the periodic rent is fixed over the lease term. Where rental agreements include market rate escalations that are unknown at the time of the lease inception or IFRS 16 adoption, the lease liability is re-measured when the change in cash payments takes effect.

The Group also leases fixtures and surgery equipment, motor vehicles and computer equipment. All equipment leases comprise only fixed payments over the lease terms.

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the lease payments which are variable at the reporting date. No inflationary increases have taken place from 1 October 2017 to 30 September 2020.

Group	Lease contracts Number	Fixed payments %	Variable payments %	Sensitivity liability/(asset) £'000
30 September 2020				
Property leases with payments linked to inflation	28	64	36	662
Property leases with periodic uplifts to market rentals	8	100	-	-
Property leases with fixed payments	1,481	100	-	-
Leases of fixtures and surgery equipment	221	100	-	-
Leases of computer equipment	49	100	-	-
Vehicle leases	272	100	-	-
	2,059			662

14 Leases (continued)

Group	Lease contracts Number	Fixed payments %	Variable payments %	Sensitivity liability/(asset) £'000
30 September 2019				
Property leases with payments linked to inflation	6	63	37	193
Property leases with periodic uplifts to market rentals	8	100	-	-
Property leases with fixed payments	1,345	100	-	-
Leases of fixtures and surgery equipment	269	100	-	-
Leases of computer equipment	59	100	-	-
Vehicle leases	251	100	-	-
	1,938			193

Group	Lease contracts Number	Fixed payments %	Variable payments %	Sensitivity liability/(asset) £'000
30 September 2018				
Property leases with payments linked to inflation	2	99	1	15
Property leases with periodic uplifts to market rentals	8	100	-	-
Property leases with fixed payments	1,020	100	-	-
Leases of fixtures and surgery equipment	266	100	-	-
Leases of computer equipment	51	100	-	-
Vehicle leases	173	100	-	-
	1,520			15

14 Leases (continued)

Group	Lease contracts Number	Fixed payments %	Variable payments %	Sensitivity liability/(asset) £'000
1 October 2017				
Property leases with payments linked to inflation	2	99	1	15
Property leases with periodic uplifts to market rentals	7	100	-	-
Property leases with fixed payments	691	100	-	-
Leases of fixtures and surgery equipment	205	100	-	-
Leases of computer equipment	39	100	-	-
Vehicle leases	86	100	-	-
	1,030			15

The Group sometimes negotiates break clauses in its property leases. On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the Group to excessive risk.

Typically factors considered in deciding to negotiate a break clause include:

- the length of the lease term;
- the economic stability of the environment in which the property is located; and
- whether the location represents a new area of operations for the Group.

At 30 September 2020, 30 September 2019, 30 September 2018 and 1 October 2017, the carrying amounts of lease liabilities are not reduced by the amount of payments that would be avoided from exercising break clauses because on all dates it was considered reasonably certain that the Group would not exercise its right to exercise any right to break the lease. Total lease payments of £92,859,000 (30 September 2019 - £72,365,658, 30 September 2018 - £46,679,469, 1 October 2017 - £27,855,173) are potentially avoidable were the Group to exercise break clauses at the earliest opportunity.

14 Leases (continued)

Lease liabilities

Group	**Land and buildings £'000**	**Fixtures and surgical equipment £'000**	**Motor vehicles £'000**	**Computer equipment £'000**	**Total £'000**
At 1 October 2017	(162,501)	(7,473)	(957)	(621)	(171,552)
Additions	(87,184)	(5,999)	(1,091)	(246)	(94,520)
Interest expense	(8,001)	(454)	(53)	(26)	(8,534)
Lease payments	26,474	3,674	653	269	31,070
Exchange differences	1,960	155	(2)	(2)	2,111
At 30 September 2018	(229,252)	(10,097)	(1,450)	(626)	(241,425)
Additions	(97,950)	(4,469)	(1,098)	(74)	(103,591)
Interest expense	(12,310)	(499)	(116)	(25)	(12,950)
Lease payments	38,423	5,764	427	181	44,795
Exchange differences	1,697	42	1	1	1,741
At 30 September 2019	(299,392)	(9,259)	(2,236)	(543)	(311,430)
Additions	(58,119)	(550)	(1,341)	(12)	(60,022)
Interest expense	(14,547)	(453)	(192)	(26)	(15,218)
Lease payments	45,202	3,059	653	265	49,179
Exchange differences	(3,959)	(119)	(26)	(2)	(4,106)
At 30 September 2020	(330,815)	(7,322)	(3,142)	(318)	(341,597)

Amounts not included in the measurement of lease liabilities are as follows:

Group	**30 September 2020 £'000**	**30 September 2019 £'000**	**30 September 2018 £'000**	**1 October 2017 £'000**
Short-term lease expense	282	150	287	-
Low value lease expense	131	166	178	-
Aggregate undiscounted commitments for short-term leases	47	101	63	255

The total cash outflow of leases during the reporting period was £49,179,000 (2019 - £44,795,000, 2018 - £31,070,000).

14 Leases (continued)

The maturity of lease liabilities are as follows:

Group	Within 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
30 September 2020					
Lease liabilities	(45,543)	(35,230)	(85,830)	(174,994)	(341,597)
30 September 2019					
Lease liabilities	(29,826)	(34,203)	(80,693)	(166,708)	(311,430)
30 September 2018					
Lease liabilities	(27,726)	(25,296)	(66,011)	(122,392)	(241,425)
1 October 2017					
Lease liabilities	(19,741)	(22,661)	(48,695)	(80,455)	(171,552)

The total undiscounted commitments for leases are as follows:

	Within 1 year £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total £'000
30 September 2020					
Lease liabilities	(65,167)	(48,311)	(117,359)	(210,923)	(441,760)
30 September 2019					
Lease liabilities	(43,229)	(45,267)	(110,359)	(202,256)	(401,111)
30 September 2018					
Lease liabilities	(37,688)	(32,121)	(87,469)	(146,242)	(303,520)
1 October 2017					
Lease liabilities	(27,119)	(26,019)	(64,195)	(95,274)	(212,607)

The right-of-use asset disclosures are given in note 13.

14 Leases (continued)

Sensitivity analysis

Assuming the lease liabilities held as at each reporting date was outstanding for the whole year, a 0.5 percentage point increase/decrease in the IBRs used across the lease portfolio would decrease/increase loss before tax by the following amounts:

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
Increasing IBR by 0.5% Increasing loss before tax	36	33	29
Decreasing IBR by 0.5% Decreasing loss before tax	36	33	29

The impact on the lease liability and right-of-use assets at each reporting date would be:

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Increasing IBR by 0.5%				
Impact on lease liability	794	741	566	391
Impact on right-of-use asset	(893)	(804)	(595)	(391)
Decreasing IBR by 0.5%				
Impact on lease liability	(798)	(745)	(568)	(393)
Impact on right-of-use asset	897	808	597	393

Company

The Company has no leases.

15 Other intangible assets

Group

	Customer Relationships £'000	Brands £'000	Total Other intangible assets £'000
Cost			
At 1 October 2017	-	-	-
Acquired through business combinations	105,805	-	105,805
Foreign exchange differences	188	-	188
At 30 September 2018	105,993	-	105,993
Acquired through business combinations	128,464	5,472	133,936
Foreign exchange differences	(268)	(11)	(279)
At 30 September 2019	234,189	5,461	239,650
Acquired through business combinations	81,350	-	81,350
Foreign exchange differences	2,358	55	2,413
At 30 September 2020	317,897	5,516	323,413
Amortisation and impairment			
At 1 October 2017	-	-	-
Amortisation charge for the year	(5,092)	-	(5,092)
At 30 September 2018	(5,092)	-	(5,092)
Amortisation charge for the year	(18,217)	(182)	(18,399)
At 30 September 2019	(23,309)	(182)	(23,491)
Amortisation charge for the year	(27,584)	(274)	(27,858)
At 30 September 2020	(50,893)	(456)	(51,349)
Carrying amount			
At 30 September 2020	267,004	5,060	272,064
At 30 September 2019	210,880	5,279	216,159
At 30 September 2018	100,901	-	100,901
At 1 October 2017	-	-	-

15 Other intangible assets (continued)

As noted in note 4, the valuation of customer relationship intangible assets includes the use of key estimates, including customer attrition rates and discount rates. A change of 50 basis points in discount rates or 250 basis points in customer attrition rates at the period end date would have increased/(decreased) the intangible assets recognised by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the comparative periods.

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Increase in discount rate	1,056	1,175	1,214	-
Decrease in discount rate	(1,587)	(1,335)	(1,553)	-
Increase in attrition rate	6,074	7,104	7,317	-
Decrease in attrition rate	(8,534)	(10,068)	(10,402)	-

There are no contractual commitments for the acquisition of intangibles as at 30 September 2020 (30 September 2019 - £Nil, 30 September 2018 - £Nil, 1 October 2017 - £Nil).

There are no intangible assets with restricted title or pledged as security for liabilities.

Company

The Company has no intangible assets.

16 Goodwill and Impairment

Group

	Goodwill £'000
Cost	
At 1 October 2017	1,098,316
Acquired through business combinations	353,812
Foreign exchange differences	(14,453)
At 30 September 2018	1,437,675
Acquired through business combinations	445,428
Foreign exchange differences	(14,196)
At 30 September 2019	1,868,907
Acquired through business combinations	215,947
Foreign exchange differences	25,666
At 30 September 2020	2,110,520
Amortisation and impairment	
At 1 October 2017	(93,777)
Foreign exchange differences	3,854
At 30 September 2018	(89,923)
Foreign exchange differences	2,923
At 30 September 2019	(87,000)
Foreign exchange differences	(3,178)
At 30 September 2020	(90,178)
Carrying amount	
At 30 September 2020	2,020,342
At 30 September 2019	1,781,907
At 30 September 2018	1,347,752
At 1 October 2017	1,004,539

16 Goodwill and Impairment (continued)

The Group is required to test whether goodwill has suffered any impairment on an annual basis or more frequently if there are indications that goodwill might be impaired. For the years ended 30 September 2019 (except France), 30 September 2018 and on transition at 1 October 2017 fair value less costs to sell exceeded value in use and therefore represented the recoverable amount used in the impairment tests. For the year ended 30 September 2020 the Group was unable to calculate a fair value less cost to sell as the length of time since the last open market transaction meant a fair value could not be reliably estimated. Therefore for the year ended 30 September 2020 value in use represented the recoverable amount used in the impairment tests.

The Group have determined that the CGU that is expected to benefit from the synergies of an acquisition is the CGU located in the same country as the acquisition and have therefore allocated goodwill on this basis. CGUs are deemed as non-significant and aggregated where the carrying value of the individual CGU's goodwill is less than 5% of the total carrying value of goodwill. The carrying amount of goodwill is allocated to the CGUs or Groups of CGUs as follows:

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
UK	1,407,121	1,323,326	984,247	712,125
Netherlands	190,760	160,212	90,663	36,620
Sweden	151,379	147,643	145,411	147,335
Other	271,082	150,726	127,431	108,459
	2,020,342	1,781,907	1,347,752	1,004,539

No impairment losses have been recognised except for on transition of IFRS (See note 35).

Value in use

The recoverable amounts of the CGUs for the year ended 30 September 2020 have been determined from value in use calculations based on cash flow projections from formally approved budgets generally covering a four year period but where appropriate extended to 5 years. Other major assumptions are as follows:

	Average year on year growth rate %	Pre-tax discount rate %	Long-term Growth rate* %
30 September 2020			
UK	9.7%	8.8%	3%
Netherlands	9.1%	9.0%	3.5%
Sweden	7.8%	8.8%	3.5%
Other	7% - 11%	8.5% - 9.6%	3% -3.5%

* The long-term growth rate assumptions applies only to the period beyond the formal budgeted period with the value in use calculation based on an extrapolation of the estimated cash flows for year four or five.

Year on year growth rates have been based on past experience and future expectations in the light of anticipated economic and market conditions.

Discount rates are based on the Group's weighted average cost of capital ("WACC") adjusted to reflect management's assessment of specific risks related to the cash generating unit.

Long-term growth rates beyond the first four years are based on economic data pertaining to the region concerned.

16 Goodwill and Impairment (continued)

Value in use (continued)

Sensitivity analysis
Management have conducted a sensitivity analysis and have concluded that there is no reasonably possible change in a key assumption on which management has based its determination of the CGU's recoverable amount would cause the CGU's carrying amount to exceed its recoverable amount.

Fair value less costs to sell
The recoverable amounts of the CGUs for the years ended 30 September 2019, 30 September 2018 and on transition at 1 October 2017 have been determined from based on fair value less costs to sell.

The CGUs were fair valued using a market based approach by calculating an enterprise value using a multiple of current and prior year adjusted EBITDA, and based on recently completed investments transactions and other external market data.

The fair value of the CGUs has not been adjusted significantly for the purposes of financial reporting. The fair value of CGUs is categorised as a level 2 recurring fair value measurement. The fair value balances for the CGUs or group of CGUs that suffered an impairment on transition at 1 October 2017 are as follows:

	Fair value less costs to sell 1 October 2017 £'000
UK	742,042
Netherlands	43,655
Sweden	159,092
Other*	141,594
	1,086,383

* For CGU's impaired on transition the fair value less costs to sell are as follows: Denmark £31,198,000, Finland £36,884,000 and Norway £17,550,000.

The key assumption was the use of an average multiple which for the year ended 30 September 2019 ranged between 17.1-20.3 (2018 - 17.1-20.3, 2017 – 14.5-20.2).

Sensitivity analysis

On transition at 1 October 2017
On transition the fair value less cost to sell for each CGU was calculated, as described above, using multiples based on actual completed investment transactions. If these multiples were reduced, the impact would be to increase the impairment at the date of transition. Similarly, if the multiples were increased, the impairment on the date of transition would be reduced.

Year Ended 30 September 2018
The impairment calculations have produced multiples as described above, that have then been applied to current and prior year adjusted EBITDA, and in aggregate show headroom of £240 million above the carrying amount for the CGUs. A sensitivity analysis has been carried out; for the Finland CGU a reasonably possible reduction of 1.4% in the EBITDA multiples used in the valuation would reduce headroom to £Nil.

As at 30 September 2018 Finland's recoverable amount exceeds its carrying amount by £2,740,000.

For all other CGUs, a reasonably possible reduction of 5% in the EBITDA multiples would result in no impairments.

16 Goodwill and Impairment (continued)

Fair value less costs to sell (continued)

Year Ended 30 September 2019

The impairment calculations have produced multiples as described above, that have then been applied to current, and prior, year adjusted EBITDA, and in aggregate show headroom of £575 million above the carrying amount for the CGUs. A sensitivity analysis has been carried out; for the Netherlands CGU a reasonably possible reduction of 0.6% in the EBITDA multiples used in the valuation would reduce headroom to £Nil.

As at 30 September 2019 Netherlands' recoverable amount exceeds its carrying amount by £7,056,000.

For all other CGUs valued, a reasonably possible reduction of 5% in the EBITDA multiples would result in no impairments.

For details of impairment recognised in the Company see note 17.

17 Investments

Group	**Investments in Associates £'000**	**Other investments £'000**	**Total £'000**
Cost			
At 1 October 2017	-	2,735	2,735
Disposals	-	(2,946)	(2,946)
Foreign exchange	-	238	238
At 30 September 2018	-	27	27
Additions	36	-	36
Foreign exchange	(4)	-	(4)
At 30 September 2019	32	27	59
Additions	-	2,013	2,013
Disposals	(32)	(1,791)	(1,823)
Foreign exchange	-	(4)	(4)
At 30 September 2020	-	245	245
Carrying amount			
At 30 September 2020	-	245	245
At 30 September 2019	32	27	59
At 30 September 2018	-	27	27
At 30 September 2017	-	2,735	2,735

During the year ended 30 September 2019 the Group purchased the remaining 50% of Dierenkliniek Wulven BV.

17 Investments (continued)

Group

Other investments mainly relate to a number of funds and securities that the Group has obtained from acquisitions or from donations. The Group intends to liquidate these investments in the next 12 – 36 months.

Summarised financial information (immaterial associates)	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
Profit	-	76	17
Total comprehensive income	-	76	17

Company	Shares in Group undertakings £'000
Cost or valuation	
At 1 October 2017	309,984
At 30 September 2018	309,984
Additions	340,033
At 30 September 2019	650,017
Additions	5,150
At 30 September 2020	655,167
Impairment	
At 1 October 2017	(106,603)
Reversal of impairment	86,928
At 30 September 2018	(19,675)
Reversal of impairment	19,675
At 30 September 2019	-
At 30 September 2020	-
Carrying amount	
At 30 September 2020	655,167
At 30 September 2019	650,017
At 30 September 2018	290,309
At 1 October 2017	203,381

17 Investments (continued)

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 Statement of Financial Position.

Subsidiary undertakings and associated undertakings

The undertakings in which the Company's and Group's interest at the year end is 20% or more are as follows is shown in note 38.

18 Inventories

Group

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Finished goods and consumables	40,484	37,322	22,271	15,035

There are no material differences between the carrying value of inventories and their replacement cost.

There is no inventory pledged as securities for liabilities.

Company

The Company has no inventories.

19 Trade and other receivables

Group	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Trade receivables at amortised cost	73,611	65,938	39,292	23,643
Less: expected credit loss provision	(16,880)	(12,572)	(9,324)	(5,820)
Trade receivables at amortised cost - net	56,731	53,366	29,968	17,823
Other receivables	45,495	39,665	28,623	11,218
Prepayments	16,625	15,113	10,178	9,059
Amounts owed by parent companies	30,567	27,787	23,200	20,368
Total trade and other receivables	149,418	135,931	91,969	58,468

19 Trade and other receivables

Other receivables include rebate receivables of £17,325,000 (30 September 2019 - £24,918,000, 30 September 2018 - £11,010,000, 1 October 2017 - £Nil). Amounts owed by the parent companies relates to amounts owed by IVC Acquisition Topco Limited and IVC Acquisition Pikco Limited, which are repayable on demand. Interest is charged at 11% per annum. Credit risk for amounts owed by the parent company has not increased significantly since its initial recognition. The carrying value of amounts owed by parent company classified at amortised cost approximates fair value. The carrying value of trade and other receivables classified at amortised cost approximates fair value.

Exposure to credit risk

The Group applies the IFRS 9 simplified approach to measuring expected credit losses for trade receivables. To measure lifetime expected credit losses on a collective basis, trade receivables are grouped based on ageing. The expected loss rates are based on the Group's historical credit loss experience. As part of credit risk management practices, the Group differentiates between veterinaries that monitor and report cash flows in a robust manner and those that do not.

The table below reconciles the expected credit loss for trade receivables as at the beginning of the year to that of the end of the year.

Group	**30 September 2020 £'000**	**30 September 2019 £'000**	**30 September 2018 £'000**
Opening provision for impairment of trade receivables	12,572	9,324	5,820
Increase during the year	4,308	3,248	3,504
Closing provision for impairment of trade receivables	16,880	12,572	9,324

19 Trade and other receivables (continued)

The lifetime expected loss provision for trade receivables is as follows:

Group	Current £'000	More than 30 days past due £'000	More than 60 days past due £'000	More than 120 days past due £'000	Total £'000
30 September 2020					
Expected loss rate	4.78%	6.44%	23.13%	52.74%	
Gross carrying amount	33,466	9,020	5,789	25,336	73,611
Loss provision	1,599	581	1,339	13,361	16,880
30 September 2019					
Expected loss rate	3.17%	5.09%	19.59%	48.35%	
Gross carrying amount	34,128	6,272	4,098	21,440	65,938
Loss provision	1,083	319	803	10,367	12,572
30 September 2018					
Expected loss rate	5.52%	6.87%	39.51%	37.15%	
Gross carrying amount	12,427	4,690	3,285	18,890	39,292
Loss provision	686	322	1,298	7,018	9,324
1 October 2017					
Expected loss rate	8.04%	15.16%	47.51%	49.66%	
Gross carrying amount	11,827	2,764	2,088	6,964	23,643
Loss provision	951	419	992	3,458	5,820

Expected credit losses arising in relation to other financial assets for which such a loss is to be measured under IFRS 9 are not material and associated expected credit loss disclosures are therefore not presented in these financial statements for these balances.

Company	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
Amounts owed by other group undertakings	707,527	637,232	573,974
Amounts owed by parent company	27,913	25,140	22,649
Total trade and other receivables	735,440	662,372	596,623

Amounts owed by other group undertakings relates to amounts owed by IVC Acquisition Limited are repayable on demand. Interest is charged at 11% per annum.

Amounts owed by parent company relates to amounts owed by IVC Acquisition Pikco Limited are repayable on demand. Interest is charged at 11% per annum.

Credit risk for amounts owed by the parent company and amounts owed by other group undertakings has not increased significantly since their initial recognition. The carrying value of amounts owed by parent company classified at amortised cost approximates fair value.

20 Trade and other payables

Group Current	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Trade payables	70,673	78,319	50,077	36,507
Accruals	96,782	59,507	49,809	20,673
Other payables	36,214	19,715	28,700	8,620
Other taxation and social security	106,844	43,704	12,903	15,718
Amounts owed to parent companies	41,585	81,951	700,450	538,918
Total current trade and other payables	352,098	283,196	841,939	620,436
Non-current				
Amounts owed to parent companies	756,601	637,232	-	-
Accruals	3	-	-	-
Total non-current trade and other payables	756,604	637,232	-	-

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value. Amounts owed to the parent companies relates to amounts owed to IVC Acquisition Topco Limited and IVC Acquisition Pikco Limited. Amounts owed to the parent companies included in current payables are repayable on demand and amounts included in non-current payables are repayable in 2028. Interest is charged at 11% per annum. The repayment terms for these loans have been modified from the loan being repayable on demand to it being a term loan that matures in 2028. The interest rate has remained unchanged at 11%. This did not constitute a substantial modification given there is no difference in the respective carrying amounts under the original and amended terms. Furthermore, management's expectation for the original loan was that it would continue to be rolled-forward on a daily basis.

The maturity profile of amounts due after one year is below:

Group	Due within one and five years £'000	Due after five years £'000	Total £'000
30 September 2020			
Amounts owed to parent companies	-	756,601	756,601
Accruals	3	-	3
30 September 2019			
Amounts owed to parent companies	-	637,232	637,232
30 September 2018			
Amounts owed to parent companies	-	-	-
1 October 2017			
Amounts owed to parent companies	-	-	-

20 Trade and other payables (continued)

Company Current	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
Accruals	28	8	4
Amounts owed to other group undertakings	27,920	25,147	22,655
Amounts owed to parent company	-	-	573,975
Total current trade and other payables	27,948	25,155	596,634
Non-current			
Amounts owed to parent company	707,527	637,232	-
Total non-current trade and other payables	707,527	637,232	-

Non-current and current amounts owed to the parent company relates to amounts owed to the parent company, IVC Acquisition Pikco Limited. The repayment terms for these loans were modified in 2019 from the loan being repayable on demand to it being a term loan that matures in 2028. The interest rate has remained unchanged at 11%. This did not constitute a substantial modification given there is no difference in the respective carrying amounts under the original and amended terms. Furthermore, management's expectation for the original loan was that it would continue to be rolled-forward on a daily basis. The current amounts owed to the group undertakings relates to amounts owed to IVC Acquisition Limited and Independent Vetcare Limited and are repayable on demand. The interest on all intragroup payables is charged at 11% per annum.

The maturity profile of amounts due after one year is below:

Company	Due within one and five years £'000	Due after five years £'000	Total £'000
30 September 2020			
Amounts owed to parent company	-	707,527	707,527
30 September 2019			
Amounts owed to parent company	-	637,232	637,232
30 September 2018			
Amounts owed to parent company	-	-	-

21 Loans and borrowings

Group	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Current				
Bank loans	-	-	-	2
Non-current				
Bank loans	1,374,521	1,202,127	832,098	451,869

Total bank loans outstanding of £1,374,521,000 (30 September 2019 - £1,202,127,000, 30 September 2018 - £832,098,000, 1 October 2017 - £451,869,000) are stated after deducting £19,303,000 (30 September 2019 - £18,803,000, 30 September 2018 - £8,249,000, 1 October 2017 - £6,673,000) of costs associated with the raising of this finance, which are being charged to the Consolidated Statement of Profit or Loss over the term of the debt which is an average of 7 years (i.e. total bank debt was £1,393,824,000 at 30 September 2020 (£1,220,930,000 at 30 September 2019, £840,347,000 at 30 September 2018 and £458,542,000 at 1 October 2017) and are repayable in 2025 and 2027. The rate of interest on each loan for each interest period is the percentage rate per annum, which is the aggregate of the applicable margin and LIBOR as the case may be (between 3.75% and 7.55%). Interest is paid in instalments chosen by the Group typically quarterly, subject to the Group's compliance with banking covenants.

Long term bank borrowings

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Non-current bank loans				
HSBC Bank PLC	-	-	840,347	458,542
National Westminster Bank PLC	1,393,824	1,220,930	-	-
Less unamortised deferred debt costs	(19,303)	(18,803)	(8,249)	(6,673)
Total non-current bank loans	1,374,521	1,202,127	832,098	451,869

21 Loans and borrowings (continued)

Long term bank borrowings (continued)

Split Per Facility	£'000	Repayment dates	Repayment	Rate of interest
30 September 2020				
B1 Facility (GBP)	532,000	13/02/2026	Bullet	LIBOR+4.5%
B2 Facility (EUR)	462,734	13/02/2026	Bullet	LIBOR+4%
2nd LIEN Facility (GBP)	238,000	13/02/2027	Bullet	LIBOR+7.5%
Incremental Facility B212 (EUR)	91,090	13/02/2026	Bullet	LIBOR+4%
Incremental Facility B112 (GBP)	70,000	13/02/2026	Bullet	LIBOR+4.5%
RCF (GBP)	-	13/08/2025	Revolving	LIBOR+3.5%
	1,393,824			
30 September 2019				
B1 Facility (GBP)	532,000	13/02/2026	Bullet	LIBOR+4.5%
B2 Facility (EUR)	450,930	13/02/2026	Bullet	LIBOR+4%
2nd LIEN Facility (GBP)	238,000	13/02/2027	Bullet	LIBOR+7.5%
RCF (GBP)	-	13/08/2025	Revolving	LIBOR+3.5%
	1,220,930			
30 September 2018				
C1 Facility (EUR)	142,960	27/01/2024	Bullet	LIBOR+3.75%
C2 Facility (SEK)	66,424	27/01/2024	Bullet	LIBOR+3.75%
Facility CAPEX ACQ 1 (SEK)	1,813	27/01/2023	Bullet	LIBOR+4.25%
Facility B (GBP)	546,500	27/01/2024	Bullet	LIBOR+4.5%
Facility CAPEX ACQ 1 (GBP)	72,650	27/01/2023	Bullet	LIBOR+4.25%
Facility RCF (GBP)	10,000	27/01/2023	Revolving	LIBOR+4.25%
	840,347			
1 October 2017				
C1 Facility (EUR)	66,679	27/01/2024	Bullet	LIBOR+3.75%
C2 Facility (SEK)	70,363	27/01/2024	Bullet	LIBOR+3.75%
Facility B (GBP)	180,000	27/01/2024	Bullet	LIBOR+4.5%
Facility CAPEX ACQ 1 (GBP)	141,500	27/01/2023	Bullet	LIBOR+4.25%
	458,542			

Terminated facilities

In January 2017 the Group entered into a bank debt arrangement with HSBC Bank PLC, which initially consisted of Senior facilities of Facility B £180m, Facility C1 €75.7m, Facility C2 SEK 770m, Capex facility £100m and a Revolving credit and facility (RCF) of up to £20m. At 30 September 2018 the Senior Facilities consisted of Facility B £546.5m, Facility C1 €160.5m, Facility C2 SEK 770m, Capex facility £100m and a Revolving credit and facility (RCF) of up to £20m (Facility B £180m, Facility C1 €75.7m, Facility C2 SEK 770m, Capex facility £141.5m and a Revolving credit and facility (RCF) of up to £20m at 1 October 2017).

21 Loans and borrowings (continued)

Long term bank borrowings (continued)

Terminated facilities (continued)
The C1 and C2 facilities bore interest of LIBOR plus a margin of 3.75% and had a maturity date of January 2024. The Capex facility bore interest of LIBOR plus a margin of 4.25% and had a maturity date of January 2023. The B facility bore interest of LIBOR plus a margin of 4.5% and had a maturity date of January 2023. The RCF bore interest of LIBOR plus a margin of 4.25% and had a maturity date of January 2023.

The loans are secured. The security on the loans is provided by the material companies in the Group (those each comprising more than 5% of the Group's EBITDA and total assets, together representing at least 80% of the Group's EBITDA and total assets), pledging their share capital as security.

The only financial covenant associated with all the facilities as at 30 September 2018 are that Net Debt cover (calculated on a pro forma basis) does not exceed 7.92:1.

Existing facilities
In February 2019 the Group refinanced its bank debt arrangements, to give it more capacity to acquire companies in the future and to obtain more favourable and flexible terms. This involved repaying the existing HSBC Bank PLC loans and refinancing with National Westminster Bank PLC as lead bank.

The new facilities obtained from National Westminster Bank PLC initially consisted of a First Lien facility of Senior facilities of €400m (B2) and £432m (B1), a Revolving Credit Facility (the "RCF facility") of up to £200m and a Second Lien facility of £238m.

The First Lien Senior facilities bear interest of LIBOR plus a margin of 4.5% on the B1 Facilities, and LIBOR plus a margin of 4% on the B2 facilities, with both facilities having a maturity date of 13 February 2026. The RCF facility bears interest of LIBOR plus a margin of 3.5% and has a maturity date of 13 August 2025. The Second Lien Facility bears interest of LIBOR plus a margin of 7.5% and has a maturity date of 13 February 2027.

The loans are secured. The security on the loans is provided by the material companies in the Group (those each comprising more than 5% of the Group's EBITDA, in addition to each wholly owned direct holding company of a material company, together representing at least 80% of the Group's EBITDA), pledging their share capital as security.

The only financial covenant was associated with the First Lien facilities as at 30 September 2019 and 2020, and was that are that Net Leverage Ratio (calculated as Senior secured indebtedness to Consolidated EBITDA on a pro forma basis) should not exceed 9.12:1.

Under all facilities the Group can select an interest payment schedule of every one, three or six months or any other period agreed between the parent and the Agent. The default interest payment schedule is every three months. On the loan facility maturity dates all amounts owing shall be immediately due and payable.

In February 2019 Fees of £18.8m were paid on loan origination. In August 2019 Fees of £0.6m were paid on the increase in the B1 and B2 facilities and in August 2020 Fees of £14.4m were paid on the increase in the B1 and B2 facilities. These fees are treated as deferred loan costs and are amortised over the life of the loan.

The terms of the RCF facility are such that a commitment fee computed at a rate of 35% of the applicable margin per annum is accrued daily on any unused RCF facility balance and is payable quarterly. In addition, Agency fees of £28,850 are payable quarterly in advance with regards to the other facilities. These costs are accrued on a monthly basis and expensed to the profit or loss.

21 Loans and borrowings (continued)

Long term bank borrowings (continued)

Existing facilities (continued)
During the year ended 30 September 2019, £200m was drawn down using the RCF facility. In August 2019 the RCF balance was repaid by increasing the B1 and B2 facilities by £100m and €108m respectively under the same terms as the existing facilities.

During the year ended 30 September 2020, £105m was drawn down using the RCF facility. In August 2020 the Group refinanced the existing RCF facility by opening two new incremental facilities - Incremental facility B112 and Incremental facility B212 for £70m and €100m respectively. These are extensions of the existing B1 and B2 facilities therefore the terms of these new incremental facilities are the same as the existing B1 and B2 facilities.

All loans are measured at amortised cost.

There are no significant restrictions from borrowing arrangements or regulatory requirements on the ability of subsidiaries to transfer funds to the Group in the form of cash dividends or to repay loans.

The maturity profile of amounts due after one year is below:

Group	Due within one and five years £'000	Due after five years £'000	Total £'000
30 September 2020			
Loans and borrowings	-	1,374,521	1,374,521
30 September 2019			
Loans and borrowings	-	1,202,127	1,202,127
30 September 2018			
Loans and borrowings	84,463	747,635	832,098
1 October 2017			
Loans and borrowings	-	451,869	451,869

22 Employee benefit liabilities

Group	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Current				
Accrual for annual leave	17,403	7,912	9,567	9,672
Non-current				
Defined benefit schemes (note 28)	3,034	2,251	1,291	1,187

Company

The Company has no employee benefit liabilities.

23 Contingent consideration

Group

The Group carries certain contingent liabilities resulting from its business combinations. Certain sellers of the Group's acquired entities are entitled to earn additional earn-out payments in cash based on the entities' subsequent operating performance or future acquisitions by the acquired business. This operating performance is based on target revenues or earnings before interest, tax, depreciation and amortisation to be achieved by the acquiree and are contingent on maintaining historical levels of staff costs and operating expenses. The Group recorded the acquisition date fair values of these contingent liabilities, based on the likelihood of contingent earn-out payments, as part of the consideration transferred. The earn-out payments are subsequently remeasured to fair value at each reporting date, based on actual and forecasted operating performance.

The contingent consideration balance is a Level 3 fair value measurement, as the calculation of these amounts utilises unobservable inputs. The inputs included are projected revenue and/or earnings before interest, tax, depreciation and amortisation amounts and risk-adjusted discount rates. The discount rate utilised in the calculation of these fair value measurements ranges from 4% - 5%. There have been no transfers between Level 1 or 2 throughout the year ending 2020, 2019 and 2018.

Included in the contingent consideration balance as of 30 September 2019 and 2020 is a balance of £51,293,211 and £41,447,903 related to the acquisition of Vets Now. The fair value of this contingent consideration balance is based on the presumption that the sellers will reach target financial performance metrics enabling the contingent consideration cap of £54,000,000 to be met. As of 30 September 2020 it has been determined that the total consideration cap included in the Share Purchase Agreement will be met and the full remaining amount will be paid to the sellers in 2021.

23 Contingent consideration (continued)

The following table provides a roll-forward of the fair value of contingent consideration for the years ended 30 September 2020, 2019 and 2018:

Group	**Contingent consideration £'000**
At 1 October 2017	16,317
Issuance of contingent consideration in connection with acquisition	10,099
Payment of contingent consideration	(3,786)
At 30 September 2018	22,630
Issuance of contingent consideration in connection with acquisition	75,356
Change in fair value of contingent consideration	(16,533)
Payment of contingent consideration	(6,114)
At 30 September 2019	75,339
Issuance of contingent consideration in connection with acquisition	27,210
Change in fair value of contingent consideration	(4,685)
Payment of contingent consideration	(16,392)
At 30 September 2020	81,472

The total amount recognised in the Consolidated Statement of Profit or Loss in each year is:

	30 September 2020 £'000	**30 September 2019 £'000**	**30 September 2018 £'000**
Revaluation of financial instruments	4,685	16,533	-

The fair value is determined considering the expected payment, discounted to present value using a risk adjusted discount rate. The expected payment is determined separately in respect of each individual earn-out agreement taking into consideration the expected level of profitability of each acquisition. The provision for contingent consideration is principally in respect of acquisitions completed during 2017 to 2020.

The significant unobservable input is forecast revenue growth rates. For the reporting period ended 30 September 2020 these were 5% - 15% (30 September 2019: 5% - 10%, 30 September 2018 – 5% - 10%).

The estimated fair value would increase/(decrease) if the revenue growth rate was higher/(lower).

23 Contingent consideration (continued)

For the fair value of contingent consideration of each of the material acquisitions completed during 2017 through 2020, a reasonably possible change to the significant unobservable input at 30 September 2020, 2019 and 2018, holding the other inputs constant, would have the following effects:

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Increase in revenue growth rate - 5.0%	2,156	-	-	-
Decrease in revenue growth rate - (5.0%)	(8,932)	(3,515)	(151)	-

The maturity profile of contingent consideration is as follows:

Group	Due within one year £'000	Due after more than one year £'000	Total £'000
30 September 2020			
Contingent consideration	53,710	27,762	81,472
30 September 2019			
Contingent consideration	33,750	41,589	75,339
30 September 2018			
Contingent consideration	5,857	16,773	22,630
1 October 2017			
Contingent consideration	5,729	10,588	16,317

Company

The Company has no contingent consideration.

24 Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon:

Group	Property, plant and equipment £'000	Other temporary differences £'000	Losses £'000	Leases £'000	Business combinations £'000	Total £'000
At 1 October 2017	65	(115)	-	(618)	-	(668)
On acquisition	(110)	-	-	-	(21,614)	(21,724)
Credit/(expense) to OCI	-	-	-	4	(42)	(38)
Credit/(expense) to profit or loss	(202)	172	3,507	672	1,014	5,163
At 30 September 2018	(247)	57	3,507	58	(20,642)	(17,267)
On acquisition	(1,836)	41	5	–	(26,641)	(28,431)
Credit/(expense) to OCI	-	-	-	(2)	63	61
Credit/(expense) to profit or loss	715	(334)	3,370	558	4,403	8,712
At 30 September 2019	(1,368)	(236)	6,882	614	(42,817)	(36,925)
On acquisition	(787)	-	-	-	(17,385)	(18,172)
Credit/(expense) to OCI	-	-	-	15	(550)	(535)
Credit/(expense) to profit or loss	4,956	(1,704)	2,877	853	1,995	8,977
At 30 September 2020	2,801	(1,940)	9,759	1,482	(58,757)	(46,655)

A deferred tax asset has not been recognised for the following as it is not considered probable that there will be future taxable profits, including taxable temporary differences relating to the same tax authority and entity, available against which the assets can unwind:

Group	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
Unused tax losses	15,929	7,062	4,583
Fixed asset temporary differences	86	58	-
Employee benefits	523	395	232
	16,538	7,515	4,815

Included in unrecognised tax losses are £1,026,148 (30 September 2019 - £769,419, 30 September 2018 - £Nil, 1 October 2017 - £Nil) of which £769,419 must be used by 2025 and £256,729 that must be utilised by 2026. Other losses may be carried forward indefinitely.

24 Deferred tax (continued)

The Group does not have any unrecognised deferred tax liabilities arising from its investments in subsidiaries and associates.

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Deferred tax asset	-	-	-	-
Deferred tax liability	(46,655)	(36,925)	(17,267)	(668)
Net deferred tax	(45,655)	(36,925)	(17,267)	(668)

Company

The Company had no deferred tax asset or liability.

25 Share capital

	30 September 2020 Number 000	30 September 2019 Number 000	30 September 2018 Number 000	1 October 2017 Number 000
Authorised, issued and fully paid:				
Ordinary shares of £0.01 each	359,432	359,432	359,432	359,432
Ordinary shares of £1 each	5,974	5,974	5,974	5,974
	365,406	365,406	365,406	365,406
	£'000	**£'000**	**£'000**	**£'000**
Authorised, issued and fully paid:				
Ordinary shares of £0.01 each	3,594	3,594	3,594	3,594
Ordinary shares of £1 each	5,974	5,974	5,974	5,974
	9,568	9,568	9,568	9,568

	30 September 2020 Number 000	30 September 2020 £'000	30 September 2019 Number 000	30 September 2019 £'000
Ordinary shares of £0.01 each				
At 1 October	359,432	3,594	359,432	3,594
Other issue for cash	-	-	-	-
At 30 September	359,432	3,594	359,432	3,594

25 Share capital (continued)

	30 September 2018 Number 000	30 September 2018 £'000
Ordinary shares of £0.01 each		
At 1 October	359,432	3,594
Other issue for cash	-	-
At 30 September	359,432	3,594

	30 September 2020 Number 000	30 September 2020 £'000	30 September 2019 Number 000	30 September 2019 £'000
Ordinary shares of £1 each				
At 1 October	5,974	5,974	5,974	5,974
Other issue for cash	-	-	-	-
At 30 September	5,974	5,974	5,974	5,974

	30 September 2018 Number 000	30 September 2018 £'000
Ordinary shares of £1 each		
At 1 October	5,974	5,974
Other issue for cash	-	-
At 30 September	5,974	5,974

Share premium	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
Ordinary shares of £0.01 each			
At 1 October	-	-	-
Other issue for cash	-	-	-
At 30 September	-	-	-

Share premium	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
Ordinary shares of £1 each			
At 1 October	569,178	300,416	300,416
Other issue for cash	5,150	268,762	-
Issue of share capital from prior year contribution	71,271	-	-
At 30 September	645,599	569,178	300,416

25 Share capital (continued)

New shares allotted

During the year ended 30 September 2020 1 ordinary share having an aggregate nominal value of £1 was allotted for an aggregate consideration of £5,150,000. This share was allotted on 12 May 2020.

On 13 February 2019 as part of the refinancing and corporate restructuring of the Group, the Company subscribed 1 share for £1 each to IVC Acquisition Pikco Limited, its parent undertaking for a consideration of £80,000,000.

On 30 May 2019 the Company subscribed 1 share for £1 to IVC Acquisition Pikco Limited for a consideration of £17,046,641.

On 4 June 2019 the Company subscribed 1 share for £1 to IVC Acquisition Pikco Limited for a consideration of £57,299,228.

On 30 July 2019 the Company subscribed 1 share for £1 to IVC Acquisition Pikco Limited for a consideration of £114,415,389.

On 6 November 2019 the Company subscribed 1 share for £1 to IVC Acquisition Pikco Limited for a consideration of £71,271,489. However, the cash was received from the parent undertaking on 6 September 2019. There was no obligation for the Company to repay the cash received to the parent undertaking and it was understood by all parties that this was advanced consideration for the future share issuance that yet required final board approval. Therefore, the amount has been recorded as a consideration received for shares to be issued in the year ended 30 September 2019.

Rights and restrictions

The shares have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer any right of redemption. All shares have been allotted, called-up and fully-paid.
The Company has one class of ordinary shares which carry no right to fixed income.

Restatement

The 2019 comparative for share premium has been restated by £20,000,0000 following a review of the prior year financial statements. It has also been restated for the consideration received for shares to be issued. See note 35 for more information.

26 Reserves

The following describes the nature and purpose of each reserve within equity:

Called up share capital represents the nominal value of shares subscribed for.

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The consideration received for shares to be issued represents cash received from the parent undertaking on 6 September 2019 for the issue of shares that did not take place until 6 November 2019. See note 25 for more detail.

The accumulated deficit represents cumulative profits or losses, net of dividends paid and other adjustments.

The translation reserve represents gains/losses on retranslating the net assets of overseas operations into Pound Sterling.

27 Financial Instruments

Group

Capital risk management

The Group's objectives when managing capital, which is deemed to be total equity plus loans and borrowings, are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong credit rating and headroom on financial covenants.

The Group manages its capital structure and makes appropriate decisions in light of the current economic conditions and strategic objectives of the Group.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Group.

Categories of financial instruments

Carrying amount	**30 September 2020**	**30 September 2019**	**30 September 2018**	**1 October 2017**
Financial assets	**£'000**	**£'000**	**£'000**	**£'000**
Amortised cost				
Other investments	245	27	27	2,735
Cash and cash equivalents	219,514	209,789	116,057	101,001
Trade receivables (note 19)	56,731	53,366	29,968	17,823
Other receivables (note 19)	45,495	39,665	28,623	11,218
Amounts owed by parent companies (note 19)	30,567	27,787	23,200	20,368
Total financial assets held at amortised cost	352,552	330,634	197,875	153,145
Financial liabilities				
Amortised cost				
Trade payables (note 20)	70,673	78,319	50,077	36,507
Accruals (note 20)	96,785	59,507	49,809	20,673
Other payables (note 20)	36,214	19,715	28,700	8,620
Amounts owed to parent companies (note 20)	798,186	719,183	700,450	538,918
Loans and borrowings (note 21)	1,374,521	1,202,127	832,098	451,871
Employee benefit liabilities (note 22)	17,403	7,912	9,567	9,672
Total financial liabilities held at amortised cost	2,393,782	2,086,763	1,670,701	1,066,261

Fair values of financial instruments

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, and based on the lowest level input that is significant to the fair value measurement as a whole.

27 Financial Instruments (continued)

Fair values of financial instruments (continued)

At 30 September 2020, 2019 and 2018 and 1 October 2017 the carrying amounts of cash at bank, receivables, payables, accrued expenses, short-term advances to related parties and short-term borrowings from related parties reflected in the consolidated financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The fair value of floating interest rate bank borrowings at the end of the reporting periods is not significantly different from the carrying amounts.

The following table provides the fair value disclosures of the Group's remaining long term borrowings for which the carrying amount does not approximate fair value and contingent consideration:

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Financial liabilities measured at fair value				
Contingent consideration (note 23)	81,472	75,339	22,630	16,317
Financial liabilities measured at amortised cost				
Amounts owed to parent companies (note 20)	756,601	637,232	-	-
Fair values (Level 3): significant unobservable inputs				
Contingent consideration (note 23)	81,472	75,339	22,630	16,317
Amounts owed to parent companies (note 20)	1,212,872	919,460	-	-
	1,294,344	994,799	22,630	16,317

There have been no transfers between levels during the year.

The valuation techniques for Level 3 financial instruments have been disclosed below.

Areas	**Valuation Technique**
Contingent consideration	Refer to note 23.
Amounts owed to parent companies	A discounted cash flow approach has been adopted, applying a yield comprising a term-appropriate risk free rate and credit spread based on the Group's credit risk profile and the instrument's security.

27 Financial Instruments (continued)

Financial risk management

Overview
The Group is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Market risk (currency risk, interest rate risk and price risk) and;
- Liquidity risk.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, ensuring mitigation is in place to address them while monitoring adherence to appropriate limits and controls set by the Board. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Risk management in respect of financial risks is carried out by the Group Treasury function under policies approved by the Board of Directors. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board provides written principles through its Group Treasury Policy for overall risk management.

There has been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and process for managing those risks or the methods used to measure them from previous periods.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk on loans receivable, trade and other receivables, cash and cash equivalents and intra-group receivables.

The Group ensures that the banks used for financing hold an acceptable risk rating by independent parties. Trade receivables and other receivables consist of a large number of customers. The Group does not have any significant credit risk exposure to any single counterparty.

Under the general approach there is to be assessment of whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period.

Thus the basis of the loss allowance for a specific financial asset could change year on year. For trade receivables which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For financial assets other than trade receivables the general approach under IFRS 9 is followed.

When assessing credit risk, the Group consider past due information and external credit rating as issued by external credit rating agencies when these are available. This also includes consideration of existing changes in business, financial and economic conditions of counterparty associated with the financial asset.

27 Financial Instruments (continued)

Credit risk (continued)

Management has assessed all of the Group's financial assets to be in Stage 1, where credit risk has not increased since initial recognition, based on consideration of the credit quality of the respective counterparties.

The Group only deposits money with banks that have investment grade credit ratings of at least investment grade and above. These balances can be withdrawn on demand and therefore management would, in accordance with the Group's credit risk management practices, withdraws amounts should the credit risk associated with a particular bank increase beyond the Group's risk appetite. The Group also avails the low credit risk exemption under IFRS with regard to amounts owed by investment grade counterparties whereby it assumes that there is no significant increase in credit risk for said counterparties to the extent that they remain investment grade. The Group only deposits with money market funds that are AAA rated and provide diversified risk of investment in counterparties and instruments.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 19.

The Group's maximum exposure to credit risk, being the carrying amount of financial assets, is summarised as follows:

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Trade receivables (note 19)	56,731	53,366	29,968	17,823
Amounts owed by parent companies (note 19)	30,567	27,787	23,200	20,368
Other receivables (note 19)	45,495	39,665	28,623	11,218
Cash and cash equivalents	219,514	209,789	116,057	101,001

Market risk

Market risk arises from the Group's use of interest bearing and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. The Group analyses the interest rate exposure. A sensitivity analysis is performed by applying a simulation technique to the liabilities that represent major interest-bearing positions. Based on the simulations performed, the impact on profit or loss of a 50-basis point shift (being the maximum reasonable expectation of changes in interest rates), the Group ensures the appropriate management of interest rate risk. Note terms of the interest rates for the Group is provided in note 21.

The Group has set up a Treasury Risk committee to review its financial risks and exposures including Interest rate risk. The committee reviews the Group's exposure to interest rate risks based upon the level of debt, the existing fixed/floating rate mix and existing market conditions and takes appropriate action to mitigate risk as appropriate.

27 Financial Instruments (continued)

(i) Interest rate risk (continued)

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

Group	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Variable rate instruments				
Financial liabilities	1,374,521	1,202,127	832,098	451,871
Total financial liabilities	1,374,521	1,202,127	832,098	451,871

Sensitivity analysis

A change of 50 basis points in interest rates at the period end date would have increased/(decreased) profit or loss by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates, financial instruments at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps. The analysis is performed on the same basis for the comparative period.

Group **Profit or loss and Equity**	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Increase	6,873	6,011	4,160	2,259
Decrease	(6,873)	(6,011)	(4,160)	(2,259)

(ii) Foreign currency risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. There is a risk that significant fluctuations in European currencies causes an adverse impact on the Group's profitability or ability to pay key suppliers or lenders. The Group mitigates this risk by having a portion of its debt in Euros so any weakening of the Euro which leads to lower profitability also leads to reduced debt for the Group.

The Group also looks to draw from its external debt to match its assets in currency.

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments.

30 September 2020	Euro £'000	SEK £'000	CHF £'000	DKK £'000	NOK £'000	Total £'000
Trade and other receivables	14,377	6,426	654	223	1,047	22,727
Cash and cash equivalents	50,936	24,230	2,201	3,701	1,905	82,973
Trade and other payables	39,563	32,357	3,894	1,766	2,919	80,499
Loans and borrowings	553,824	-	-	-	-	553,824

27 Financial Instruments (continued)

(ii) Foreign currency risk (continued)

30 September 2019	Euro £'000	SEK £'000	CHF £'000	DKK £'000	NOK £'000	Total £'000
Trade and other receivables	14,250	6,267	684	281	1,051	22,533
Cash and cash equivalents	13,554	7,754	1,234	775	1,740	25,057
Trade and other payables	19,151	12,297	522	644	1,869	34,483
Loans and borrowings	450,930	-	-	-	-	450,930

30 September 2018	Euro £'000	SEK £'000	CHF £'000	DKK £'000	NOK £'000	Total £'000
Trade and other receivables	8,159	6,461	700	526	1,127	16,973
Cash and cash equivalents	25,019	10,744	1,366	3,119	1,683	41,931
Trade and other payables	11,091	2,907	111	93	925	15,127
Loans and borrowings	142,960	68,237	-	-	-	211,197

1 October 2017	Euro £'000	SEK £'000	Total £'000
Trade and other receivables	-	6,615	6,615
Cash and cash equivalents	-	24,950	24,950
Trade and other payables	-	13,052	13,052
Loans and borrowings	66,679	70,363	137,042

27 Financial Instruments (continued)

(ii) Foreign currency risk (continued)

<u>Sensitivity analysis</u>
A 5% weakening of the following currencies against the pound sterling at the period end date in each year would have increased/(decreased) profit or loss or equity by the amounts shown below. This calculation assumes that the change occurred at the reporting date and had been applied to risk exposures existing at that date.
This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

A 5% strengthening of the above currencies against the pound sterling in any period would have had the equal but opposite effect on the above currencies to the amounts shown below, on the basis that all other variables remain constant.

30 September 2020 **Profit or loss and Equity**	**Euro** **£'000**	**SEK** **£'000**	**CHF** **£'000**	**DKK** **£'000**	**NOK** **£'000**	**Total** **£'000**
Increase	25,256	7	42	13	-	25,318
Decrease	(25,256)	(7)	(42)	(13)	-	(25,318)

30 September 2019 **Profit or loss and Equity**	**Euro** **£'000**	**SEK** **£'000**	**CHF** **£'000**	**DKK** **£'000**	**NOK** **£'000**	**Total** **£'000**
Increase	21,107	7	54	2	4	21,174
Decrease	(21,107)	(7)	(54)	(2)	(4)	(21,174)

30 September 2018 **Profit or loss and Equity**	**Euro** **£'000**	**SEK** **£'000**	**CHF** **£'000**	**DKK** **£'000**	**NOK** **£'000**	**Total** **£'000**
Increase	5,871	3,191	73	20	8	9,163
Decrease	(5,871)	(3,191)	(73)	(20)	(8)	(9,163)

1 October 2017 **Profit or loss and Equity**	**Euro** **£'000**	**SEK** **£'000**	**Total** **£'000**
Increase	3,179	3,277	6,456
Decrease	(3,179)	(3,277)	(6,456)

27 Financial Instruments (continued)

(iii) Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient liquid assets to allow it to meets its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements.

The Group reviews liquidity on a weekly basis reviewing cash in each country and at the Group level against forecast, taking into consideration cash requirement for operations and potential investments in acquisitions. Where possible, operational cash is utilised for acquisitions with the utilisation of a revolving credit facility being used as and when required for operational cash, acquisitions or capital projects. Intercompany loans from Group companies are advanced to operations that require funds.

	Due within one year £'000	Due within one and five years £'000	Due after five years £'000	Total £'000
2020				
Loans and borrowings	-	-	1,933,490	1,933,490
Amounts owed to parent companies	41,585	-	1,721,056	1,762,641
Trade payables	70,673	-	-	70,673
Other payables	36,214	-	-	36,214
Accruals	96,782	3	-	96,785
Employee benefit liabilities	17,403	-	-	17,403

	Due within one year £'000	Due within one and five years £'000	Due after five years £'000	Total £'000
2019				
Loans and borrowings	-	-	1,816,739	1,816,739
Amounts owed to parent companies	81,951	-	1,608,974	1,690,925
Trade payables	78,319	-	-	78,319
Other payables	19,715	-	-	19,715
Accruals	59,507	-	-	59,507
Employee benefit liabilities	7,912	-	-	7,912

27 Financial Instruments (continued)

(iii) Liquidity risk (continued)

	Due within one year £'000	Due within one and five years £'000	Due after five years £'000	Total £'000
2018				
Loans and borrowings	-	84,463	1,021,330	1,105,793
Amounts owed to parent company	700,450	-	-	700,450
Trade payables	50,077	-	-	50,077
Other payables	28,700	-	-	28,700
Accruals	49,809	-	-	49,809
Employee benefit liabilities	9,567	,-	-	9,567

	Due within one year £'000	Due within one and five years £'000	Due after five years £'000	Total £'000
2017				
Loans and borrowings	2	-	612,544	612,546
Amounts owed to parent company	538,918	-	-	538,918
Trade payables	36,507	-	-	36,507
Other payables	8,620	-	-	8,620
Accruals	20,673	-	-	20,673
Employee benefit liabilities	9,672	-	-	9,672

28 Retirement benefit schemes

Defined contribution schemes

Group

The Group operates defined contribution retirement benefit schemes. The pension cost charge for the year represented contributions payable by the Group to the schemes and amounted to £24,028,000 (30 September 2019 - £9,334,000, 30 September 2018 - £8,575,000). Contributions totalling £2,365,000 (30 September 2019 - £1,708,000, 30 September 2018 - £1,113,000, 1 October 2017 - £253,000) were payable to the schemes at the end of the year and are included in other creditors.

28 Retirement benefit schemes (continued)

Defined benefit plans (continued)

Group

(i) Defined benefit plan characteristics and funding
The Group has 5 entities in Switzerland that are affiliated to 3 pension funds operating 11 post-employment defined benefit plans. The nature of the plans is similar for all plans:

- The retirement benefits are organized as "cash-balance plans":
  - Each active insured has a savings account, which is accumulated by contributions of the employee as well as the employer.
  - In addition, the savings accounts are augmented by an interest rate, which is determined by the board of the trustees on a yearly basis.
  - In the case of an employee changing the employer, the savings account is transferred to the new employer's pension fund. The employee's savings process is continued in the new pension plan.
  - At retirement age, the amount on the savings account is converted into an annuity by multiplication with the pension fund specific conversion rate.

- Other benefits:
  - In addition to retirement benefits, the employee has death and disability benefits. These benefits (annuities) are typically defined as a percentage of the employee's salary.

Differences and similarities of pension plans:

- The pension benefits are similar for each pension plan (similar in the kind of benefits they provide), but they are different in the amount, e.g. the disability annuity is generally higher in a management plan than in an usual employee plan.

Swiss pension funds are legally independent from the employer and are governed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (LPP/BVG). The pension plans adopted for Switzerland are affiliated to three different independent collective foundations. The board of trustees consists of the same number of employer and employee representatives. The duties of the board of trustees are detailed defined in Art. 51a BVG. They are in particular responsible for the administration of the pension fund, the investment and the definition of the pension plans and other relevant policies.

The vast majority of Swiss pension plans are defined contribution plans by nature (and by definition of local GAAP). Swiss pension plans are, however, categorized as defined benefit plans under IFRS because:

- Existing minimum guarantees on benefit levels (interest rate, conversion rate on compulsory part of the benefits)
- The employer can potentially be forced to pay extraordinary contributions in case of underfunding according to statutory law (based on paragraph 65d, law on occupation benefits in Switzerland)

As a consequence, the benefits do not depend solely on the amount contributed to the plan participant's account, the returns earned on investments of those contributions, and the forfeitures of other plan participants' benefits that may be allocated to that plan participant's account.
These two characteristics therefore cause Swiss pension plans to be treated as defined benefit according to IFRS.

In 2021, the Group expects to contribute £354,000 into its defined benefit plans.

28 Retirement benefit schemes (continued)

Defined benefit plans (continued)

Group

(ii) Reconciliation of defined benefit obligation and fair value of scheme assets

Movement in defined benefit obligation	**30 September 2020 £'000**	**30 September 2019 £'000**	**30 September 2018 £'000**
At 1 October	10,968	8,211	6,860
Current service cost	420	322	293
Interest cost	11	97	60
Included in profit or loss	431	419	353
Actuarial loss (gain) from:			
- Financial assumptions	(171)	1,324	(274)
- Adjustments (experience)	2	167	229
Included in other comprehensive income	(169)	1,491	(45)
Contributions by plan participants	289	261	256
Business combinations	2,687	-	568
Exchange rate adjustment (gains)/losses	343	373	90
Benefits paid	(809)	213	129
Other Movements	2,510	847	1,043
At 30 September	13,740	10,968	8,211

Fair value of plan assets	**30 September 2020 £'000**	**30 September 2019 £'000**	**30 September 2018 £'000**
At 1 October	8,717	6,920	5,673
Interest income	9	84	51
Included in profit or loss	9	84	51
Return on plan assets (excluding interest)	(206)	664	(62)
Included in other comprehensive income	(206)	664	(62)
Contributions by the employer	289	261	256
Contributions by plan participants	289	261	256
Business combinations	2,153	-	542
Exchange rate adjustment gains/(losses)	264	314	75
Benefits paid	(809)	213	129
Other Movements	2,186	1,049	1,258
At 30 September	10,706	8,717	6,920

28 Retirement benefit schemes (continued)

Defined benefit plans (continued)

Group

(ii) Reconciliation of defined benefit obligation and fair value of scheme assets

Amounts recognised in the Consolidated Statement of Financial Position	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Present value of funded obligation	(13,740)	(10,968)	(8,211)	(6,860)
Fair value of plan assets	10,706	8,717	6,920	5,673
Net liability	(3,034)	(2,251)	(1,291)	(1,187)

Consolidated Statement of Financial Position reconciliation	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
At 1 October	2,251	1,291	1,187
Pension expenses recognised in profit or loss	422	335	302
Amounts recognised in other comprehensive income	38	827	16
Employer contributions	(289)	(261)	(256)
Net transfer in/(out) including the effect of any business combinations/divestiture	533	-	26
Exchange rate adjustment (gains)/losses	79	59	16
At 30 September	3,034	2,251	1,291

Expense recognised in profit or loss	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
Current serve cost	420	322	293
Net interest cost	2	13	9
	422	335	302

(iii) Estimate of contributions in subsequent period

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
Best estimate of expected contribution by the employer during the next financial period	354	295	266
Best estimate of expected contribution by plan participants during the next financial period	354	295	266

28 Retirement benefit schemes (continued)

Defined benefit plans (continued)

Group

(iv) Principal actuarial assumptions used

	30 September 2020	30 September 2019	30 September 2018
Discount rate (beginning of period)	0.10%	1.10%	0.80%
Discount rate (end of period)	0.20%	0.10%	1.10%
Expected return on plan assets (in period)	0.10%	1.10%	0.80%
Interest on savings account	0.50%	0.50%	1.10%
Salary increase rate	1.00%	1.00%	1.00%
Pension increase rate	0.00%	0.00%	0.00%
Lump-sum withdrawal rate	30.00%	30.00%	30.00%
Mortality table	BVG 2015 GT	BVG 2015 GT	BVG 2015 GT
Disability table	BVG 2015	BVG 2015	BVG 2015
Turnover table	BVG 2015	BVG 2015	BVG 2015
Treatment of contributions from employees	IAS19.93(b)	IAS19.93(b)	IAS19.93(b)

(v) Sensitivity (change in defined benefit obligation)

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
Discount rate			
+0.50%	(1,036)	(835)	(579)
- 0.50%	1,189	960	660
Interest on savings-accounts			
+0.50%	313	250	195
- 0.50%	(298)	(238)	(186)
Pension increase rate			
+0.50%	684	545	358
- 0.50%	(618)	(492)	(324)
Salary increase rate			
+0.50%	174	141	94
- 0.50%	(166)	(135)	(89)
Life expectancy			
- 1 year	(312)	(249)	(154)
+ 1 year	365	292	179
Duration defined benefit obligation	0.01	0.01	0.02

28 Retirement benefit schemes (continued)

Defined benefit plans (continued)

Group

vi) Breakdown of defined benefit obligation by participant status at end of period

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
Active members	13,691	10,919	8,171
Pensioners	49	49	40
	13,740	10,968	8,211

(vii) Allocation of plan assets at end of period

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000
With quoted market price			
Cash and cash equivalents	353	249	158
Equity instruments	3,461	2,668	1,372
Debt instruments	3,338	2,850	985
Real estate	2,524	2,081	903
Other	1,030	869	504
	10,706	8,717	3,922
Without quoted market price			
Other	-	-	2,998
	-	-	2,998
Total	10,706	8,717	6,920

29 Business combinations during the period

The Group has acquired veterinarian practices and groups throughout the United Kingdom and Europe. The primary reason for these acquisitions is to expand the Group's presence and increase future earnings in these geographical areas.

The material acquisitions acquired in the periods ended 30 September 2018, 2019 and 2020 are separately disclosed within this note. The directors have considered the accounting requirements of IFRSs and have concluded that there were no other material acquisitions which require separate disclosure. Pro forma disclosure of revenues and earnings for each of the material acquisitions disclosed in the notes below was not determined to be practicable due to the availability of financial information prior to acquisition in the applicable accounting standard.

Taverham Veterinary Practice Holdings Limited and Taverham Veterinary Practice Limited
On 24 January 2018 the Group acquired 100% of the voting equity instruments of Taverham Veterinary Practice Holdings Limited and Taverham Veterinary Practice Limited ("Taverham"). Taverham Veterinary Practice Holdings Limited and Taverham Veterinary Practice Limited's principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, income taxes and defined contribution pension plans):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	963
Right-of-use asset	1,187
Intangible assets – customer relationships	2,136
Inventories	56
Trade receivables	53
Other receivables	190
Other Assets	662
Cash and cash equivalents	450
Creditors, including lease liability of £1,175,000	(1,643)
Deferred tax liability	(374)
Total fair value of identifiable net assets upon acquisition	3,680
Fair value of consideration paid	
Cash	12,974
Total consideration	12,974
Goodwill (see note 16)	9,294
Cash flow analysis:	
Cash consideration	12,974
Less: cash and cash equivalent balances acquired	(450)
Net cash outflow on acquisition	12,524

29 Business combinations during the period (continued)

Taverham Veterinary Practice Holdings Limited and Taverham Veterinary Practice Limited (continued)
On acquisition Taverham held trade receivables with a book and fair value of £53,000 representing contractual receivables of £64,000. While the Group will make every effort to collect all contractual receivables, it considers it unlikely that £11,000 will be ultimately received.

Acquisition costs of £230,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

The acquisition of Taverham includes a contingent consideration arrangement that requires additional consideration to be paid by the Group to the sellers of Taverham based on the future revenue growth of Taverham over a two-year period. Amounts are payable two years after the acquisition date, with potential undiscounted amount of all future payments that the Group could be required to make under the arrangement between £Nil and £500,000. As these payments are contingent on continued employment of the Sellers the amounts have been treated as compensation expense, for which the amount of £500k is included in the Consolidated Statement of Profit or Loss for the period ending 30 September 2020.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition

The goodwill recognised will not be deductible for tax purposes.

Taverham has contributed £2,989,807 to Group revenues and £1,013,382 of profit to Group loss since the acquisition date to 30 September 2018.

29 Business combinations during the period (continued)

DVG Limited

On 5 February 2018, the Group acquired 100% of the issued shares of DVG Limited. DVG Limited's principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, income taxes and defined contribution plans):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	912
Right-of-use assets	3,104
Intangible assets – customer relationships	2,628
Inventories	75
Trade receivables	116
Other receivables	214
Cash and cash equivalents	82
Creditors, including contract liabilities of £Nil and lease liability of £3,060,000	(4,979)
Deferred tax liability	(453)
Total fair value of identifiable net assets upon acquisition	1,699
Fair value of consideration paid	
Cash	10,118
Contingent consideration	1,870
Total consideration	11,988
Goodwill (see note 16)	10,289

Cash flow analysis:	£'000
Cash consideration	10,118
Less: cash and cash equivalent balances acquired	(82)
Net cash outflow on acquisition	10,036

On acquisition DVG Limited held trade receivables with a book and fair value of £116,000 representing contractual receivables of £214,000. Whilst the Group will make every effort to collect all contractual receivables, it considers it unlikely that the £98,000 will ultimately be received.

Acquisition costs of £424,626 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

29 Business combinations during the period (continued)

DVG Limited (continued)

As part of the acquisition agreement, a contingent consideration arrangement exists that requires Growth Payments to be paid by the Group to the sellers of DVG Limited based on the revenue growth of DVG Limited over a three-year period. There are also contingent consideration payments which are contingent on the continued employment/good leaver status of the vendors and staff costs. Both payments are contingent on the continued employment of individuals and are therefore included within administrative expenses in the Consolidated Statement of Profit or Loss. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £2,000,000.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition.

The goodwill recognised will not be deductible for tax purposes.

DVG Limited has contributed £4,652,125 to Group revenues and £215,466 to the Group's loss for the period between the acquisition date and 30 September 2018.

29 Business combinations during the period (continued)

Barrow Hill Veterinary Group Limited

On 28 April 2018 the Group acquired 100% of the voting equity instruments of Barrow Hill Veterinary Group Limited ("Barrow Hill"). Barrow Hill's principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, income taxes and defined contribution pension plans):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	395
Right-of-use asset	734
Intangible assets – customer relationships	2,162
Inventories	69
Trade receivables	114
Other assets	99
Cash and cash equivalents	962
Creditors, including contract liabilities of £Nil and lease liability of £729,000	(1,449)
Deferred tax liability	(431)
Total fair value of identifiable net assets upon acquisition	2,655
Fair value of consideration paid	
Cash	12,905
Total consideration	12,905
Goodwill (see note 16)	10,250
Cash flow analysis:	
Cash consideration	12,905
Less: cash and cash equivalent balances acquired	(962)
Net cash outflow on acquisition	11,943

On acquisition Barrow Hill held trade receivables with a book and fair value of £114,000, representing contractual receivables of £163,000. Whilst the Group will make every effort to collect all contractual receivables, it considers it unlikely that the £49,000 will ultimately be received.

Acquisition costs of £220,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

29 Business combinations during the period (continued)

Barrow Hill Veterinary Group Limited (continued)

The acquisition of Barrow Hill includes a contingent consideration arrangement that requires additional consideration to be paid by the Group to the sellers of Barrow Hill based on the future revenue growth of Barrow Hill over a two-year period. Amounts are payable over two years after the acquisition date. As these payments are contingent on continued employment of the Sellers the amounts have been treated as compensation expense, for which the amount of £300,000 is included in the Consolidated Statement of Profit or Loss for the period ending 30 September 2018.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition

The goodwill recognised will not be deductible for tax purposes.

Barrow Hill has contributed £1,524,621 to Group revenues and profit of £311,011 to Group loss for the period between the acquisition date and 30 September 2018.

HGH (VS) Limited, Petsco Limited and Petsco 2 Limited

On 28 April 2018 the Group acquired 100% of the voting equity instruments of HGH (VS) Limited, Petsco Limited and Petsco 2 Limited ("HGH"). HGH's principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, income taxes and defined contribution pension plans):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	1,521
Right-of-use asset	6,419
Intangible assets – customer relationships	5,757
Prepayments and other assets	6,819
Inventories	246
Trade receivables	727
Cash and cash equivalents	474
Creditors, including contract liabilities of £Nil and lease liability of £6,299,000	(19,340)
Deferred tax liability	(1,000)
Total fair value of identifiable net assets upon acquisition	1,623
Fair value of consideration paid	
Cash	23,084
Total consideration	23,084
Goodwill (see note 16)	21,461

29 Business combinations during the period (continued)

HGH (VS) Limited, Petsco Limited and Petsco 2 Limited (continued)

	£'000
Cash flow analysis:	
Cash consideration	23,084
Less: cash and cash equivalent balances acquired	(474)
Net cash outflow on acquisition	22,610

On acquisition HGH held trade receivables with a book and fair value of £727,000, representing contractual receivables of £727,000. Whilst the Group will make every effort to collect all contractual receivables, it considers it unlikely that the £Nil will ultimately be received.

Acquisition costs of £1,293,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition

The goodwill recognised will not be deductible for tax purposes.

HGH has contributed £5,362,313 to Group revenues and £191,622 to Group loss for the period between the acquisition date and 30 September 2018.

29 Business combinations during the period (continued)

Caressa Dierenziekenhuizen B.V. and Hugo Verwijsklinieken B.V.

On 13 August 2018, the Group acquired 100% of the issued shares of Caressa Dierenziekenhuizen B.V. and Hugo Verwijsklinieken B.V. ("Caressa"). Caressa's principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, income taxes and defined contribution pension plans):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	2,468
Right-of-use asset	2,119
Intangible assets – customer relationships	1,665
Inventories	331
Trade receivables	260
Cash and cash equivalents	(31)
Creditors, including contract liabilities of £Nil and lease liability of £2,097,000	(4,346)
Deferred tax liability	(742)
Total fair value of identifiable net assets upon acquisition	1,724
Fair value of consideration paid	
Cash	9,054
Total consideration	9,054
Goodwill (see note 16)	7,330

Cash flow analysis:	
Cash consideration	9,054
Less: cash and cash equivalent balances acquired	31
Net cash outflow on acquisition	9,085

Non-controlling interest was measured at £Nil.

On acquisition Caressa held trade receivables with a book and fair value of £260,000, representing contractual receivables of £260,000. Whilst the Group will make every effort to collect all contractual receivables, it considers it unlikely that the £Nil will ultimately be received.

Acquisition costs of £71,600 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

29 Business combinations during the period (continued)

Caressa Dierenziekenhuizen B.V. and Hugo Verwijsklinieken B.V. (continued)

As part of the acquisition agreement, a contingent consideration arrangement exists that requires additional consideration to be paid by the Group to the sellers of Caressa based on future performance of the Group. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £5,343,000. Amounts are payable over three years after the acquisition date. As these payments are contingent on continued employment of the Sellers the amounts have been treated as compensation expense, for which the amount of £5,343,000 is included in the Consolidated Statement of Profit or Loss for the period ending 30 September 2018.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition.

The goodwill recognised will not be deductible for tax purposes.

Caressa have contributed £688,747 to Group revenues and £13,009 of loss to the Group's loss for the period between the acquisition date and 30 September 2018.

29 Business combinations during the period (continued)

Other acquisitions - 2018
The Group acquired 309 other subsidiaries during the year which individually were not material to include the identifiable assets acquired and liabilities assumed separately.

Details of the aggregate fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, contingent liabilities and income taxes):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	10,816
Right-of-use asset	66,587
Intangible assets – customer relationships	91,457
Inventories	4,865
Trade receivables	12,339
Other receivables	1,606
Prepayments and other assets	3,325
Cash and cash equivalents	25,511
Creditors	(27,623)
Lease liability	(66,790)
Deferred tax liability	(18,854)
Total net assets	103,239
Fair value of consideration paid	
Cash	390,195
Contingent consideration	8,229
Total consideration transferred	398,424
Goodwill (see note 16)	295,185
Cash flow analysis:	
Cash consideration	390,195
Less: cash and cash equivalent balances acquired	(25,511)
Net cash outflow on acquisition	364,684

In addition to acquisitions made in the year, the amounts disclosed above include current year true-ups to goodwill, net assets and consideration for acquisitions that were acquired in prior year.

Acquisition costs of £14,350,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition

29 Business combinations during the period (continued)

Other acquisitions – 2018 (continued)

The goodwill recognised will not be deductible for tax purposes.

Since the acquisition date, other acquisitions have contributed £78,694,000 to Group revenues and £5,222,000 to Group loss.

Total net cash outflows on all acquisitions in 2018 from the above tables are £430,882,000. The movement on balances owed to vendors in 2018 increased by £4,722,000 meaning that £426,160,000 was the total cash paid to vendors for acquisitions that year as per the cash flow statement.

Dierenkliniek Stad & Land B.V., Stad & Land Dierenklinieken Alkmaar B.V., Stad & Land Dierenklinieken Amstelveen B.V., Stad & Land Dierenklinieken Hoorn B.V. and Stad & Land Dierenklinieken Wormerveer B.V.

On 30 November 2018, the Group acquired 100% of the issued shares of Dierenkliniek Stad & Land B.V., Stad & Land Dierenklinieken Alkmaar B.V., Stad & Land Dierenklinieken Amstelveen B.V., Stad & Land Dierenklinieken Hoorn B.V. and Stad & Land Dierenklinieken Wormerveer B.V. Dierenkliniek Stad & Land B.V., Stad & Land Dierenklinieken Alkmaar B.V., Stad & Land Dierenklinieken Amstelveen B.V., Stad & Land Dierenklinieken Hoorn B.V. and Stad & Land Dierenklinieken Wormerveer B.V.s principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, income taxes and defined contribution pension plans):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	361
Right-of-use asset	3,754
Intangible assets – customer relationships	2,033
Inventories	156
Trade receivables	792
Cash and cash equivalents	33
Creditors, including contract liabilities of £Nil and lease liability of £3,720,000	(5,088)
Deferred tax liability	(435)
Total fair value of identifiable net assets upon acquisition	1,606
Fair value of consideration paid	
Cash	10,835
Total consideration	10,835
Goodwill (see note 16)	9,229
Cash flow analysis:	
Cash consideration	10,835
Less: cash and cash equivalent balances acquired	(33)
Net cash outflow on acquisition	10,802

29 Business combinations during the period (continued)

Dierenkliniek Stad & Land B.V., Stad & Land Dierenklinieken Alkmaar B.V., Stad & Land Dierenklinieken Amstelveen B.V., Stad & Land Dierenklinieken Hoorn B.V. and Stad & Land Dierenklinieken Wormerveer B.V. (continued)

Non-controlling interest was measured at £Nil.

On acquisition Dierenkliniek Stad & Land B.V., Stad & Land Dierenklinieken Alkmaar B.V., Stad & Land Dierenklinieken Amstelveen B.V., Stad & Land Dierenklinieken Hoorn B.V. and Stad & Land Dierenklinieken Wormerveer B.V. held trade receivables with a book and fair value of £792,000, representing contractual receivables of £826,000. Whilst the Group will make every effort to collect all contractual receivables, it considers it unlikely that the £34,000 will ultimately be received.

Acquisition costs of £73,600 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

As part of the acquisition agreement, a contingent consideration arrangement exists that requires additional consideration to be paid by the Group to the sellers of Dierenkliniek Stad & Land B.V., Stad & Land Dierenklinieken Alkmaar B.V., Stad & Land Dierenklinieken Amstelveen B.V., Stad & Land Dierenklinieken Hoorn B.V. and Stad & Land Dierenklinieken Wormerveer B.V. based on future acquisitions of the Group. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £710,000. Amounts are payable over two years after the acquisition date. As these payments are contingent on continued employment of the Sellers the amounts have been treated as compensation expense, for which the amount of £710,000 is included in the Consolidated Statement of Profit or Loss for the period ended 30 September 2019.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition.

The goodwill recognised will not be deductible for tax purposes.

Dierenkliniek Stad & Land B.V., Stad & Land Dierenklinieken Alkmaar B.V., Stad & Land Dierenklinieken Amstelveen B.V., Stad & Land Dierenklinieken Hoorn B.V. and Stad & Land Dierenklinieken Wormerveer B.V. has contributed £3,717,000 to Group revenues and £605,000 profit to Group's loss from acquisition to 30 September 2019.

29 Business combinations during the period (continued)

Westmorland Veterinary Services Limited, Westmorland Veterinary Services (Farm Animal) Limited and Westmorland Veterinary Services (Pets) Limited

On 19 December 2018, Independent Vetcare Limited acquired 100% of the issued share capital of Westmorland Veterinary Services Limited, Westmorland Veterinary Services (Farm Animal) Limited and Westmorland Veterinary Services (Pets) Limited, obtaining control. Westmorland Veterinary Services Limited, Westmorland Veterinary Services (Farm Animal) Limited and Westmorland Veterinary Services (Pets) Limited's principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, income taxes and defined contribution pension plans):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	70
Right-of-use asset	58
Intangible assets – customer relationships	2,246
Inventories	91
Trade receivables	1,399
Cash and cash equivalents	579
Creditors, including contract liabilities of £Nil and lease liability of £57,000	(2,097)
Deferred tax liability	(398)
Total fair value of identifiable net assets upon acquisition	1,948
Fair value of consideration paid	
Cash	12,492
Total consideration	12,492
Goodwill (see note 16)	10,544
Cash flow analysis:	
Cash consideration	12,492
Less: cash and cash equivalent balances acquired	(579)
Net cash outflow on acquisition	11,913

29 Business combinations during the period (continued)

Westmorland Veterinary Services Limited, Westmorland Veterinary Services (Farm Animal) Limited and Westmorland Veterinary Services (Pets) Limited (continued)

Non-controlling interest was measured at £Nil.

On acquisition, Westmorland Veterinary Services Limited, Westmorland Veterinary Services (Farm Animal) Limited and Westmorland Veterinary Services (Pets) Limited held trade receivables with a book and fair value of £1,428,000 representing contractual receivables of £283,000. Whilst the Group will make every effort to collect all contractual receivables, it considers it unlikely that the £29,000 will ultimately be received.

Acquisition costs of £222,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

As part of the acquisition agreement, a contingent consideration arrangement exists that requires additional consideration to be paid by the Group to the sellers of the acquires based on the revenue growth and payroll expenses of Westmorland Veterinary Services Limited, Westmorland Veterinary Services (Farm Animal) Limited and Westmorland Veterinary Services (Pets) Limited over a four-year period. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £500,000. As these payments are contingent on continued employment of the Sellers the amounts have been treated as compensation expense, for which the amount of £500,000 is included in the Consolidated Statement of Profit or Loss for the period ended 30 September 2019.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition.

The goodwill recognised will not be deductible for tax purposes.

Westmorland Veterinary Services Limited, Westmorland Veterinary Services (Farm Animal) Limited and Westmorland Veterinary Services (Pets) Limited has contributed £2,378,000 to Group revenues and £578,000 of profit to Group loss for the period from the acquisition date to 30 September 2019.

29 Business combinations during the period (continued)

Vets Now Limited

On 9 January 2019 the Group acquired 100% of the voting equity instruments of Vets Now Limited. Vets Now Limited's principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, income taxes and defined contribution pension plans):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	6,421
Right-of-use assets	2,141
Intangible assets – customer relationships	22,129
Intangible assets – brands	5,472
Inventories	284
Trade receivables	4,695
Cash and cash equivalents	4,584
Creditors, including contract liabilities of £Nil and lease liability of £2,141,000	(11,864)
Deferred tax liability	(4,723)
Total fair value of identifiable net assets upon acquisition	29,139
Fair value of consideration paid	
Cash	68,503
Contingent consideration	49,018
Total consideration	117,521
Goodwill (see note 16)	88,382
Cash flow analysis:	
Cash consideration	68,503
Less: cash and cash equivalent balances acquired	(4,584)
Net cash outflow on acquisition	63,919

29 Business combinations during the period (continued)

Vets Now Limited (continued)
Non-controlling interest was measured at £Nil.

On acquisition Vets Now Limited held trade receivables with a book and fair value of £4,695,000, representing contractual receivables of £6,124,000. Whilst the Group will make every effort to collect all contractual receivables, it considers it unlikely that the £1,429,000 will ultimately be received.

Acquisition costs of £937,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

As part of the acquisition agreement, a contingent consideration arrangement exists that requires additional consideration to be paid by the Company to the sellers of Vets Now Limited based on the future earnings before interest, tax, depreciation and amortisation of Vets Now Limited over a three-year period. Amounts are payable three years after the acquisition date. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £54,000,000. The fair value of the contingent consideration recognized on the acquisition date of £49,018,000 was estimated by applying the income approach. That measure is based on significant Level 3 inputs not observable in the market. Key assumptions include (1) a discount rate of 5%, and (2) probability adjusted level of earnings before interest, tax, depreciation and amortisation.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition

The goodwill recognised will not be deductible for tax purposes.

Vets Now Limited has contributed £43,220,000 to Group revenues and £3,673,000 of profit to the Group's loss for the period between the acquisition date and 30 September 2019.

29 Business combinations during the period (continued)

Kernow Veterinary Group Limited

On 28 March 2019, the Group acquired 100% of the issued shares of Kernow Veterinary Group Limited. Kernow Veterinary Group Limited's principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, income taxes and defined contribution pension plans):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	173
Right-of-use asset	824
Intangible assets – customer relationships	2,626
Inventories	103
Trade receivables	2,680
Cash and cash equivalents	739
Creditors, including contract liabilities of £Nil	(4,583)
Income tax payable	(61)
Lease liability	(811)
Deferred tax liability	(461)
Total fair value of identifiable net assets upon acquisition	1,229
Fair value of consideration paid	
Cash	10,409
Contingent consideration	1,000
Total consideration	11,409
Goodwill (see note 16)	10,180
Cash flow analysis:	
Cash consideration	10,409
Less: cash and cash equivalent balances acquired	(739)
Net cash outflow on acquisition	9,670

29 Business combinations during the period (continued)

Kernow Veterinary Group Limited (continued)
Non-controlling interest was measured at £Nil.

On acquisition Kernow Veterinary Group Limited held trade receivables with a book and fair value of £2,680,000, representing contractual receivables of £2,826,000. Whilst the Group will make every effort to collect all contractual receivables, it considers it unlikely that the £146,000 will ultimately be received.

Acquisition costs of £214,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

As part of the acquisition agreement, a contingent consideration arrangement exists that requires additional consideration to be paid by the Group to the sellers of Kernow Veterinary Group Limited based on the revenue growth and payroll expenses of Kernow Veterinary Group Limited over a three-year period. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £1,000,000. The fair value of the contingent consideration recognized on the acquisition date of 28 March 2019 of £1,000,000 was estimated by applying the income approach. That measure is based on significant Level 3 inputs not observable in the market. Key assumptions include probability adjusted level of revenues.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition.

The goodwill recognised will not be deductible for tax purposes.

Kernow Veterinary Group Limited has contributed £3,478,000 to Group revenues and £382,000 of profit to Group loss for the period between the acquisition date and 30 September 2019.

29 Business combinations during the period (continued)

Pool House Veterinary Group

On 30 April 2019 the Group acquired the trade and net assets of Pool House Veterinary Group. The Group has determined it obtained control due to the trade and assets, for which the Group is the sole owner, being purchased for the purpose of carrying on the business activities of Pool House Veterinary Group. Pool House Veterinary Group's principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases and income taxes):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	655
Right-of-use asset	768
Intangible assets – customer relationships	1,970
Inventories	232
Trade receivables	404
Cash and cash equivalents	-
Creditors, including contract liabilities of £Nil and lease liability of £760,000	(760)
Deferred tax liability	(339)
Total fair value of identifiable net assets upon acquisition	2,930
Fair value of consideration paid	
Cash	10,345
Contingent consideration	1,000
Total consideration	11,345
Goodwill (see note 16)	8,415
Cash flow analysis:	
Cash consideration	10,345
Less: cash and cash equivalent balances acquired	-
Net cash outflow on acquisition	10,345

29 Business combinations during the period (continued)

Pool House Veterinary Group (continued)
Non-controlling interest was measured at £Nil.

On acquisition Pool House Veterinary Group held trade receivables with a book and fair value of £404,000, representing contractual receivables of £563,000. Whilst the Group will make every effort to collect all contractual receivables, it considers it unlikely that the £157,000 will ultimately be received.

Acquisition costs of £141,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

The acquisition of Pool House Veterinary Group includes a contingent consideration arrangement that requires additional consideration to be paid by the Group to the sellers of Pool House Veterinary Group based on the future revenue growth of Pool House Veterinary Group over a three-year period. Amounts are payable three years after the acquisition date. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £1,000,000. The fair value of the contingent consideration recognized on the acquisition date of £1,000,000 was estimated by applying the income approach. That measure is based on significant Level 3 inputs not observable in the market. Key assumptions include probability adjusted level of revenues.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition

The goodwill recognised will not be deductible for tax purposes.

Pool House Veterinary Group has contributed £2,861,000 to Group revenues and £517,000 of loss to Group loss for the period between the acquisition date and 30 September 2019.

29 Business combinations during the period (continued)

Scarsdale Vets (Derby) Limited

On 3 August 2019 the Group acquired 100% of the voting equity instruments of Scarsdale Vets (Derby) Limited. Scarsdale Vets (Derby) Limited's principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, income taxes and defined contribution pension plans):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	5,524
Right-of-use asset	5,844
Intangible assets – customer relationships	3,328
Inventories	596
Trade receivables	3,093
Cash and cash equivalents	1,319
Creditors, including contract liabilities of £Nil and lease liability of £5,718,000	(17,206)
Deferred tax liability	(570)
Total fair value of identifiable net assets upon acquisition	1,928
Fair value of consideration paid	
Cash	36,780
Contingent consideration	3,000
Total consideration	39,780
Goodwill (see note 16)	37,852
Cash flow analysis:	
Cash consideration	36,780
Less: cash and cash equivalent balances acquired	(1,319)
Net cash outflow on acquisition	35,461

29 Business combinations during the period (continued)

Scarsdale Vets (Derby) Limited (continued)
Non-controlling interest was measured at £Nil.

On acquisition Scarsdale Vets (Derby) Limited held trade receivables with a book and fair value of £3,093,000, representing contractual receivables of £3,420,000. Whilst the Group will make every effort to collect all contractual receivables, it considers it unlikely that the £327,000 will ultimately be received.

Acquisition costs of £1,212,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

As part of the acquisition agreement, a contingent consideration arrangement exists that requires additional consideration to be paid by the Group to the sellers of Scarsdale Vets (Derby) Limited based on the future revenue of Scarsdale Vets (Derby) Limited over a three-year period, contingent on capped staff costs. Amounts are payable over the course of three years after the acquisition date. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £3,000,000. The fair value of the contingent consideration recognized on the acquisition date of £3,000,000 was estimated by applying the income approach. That measure is based on significant Level 3 inputs not observable in the market. Key assumptions include probability adjusted level of revenues.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition.

The goodwill recognised will not be deductible for tax purposes.

Scarsdale Vets (Derby) Limited has contributed £3,132,000 to Group revenues and £89,000 of profit to Group loss for the period between the acquisition date and 30 September 2019.

29 Business combinations during the period (continued)

De Graafschap Dierenartsen B.V.
On 6 August 2019 the Group acquired 100% of the issued shares of De Graafschap Dierenartsen B.V. De Graafschap Dierenartsen B.V.'s principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, income taxes and defined contribution pension plans):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	591
Right-of-use asset	4,503
Intangible assets – customer relationships	4,010
Inventories	276
Trade receivables	1,439
Cash and cash equivalents	(905)
Creditors, including contract liabilities of £Nil and lease liability of £4,463,000	(5,058)
Deferred tax liability	(839)
Total fair value of identifiable net assets upon acquisition	4,017
Fair value of consideration paid	
Cash	18,079
Contingent cash consideration	1,499
Total consideration	19,578
Goodwill (see note 16)	15,561
Cash flow analysis:	
Cash consideration	18,079
Less: cash and cash equivalent balances acquired	905
Net cash outflow on acquisition	18,984

Non-controlling interest was measured at £Nil.

On acquisition De Graafschap Dierenartsen B.V. held trade receivables with a book and fair value of £1,439,000 representing contractual receivables of £1,654,000. Whilst the Group will make every effort to collect all contractual receivables, it considers it unlikely that the £215,000 will ultimately be received.

Acquisition costs of £169,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

29 Business combinations during the period (continued)

De Graafschap Dierenartsen B.V. (continued)

As part of the acquisition agreement, a contingent consideration arrangement exists that requires additional consideration to be paid by the Group to the sellers of De Graafschap Dierenartsen B.V. based on the revenue growth and payroll expenses of De Graafschap Dierenartsen B.V. over a five-year period. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £3,600,000. The fair value of the contingent consideration recognized on the acquisition date of £1,499,000 was estimated by applying the income approach. That measure is based on significant Level 3 inputs not observable in the market. Key assumptions include (1) a discount rate range of 2.5% to 5%, and (2) probability adjusted level of revenues.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition

The goodwill recognised will not be deductible for tax purposes.

De Graafschap Dierenartsen B.V. has contributed £1,212,000 to Group revenues and £162,000 of profit to Group losses from the period between the acquisition date and 30 September 2019.

29 Business combinations during the period (continued)

Other acquisitions - 2019

The Group acquired 174 other subsidiaries during the year which individually were not material to include the identifiable assets acquired and liabilities assumed separately.

Details of the aggregate fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, contingent liabilities and income taxes):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	10,803
Right-of-use asset	65,048
Intangible assets – customer relationships	90,122
Inventories	3,340
Trade receivables	7,596
Prepayments and other assets	17
Cash and cash equivalents	21,653
Creditors	(35,722)
Lease liability	(65,270)
Deferred tax liability	(20,667)
Total net assets	76,920
Fair value of consideration paid	
Cash	322,346
Contingent consideration	19,839
Total consideration transferred	342,185
Goodwill (see note 16)	265,265
Cash flow analysis:	
Cash consideration	322,346
Less: cash and cash equivalent balances acquired	(21,653)
Net cash outflow on acquisition	300,693

In addition to acquisitions made in the year, the amounts disclosed above include current year true-ups to goodwill, net assets and consideration for acquisitions that were acquired in prior year.

Acquisition costs of £10,317,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition

29 Business combinations during the period (continued)

Other acquisitions – 2019 (continued)
The goodwill recognised will not be deductible for tax purposes.

Since the acquisition date, other acquisitions have contributed £93,953,000 to Group revenues and £4,224,000 to Group loss.

Total net cash outflows on all acquisitions in 2019 from the above tables are £461,787,000. The movement on balances owed to vendors in 2019 decreased by £5,283,000 meaning that £467,070,000 was the total cash paid to vendors for acquisitions that year as per the cash flow statement.

Azure Blue Services Limited ("Azure Blue")
On 10 December 2019, the Group acquired 100% of the voting equity instruments of Azure Blue Services Limited. Azure Blue's principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases and income taxes):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	358
Right-of-use assets	1,596
Intangible assets – customer relationships	1,975
Inventories	61
Trade receivables	272
Cash	612
Creditors, including lease liability of £1,596,000	(2,424)
Deferred tax liability	(313)
Total fair value of identifiable net assets upon acquisition	2,137
Fair value of consideration paid	
Cash	9,152
Contingent consideration	957
Total consideration	10,109
Goodwill (see note 16)	7,972
Cash flow analysis:	
Cash consideration	9,152
Less: cash and cash equivalent balances acquired	(612)
Net cash outflow on acquisition	8,540

29 Business combinations during the period (continued)

Azure Blue Services Limited ("Azure Blue") (continued)

On acquisition Azure Blue Services Limited held trade receivables with a book and fair value of £272,000 representing contractual receivables of £318,000. While the Group will make every effort to collect all contractual receivables, it considers it unlikely that £46,000 will be ultimately received.

Acquisition costs of £176,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

The acquisition of Azure Blue includes a contingent consideration arrangement that requires additional consideration to be paid by the Group to the sellers of Azure Blue based on the future revenue growth of Azure Blue over a two-year period. Amounts are payable two years after the acquisition date. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £1,000,000. The fair value of the contingent consideration recognized on the acquisition date of £957,000 was estimated by applying the income approach. That measure is based on significant Level 3 inputs not observable in the market. Key assumptions include (1) a discount rate range of 2.5% to 5%, and (2) probability adjusted level of revenues.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition

The goodwill recognised will not be deductible for tax purposes.

Azure Blue has contributed £3,138,000 to Group revenues and £1,134,000 of profit to Group loss between the date of acquisition and 30 September 2020.

29 Business combinations during the period (continued)

CHV Fregis

On 4 February 2020, the Group acquired 49% of the issued share capital of CHV Fregis. The Group has determined it obtained control due to majority representation on the Supervisory Committee which controls the relevant operating and financial decision making of the entity and majority share of earnings. CHV Fregis' principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, income taxes and defined contribution pension plans):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	960
Right-of-use assets	660
Intangible assets – customer relationships	4,736
Inventories	106
Trade receivables	262
Cash and cash equivalents	1,949
Creditors, including contract liabilities of £Nil and lease liability of £651,000	(1,465)
Deferred tax liability	(1,205)
Total fair value of identifiable net assets upon acquisition	6,003
Fair value of consideration paid	
Cash	36,181
Contingent cash consideration	3,222
Total consideration	39,403
Goodwill (see note 16)	33,400
Cash flow analysis:	
Cash consideration	36,181
Less: cash and cash equivalent balances acquired	(1,949)
Net cash outflow on acquisition	34,232

29 Business combinations during the period (continued)

CHV Fregis (continued)

Non-controlling interest was measured at £Nil.

On acquisition CHV Fregis held trade receivables with a book and fair value of £262,000 representing contractual receivables of £262,000. While the Group will make every effort to collect all contractual receivables, it considers it unlikely that £Nil will be ultimately received.

Acquisition costs of £309,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

As part of the acquisition agreement, a contingent consideration arrangement exists that requires additional consideration to be paid by the Group to the sellers of CHV Fregis based on future performance of the Group. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £5,465,000. The fair value of the contingent consideration recognized on the acquisition date of £3,343,000 was estimated by applying the income approach. That measure is based on significant Level 3 inputs not observable in the market. Key assumptions include a discount rate range of 2.5% to 5%, and (2) probability adjusted level of revenues.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition.

The goodwill recognised will not be deductible for tax purposes.

Since the acquisition date, CHV Fregis has contributed £5,032,000 to Group revenues and £193,000 to Group loss.

29 Business combinations during the period (continued)

Societe Veterinaire Des Cordeliers

On 30 September 2020, Evidensia France SAS acquired 49% of the issued share capital of Societe Veterinaire Des Cordeliers, obtaining control. The Group has determined it obtained control due to majority representation on the Supervisory Committee which controls the relevant operating and financial decision making of the entity and majority share of earnings. Societe Veterinaire Des Cordeliers' principal activity is veterinary services.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, contingent liabilities and income taxes):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	391
Right-of-use asset	2,848
Intangible assets – customer relationships	1,285
Inventories	129
Cash and cash equivalents	975
Creditors, including lease liability of £2,827,000	(3,175)
Deferred tax liabilities	(324)
Total net assets	2,129
Fair value of consideration paid	
Cash	9,257
Contingent consideration	5,465
Total consideration transferred	14,722
Goodwill (see note 16)	12,593
Cash flow analysis:	
Cash consideration	9,257
Less: cash and cash equivalent balances acquired	(975)
Net cash outflow on acquisition	8,282

29 Business combinations during the period (continued)

Societe Veterinaire Des Cordeliers (continued)
Non-controlling interest was measured at £Nil.

As part of the acquisition agreement, a contingent consideration arrangement exists that requires additional consideration to be paid by the Group to the sellers of Societe Veterinaire Des Cordeliers based on future performance of the Group. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £5,465,000. The fair value of the contingent consideration recognized on the acquisition date of £5,465,000 was estimated by applying the income approach. That measure is based on significant Level 3 inputs not observable in the market. Key assumptions include a probability adjusted level of revenues.

Acquisition costs of £108,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition.

The goodwill recognised will not be deductible for tax purposes.

Since the acquisition date, Societe Veterinaire Des Cordeliers has contributed £Nil to Group revenues and £Nil to Group loss.

29 Business combinations during the period (continued)

Other acquisitions - 2020

The Group acquired 141 other subsidiaries during the year which individually were not material to include the identifiable assets acquired and liabilities assumed separately.

Details of the aggregate fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows (note that fair value was not used as the measurement basis for assets and liabilities that require a different basis, which includes leases, contingent liabilities and income taxes):

	Fair value on acquisition £'000
Assets and liabilities acquired	
Property, plant and equipment	10,872
Right-of-use asset	48,333
Intangible assets – customer relationships	73,354
Inventories	5,903
Trade receivables	16,491
Cash and cash equivalents	43,585
Creditors	(20,501)
Lease liability	(48,363)
Deferred tax liability	(16,247)
Total net assets	113,427
Fair value of consideration paid	
Cash	257,843
Contingent consideration	17,566
Total consideration transferred	275,409
Goodwill (see note 16)	161,982
Cash flow analysis:	
Cash consideration	257,843
Less: cash and cash equivalent balances acquired	(43,585)
Net cash outflow on acquisition	214,258

In addition to acquisitions made in the year, the amounts disclosed above include current year true-ups to goodwill, net assets and consideration for acquisitions that were acquired in prior years

Acquisition costs of £7,555,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

The main factors leading to the recognition of goodwill are:

- The presence of certain intangible assets, such as the assembled workforce of the acquired entity, which do not qualify for separate recognition

The goodwill recognised will not be deductible for tax purposes.

Since the acquisition date, other acquisitions have contributed £52,671,000 to Group revenues and £5,973,000 to Group loss.

29 Business combinations during the period (continued)

Other acquisitions – 2020 (continued)

Total net cash outflows on all acquisitions in 2020 from the above tables are £265,312,000. The movement on balances owed to vendors in 2020 increased by £17,271,000 meaning that £248,041,000 was the total cash paid to vendors for acquisitions that year as per the cash flow statement.

30 Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The Company and Group has amounts owing to and from its parent companies IVC Acquisition Topco Ltd and IVC Acquisition Pikco Limited. The amounts outstanding at each year end and the associated terms of shown in notes 19 and 20 to the financial statements. There were no transactions during the respective years in relation to these amounts other than interest on the associated balances which is disclosed in note 11, except one intercompany loan repayment in 2019 of £57,872,000 to the immediate parent undertaking, IVC Acquisition Pikco Ltd from IVC Acquisition Ltd.

During the year Group companies entered into the following transactions with related parties who are not members of the Group.

		Transactions			Outstanding balance			
	Type of transaction	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Other related parties	Purchase of goods	2,178	433	88	14	29	3	1
Entities which have significant influence over the Group	Provision of services	17	-	29	-	-	5	-

Transactions with related parties were at arm's length and on 30 day payment terms (30 September 2019 - 30 days, 30 September 2018 - 30 days).

30 Related party transactions (continued)

Other related party transactions were as follows:

Related party relationship	Type of transaction	Transactions 30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	Outstanding balance 30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Subsidiaries of a minority shareholder of the Group which is deemed to have significant influence over the Group	Purchase of goods	2,053	331	-	13	23	-	-
Companies in which directors have significant influence	Purchase of goods	125	101	88	1	6	3	1

There are no other transactions with related parties which have not been disclosed above.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group this has been determined to be the directors the Company. The key management personnel compensation is included in the staff costs note 9. There are no related party transactions with key management personnel.

31 Contingent liabilities

The Group is bound by an intra-group cross guarantee in respect of bank debt with other members of the Group headed by one of its UK parent undertakings, IVC Acquisition Limited. The amount guaranteed at 30 September 2020 is £1,393,824,000 (30 September 2019 - £1,220,930,000, 30 September 2018 - £840,347,000, 1 October 2017 - £458,542,000) and is secured by a debenture over the assets and undertakings of certain companies in the Group.

32 Events after the reporting date

On 9 February it was announced that, as part of its long-term commitment to IVC, EQT Private Equity is making a substantial 15% investment through its EQT IX fund, and with the transaction EQT VII fund is partially exiting its stake but will remain invested in the company. In addition, Silver Lake, a leading global technology investment firm, will be making a new 15% minority investment in IVC to help further unlock and accelerate growth from digital and technology opportunities. Lastly, Nestlé, which joined EQT Private Equity in 2019 as a minority investor and strategic partner, is also increasing its minority stake in IVC by 5% as part of this transaction. The transaction completed on 25 May 2021.

Also as part of this transaction, Islay New Group Holding SA, a company registered in Luxembourg acquired the entire shareholding of IVC New Top Holding S.A. (an indirect parent company of the Company) which was controlled by Browne Holding S.à.r.l. As no shareholder owns more than 50% of Islay New Group Holding SA, Islay New Group Holding SA became the new ultimate parent company from 25 May 2021.

32 Events after the reporting date (continued)

During the period from 1 October 2020 through to 12 May 2021 the Group has entered into agreements to acquire 100% of the issued shares or trade and net assets of 28 additional veterinary practices within the United Kingdom. The aggregate enterprise value of these acquisitions totals £134,178,000. The initial accounting for these acquisitions has not been completed, and as such has not been included in the disclosures below. The material acquisitions made subsequent to 30 September 2020 consist of the following:

Acquiree	**Country**	**Type**	**Enterprise value £'000**
Beast Mode Limited	UK	Issued shares- 100%	10,612
Donnington Grove Veterinary Group Limited	UK	Issued shares- 100%	25,169
Yorkshire Vets Limited	UK	Issued shares- 100%	12,000
Cherry Tree Veterinary Practice Limited & Hamilton Specialist Referrals Limited	UK	Issued shares- 100%	11,000
Dragon Veterinary Group & ChelVets	UK	Issued shares- 100%	15,000

During the period from 1 October 2020 through to 12 May 2021 the Group has entered into agreements to acquire either 100% of the issued shares of certain acquisitions or 49% of the issued shares for acquisitions in France, or the trade and net assets of 67 additional veterinary practices throughout Europe. The aggregate enterprise value of these acquisitions totals £112,305,000. The initial accounting for these acquisitions has not been completed, and as such has not been included in the disclosures below. In addition, subsequent to 30 September 2020 the Group has acquired a veterinary practice in Spain. This was the first acquisition within the country. The material acquisitions made subsequent to 30 September 2020 consist of the following:

Acquiree	**Country**	**Type**	**Enterprise value £'000**
P J Walmac Holdings Limited	Ireland	Issued shares- 100%	10,810

There have been no material acquisitions between 12 May 2021 and the date of signing of the consolidated financial statements.

On 20 April 2021, the Group refinanced its loans and borrowings. The Group drew down additional borrowing on a new B3 Facility (GBP) and B4 Facility (EUR) that amounted to £219m and £318m respectively. This was used to repay the drawn down revolving credit facility of £185m plus interest of £1m. Fees associated with refinancing amounted to £5m and the additional borrowing was used to pay these. The funds were also used to repay existing B2 Facility lenders who wished to exit and this amounted to £96m.

Additionally, the funds were used to repay the Payment In Kind debt in the Company's immediate parent undertaking, IVC Acquisition Pikco which amounted to £232m at this date. The amounts owed to the immediate parent undertaking reduced by £232m because of this. The remainder of the unused additional borrowing was received in Cash of £17m.

Subsequently the B1 Facility (GBP) £602m and the remaining B2 Facility (EUR) £430m were merged into the new B3 Facility (GBP) and B4 Facility (EUR) resulting in total loan values at 20 April 2021 of B3 Facility (GBP) £821m and B4 Facility (EUR) £748m. A new revolving credit facility was also agreed and this was undrawn at £348m.

33 Immediate and ultimate parent company and controlling party

The company is controlled by IVC Acquisition Pikco, incorporated in England and Wales. The ultimate parent undertaking at the financial year end was Browne Holding S.à.r.l., a company registered in Luxembourg. On 25 May 2021, Islay New Group Holding SA, a company registered in Luxembourg acquired the entire shareholding of IVC New Top Holding S.A (an indirect parent company of the Company) which was controlled by Browne Holding S.à.r.l. As no shareholder owns more than 50% of Islay New Group Holding SA, Islay New Group Holding SA became the new ultimate parent company from 25 May 2021

The smallest and largest group in which the results of the entity are consolidated is IVC Acquisition Pikco Limited. The registered office of IVC Acquisition Pikco Limited is The Chocolate Factory, Keynsham, Bristol BS31 2AU. Copies of the financial statements of IVC Acquisition Pikco Limited are available from Companies House.

34 Notes supporting the cash flow

Cash and cash equivalents for the purposes of the cash flow statement comprises:

	30 September 2020 £'000	30 September 2019 £'000	30 September 2018 £'000	1 October 2017 £'000
Cash at bank and on demand	219,514	209,789	116,057	101,001

There are no significant amounts of cash and cash equivalents that are held by the Group that are not available to the Group.

Movements in the Groups loans and borrowings and lease liabilities have been analysed below.

30 September 2020	**Non-current loans and borrowings £'000**	**Current loans and borrowings £'000**	**Lease liabilities £'000**	**Total £'000**
At 1 October 2019	(1,202,127)	-	(311,430)	(1,513,557)
Cash flows	(156,863)	-	49,179	(107,684)
Non cash flows				
Acquired with subsidiary	-	-	(51,715)	(51,715)
Foreign exchange	-	-	3,982	3,982
Other movement	(15,531)	-	(31,613)	(47,144)
At 30 September 2020	(1,374,521)	-	(341,597)	(1,716,118)

Of the non-cash movements above, £16,091,000 of the non-current loans and borrowings relates to FX movements.

34 Notes supporting the cash flow (continued)

30 September 2019	Non-current loans and borrowings £'000	Current loans and borrowings £'000	Lease liabilities £'000	Total £'000
At 1 October 2018	(832,098)	-	(241,425)	(1,073,523)
Cash flows	(385,498)	-	44,795	(340,703)
Non cash flows				
Acquired with subsidiary	(1,180)	-	(80,041)	(81,221)
Foreign exchange			1,701	1,701
Other movement	16,649	-	(36,460)	(19,811)
At 30 September 2019	(1,202,127)	-	(311,430)	(1,513,557)

Of the non-cash movements above, £164,000 of the non-current loans and borrowings relates to FX movements.

30 September 2018	Non-current loans and borrowings £'000	Current loans and borrowings £'000	Lease liabilities £'000	Total £'000
At 1 October 2017	(451,869)	(2)	(171,552)	(623,423)
Cash flows	(381,759)	2	31,070	(350,687)
Non cash flows				
Acquired with subsidiary	(2,698)	-	(80,595)	(83,293)
Foreign exchange	-	-	1,952	1,952
Other movement	4,228	-	(22,300)	(18,072)
At 30 September 2018	(832,098)	-	(241,425)	(1,073,523)

Of the non-cash movements above, £2,335,000 of the non-current loans and borrowings relates to FX movements.

35 Explanation of transition to IFRS - 1 October 2017

Basis of preparation of IFRS financial information

These consolidated financial statements, for the year ended 30 September 2020, are the first annual consolidated financial statements that comply with IFRS. The consolidated financial statements have been prepared in accordance with the significant accounting policies described in note 2. The Group has applied IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1") in preparing these statements.

Exemptions applied

IFRS 1 sets out the procedures that the Group must follow when it adopts IFRS for the first time as the basis for preparing its consolidated financial statements. The Group is required to establish its IFRS accounting policies as at 30 September 2020, and in general, apply these retrospectively to determine the IFRS opening Consolidated Statement of Financial Position at its date of transition, 1 October 2017. IFRS 1 allows certain exemptions from this general principle. These are set out below, together than a description in each case of the exemption adopted by the Group.

The Group has applied the following exemptions:

- IFRS 3 *Business Combinations* has not been applied to either acquisitions of subsidiaries that are considered businesses under IFRS, or acquisitions of interests in associates and joint ventures that occurred before 1 October 2017. Use of this exemption means that the UK GAAP carrying amounts of assets and liabilities, that are required to be recognised under IFRS, are their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. Assets and liabilities that do not qualify for recognition under IFRS are excluded from the opening IFRS statement of financial position.
- IFRS 1 also requires that the UK GAAP carrying amount of goodwill must be used in the opening IFRS statement of financial position (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with IFRS 1, the Group has tested goodwill for impairment at the date of transition to IFRS.
- The Group has not applied IAS 21 *The Effects of Changes in Foreign Exchange Rates* retrospectively to fair value adjustments and goodwill from business combinations that occurred before the date of transition to IFRS. Such fair value adjustments and goodwill are treated as assets and liabilities of the parent rather than as assets and liabilities of the acquiree. Therefore, those assets and liabilities are already expressed in the functional currency of the parent or are non-monetary foreign currency items and no further translation differences occur.
- The exemption from reassessing contracts which have been completed before the date of transition to IFRSs (IFRS 1:D35).

The Group has applied the following approach to all of its leases (subject to the practical expedients described below):

- Measure the lease liability at the date of transition to IFRSs at the present value of the remaining lease payments discounted using the Group's incremental borrowing rate at the date of transition to IFRSs.
- Measure the right-of-use asset at the date of transition to IFRSs at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognise in the Statement of Financial Position immediately before the date of transition to IFRSs, and apply IAS 36 to right-of-use assets at the date of transition to IFRS Standards.

35 Explanation of transition to IFRS - 1 October 2017 (continued)

The Group has chosen to utilise the following practical expedients available on transition under IFRS 1:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics (for example, a similar remaining lease term for a similar class of underlying asset in a similar economic environment).
- Elect not to apply the principals of IFRS 16 to leases for which the lease term ends within 12 months of the date of transition to IFRSs. Instead, the Group accounts for these leases as if they were short-term leases i.e. expensed on a straight line basis over the life of the lease.
- Elect not to apply the principals of IFRS 16 to leases for which the underlying asset is of low value. Instead, the Group accounts for these leases in the same way as short-term leases described above i.e. expensed on a straight line basis over the life of the lease.
- Exclude initial direct costs from the measurement of the right-of-use asset at the date of transition to IFRS.
- Use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

Estimates

The estimates at 1 October 2017, 30 September 2018 and 30 September 2019 are consistent with those made to the same dates in accordance with UK GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Group to present these amounts in accordance with IFRS reflect conditions at 1 October 2017, 30 September 2018 and 30 September 2019.

35 Explanation of transition to IFRS - 1 October 2017 (continued)

Impact of transition to IFRS

The following is a summary of the effects of the differences between IFRS and UK GAAP on the Group's total equity shareholders' funds/deficit and loss for the financial year:

Group reconciliation of equity as at 1 October 2017

	Ref	As presented under FRS 102 £'000	Reclassifications & Remeasurements £'000	Restatements £'000	As presented under IFRS at 1 October 2017 £'000
Assets					
Non-current assets					
Property, plant and equipment	d, g	52,295	171,488	-	223;783
Goodwill	a, j	1,096,956	-	(92,417)	1,004,539
Other intangible assets	g	835	(835)	-	-
Investments in equity accounted associates	g	1,068	(1,068)	-	-
Other investments	g	2,708	27	-	2,735
Total non-current assets		1,153,862	169,612	(92,417)	1,231,057
Current assets					
Inventories		15,034	1	-	15,035
Trade and other receivables	b, f	35,704	22,764	-	58,468
Cash and cash equivalents	e	101,001	-	-	101,001
Total current assets		151,739	22,765	-	174,504
Total assets		1,305,601	192,377	(92,417)	1,405,561
Liabilities					
Current liabilities					
Trade and other payables	f, l	(80,958)	(560)	(538,918)	(620,436)
Loans and borrowings		(2)	-	-	(2)
Lease liabilities	d	(1,383)	(18,358)	-	(19,741)
Income tax Payable		(1,237)	-	-	(1,237)
Employee benefit liabilities		(9,672)	-	-	(9,672)
Contingent consideration		-	(5,729)	-	(5,729)
Total current liabilities		(93,252)	(24,647)	(538,918)	(656,817)

35 Explanation of transition to IFRS - 1 October 2017 (continued)

Group reconciliation of equity as at 1 October 2017 (continued)

	Ref	As presented under FRS 102 £'000	Reclassifications & Remeasurements £'000	Restatements £'000	As presented under IFRS at 1 October 2017 £'000
Non-current liabilities					
Trade and other payables	l	(518,551)	(20,367)	538,918	-
Loans and borrowings		(451,869)	-	-	(451,869)
Lease liabilities	d	(4,053)	(147,758)	-	(151,811)
Deferred tax liability	c	-	(668)	-	(668)
Contingent consideration		(16,317)	5,729	-	(10,588)
Defined benefit pension liability	j	-	-	(1,187)	(1,187)
Total non-current liabilities		(990,790)	(163,064)	537,731	(616,123)
Total liabilities		(1,084,042)	(187,711)	(1,187)	(1,272,940)
NET ASSETS		221,559	4,666	(93,604)	132,621
Share capital		9,568	-	-	9,568
Share premium		300,416	-	-	300,416
Translation reserve		4,125	-	(2)	4,123
Accumulated deficit	a, b, d, f, g, j	(92,517)	4,666	(93,635)	(181,486)
Minority interest		(33)	-	33	-
TOTAL EQUITY		221,559	4,666	(93,604)	132,621

35 Explanation of transition to IFRS - 1 October 2017 (continued)

Group reconciliation of equity as at 30 September 2018

	Ref	As presented under FRS 102 £'000	Reclassifications & Remeasurements £'000	Restatements £'000	As presented under IFRS at 30 September 2018 £'000
Assets					
Non-current assets					
Property, plant and equipment	d, g	79,356	233,690	-	313,046
Goodwill	a, j	1,423,092	17,051	(92,391)	1,347,752
Other intangible assets	a, g	93	100,808	-	100,901
Investments in equity accounted associates	g	290	(290)	-	-
Other investments	g	-	27	-	27
Total non-current assets		1,502,831	351,286	(92,391)	1,761,726
Current assets					
Inventories		22,271	-	-	22,271
Trade and other receivables	b, f,	66,249	23,021	2,699	91,969
Income tax receivables		428	822	-	1,250
Cash and cash equivalents	e	116,057	-	-	116,057
Total current assets		205,005	23,843	2,699	231,547
Total assets		1,707,836	375,129	(89,692)	1,993,273
Liabilities					
Current liabilities					
Trade and other payables	f, l	(140,145)	(1,344)	(700,450)	(841,939)
Lease liabilities	d	(2,838)	(24,888)	-	(27,726)
Income tax payable		-	(822)	-	(822)
Employee benefit liabilities		(9,567)	-	-	(9,567)
Contingent consideration	a	(9,476)	3,619	-	(5,857)
Total current liabilities		(162,026)	(23,435)	(700,450)	(885,911)
Non-current liabilities					
Trade and other payables	l	(674,593)	(23,158)	697,751	-
Loans and borrowings		(832,098)	-	-	(832,098)
Lease liabilities	d	(5,285)	(208,414)	-	(213,699)
Deferred tax liability	c	-	(17,267)	-	(17,267)
Contingent consideration	a	(10,216)	(6,557)	-	(16,773)
Defined benefit pension liability	j	-	-	(1,291)	(1,291)
Total non-current liabilities		(1,522,192)	(255,396)	696,460	(1,081,128)
Total liabilities		(1,684,218)	(278,831)	(3,990)	(1,967,039)
NET ASSETS		23,618	96,298	(93,682)	26,234
TOTAL EQUITY		23,618	96,298	(93,682)	26,234

35 Explanation of transition to IFRS - 1 October 2017 (continued)

Group reconciliation of equity as at 30 September 2019

	Ref	As presented under FRS 102 £'000	Reclassifications & Remeasurements £'000	Restatements £'000	As presented under IFRS at 30 September 2019 £'000
Assets					
Non-current assets					
Property, plant and equipment	d, g	125,929	298,481	-	424,410
Goodwill	a, i, j	1,702,441	120,564	(41,098)	1,781,907
Other intangible assets	a, g	60	216,099	-	216,159
Investments in equity accounted associates	g	59	(27)	-	32
Other investments	g	-	27	-	27
Total non-current assets		1,828,489	635,144	(41,098)	2,422,535
Current assets					
Inventories		37,324	(2)	-	37,322
Trade and other receivables	b, f, k	102,361	32,326	1,244	135,931
Income tax receivable		-	678	-	678
Cash and cash equivalents	e	209,788	1	-	209,789
Total current assets		349,473	33,003	1,244	383,720
Total assets		2,177,962	668,147	(39,854)	2,806,255
Liabilities					
Current liabilities					
Trade and other payables	f, l	(200,232)	(1,013)	(81,951)	(283,196)
Loans and borrowings		(5)	-	5	-
Lease liabilities	d	(3,146)	(26,680)	-	(29,826)
Income tax payable		(4,895)	(678)	-	(5,573)
Employee benefit liabilities		(7,912)	-	-	(7,912)
Contingent consideration	a, i	(12,078)	4,352	(26,024)	(33,750)
Total current liabilities		(228,268)	(24,019)	(107,970)	(360,257)
Non-current liabilities					
Trade and other payables	k, l	(711,360)	(26,573)	100,701	(637,232)
Loans and borrowings		(1,202,127)	-	-	(1,202,127)
Lease liabilities	d	(6,259)	(275,345)	-	(281,604)
Deferred tax liability	c	-	(36,925)	-	(36,925)
Contingent consideration	a, i	(6,860)	(7,508)	(27,221)	(41,589)
Defined benefit pension liability	j	-	-	(2,251)	(2,251)
Total non-current liabilities		(1,926,606)	(346,351)	71,229	(2,201,728)
Total liabilities		(2,154,874)	(370,370)	(36,741)	(2,561,985)
NET ASSETS		23,088	297,777	(76,595)	244,270

35 Explanation of transition to IFRS - 1 October 2017 (continued)

Group reconciliation of equity as at 30 September 2019

	Ref	As presented under FRS 102 £'000	Reclassifications & Remeasurements £'000	Restatements £'000	As presented under IFRS at 30 September 2019 £'000
Share capital		9,568	-	-	9,568
Share premium	k	620,449	-	(51,271)	569,178
Consideration received for shares to be issued	k	-	-	71,271	71,271
Translation reserve		(11,319)	(2,592)	(76)	(13,987)
Accumulated deficit	a, b, d, f, g, j,	(595,390)	300,369	(96,717)	(391,738)
Minority interest		(220)	-	198	(22)
TOTAL EQUITY		23,088	297,777	(76,595)	244,270

Group reconciliation of Statement of Profit or Loss for the year ended 30 September 2018

	Ref	As presented under FRS 102 £'000	Reclassifications & Remeasurements £'000	Restatements £'000	As presented under IFRS at 30 September 2018 £'000
Revenue	f	667,265	1,142	-	668,407
Cost of sales	j	(414,467)	-	(37)	(414,504)
Gross profit		252,798	1,142	(37)	253,903
Other operating income		3,871	1	-	3,872
Administrative expenses	a, b, d, g	(243,246)	(17,935)	-	(261,181)
Amortisation of intangible fixed assets	a	(113,760)	113,760	-	-
Operating (loss)/profit		(100,337)	96,968	(37)	(3,406)
Finance expense	d, j	(91,133)	(10,870)	(9)	(102,012)
Finance income	g	45	3,310	-	3,355
Share of profit of equity accounted associates		17	-	-	17
Loss before tax		(191,408)	89,408	(46)	(102,046)
Tax expense		(650)	4,345	-	3,695
Loss for the year		(192,058)	93,753	(46)	(98,351)
Other comprehensive income	a, c, j	(5,884)	(2,120)	(32)	(8,036)
Total comprehensive income		(197,942)	91,633	(78)	(106,387)

35 Explanation of transition to IFRS - 1 October 2017 (continued)

Group reconciliation of Statement of Profit or Loss for the year ended 30 September 2019

	Ref	As presented under FRS 102 £'000	Reclassifications & Remeasurements £'000	Restatements £'000	As presented under IFRS at 30 September 2019 £'000
Revenue	f	1,024,015	1,268	-	1,025,283
Cost of sales	h, j	(576,545)	-	(48,780)	(625,325)
Gross profit		447,470	1,268	(48,780)	399,958
Other operating income		6,787	-	-	6,787
Administrative expenses	a, b, d, g, h,	(409,984)	(17,199)	48,718	(378,465)
Amortisation of intangible fixed assets	a	(207,757)	207,757	-	-
Operating (loss)/profit		(163,484)	191,826	(62)	28,280
Finance expense	d, g, j,	(141,298)	(18,578)	(13)	(159,889)
Finance income		173	-	-	173
Revaluation of financial instruments	g, i	-	18,485	(1,952)	16,533
Share of profit of equity accounted associates		76	-	-	76
Loss before tax		(304,533)	191,733	(2,027)	(114,827)
Tax expense		(4,673)	8,457	-	3,784
Loss for the year		(309,206)	200,190	(2,027)	(111,043)
Other comprehensive income	a, c, j,	(11,319)	1,288	(885)	(10,916)
Total comprehensive income		(320,525)	201,478	(2,912)	(121,959)

35 Explanation of transition to IFRS - 1 October 2017 (continued)

Notes to the reconciliation of equity as at 30 September 2019 and 2018 and 1 October 2017 and total comprehensive income for the year ended 30 September 2019 and 2018

a) Goodwill and intangibles

IAS 38, "Intangible Assets" requires that goodwill is not amortised. Instead it is subject to an annual impairment review. As the Group has elected not to apply IFRS 3 retrospectively to business combinations prior to the opening statement of financial position date under IFRS, the UK GAAP goodwill balance, has been included in the opening IFRS consolidated statement of financial position and is no longer amortised. Under IFRS certain intangible assets and business combination liabilities qualify for separate recognition that are excluded under UK GAAP. As of 30 September 2019, the Group recognised intangible assets and contingent consideration of £215.5m and £1.1m (2018: £101.5m and £2.9m), respectively that were not recognised under UK GAAP. Additionally, amortisation of goodwill was reversed increasing operating profit by £207.8m and £113.8m for the years ended 30 September 2019 and 2018, respectively.

In addition the consolidated statement of financial position as at 1 October 2017 under UK GAAP has been restated to recognise an impairment of goodwill of £93.8m in respect of the following cash generating units ("CGU"s). The recoverable amounts of the CGU's on transition at 1 October 2017 have been determined based on fair value less costs to sell (see note 16 for further details). The CGU's underperformed against the forecasts used at the time of acquisition due to unexpected difficulties integrating the CGUs with the existing business, which affected adjusted EBITDA and impacted the value in use calculations which were then compared with fair value less costs to sell. The impairment of goodwill is allocated to the CGUs as follows:

CGU	**£'000**
Sweden	70,434
Finland	14,598
Norway	3,101
Denmark	5,644
	93,777

b) Trade and other receivables

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing incurred loss approach under Local GAAP with a forward-looking expected credit loss (ECL) approach. IFRS requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

c) Deferred tax

The various transitional adjustments resulted in various temporary differences. According to the accounting policies in note 2, the Group has to recognise the tax effects of such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

35 Explanation of transition to IFRS - 1 October 2017 (continued)

Notes to the reconciliation of equity as at 30 September 2019 and 2018 and 1 October 2017 and total comprehensive income for the year ended 30 September 2019 and 2018

d) Leases

Under UK GAAP, a lease is classified as a finance lease or an operating lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS, as explained in note 2, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At the date of transition to IFRS, the Group applied the transitional provision and measured lease liabilities at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of transition to IFRS. Right-of-use assets were measured at the amount equal to the lease liabilities adjusted by the amount of any prepaid or accrued lease payments.

As a result, at the date of transition the Group recognised an increase of £167.1m (30 September 2019: £304.1m; 30 September 2018: £234.6m) of lease liabilities included under interest-bearing loans and borrowings and £169.4m (30 September 2019: £297.9m; 30 September 2018: £233.5m) of right-of-use assets. The difference between lease liabilities and right-of-use assets has been recognised in retained earnings. Under UK GAAP, assets held under finance leases are capitalised and included in property, plant and equipment. Under IFRS, they are presented in right-of-use assets. At the date of transition to IFRS, £5.4m (30 September 2019: £7.0m; 30 September 2018: £5.0m) was reclassified from property, plant and equipment to right-of-use assets. Under UK GAAP, a lease is classified as a finance lease or an operating lease. Cash flows arising from operating lease payments are classified as operating activities. Under IFRS, a lessee generally applies a single recognition and measurement approach for all leases and recognises lease liabilities.

e) Cash

Under UK GAAP, a lease is classified as a finance lease or an operating lease. Cash flows arising from operating lease payments are classified as operating activities. Under IFRS, a lessee generally applies a single recognition and measurement approach for all leases and recognises lease liabilities. Cash flows arising from payments of principal portion of lease liabilities are classified as financing activities. Therefore, cash outflows from operating activities decreased by £40.9m and cash outflows from financing activities increased by the same amount for the year ended 30 September 2019 (2018 - £28.5m).

IFRS 3 requires an entity to expense any acquisition related expenses to the consolidated statement of profit or loss whereas under UK GAAP, they were capitalised. This has meant that £15.1m and £13.2m in the 2019 and 2018 cash flow statement respectively, has been moved from investing activities in the acquisition of subsidiary undertakings and unincorporated businesses, net of cash acquired to operating profit in operating activities.

As part of the transition to IFRS, the directors have also reassessed the appropriateness of the classification of certain items included within the cash flow statement under UK GAAP. To correctly recognise the nature of certain cash flows, reclassifications have been made which increase the acquisition of subsidiary undertakings and unincorporated businesses, net of cash acquired, by £10.5m and £5.4m respectively in 2019 and 2018 with a corresponding reduction in working capital. Secondly, the purchase of tangible assets has increased by £1.8m in 2019 following a review of tangible asset data in that year, this resulted in a reduction in working capital.

In the UK GAAP 2018 cash flow statement, there were advances of £95.5m via intercompany loans loaned to IVC Acquisition Midco Limited from its parent, IVC Acquisition Pikco Limited, and shown within operating activities. This has been reclassified to financing activities following a review of the nature of this balance under IFRS.

35 Explanation of transition to IFRS - 1 October 2017 (continued)

Notes to the reconciliation of equity as at 30 September 2019 and 2018 and 1 October 2017 and total comprehensive income for the year ended 30 September 2019 and 2018

f) Revenue

The adoption of IFRS 15 has changed the Group's accounting for revenue from the Pet Health Club ("PHC"), where members pay an annual subscription fee on a monthly basis and receive a variety of benefits including various consultations and treatments periodically plus discounts for the year of membership. Those benefits which give members a material right that would not have been received without being a PHC member are identified as performance obligations. The transaction price, being the annual subscription fee, is allocated to each of the identified performance obligations based on the stand-alone selling prices of the performance obligations. Revenue from the PHC is recognised as performance obligations are satisfied which is at the point in time services are provided to customers, with the exception of worm and flea treatments and discounts which are recognised over time. Where transfer of PHC services to the customer does not match the pattern of monthly payments made by members, contract assets or contract liabilities are recognised. On transition, on the 1 October 2017, the Group recognised a contract asset within trade and other receivables of £1.9m and deferred income within trade and other payables of £0.6m (30 September 2019: £5.5m and £1.7m 30 September 2018: £3.8m and £1.3m).

g) Reclassifications (continued)

On transition at 1 October 2017 the Group reclassified a number of investments and intangible assets to tangible fixed assets of £1.3m and £1.0m, respectively. Accordingly the Group also recognised adjustments to depreciation and amortisation. As a result of the reclassification the following charges were included within administrative expenses for the year ended 30 September 2020 £0.1m (30 September 2019 credit of £0.3m, 30 September 2018 £0.4m).

On transition at 1 October 2017, the Group has also chosen to separately present fair value movements on contingent consideration separately on the face of the statement of profit or loss. As a result admin expenses have fallen by £16.5m for the year ended 30 September 2019 with the revaluation of financial instruments being presented separately.

The Group has also reallocated net foreign exchange gains/losses on borrowings from administrative expenses to finance income and expenses. As a result in the year ended 30 September 2019 administrative expenses have fallen by £6.0m and finance expenses increased by the same amount. In the year ended 30 September 2018, administrative expenses increased by £3.3m and the foreign exchange gain was recognised within finance income.

Prior period restatements

The following prior period restatements were realised by the Group in its transition to IFRS, in addition to the impairment of goodwill (as described at a) above), and have been recognised in a separate restatement column in the IFRS 1 reconciliations presented above:

h) Following a review of the nature of expenses incurred from clinical directors, the Group has determined that this should be classified as cost of sales rather than administrative expenses and £48.7m has been reclassified in the year ended 30 September 2019 in line with Group policy. No impact is realised to the statement of financial position and statement of changes in equity as a result of these changes.

35 Explanation of transition to IFRS - 1 October 2017 (continued)

Notes to the reconciliation of equity as at 30 September 2019 and 2018 and 1 October 2017 and total comprehensive income for the year ended 30 September 2019 and 2018
Prior period restatements (continued)

i) Following a review of the timing of recognition of contingent consideration liability balances in relation to acquisitions made in the year ended 30 September 2019 it was determined that at the time of certain acquisitions that additional balances were expected to be paid to sellers which were previously unidentified. A correction has been made to recognise these liabilities upon acquisition as it was determined at the time of acquisition using information available at that time that it was probable that the contingent consideration would be paid to the sellers. As a result of the restatement, the Group recognised additional contingent consideration of £53.2m and goodwill of £51.3m, the difference in recognition of these amounts relating to the unwinding of the associated discount of £2m which has been recognised within the revaluation of financial instruments with the consolidated statement of profit or loss.

j) Following a review of overseas operations management identified defined benefit pension schemes in relation to acquisitions made in Switzerland in 2017 and 2018. The estimated net pension liability of these defined benefit pension schemes was previously excluded from the balance as of the date of transition. A correction has been made to recognise these net pension liabilities as of 30 September 2019, 2018 and 1 October 2017. On transition on the 1 October 2017, the Group recognised an additional net pension liability of £1.2m (30 September 2019: £2.3m 30 September 2018: £1.3m) and additional goodwill of £1.4m (30 September 2019: £1.4m 30 September 2018: £1.4m). Loss for the year ended 30 September 2019 increased by £0.1m (30 September 2018: £0.0m) and an actuarial loss recognised in the statement of comprehensive income for the year ended 30 September 2019 of £0.8m (30 September 2018: £0.0m).

k) In the 2019 financial statements, upon further review, it was determined that share premium was incorrect by £20.0m with intercompany payables also being incorrect by the same amount due to a mapping error. This has now been corrected. In addition, share premium of £71.3m had been recorded in the 2019 financial statements for cash received from the parent undertaking, but the issue did not occur until 6 November 2019 after the balance sheet date. This amount has therefore been restated into a consideration received for shares to be issued, within equity as detailed in note 25 and 26.

l) In the 2017, 2018 and 2019 financial statements, upon further review, it was determined that repayable on demand intercompany payable balances amounting to £538.9m, £700.5m and £82.0m respectively were incorrectly classified within non-current liabilities when they should have been in current liabilities. This has now been corrected.

36 Explanation of transition to FRS 101 (Company) - 1 October 2017 (continued)

Basis of preparation of FRS 101 financial information for the separate financial statements for the Company (continued)

The Company financial statements, for the year ended 30 September 2020, are the first the Company has prepared in accordance with FRS 101. For periods up to and including the year ended 30 September 2019, the Company prepared its financial statements in accordance with FRS 102.

Impact of transition to IFRS

The following is a summary of the effects of the differences between FRS 101 and FRS 102 on the Group's total equity shareholders' funds/deficit and loss for the financial year:

	As presented under FRS 102 £'000	Reclassifications & Remeasurements £'000	Restatements £'000	As presented under FRS 101 at 30 September 2018 £'000
Assets				
Non-current assets				
Investments in subsidiaries	309,984	-	(19,675)	290,309
Other receivables	596,623	(22,649)	(573,974)	-
Total non-current assets	906,607	(22,649)	(593,649)	290,309
Current assets				
Trade and other receivables	-	22,649	573,974	596,623
Total current assets	-	22,649	573,974	596,623
Total assets	906,607	-	(19,675)	886,932
Liabilities				
Current liabilities				
Trade and other payables	(4)	(22,655)	(573,975)	(596,634)
Total current liabilities	(4)	(22,655)	(573,975)	(596,634)
Non-current liabilities				
Trade and other payables	(596,630)	22,655	573,975	-
Total non-current liabilities	(596,630)	22,655	573,975	-
Total liabilities	(596,634)	-	-	(596,634)
NET ASSETS	309,973	-	(19,675)	290,298
Share Capital	9,568	-	-	9,568
Share Premium	300,416	-	-	300,416
Retained Earnings B/F	(7)	-	(106,603)	(106,610)
(Loss)/Profit for the year	(4)	-	86,928	86,924
Retained Earnings C/F	(11)	-	(19,675)	(19,686)
Total Equity	309,973	-	(19,675)	290,298

36 Explanation of transition to FRS 101 (Company) - 1 October 2017

Basis of preparation of FRS 101 financial information for the separate financial statements for the Company (continued)

	As presented under FRS 102 £'000	Reclassifications & Remeasurements £'000	Restatements £'000	As presented under FRS 101 at 30 September 2019 £'000
Assets				
Non-current assets				
Investments in subsidiaries	650,017	-	-	650,017
Other receivables	662,372	(25,140)	-	637,232
Total non-current assets	1,312,389	(25,140)	-	1,287,249
Current assets				
Trade and other receivables	-	25,140	-	25,140
Total current assets	-	25,140	-	25,140
Total assets	1,312,389	-	-	1,312,389
Current liabilities				
Trade and other payables	(8)	(25,147)	(637,232)	(662,387)
Total current liabilities	(8)	(25,147)	(637,232)	(662,387)
Non-current liabilities				
Trade and other payables	(662,379)	25,147	637,232	-
Total non-current liabilities	(662,379)	25,147	637,232	-
Total liabilities	(662,387)	-	-	(662,387)
NET ASSETS	650,002	-	-	650,002
Share Capital	9,568	-	-	9,568
Share Premium	640,449	-	(71,271)	569,178
Consideration received for shares to be issued	-	-	71,271	71,271
Retained Earnings B/F	(11)	-	(19,675)	(19,686)
(Loss)/Profit for the year	(4)	-	19,675	19,671
Retained Earnings C/F	(15)	-	-	(15)
Total Equity	650,002	-	-	650,002

36 Explanation of transition to FRS 101 (Company) - 1 October 2017

Basis of preparation of FRS 101 financial information for the separate financial statements for the Company (continued)

The following change to accounting policies and prior period errors was realised by the Group in its transition to IFRS:

- Following a review of investments in subsidiaries it was determined that the carrying value was impaired at the date of transition. As a result, the carrying value of investments was initially reduced by £106.6m from £310.0m to £203.3m with an impairment charge recognised in opening reserves. Following improvements in future expected performance in the year ended 30 September 2018 the impairment was partially reversed. As a result in the years ended 30 September 2019 and 2018, the carrying value of investments was subsequently increased by £19.7m and £86.9m from £290.3m and £203.4m to £310.0m and £290.3m, respectively with reversals of impairment recognised in the statement of profit and loss.
- In the 2018 and 2019 financial statements, upon further review, it was determined that repayable on demand intercompany payable balances amounting to £574m and £637m respectively were incorrectly classified within non-current liabilities when they should have been in current liabilities. This has now been corrected. In addition in 2018 repayable on demand intercompany receivables amounting to £574m were incorrectly classified within non-current assets this has now been corrected.

37 Adjusted EBITDA

Adjusted EBITDA is a non-GAAP measure and is the Group's measure of underlying profitability, which is used by the Board and senior management to measure and monitor the Group's performance.

In determining the adjustments to arrive at the Adjusted result, we use a set of established principles relating to the nature and materiality of individual items or groups of items, excluding, for example, events which are (i) outside the normal course of business, (ii) incurred in a pattern that is unrelated to the trends in the underlying financial performance of our ongoing business, or (iii) related to major acquisitions, to ensure that investors' ability to evaluate and analyse the underlying financial performance of our ongoing business is enhanced.

Adjusted financial measures merely allow investors to differentiate between different kinds of cost and they should not be used in isolation:

Impairment and write-offs of goodwill, fixed assets and intangible assets, including impairment reversals. These generally arise from business combinations. We adjust for these charges because their pattern of recognition is largely uncorrelated with the underlying performance of the business.

Exceptional Items, including: post-merger integration costs and transformation programmes; costs arising from corporate reconstruction; one-off charges relating to the Covid-19 pandemic; acquisition consideration deemed to be an employment clause. These can take place over a number of years, given the rapidly-growing scale of our business. We adjust for these charges and provisions because they primarily reflect the financial impact of change to legacy arrangements, rather than the underlying performance of our ongoing business. However, our Adjusted results do reflect the benefits of certain of these exceptional initiatives.

Other specified items, principally comprising the change in fair value on contingent consideration, the impact of translation of the Group's outstanding loans to year-end FX rates and non-recurring costs such as the costs incurred in entering the French and Belgian markets. It should be noted that other specified items excluded from our Adjusted results, such as finance charges related to contingent consideration and the impact of translation of the Group's loans to year-end FX rates will recur in future years, and other excluded items such as impairments may recur in the future.

37 Adjusted EBITDA (continued)

The following table provides a reconciliation of Adjusted EBITDA to IFRS Loss for the year:

	2020 £'000	2019 £'000	2018 £'000
Revenue	1,311,097	1,025,283	668,407
Loss for the year	(65,420)	(111,043)	(98,351)
Depreciation	81,576	67,296	43,956
Amortisation	27,858	18,399	5,092
Interest expense on lease liabilities, bank borrowings, preference shares and other interest (note 11)	168,820	153,871	102,012
Interest income (note 11)	(399)	(173)	(45)
Tax credit	(7,124)	(3,784)	(3,695)
EBITDA	205,311	124,566	48,969
Exceptional items	19,626	15,423	37,523
Costs of entering markets with significant regulatory barriers to entry	604	2,906	-
(Gain)/loss on foreign exchange	(337)	6,017	(3,310)
Fair value of contingent consideration	(4,685)	(16,533)	-
Adjusted EBITDA	220,519	132,379	83,182
Margin	16.82%	12.91%	12.44%
Growth	66.58%	59.14%	N/A

Adjusted EBITDA is defined as profit or loss for the period before interest, tax, depreciation and amortisation, plus adjustments for exceptional items.

Exceptional items include the following:

	2020 £'000	2019 £'000	2018 £'000
Merger and integration costs of IVC and Evidensia	12,022	9,565	20,949
Corporate restructure including sale of minority interest and refinancing the Group	326	3,362	6,180
COVID-19 holiday pay accrual	7,757	-	-
Acquisition related employment costs	(479)	2,496	10,394
	19,626	15,423	37,523

37 Adjusted EBITDA (continued)

Tax impact on exceptional items

Year ended 30 September 2018
The tax credit in respect of exceptional items is £4.0m. This represents a tax impact lower than the standard rate of tax for the Group due to unrecognised deferred tax movements and expenses not deductible for tax purposes.

Year ended 30 September 2019
The tax credit in respect of exceptional items is £2.4m. This represents a tax impact lower than the standard rate of tax for the Group due to unrecognised deferred tax movements and expenses not deductible for tax purposes.

Year ended 30 September 2020
The tax credit in respect of exceptional items is £3.6m. This represents a tax impact lower than the standard rate of tax for the Group due to unrecognised deferred tax movements and expenses not deductible for tax purposes.

Revenue alternative performance measures

	2020	**2019**	**2018**
Revenue Growth	28%	53%	N/A
LFL Revenue Growth*	6.7%	8.1%	6.1%

*Like for like revenue growth shows revenue generated from like for like operations compared to the prior year adjusted for number of working days. For example, for a practice acquired in April 2019, revenue is included from April 2020 in the like for like calculations for FY20. This shows the underlying growth in revenue across the business, excluding the impact of current year acquisitions and sites closed in the prior and current year.

It is not reasonable to calculate revenue growth for 2018 (12 month period) as the comparative period was for a shorter period.

38 List of companies

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Evidensia Belgium BVBA	Belgium	Ottergemsesteenweg-Zuid 808 Box B517, 9000 GENT	Ordinary	100%	100%	100%
Sanimalia Services BV	Belgium	Mizerikstraat 45, 3590 Diepenbeek (Hasselt)	Ordinary	99%	-	-
VVD Services BV	Belgium	Grotesteenweg 78, 2600, Berchem Antwerpen	Ordinary	99%	-	-
Dieu Services BV	Belgium	Rue de Huy 100, 4280 Hannut	Ordinary	99%	-	-
SHU Services BV	Belgium	Chaussée de Mons 282A, 7800 Ath	Ordinary	99%	-	-
CVA Services BV	Belgium	Chaussée de Louvain 485, 5004 Namur	Ordinary	99%	-	-
UV Services BV	Belgium	Chaussée de Marche 588, 5100 Namur	Ordinary	99%	-	-
Champ du Roi Services BV	Belgium	Rue Champ du Roi 145 1040 Brussels	Ordinary	99%	-	-
Hulsterheide Services BV	Belgium	Fabrieksstraat 3/2, 3980 Tessenderlo	Ordinary	99%	-	-
Aan De Heikant BV	Belgium	Beauvoislaan (Heide) 58, 2920 Kalmthout	Ordinary	99%	-	-
Nieuwe Dijk Services BV	Belgium	Kerkhovensesteenweg 296, 3920 Lommel	Ordinary	99%	-	-
Nutridei SA	Belgium	Rue du Crucifix 2, 4210 Burdinne, Belgium	Ordinary	99%	-	-
AC Services BV	Belgium	Sint-Truidersteenweg 360, 3500 Hasselt	Ordinary	99%	-	-
Gouden Poort Services BV	Belgium	Goudenpoortstraat 1, 8900 Ieper	Ordinary	99%	-	-
Clos Fleuri Services BV	Belgium	Strandlaan 202, 8670 Koksijde, Belgium	Ordinary	99%	-	-
Assist Services BV	Belgium	Luttelmeeuwen 51, 3670 Oudsbergen	Ordinary	99%	-	-
Heide Ooms Services BV	Belgium	Koningin Astridlaan 15b, 2560 Nijlen	Ordinary	99%	-	-
Alpha Services BV	Belgium	Fraikinstraat 43, 2200 Herentals	Ordinary	99%	-	-
Bosberg Services BV	Belgium	Testeltsesteenweg 86a 3201 Langdorp	Ordinary	99%	-	-
Animalis Services BV	Belgium	Gentse Steenweg 239, 9620 Zottegem	Ordinary	99%	-	-
OPCP Vlaanderen BV	Belgium	Ottergemsesteenweg-Zuid 808 Box B517, 9000 GENT	-	-	-	-
Veterinaires Dieu & Collaborateurs SRL	Belgium	Rue de Huy 100, 4280 Hannut	-	-	-	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
NewVetco BV	Belgium	Ottergemsesteenweg-Zuid 808 Box B517, 9000 GENT	-	-	-	-
Evidensia Danmark ApS**	Denmark	Enggårdsvej 2, 4700 Næstved, Denmark	Ordinary	-	100%	100%
Evidensia Dyrehospital A/S	Denmark	Enggårdsvej 2, 4700 Næstved	Ordinary	100%	100%	100%
Evidensia Academy ApS**	Denmark	Korskildeeng 4, 2670 Greve, Denmark	Ordinary	-	100%	100%
IVC Acquisition Limited *	England & Wales	See note i) below	Ordinary	100%	100%	100%
Independent Vetcare Finance Limited	England & Wales	See note i) below	Ordinary	100%	100%	100%
IVC Topco Limited	England & Wales	See note i) below	Ordinary	100%	100%	100%
Independent Vetcare Limited	England & Wales	See note i) below	Ordinary	100%	100%	100%
IVC Limited	England & Wales	See note i) below	Ordinary	100%	100%	100%
IVC Group International Limited	England & Wales	See note i) below	Ordinary	100%	100%	100%
Petprescriptions Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Orwell Vets Limited	England & Wales	See note i) below	Ordinary	100%	100%	100%
IVC (TB) Limited	England & Wales	See note i) below	Ordinary	100%	100%	100%
Lansdown Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Berry House Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Chase Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Rhodes Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Purton Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Oakfield Pet Health Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Chase Vets Eastbourne Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Congleton Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Fields Vets Limited	England & Wales	See note i) below	Ordinary	100%	100%	100%
Cheshire Vets Medical Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Wellpetclinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Orchard Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Westwood Veterinary Practice****	England & Wales	See note i) below	Ordinary	100%	100%	100%
1066 Veterinary Centre****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Corinium Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Millpark Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Well Pets Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Kingston Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
The Veterinary Hospital Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Richard Hillman Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
St Mary's Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Celyn House Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Island Veterinary Service Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Gatehouse Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Northdale Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Lowesmoor House Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Croft Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Well House Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Clifton Veterinary Practice****	England & Wales	See note i) below	Ordinary	100%	100%	100%
J Dinsdale Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Alexander Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Rhyd Broughton Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Abbey Vets (NE) Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Burch Vets Limited (Burch Tree Vets)****	England & Wales	See note i) below	Ordinary	100%	100%	100%
A & J Practice Management Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Terrington Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Abbeydale Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Forest Lodge Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Zetland Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Thanet One Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
The Veterinary Clinic (Bearwood) Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Barton Lodge Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Three Rivers Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
St Georges Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
The Croft Veterinary Centre (Wolverhampton) Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Acorn Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Mintlaw Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Budget Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Williams and Cummings Veterinary Group****	England & Wales	See note i) below	Ordinary	100%	100%	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Wellpets Animal Care Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Mill House Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Albert Cottage Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Grove Lodge Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Robson & Prescott Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Abbeymoor Veterinary Centres Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Rosehill Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Blenheim Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Kirk Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Beeches Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Shipley Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Brownlow Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Victoria Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Parkvets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
My Vet Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Haughley Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Moorview Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Usk Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Cardiff Pet Health Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Summerhill Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Hall Place Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Easipetcare Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Alpha Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Kapsapea Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
The Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Wherry Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Market Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
LWAH Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
NEVC Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Avon Lodge Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Glaven Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Taverham Veterinary Practice Holdings Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Taverham Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
DVG Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Saxon Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Steffan Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Gilmore Pet Surgery Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
A.C. Rawlins Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Bilton Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
New Street Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
AVC 35 Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Castle Vets Pet Heathcare Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Dohne and Friends Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Barrow Hill Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Bourne Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Twickenham Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Ark Veterinary Centre (Colchester) Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Hart Veterinary Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Blackberry Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Springfield Veterinary Centre Ltd****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Hook Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Fivelands Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
H G H (V S) Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Petsco Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Petsco 2 Limited	England & Wales	See note i) below	Ordinary	100%	100%	100%
Oakmount Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
The Barn Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Williams Vet Care Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Forest Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Gilmore Pet Surgery Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Biscot Mill Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Amery Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Towerwood Holdings Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Towerwood Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Mainstone Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Corner House Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Pets First Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Crown House Surgery Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
The Vets' Place Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Holmefield Veterinary Clinics Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Aniwell Veterinary Company Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Avon Lodge Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Lawrence Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
London Road Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Hawthorne Lodge Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Mcphersons Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Midforest Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Carmel Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
The Shreen Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Wilton House Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Woodland Veterinary Centre****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Beech House Veterinary Centre****	England & Wales	See note i) below	Ordinary	100%	100%	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Advanced Vetcare Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Mearley Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Alder Veterinary Practice (Spalding Limited) ****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Chapelfield Veterinary Partnership Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Pro-Vets Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Manor Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Foxcotte Veterinary Clinics Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Abivale Veterinary Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Vale Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Vale Animal Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Colebrook Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Lordswood Vets Ltd****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Letchworth Veterinary Care Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Willow Veterinary Care Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Boness Veterinary Enterprises****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Lydon Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Deane Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Brown & Bentley Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Walpole & Bingham Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Shorewood Consultants Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Kingsteignton Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
West Midlands Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Veterinary Drugs To Go****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Frontfoot Consultancy Suffolk Limited	England & Wales	See note i) below	Ordinary	100%	100%	100%
Amery Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	100%
Wellpets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Crossroads Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
GP Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Lakeside Veterinary Surgery Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Sampson Park Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Stamford Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Norcross Veterinary Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Pool Farm Veterinary Practice Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Alexandra & Hillyfields Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Kieren Peterkin Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
FramVet Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Earl Soham Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Waverley Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Companion Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Oval Pet Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Mondocane Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Hungerford Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Shield Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Bray House Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Belmont Vets Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Rufford Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Alcombe Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
The Laurels Veterinary Centre (Hereford) Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Pet Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Twin Enterprise Limited Subsidiary: Cambridge Veterinary Group Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Brackley Pet Healthcare Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Westmorland Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Westmorland Veterinary Services (Pets) Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Simply Pets - Cheltenham	England & Wales	See note i) below	Ordinary	100%	100%	-
North Downs Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Shaw Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Crossways Animal Care Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Birch Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
WestmorlandVeterinary Services (Farm Animal) Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
The Riverside Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Strathmore Veterinary Clinic Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Kingsway Veterinary Group****	England & Wales	See note i) below	Ordinary	100%	100%	-
Fielding & Cumber Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
The Neighbourhood Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Abbotskerswell Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Avenue Veterinary Centre (Malvern) Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Grove Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Clent Hills Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Hawkedon and Homefield Vets Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Wheelhouse Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
November Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Kernow Veterinary Group Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Lynton House Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
South Lakes Veterinary Centre Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Blake Veterinary Group Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Highcliff Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
The Cheshire Pet Medical Centre (Sandbach) Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Eden Veterinary Centre Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Border Vets (Longtown) Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Ashleigh Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Vet On The Hill Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Adamsvet – Pet Care Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Darley House Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Straid Veterinary Clinic Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
AlphaPet Management Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Tother Services Limited (share)	England & Wales	See note i) below	Ordinary	100%	100%	-
Mansion Hill Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
George Hunt & Son Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
WHVC Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Cootes Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Scarsdale Vets (Derby) Limited ("Pride Referrals")	England & Wales	See note i) below	Ordinary	100%	100%	-
Cogges Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Ark House Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Highfield Veterinary Centre Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
The Animal House Limited	England & Wales	See note i) below	Ordinary	100%	100%	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Fenwold Veterinary Practice Limited	England & Wales	See note i) below	Ordinary	100%	100%	-
Paxton Veterinary Clinics Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Petcare Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%	-
Leonard Brothers Veterinary Centre Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Horsehead Nebula Limited	England & Wales	See note i) below	Ordinary	100%	-	-
South Lincs Vet Group Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Tother Services Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Greg Toth Limited****	England & Wales	See note i) below	Ordinary	100%	-	-
Animates Veterinary Clinic Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Moy Vets Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Azure Blue Services Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Vetspeed Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Paws Colchester Veterinary Centre	England & Wales	See note i) below	Ordinary	100%	-	-
Park Issa Vets Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Tern Vets Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Eden Veterinary Centre Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Marshlands Animal Care Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Bowden & Charlesworth Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Axe Valley Veterinary Practice Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Green Lane Vets Limited	England & Wales	See note i) below	Ordinary	100%	-	-
The Vet Centre Limited	England & Wales	See note i) below	Ordinary	100%	-	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Carterton Veterinary Surgery Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Veterinary Healthcare Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Bell & Partners Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Fyrnwy Equine Group Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Manor Farm Vets Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Priory Vets Cardigan Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Ark Veterinary Practice Limited	England & Wales	See note i) below	Ordinary	100%	-	-
New Priory Vets Brighton Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Cedar Grove Veterinary Clinic Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Orby Vets Limited	England & Wales	See note i) below	Ordinary	100%	-	-
The Mobile Vet Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Animal House Vets Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Highcroft (Hailsham) Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Heartland Veterinary Services Limited	England & Wales	See note i) below	Ordinary	100%	-	-
IVSR Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Wellpet Veterinary Practice Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Catley Cross Veterinary Clinic Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Bowden South Normanton Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Ashbank Vet Centre Limited	England & Wales	See note i) below	Ordinary	100%	-	-
Asbank Holdings Limited	England & Wales	See note i) below	Ordinary	100%	-	-
UniVet Holding Oy *	Finland	Tammiston kauppatie 29, 01510 Vantaa	Ordinary	100%	100%	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Verna OY	Finland	Hulaudentie 135, 37500 Lempäälä, Finland	Ordinary	100%	100%	100%
Evidensia Eläinlääkäripalvelut Oy	Finland	Tammiston Kauppatie 29, 01510 Vantaa, Helsinki, Finland	Ordinary	100%	100%	100%
Toijalan Eläinlääkäriasema Oy	Finland	Hämeentie 64, 37800 Toijala, Finland	Ordinary	100%	100%	100%
Univet Kalanti OY	Finland	Yrittäjäntie 1, 23600 Kalanti, Finland	Ordinary	51%	51%	51%
Animagi Hevosklinikat Oy****	Finland	Valimotie 27, 01510 Vantaa	Ordinary	100%	100%	100%
E-Laaketukku Oy	Finland	Kalevantie 2, 33100 Tampere	Ordinary	100%	-	-
Evidensia France SAS	France	1-7 Cours Valmy, 92800 Puteaux, France	Ordinary	100%	100%	-
Oncovet SAS	France	Avenue Paul Langevin, 59650 Villeneuve-d'Ascq, Frankrike	Ordinary	49%	49%	-
Vetotech SAS	France	Avenue Paul Langevin, 59650 Villeneuve-d'Ascq, Frankrike	Ordinary	49%	49%	-
Wivetix Services GIE	France	1-7 Cours Valmy, 92800 Puteaux, France	Ordinary	100%	100%	-
Société de vétérinaires des docteurs Garinot,Frenay et Le Faucheur	France	37 bis rue de Soissons, 60800 Crépy-en-Valois	Ordinary	49%	-	-
Opal'Vet SAS	France	62 Boulevard du General de Gaulle, 62480 Le Portel	Ordinary	49%	-	-
BCDH	France	43 Av Aristide Briand, 94110 Arcueil, France	Ordinary	49%	-	-
CHV Fregis	France	43 Avenue Aristide Briand, 94110 Arcueil, France	Ordinary	49%	-	-
SCP Vétérinaires Warmoes Croisier	France	32 bis rue de Bourg, 08000 Les Ayvelles	Ordinary	49%	-	-
SCP Campaignie Weil	France	19 Avenue des Clayes, 78450 Villepreux	Ordinary	49%	49%	-
SELARL Clinique Veterinaire des Genets	France	29bis route de Lyon 69740 Genas	Ordinary	49%	-	-
SELARL des Barbes d'Or	France	Z.A Les Barbes d'Or 1 Les Claudots 10260 Saint-Parres-les-Vaudes	Ordinary	49%	-	-
Evolia	France	43 Avenue du Chemin Vert 95290 L'Isle-Adam	Ordinary	49%	-	-
Societe Veterinaire Des Cordeliers	France	35 Avenue du Maréchal Joffre 77100 Meaux	Ordinary	49%	-	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Vétérinaires Associés CVA	France	177, rue de la porte de Trivaux 92140 Clamart	Ordinary	49%	-	-
Clinique Vétérinaire du Pont Paul Bert	France	1 rue de l'Ile-aux-Plaisirs, Auxerre	Ordinary	49%	-	-
Clinique Vétérinaire du Cèdre	France	Route de Caen 14610 Épron	Ordinary	49%	-	-
SELARL Vet Alienor	France	2095 Avenue JF Kennedy, 40280 St-Pierre-du-Mont	Ordinary	49%	-	-
Societe Vetoservice	France	177 Rue De La Porte Trivaux, 92140 Clamart, France	Ordinary	49%	-	-
SELARL CastelVet	France	17 rue du Petit, Chantilly 60510 Bresles	Ordinary	49%	-	-
SELARL Veterinaire Chapelaine	France	1 Boulevard de l'Ouest 10600 La Chapelle-Saint-Luc	Ordinary	49%	-	-
Clinique Vétérinaire des Lys	France	28 Avenue Aristide Briand, 37600 Loches	Ordinary	49%	-	-
Languedovet	France	Tannes Basses, 34800 Clermont-l'Hérault	Ordinary	49%	-	-
SELARL des Docteurs Veterinaires des Bastides	France	279 route des Alpes 84440 Robion	Ordinary	49%	-	-
SELARL La Bastide des Alpilles	France	Route de Plan d'Orgon 13210 Saint Remy de Provence	Ordinary	49%	-	-
SELARL AZIA-BARRAUD-BROCHOT-CASSAGNES-DEMIAUX	France	3 rue Maurice Mignon 06200 Nice	Ordinary	49%	-	-
SELAR CVDEH	France	40 rue Claude Bourgelat 60610 La-Croix-St-Ouen	Ordinary	49%	-	-
TKS Tierärztliche Klinik Stommeln Gmbh	Germany	Nettegasse 122, 50259 Pulheim	Ordinary	100%	100%	100%
Evidensia Deutschland GmbH *	Germany	Schwanthalerstr. 32, 80336, Munchen, Germany	Ordinary	100%	100%	100%
Evidensia Tierärztliche Klinik Betzdorf GmbH	Germany	Eberhardystr. 30 57518 Betzdorf	Ordinary	100%	100%	100%
Kleintiergesundheits zentrum Ravensburg Evidensia GmbH	Germany	Eywiesenstraße 4, 88212 Ravensburg	Ordinary	100%	100%	100%
Tierarztpraxis Dr.Winkler GmbH,	Germany	Walterscheid-Müller-Straße 9, 53797 Lohmar, Germany	Ordinary	100%	100%	-
Evidensia Vet Zentrum Berchtesgadener Land GmbH	Germany	Weitwiesenring 4, 83435 Bad Reichenhall	Ordinary	100%	100%	100%

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IVC Acquisition Midco Ltd

Notes to the Financial Statements for the Year Ended 30 September 2020 (continued)

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Evidensia Vet-Zentrum Rosenheim GmbH	Germany	Lackermannweg 4, 83071 Stephanskirchen	Ordinary	100%	100%	-
Evidensia Tierärztliche Klinik für Kleintiere Norderstedt GmbH	Germany	Kabels Stieg 41, 22850 Norderstedt	Ordinary	100%	100%	100%
Kleintierspezialisten Dres Schmerbach & Höpfner GmbH	Germany	Wittestraße 30P, 13509 Berlin	Ordinary	100%	100%	100%
Tierklinik am Nordring Evidensia Nürnberg GmbH	Germany	Obermaierstraße 10, 90408 Nürnberg	Ordinary	100%	100%	100%
Evidensia Tierkliniken und -praxen Nordrhein GmbH	Germany	Adlerstraße 63, 40211 Düsseldorf	Ordinary	100%	100%	100%
Veteria Fachtierarzt-Zentrum & Tagesklinik GmbH	Germany	An der Eisenbahn 16 15711 Königs Wusterhausen	Ordinary	100%	100%	100%
Kleintierpraxis Dr. Swenshon GmbH	Germany	Monschauer Straße 198 52355 Düren	Ordinary	100%	100%	100%
Tierärztliches Augenzentrum München GmbH	Germany	Kreuzhofstraße 10, 81476 München	Ordinary	100%	100%	100%
Tierarztpraxis Dr. Martin Haas GmbH	Germany	Aussiedlerhof Bach, 56422 Wirges	Ordinary	100%	100%	100%
Tierarzlliche Klinik Reichenberg Evidensia GmbH	Germany	Steige 9, 97234 Reichenberg	Ordinary	100%	100%	-
Tierarztliche Gemeinschafispraxis Seligenstadt GmbH	Germany	Peterstraße 1, 63500 Seligenstadt am Main	Ordinary	100%	100%	-
Kleintierzentrum AM Kurpark Numbrecht GmbH	Germany	Höhenstrasse 51, 51588 Nümbrecht	Ordinary	100%	100%	-
Tierarztpraxis Eiserfeld Evidensia GmbH	Germany	Eiserfelder Strasse 411, 57080 Siegen	Ordinary	100%	-	-
Kleintierpraxis Rendsburg Evidensia GmbH	Germany	Hollesenstraße 23, 24768 Rendsburg	Ordinary	100%	-	-
Tiergesundheit Volkach Evidensia GmbH	Germany	Friedrich-Ebert-Straße 1A, 97332 Volkach,	Ordinary	100%	-	-
Tierklinik Stadtsteinach Evidensia GmbH	Germany	Alte Pressecker Str. 39, 95346 Stadtsteinach, Germany	Ordinary	100%	-	-
Kleintierzentrum Heidenheim GmbH	Germany	Heckentalstraße 1, 89518 Heidenheim an der Brenz	Ordinary	100%	-	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Kleintierpraxis Kaiserslautern Evidensia GmbH	Germany	Lothringer Dell 48, 67659 Kaiserslautern, Germany	Ordinary	100%	-	-
Tierärzte Lohmar IVC Evidensia GmbH	Germany	Walterscheid-Müller-Straße 9, 53797 Lohmar	Ordinary	100%	100%	100%
Tierarztpraxis Strassenheim GmbH	Germany	Ortsstrasse 5, 68259 Mannheim	Ordinary	100%	100%	-
Kleintierpraxis Rendsburg Evidensia GmbH	Germany	Hollesenstraße 23, 24768 Rendsburg	Ordinary	100%	-	-
Kleintierzentrum Knoop GmbH	Germany	Im Soratfeld 2-4, 33165 Lichtenau, Germany	Ordinary	100%	-	-
Kleintierpraxis Harrislee Evidensia GmbH	Germany	Alt Frösleer Weg 81A, 24955 Harrislee, Germany	Ordinary	100%	-	-
Tierarztpraxis Dr Schilling GmbH	Germany	Ziegelstrasse 29, 33609 Bielefeld	Ordinary	100%	100%	-
Tierärzte Gelnhausen IVC Evidensia GmbH	Germany	Lützelhäuser Weg 15, 63571 Gelnhausen	Ordinary	100%	-	-
Tierärzte Kamp-Lintfort IVC Evidensia GmbH	Germany	Gohrstr. 45, 47475 Kamp-Lintfort, Germany	Ordinary	100%	-	-
Tierärzte Westfalen-Lippe IVC Evidensia GmbH	Germany	Carl-Miele-Str. 1033330 Gütersloh, Germany	Ordinary	100%	-	-
Evidensia Tiergesundheitszentrum 027 GmbH	Germany	Schwanthalerstr. 32, 80336 München, Germany	Ordinary	100%	-	-
Evidensia Tiergesundheitszentrum 028 GmbH	Germany	Schwanthalerstr. 32, 80336 München, Germany	Ordinary	100%	-	-
Tierärzte IVC Evidensia GmbH	Germany	Harschenflether Weg 6, 21682 Stade	Ordinary	100%	-	-
Kleintierpraxis Maintal Evidensia GmbH	Germany	Wilhelmsbader Str. 17, 63477 Maintal, Germany	Ordinary	100%	-	-
Independent Vetcare Ireland Limited	Ireland	See ii) below	Ordinary	100%	100%	-
Anicare Veterinary Facilities Limited	Ireland	See ii) below	Ordinary	100%	100%	-
Athlone Veterinary Centre Limited	Ireland	See ii) below	Ordinary	100%	-	-
Milltown Veterinary Services Limited	Ireland	See ii) below	Ordinary	100%	-	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Beaufield Veterinary Centre	Ireland	See ii) below	Ordinary	100%	-	-
Vetstore Limited	Ireland	See ii) below	Ordinary	100%	-	-
Drogheda Petmedical Limited	Ireland	See ii) below	Ordinary	100%	-	-
Milan Veterinary Limited	Isle of Man	See iii) below	Ordinary	100%	100%	100%
Arg Beiyn Limited	Isle of Man	See iii) below	Ordinary	100%	100%	100%
Evidensia Nederland B.V. *	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	100%	100%	100%
Dierenzorgroep B.V ***	Netherlands	Buitenlandpoort 3, 4132 XA Vianen, the Netherlands	Ordinary	-	-	100%
Dierenzorgroep VA B.V. ***	Netherlands	Roerdomplaan 2, 3084 NM Rotterdam, the Netherlands	Ordinary	-	-	100%
Dierenzorgroep GD B.V. ***	Netherlands	Buitenlandpoort 3, 4132 XA Vianen, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Wulven B.V. ***	Netherlands	Buitenlandpoort 3, 4132 XA Vianen, the Netherlands	Ordinary	-	-	50%
Dierenzorggroep Brabant B.V. ***	Netherlands	Buitenlandpoort 3, 4132 XA Vianen, the Netherlands	Ordinary	-	-	100%
Dierenzorggroep LD B.V. ***	Netherlands	Groeneweg 33 A, 4223 ME Hoornaar, the Netherlands	Ordinary	-	-	100%
Evidensia Vets & Pets Dierenklinieken B.V. ***	Netherlands	Watertorenstraat 9, 4927 RG Hooge Zwaluwe, the Netherlands	Ordinary	-	-	100%
Evidensia Vets & Pets Facilities B.V. ***	Netherlands	Watertorenstraat 9, 4927 RG Hooge Zwaluwe, the Netherlands	Ordinary	-	-	100%
Veterinair Verwijscentrum de Pietesberg B.V.***	Netherlands	Pietersbergseweg 14, 6862 BV Oosterbeek, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Thorbeckelaan B.V.***	Netherlands	Thorbeckelaan 358, 2564 BZ The Hague, the Netherlands	Ordinary	-	-	100%
Dier Medisch Centrum Gouda B.V ***	Netherlands	Vuurdoornlaan 2, 2803 BB Gouda, the Netherlands	Ordinary	-	-	100%
Dierenartsenpraktijk de Zuidwesthoek B.V ***	Netherlands	Oude Moerstraatsebaan 33, 4614 RN Bergen op Zoom, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Velp-Veluwezoom ***	Netherlands	Boulevard 1, 6881 HN Velp, the Netherlands	Ordinary	-	-	100%
Dierenziekenhuis Rotterdam B.V ***	Netherlands	Pascalweg 4, 3076 JP Rotterdam, the Netherlands	Ordinary	-	-	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Kleine huisdieren kliniek krimpen B.V***	Netherlands	Industrieweg 24 b, 2921 LB Krimpen aan den IJssel, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Enschede B.V. ***	Netherlands	Brinkstraat 234, 7541 AV Enschede, the Netherlands	Ordinary	-	-	100%
Kliniek voor gezeldschapdieren Uitgeest ***	Netherlands	Prinses Beatrixlaan 12, 1911 HR Uitgeest, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Dikketje Dap B.V. ***	Netherlands	Orpheuslaan 29 A, 5631 BR Eindhoven, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Vossegat B.V. ***	Netherlands	Adriaen van Ostadelaan 44, 3583 AK Utrecht, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Verstappen B.V. ***	Netherlands	Koningin Emmalaan 24, 5684 BB Best, the Netherlands	Ordinary	-	-	100%
Dierenkliniek ljsseistein ***	Netherlands	Tiranastraat 29, 3404 CJ IJsselstein, the Netherlands	Ordinary	-	-	100%
Farmarts Gezelschapsdieren B.V ***	Netherlands	Weth Timmermanstraat 15 a, 7951 SH Staphorst, the Netherlands	Ordinary	-	-	100%
Diergeneeskundig Centrum Almere B.V ***	Netherlands	Midwaystraat 7, 1339 NM Almere, the Netherlands	Ordinary	-	-	100%
Dierenartsenpraktijk van Zeebroek B.V. ***	Netherlands	Stationsstraat 6, 9901 BM Appingedam, the Netherlands	Ordinary	-	-	100%
Diergeneeskundig Centrum Paterswoldseweg B.V. ***	Netherlands	Paterswoldseweg 306, 9727 BW Groningen, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Nuenen B.V. ***	Netherlands	Vincent van Goghstraat 72, 5671 GZ Nuenen, the Netherlands	Ordinary	-	-	100%
Stadsdierenarts Zwolle B.V.	Netherlands	Zerboltstraat 61 A, 8022 RW Zwolle, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Bokhove & Bouman B.V. ***	Netherlands	Maroastraat 7, 1060 LG Amsterdam, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Lieshout B.V. ***	Netherlands	Vogelenzang 28, 5737 PT Lieshout, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Winsum B.V. ***	Netherlands	Lombok 27, at 9951 SC Winsum, the Netherlands	Ordinary	-	-	100%
Mijn Dierenkliniek Hillegom B.V. ***	Netherlands	Vennipperhof 3, 2181 RT Hillegom, the Netherlands	Ordinary	-	-	100%
Mijn Dierenkliniek Lisse B.V ***	Netherlands	Vivaldistraat 27 A, 2162 AA Lisse, the Netherlands	Ordinary	-	-	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Budacom B.V. ***	Netherlands	Lauriergaarde 22, 3436 HV Nieuwegein, the Netherlands	Ordinary	-	-	100%
Dierenkliniek De Warande B.V. ***	Netherlands	Christiaan Huygenslaan 10, 5707 RT Helmond, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Mortelplein B.V. ***	Netherlands	Burgemeester van de Mortelplein 47, 5037 PJ Tilburg, the Netherlands	Ordinary	-	-	100%
Dierenartsenpraktijk Bodegraven B.V. ***	Netherlands	Zuidzijde 63, 2411 RT Bodegraven, the Netherlands	Ordinary	-	-	100%
Dierenartsenpraktijk Gaasterland B.V. ***	Netherlands	Herman Gorterstraat 12 A, 8561 BS Balk, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Dommelen B.V. ***	Netherlands	Kerkakkerstraat 11, 5551 TC Valkenswaard, the Netherlands	Ordinary	-	-	100%
Mijn Dierenkliniek De Mare B.V ***	Netherlands	Willemstraat 52, 2316 CT Leiden, the Netherlands	Ordinary	-	-	100%
Mijn Dierenkliniek Leiden B.V ***	Netherlands	Boshuizerlaan 26,, 2321 SH Leiden, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Volendam B.V. ***	Netherlands	Dukaton 15, 1132 RA Volendam, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Den Herd B.V. ***	Netherlands	Capucijnenstraat 78, 5025 LH Tilburg, the Netherlands,	Ordinary	-	-	100%
Dier en Dokter B.V. ***	Netherlands	Boerhaavelaan 66, 5707 SL Helmond, the Netherlands	Ordinary	-	-	100%
Dier en Dokter Eindhoven B.V. ***	Netherlands	Boerhaavelaan 66, 5707 SL Helmond, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Ridderkkerk B.V. ***	Netherlands	Jacob Catsstraat 3, 2985 BE Ridderkerk, the Netherlands	Ordinary	-	-	100%
Evidensia Veterinair Centrum Zuid Holland B.V. ***	Netherlands	Harteveldlaan 1 A, 2675 LE Honselersdijk, the Netherlands	Ordinary	-	-	100%
Dierenziekenhuis Nunspeet B.V. ***	Netherlands	Zwolsewegje 16, 8071 RX Nunspeet, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Benschop-Oudewater B.V. ***	Netherlands	Benedeneind ZZ 399, 3405 CN Benschop, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Strijthagen B.V. ***	Netherlands	Stenen Brug 2 A, 6372 AP Landgraaf, the Netherlands	Ordinary	-	-	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Dierenkliniek Leidschendam B.V. ***	Netherlands	J.S. Bachlaan 67, 2264 WB Leidschendam, the Netherlands	Ordinary	-	-	100%
Dierenartsenpraktijk Peize B.V. ***	Netherlands	Hoofdstraat 9, 9321 CB Peize, the Netherlands	Ordinary	-	-	100%
Dierenartsenpraktijk Horst B.V ***	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Kortenoord B.V. ***	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	-	100%
Dierenkliniek Jol B.V. ***	Netherlands	Jol 11 24, 8243 ED Lelystad, the Netherlands	Ordinary	-	-	100%
Dierenartsenpraktijk van Stad tot Wad ***	Netherlands	Wijmersweg 13, 9919 BH Loppersum, the Netherlands	Ordinary	-	-	100%
Caressa Dierenziekenhuizen B.V. ***	Netherlands	P. Hans Frankfurthersingel 220, 1060 TP Amsterdam, the Netherlands	Ordinary	-	-	100%
Hugo Verwijsklinieken B.V. ***	Netherlands	De Heining 10, 1161 PA Zwanenburg, the Netherlands	Ordinary	-	-	100%
Caressa Dierenziekenhuiz Den Haag B.V. ***	Netherlands	Goudenregenstraat 296, 2565 GG The Hague, the Netherlands	Ordinary	-	-	100%
Caressa Dierenziekenhuiz Rotterdam B.V. ***	Netherlands	Walenburgerweg 51, 3039 AD Rotterdam, the Netherlands	Ordinary	-	-	100%
Dierenziekenhuis Amsterdam B.V.***	Netherlands	Leuvenstraat 12, 1066 HC Amsterdam, the Netherlands	Ordinary	-	-	100%
Dierenziekenhuis Haarlem B.V.***	Netherlands	Generaal Spoorlaan 89, 2025 NA Haarlem, the Netherlands	Ordinary	-	-	100%
Dierenziekenhuis Utrecht B.V.***	Netherlands	Louis Armstronglaan 406, 3543 EB Utrecht, the Netherlands	Ordinary	-	-	100%
Evidensia B B.V.**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	100%
Evidensia 017 B.V.**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	100%
Evidensia 016 B.V.**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	100%
Evidensia Dierenziekenhuizen B.V. **	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	100%
Dierenkliniek de Kempen B.V.***	Netherlands	Meester Pankenstraat 9, 5571 CP Bergeijk, the Netherlands	Ordinary	-	-	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Dierenkliniek de Postwagen B.V**	Netherlands	Herungerweg 172, 5913 HD Venlo, the Netherlands	Ordinary	-	100%	100%
Dierenkliniek Zuid B.V.***	Netherlands	Beusichemsetuin 9 a, 3994 PC Houten, the Netherlands	Ordinary	-	-	100%
Evidensia 028 B.V.**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	100%
Dierenkliniek de Arker B.V.***	Netherlands	Hoefslag 1, 3862 KA Nijkerk, the Netherlands	Ordinary	-	-	100%
Evidensia 032 B.V.**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	100%
Dierenartspraktijk Westwoud B.V.***	Netherlands	Dr.Nuijensstraat 67, 1617 KB Westwoud, the Netherlands	Ordinary	-	-	100%
Evidensia 039 B.V**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	100%
Evidensia 040 B.V**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	-
Evidensia 041 B.V**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	-
Evidensia 042 B.V**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	-
Evidensia 043 B.V**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	-
Evidensia 044 B.V**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	-
Evidensia 045 B.V**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	-
Evidensia 046 B.V**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	-
Evidensia 047 B.V**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	-
Evidensia 050 B.V**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%	-
Tandheelkundig Dierenarts Knaake B.V.***	Netherlands	Namensestraat 13, 2587 VV The Hague, the Netherlands	Ordinary	-	-	100%
Majesta Huisdierencrematorium 2 B.V. ***	Netherlands	Agro Business Park 68, 6708 PW Wageningen, the Netherlands	Ordinary	-	-	100%
Dierenuitvaartzorg Nederland B.V.	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	100%	100%	100%
Huisdieren- en paardencrematorium Rotterdam B.V.***	Netherlands	Agro Business Park 68, 6708 PW Wageningen, the Netherlands	Ordinary	-	-	-
Dierencrematorium Majesta Utrecht B.V. ***	Netherlands	Californiedreef 17 L, 3565 BJ UTRECHT, the Netherlands	Ordinary	-	-	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Dierencrematorium Majesta Smilde B.V. ***	Netherlands	Leemdijk 2 E, 9422 CL Smilde, the Netherlands	Ordinary	-	-	100%
Dierencrematorium Majesta Schagerbrug B.V. ***	Netherlands	Belkmerweg 118 a, 1751 GH Schagerbrug, the Netherlands	Ordinary	-	-	100%
Dierencrematorium Majesta Naarden B.V. ***	Netherlands	Kobaltstraat 2, 1411 AM Naarden, the Netherlands	Ordinary	-	-	100%
Dierencrematorium Majesta Maashorst Uden B.V. ***	Netherlands	Hockeyweg 4, 5405 NC Uden, the Netherlands	Ordinary	-	-	100%
Dierencrematorium Majesta Jori B.V. ***	Netherlands	Belder 26, 4704 RK Roosendaal, the Netherlands	Ordinary	-	-	100%
Dierencrematorium Majesta Fievoland B.V. ***	Netherlands	De Maalstroom 15, 8255 RN Swifterbant, the Netherlands	Ordinary	-	-	100%
Dierencrematorium Majesta Rotterdam B.V. ***	Netherlands	Satijnbloem 31, 3068 JP Rotterdam, the Netherlands	Ordinary	-	-	100%
Dierenartsenpraktjik Landsmeer B.V.	Netherlands	Dorpsstraat 64, 1121 BZ Landsmeer, the Netherlands	Ordinary	-	100%	-
Dierenartsenpraktijk Zuidwolde B.V	Netherlands	Hoogeveenseweg 1, 7921 PC Zuidwolde, the Netherlands	Ordinary	-	100%	-
Dierenkliniek Duurstede B.V.**	Netherlands	Singel 10, 3961 CE Wijk bij Duurstede, the Netherlands	Ordinary	-	100%	-
Dierenkliniek Stad & Land B.V.**	Netherlands	Tom Schreursweg 102, 1067 MC Amsterdam, the Netherlands	Ordinary	-	100%	-
Stad & Land Dierenklinieken Alkmaar B.V.**	Netherlands	Vondelstaete 500, 1814 MH Alkmaar, the Netherlands	Ordinary	-	100%	-
Stad & Land Dierenklinieken Wormerveer B.V.**	Netherlands	Zaanweg 25, 1521 DK Wormerveer, the Netherlands	Ordinary	-	100%	-
Stad & Land Dierenklinieken Hoorn B.V.**	Netherlands	Westerblokker 112 B, 1695 AK Blokker, the Netherlands	Ordinary	-	100%	-
Stad & Land Dierenklinieken Amstelveen B.V.**	Netherlands	Maarten Lutherweg 10, 1185 AN Amstelveen, the Netherlands	Ordinary	-	100%	-
Diergezondheidscentrum De Limes B.V.	Netherlands	Reijerscopse Overgang 3, 3481 LZ Harmelen, the Netherlands	Ordinary	-	100%	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Het Arendsnest B.V. (holdco)**, Subsidiaries: SHCN Dierenuitvaart B.V.; Dierbaar Dierenuitvaart B.V.; DMH Vervoersdienst B.V	Netherlands	Ambachtshof 6, 2632 BB Nootdorp, the Netherlands	Ordinary	-	100%	-
Dierenzorg B.V., Dierencrematorium Parkstad B.V.	Netherlands	Oude Roderweg 3 A, 6422 PE Heerlen, the Netherlands	Ordinary	-	100%	-
Dierenkrematorium Beek B.V.**	Netherlands	Middelweg 15, 6191 NC Beek, the Netherlands	Ordinary	-	100%	-
SKDU en DGC B.V.**	Netherlands	Oudenoord 400, 3513 EX Utrecht, the Netherlands	Ordinary	-	100%	-
Lingsesdijk B.V.**	Netherlands	Achterom 119, 2991 CP Barendrecht, the Netherlands	Ordinary	-	100%	-
De Graafschap Dierenartsen B.V.**	Netherlands	Schimmeldijk 1, 7251 MX Vorden, the Netherlands	Ordinary	-	100%	-
Dierenartsenpraktijk Zelhem B.V.**	Netherlands	Dr. Grashuisstraat 8, 7021 CL Zelhem, the Netherlands	Ordinary	-	100%	-
Pet Health Care BV**	Netherlands	Midwaystraat 7, 1339 NM Almere, the Netherlands	Ordinary	-	100%	-
Dierenkliniek Bloombird BV**	Netherlands	Claudiuslaan 60, 6642 AG Beuningen (Gelderland), the Netherlands	Ordinary	-	100%	-
Dierenkliniek Zuidoostbeemister BV**	Netherlands	Purmerenderweg 43, 1461 DD Zuidoostbeemster, the Netherlands	Ordinary	-	100%	-
J de Jong Dierenartsen BV	Netherlands	Commandeurslaan 1 1851 XP Heiloo	Ordinary	100%	100%	-
Evidensia Dierenklinieken B.V.	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	100%	100%	-
Evidensia NL Dierenklinieken B.V.	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	100%	100%	-
Evidensia P B.V.	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	100%	-	-
Dierenkliniek Zuiderkaag B.V.	Netherlands	De Boog 74, 1741 MT Schagen, Netherlands	Ordinary	100%	-	-
Dierenkliniek Venray B.V.	Netherlands	Stationsweg 111 A, 5803 AA Venray, Netherlands	Ordinary	100%	-	-
Plus Dierenkliniek Saendelft B.V.	Netherlands	Kaaikhof 32, 1567 JP Assendelft, Netherlands	Ordinary	100%	-	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Plus Dierenkliniek De Saen B.V.	Netherlands	Tjotterlaan 14 B, 1503 LB Zaandam, Netherlands	Ordinary	100%	-	-
Dierenkliniek Keistad B.V.	Netherlands	Van Bemmelstraat 1, 3818 PA Amersfoort, Netherlands	Ordinary	100%	-	-
Dierenartsenpraktijk Moerstraten B.V.	Netherlands	Moerstraatseweg 55a, 4727 SK Moerstraten, Netherlands	Ordinary	100%	-	-
Glas Diergeneeskunde B.V.	Netherlands	Ten Darperweg 3, 7981 LX ,Diever, Netherlands	Ordinary	100%	-	-
Dierenartsenpraktijk Berghem B.V.	Netherlands	Julianastraat 27, 5351 AL Berghem, Netherlands	Ordinary	100%	-	-
ABC voor Dieren B.V	Netherlands	Ringweg-Kruiskamp 68, 3814 TE, Amtersfoort, Netherlands	Ordinary	100%	-	-
DKL Putten B.V.	Netherlands	Roosendaalseweg 162 C, 3882 MP, Wells	Ordinary	100%	-	-
Dierenkliniek Het Zicht – De Duinen B.V.	Netherlands	Het Zicht 61, 2543 AK, Den Haag, Netherlands	Ordinary	100%	-	-
Dierenkliniek Middeldiep B.V.	Netherlands	Flatusstraat 9, 2909 TH, Capelle aan den Ijssel, Netherlands	Ordinary	100%	-	-
Diergeneeskundig Centrum Alblasserwaard B.V.	Netherlands	Inner Dams 52, 3373 AD, Hardinxveld-Giessendam	Ordinary	100%	-	-
Basic Vets Dordrecht B.V.	Netherlands	Flatusstraat 9, 2909 TH, Capelle aan den Ijssel, Netherlands	Ordinary	100%	-	-
Basic Vets Groep Nederland B.V.	Netherlands	Prism 100, 3364 DJ Sliedrecht	Ordinary	100%	-	-
Dierenartspraktijk Wijkersloot B.V. **	Netherlands	Nijverheidsweg 1 B, 3433 NP Nieuwegein	Ordinary	-	100%	100%
Dierenkliniek Driemere B.V. **	Netherlands	Dunantstraat 1153, 2713 TP Zoetermeer	Ordinary	-	100%	100%
Nutrievo B.V **	Netherlands	Hoofdstraat 242, 3972 LK Driebergen-Rijsenburg	Ordinary	-	-	-
Glenshane Veterinary Clinics Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%	100%
Rathgael Veterinary Clinic Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%	100%
Cedarmount Veterinary Clinic Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%	100%
Earlswood Veterinary Referrals****	Northern Ireland	See iv) below	Ordinary	100%	100%	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Fenaghy Veterinary Clinic (NI) Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%	100%
Roe Valley Veterinary Clinic Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%	100%
CVG (D.C.) Limited	Northern Ireland	See iv) below	Ordinary	100%	100%	-
Glenburn Veterinary Centre Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%	-
Drumahoe Veterinary Clinic Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%	-
Clare Veterinary Practice Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%	-
Knockanboy Veterinary Clinic Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%	-
Evidensia Dyrehelse AS *	Norway	Dronningens Gate 16, 0152 Oslo, Norway	Ordinary	100%	100%	100%
Smådyrkrematoriet AS	Norway	Smadyrkrematoriet AS, Postboks 2504, 3702 Skien, Norge	Ordinary	100%	100%	100%
Kristiansand Dyreklinikk AS**	Norway	Torridalsveien 49, 4630 Kristansand S, Norway	Ordinary	-	100%	100%
Evje Dyreklinikk AS	Norway	c/o Kristiansand Dyreklinikk AS, Torridalsveien 49, 4630 Kristansand S, Norway	Ordinary	-	100%	100%
Evidensia Smådyr AS	Norway	Dronningens Gate 16, 0152 Oslo, Norway	Ordinary	100%	100%	100%
IVET AS**	Norway	Måkeveien 2A, 3112 Tønsberg, Norway	Ordinary	-	100%	100%
Sentrum Dyreklinik AS**	Norway	Børresensveien 4, 2615 Lillehammer, Norway	Ordinary	-	100%	-
Dyreklinikk Bryn og Oppsal AS **	Norway	Smallvollveien 30B, 0667 Oslo, Norway	Ordinary	-	100%	-
Crown Veterinary Services Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
The Cambushinnie Service Company Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
K & M Donald Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
Shore Veterinary Centre Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
Boyce & Houston Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
Vermuyden Veterinary Practice Limited****	Scotland	See v) below	Ordinary	100%	100%	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Kilbarchan Veterinary Practice Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
Boothroyds and Woodwards Ltd****	Scotland	See v) below	Ordinary	100%	100%	100%
Avondale Veterinary Services Limited****	Scotland	See v) below	Ordinary	100%	100%	-
Aberdeen Veterinary Referrals****	Scotland	See v) below	Ordinary	100%	100%	-
PVG (Fife) Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
Forth Valley Vets Limited****	Scotland	See v) below	Ordinary	100%	100%	-
DentalVets Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
Taylor Veterinary Practice Limited****	Scotland	See v) below	Ordinary	100%	100%	-
Ardene House Vet Practice Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
Crieff Vets Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
The Lamond Veterinary Clinic Limited****	Scotland	See v) below	Ordinary	100%	100%	-
Easter Ross Vets Limited****	Scotland	See v) below	Ordinary	100%	100%	-
Robson Vets Limited****	Scotland	See v) below	Ordinary	100%	100%	-
Macmerry Pet and Horse Centre Limited****	Scotland	See v) below	Ordinary	100%	100%	-
ICR Veterinary Group Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
Shedden Vets Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
Fife Referrals Limited****	Scotland	See v) below	Ordinary	100%	100%	-
Martin Veterinary Centre Limited****	Scotland	See v) below	Ordinary	100%	100%	-
Jackson Vets Limited****	Scotland	See v) below	Ordinary	100%	100%	-

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
MBM Vets Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
Abervet 2015 Limited****	Scotland	See v) below	Ordinary	100%	100%	100%
The Dermatology Referral Service Limited	Scotland	See v) below	Ordinary	100%	100%	-
Vets Now Limited	Scotland	See v) below	Ordinary	100%	100%	-
VN Holdings Limited	Scotland	See v) below	Ordinary	100%	100%	-
Vets Now Emergency Limited	Scotland	See v) below	Ordinary	100%	100%	-
Inglis Veterinary Centres Limited	Scotland	See v) below	Ordinary	100%	100%	-
Gordon Vets Limited	Scotland	See v) below	Ordinary	100%	-	-
Nithsdale Vets Limited	Scotland	See v) below	Ordinary	100%	-	-
Glenbrae Veterinary Clinic Limited	Scotland	See v) below	Ordinary	100%	-	-
Evidensia Holding AB *	Sweden	Östhammarsgatan 74 4TR, 115 28 Stockholm, Sweden	Ordinary	100%	100%	100%
Evidensia Acquisition AB *	Sweden	Box 27037, 102 51 Stockholm, Sweden	Ordinary	100%	100%	100%
Evidensia Djursjukvård Holding AB *	Sweden	Box 27037, 102 51 Stockholm, Sweden	Ordinary	100%	100%	100%
Evidensia Djursjukvård AB *	Sweden	Östhammarsgatan 74 4TR, 115 28 Stockholm, Sweden	Ordinary	100%	100%	100%
K64 Stockholm AB	Sweden	Osthammarsgatan 74, 115 28 Stockholm Sweden	Ordinary	100%	100%	100%
Evidensia Häst AB *	Sweden	Box 27037, SE-102 51, Stockholm	Ordinary	100%	100%	100%
Evidensia Smådjur AB *	Sweden	Box 27037, SE-102 51 Stockholm	Ordinary	100%	100%	100%
Ugglarps Gård Hästkliniken AB ***	Sweden	Gödmanstorpsvägen, 108, 262 95 Ängelholm, Sweden	Ordinary	-	-	100%
Djurklinikerna I Visby ***	Sweden	Endreväg 3 Visby, 621 43 Visby, Sweden	Ordinary	-	-	100%

38 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2020 Shares held %	2019 Shares held %	2018 Shares held %
Djursjukhuset I Närke AB ***	Sweden	Radiatorvägen 7, 702 27 Örebro, Sweden	Ordinary	-	-	100%
Vätter Veterinärema ***	Sweden	Ebba Ramsays väg 108, 555 94 Jönköping, Sweden	Ordinary	-	-	100%
Mälarhöjdens Veterinärpraktik AB ***	Sweden	Fruängens kyrkogata 14, 129 51 Hägersten, Sweden	Ordinary	-	-	100%
Kullabygden Smådjursklinik AB ***	Sweden	Storgatan 58c, 263 31 Höganäs, Sweden	Ordinary	-	-	100%
Veterinähuset Södra Berget AB ***	Sweden	Regementsvägen 9, 852 38 Sundsvall, Sweden	Ordinary	-	-	100%
Veterinärkliniken Malmö Evidensia AB***	Sweden	Nummertolvsvägen 268, 212 36 Malmö, Sweden	Ordinary	-	-	100%
Veterinärkliniken Limhamn Evidensia AB***	Sweden	Nummertolvsvägen 268, 212 36 Malmö, Sweden	Ordinary	-	-	100%
Veterinarhuset Lidkoping AB ***	Sweden	Karlstorpsvägen 3, 531 57 Lidköping, Sweden	Ordinary	-	-	100%
Cremit AB	Sweden	Pl 6062, Påbro, 281 92 Hässleholm, Sverige	Ordinary	100%	100%	100%
Ulvsby Smadjursklinik AB	Sweden	Bengtsbol 608, SE-655 93 Karlstad	Ordinary	100%	100%	100%
Lekebergs Smådjurskremering AB	Sweden	ÄGELSTA GÅRD 3, 716 91 Fjugesta, Sweden	Ordinary	100%	-	-
Lunds Djursjukhus AB***	Sweden	Porfyrvägen 6, Lund, Sweden	Ordinary	-	-	-
Kleintierpraxis ACR AG	Switzerland	Steigstrasse 26, 8406 Winterthur, Schweiz	Ordinary	100%	100%	100%
Bessy's Kleintierklinik AG	Switzerland	Eichwatt 3, 8105 Regensdorf, Schweiz	Ordinary	100%	100%	100%
ENNETSeeKLINIK für Kleintiere AG	Switzerland	Rothusstrasse 2, 6331 Hünenberg, Schweiz	Ordinary	100%	100%	100%
Kleintierpraxis Schwäntenmos AG	Switzerland	Schwäntenmos 12, 8126 Zumikon, Schweiz	Ordinary	100%	100%	100%
Clinique VETérinaire Dr D. Stornetta Dr J.-B. Deillon	Switzerland	Route de Bâle 153, 2800 Delémont, Schweiz	Ordinary	100%	-	-

38 List of companies (continued)

The principal place of business and country of incorporation are equivalent.

The principal activity of all companies listed above is veterinary services except those marked * which are intermediate holding companies.

** Entity was involved in a legal merger during the year and is now within another company in the Group (Evidensia Smådyr AS if Norway, Evidensia Dyrehospital ApS if Denmark and Evidensia Dierenklinieken BV Evidensia NL Dierenklinieken BV. or Dierenuitvaartzorg Nederland B.V if Netherlands) – 2020 merger.

*** Entities were involved in a legal merger during the year ended 2019.

**** Entities are dormant. The dormant companies have take advantage of the S448A Companies Act 2006 exemption from filing individual accounts.

i) The registered office for all companies registered in England and Wales is The Chocolate Factory, Keynsham, Bristol BS31 2AU.

ii) The registered office for all companies registered in Ireland is Whitney Moore, 2 Shelbourne Buildings, Crampton Avenue, Shelbourne Road, Ballsbridge, Dublin 4, Ireland.

iii) The registered office for all companies registered in the Isle of Man is 33-37 Athol Street, Douglas, Isle of Man IM1 1LB.

iv) The registered office for all companies registered in Northern Ireland is Pinsent Masons LLP, The Soloist Building, 1 Lanyon Place, Belfast, BT1 3LP.

v) The registered office for all companies registered in Scotland is 58 Argyle Street, Inverness IV2 3BB.

The only direct holding relating to the Company is IVC Acquisitions Limited.

The following subsidiary companies are claiming exemption from audit under section 479a of the Companies Act 2006 for the year ending 30 September 2020:

Company name	**Company number**	**Company name**	**Company number**
Alcombe Veterinary Practice Limited	3733238	Hawkedon & Homefield Vets Ltd	7993771
Avenue Veterinary Centre (Malvern) Limited	7914417	IVC (TB) Limited	10695292
Bell and Partners Limited	4556663	Lynton House Veterinary Group Limited	6269019
Bowden & Charlesworth Limited	6302860	Marshlands Animal Care Limited	6799583
Bowden South Normanton Limited	8324548	Martin Veterinary Centre Limited	SC427218
Cootes Veterinary Clinic Limited	5874107	Nithsdale Vets Limited	SC454511
Fielding & Cumber Limited	6466832	Robson Vets Limited	SC418845
Forest Vets Limited	8969267	South Lakes Veterinary Centre Limited	7147058
Green Lane Vets Ltd	9102955	Wellpets Limited	5115515