

Registration number 6135990

Advanced Vetcare Ltd

Abbreviated accounts

for the year ended 30th September 2011

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COMPANIES HOUSE

Lancaster Haskins LLP

Chartered Accountants

Advanced Vetcare Ltd

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Advanced Vetcare Ltd

Directors' report

for the year ended 30th September 2011

The directors present their report and the accounts for the year ended 30th September 2011

Principal activity and review of the business

The principal activity of the company during the year under review is that of veterinary surgeons

Business review

The Company has had a solid year, which has seen turnover increase by 95% from £6m in 2010 to £11.8m in 2011 and gross profits increase by 51% from £2.5m in 2010 to £3.8m in 2011.

At the start of the year, the Company acquired another new business, The Cat Clinic, increasing the number of divisions within the business to five.

The Company has made a loss before taxation for the year of £624,212 compared to a profit before taxation of £237,531. These losses are due to the exceptional, one-off costs incurred as a result of the Company being acquired during the year by Independent Vetcare Finance Limited. The Company made an exceptional loss on disposal of £305,001 on the freehold premises which were sold during the year. The Company, also incurred exceptional, one-off bad debts of £291,597 under the terms of the acquisition. Therefore, excluding these exceptional, one-off items, the Company made only a small loss before taxation for the year.

Indeed, the Company's forecasts, taking account of reasonably possible changes in trading performance, indicate that the Company is expected to generate increased operational EBITDA for the next year and for the foreseeable future.

The practices continue to be well run and provide an excellent standard of veterinary skills. It remains our intention to build on this firm base we have established to ensure that these practices continue to grow, and where the opportunity arises, acquire more veterinary practices.

The directors, having assessed the responses of the directors of the parent company, Independent Vetcare Finance Limited, to their enquires along with confirmation that the parent company will not withdraw its support to the detriment of the company, have no reason to believe that the ongoing adoption of the going concern basis is not appropriate.

Advanced Vetcare Ltd

Directors' report

for the year ended 30th September 2011

Results and dividends

The loss for the year, after taxation, amounted to £691,165. Particulars of dividends paid and proposed are detailed in the notes to the financial statements.

Financial risk management objectives and policies

The company's directors and management have the responsibility for identifying the key risks to the business. Each key risk facing the company identified is assessed for the probability and likelihood of occurrence with existing controls in place or controls necessary to manage the risk

Directors and their interests

The directors who served during the year and their respective interests in the company are stated below.

	Resigned	Class of share	30/09/11	01/10/10
M G Caton	9th September 2011	Ordinary shares	-	27,000
S J Caton		Ordinary shares	-	27,000
J C Campbell	9th September 2011	Ordinary shares	-	13,000
A G Gough	9th September 2011	Ordinary shares	-	27,000
P A Smith	9th September 2011	Ordinary shares	-	3,437
T J Norris	31st October 2011	Ordinary shares	-	-
A J Davis		Ordinary shares	-	-
D R G Hillier		Ordinary shares	-	-

A J Davis and T J Norris were appointed directors on the 9th September 2011. D R G Hillier was appointed on the 31st October 2011

Statement of directors' responsibilities

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

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

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,

Advanced Vetcare Ltd

Directors' report

for the year ended 30th September 2011

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable her 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.

In so far as the directors are aware

- the directors have taken all the steps that they ought to have taken to make aware of any relevant audit information (as defined by Section 418 of the Companies Act 2006) and to establish that the company's auditors are aware of that information.

Auditors

Lancaster Haskins LLP (Statutory Auditors) are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on 18 June 2012 and signed on its behalf by



A J Davis
Director

Independent auditors' report to Advanced Vetcare Ltd
under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 5 to 22 together with the financial statements of Advanced Vetcare Ltd for the year ended 30th September 2011 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with that provision.

C.S. Birchell ... 20/06/2012

C S Birchell ACA (senior statutory auditor)

For and on behalf of Lancaster Haskins LLP (Statutory Auditors)

Chartered Accountants

Granville House

Tettenhall Road

Wolverhampton

WV1 4SB

Advanced Vetcare Ltd

Abbreviated profit and loss account
for the year ended 30 September 2011

	Notes	2011 £	2010 £
<u>Turnover</u>	2		
Continuing operations		11,436,626	5,946,819
Acquisitions		368,717	101,263
		<u>11,805,343</u>	<u>6,048,082</u>
		11,805,343	6,048,082
<u>Gross profit</u>		3,753,109	2,479,047
Administrative expenses		(4,044,409)	(2,213,135)
Exceptional administrative expenses		(305,001)	-
Other operating income		<u>15,547</u>	<u>5,736</u>
<u>Operating (loss)/profit</u>	3		
Continuing operations		(357,352)	934,909
Acquisitions		<u>81,599</u>	<u>(663,261)</u>
		(275,753)	271,648
Other interest receivable and similar income	5	3,497	446
Interest payable and similar charges	6	<u>(46,955)</u>	<u>(34,563)</u>
<u>(Loss)/profit on ordinary activities before taxation</u>		(624,212)	237,531
Tax on (loss)/profit on ordinary activities	9	<u>(66,953)</u>	<u>(116,850)</u>
<u>(Loss)/profit for the year</u>	20	<u>(691,165)</u>	<u>120,681</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years

The notes on pages 8 to 22 form an integral part of these financial statements

Advanced Vetcare Ltd

Abbreviated balance sheet

as at 30th September 2011

		<u>2011</u>	<u>2010</u>
	<u>Notes</u>	£	£
<u>Fixed assets</u>			
Intangible assets	11	2,766,689	3,824,958
Tangible assets	12	790,687	1,852,877
		<u>3,557,376</u>	<u>5,677,835</u>
<u>Current assets</u>			
Stocks	13	173,513	187,621
Debtors	14	587,099	529,121
Cash at bank and in hand		849,023	378,123
		<u>1,609,635</u>	<u>1,094,865</u>
<u>Creditors amounts falling due within one year</u>	15	(5,315,730)	(2,512,064)
<u>Net current liabilities</u>		<u>(3,706,095)</u>	<u>(1,417,199)</u>
<u>Total assets less current liabilities</u>		(148,719)	4,260,636
<u>Creditors amounts falling due after more than one year</u>	16	(18,847)	(3,754,047)
<u>Provisions for liabilities</u>		<u>(79,821)</u>	<u>(62,811)</u>
<u>Net (liabilities)/assets</u>		<u>(247,387)</u>	<u>443,778</u>
<u>Capital and reserves</u>			
Called up share capital	19	1,034	1,034
Share premium account		163,950	163,950
Profit and loss account	20	(412,371)	278,794
<u>Shareholders' funds</u>		<u>(247,387)</u>	<u>443,778</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Section 445(3) of the Companies Act 2006 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on 18th June 2012 and signed on its behalf by


A J Davis
Director

Registration number 6135990

The notes on pages 8 to 22 form an integral part of these financial statements

Advanced Vetcare Ltd

Cash flow statement
for the year ended 30th September 2011

	Notes	2011 £	2010 £
<u>Reconciliation of operating (loss)/profit to net cash inflow from operating activities</u>			
Operating (loss)/profit		(580,754)	271,648
Depreciation		1,481,374	1,424,475
Decrease in stocks		14,108	(16,965)
(Increase) in debtors		(57,978)	(51,290)
Increase in creditors		53,980	2,337,050
<u>Net cash inflow from operating activities</u>		<u>910,730</u>	<u>3,964,918</u>
<u>Cash flow statement</u>			
Net cash inflow from operating activities		910,730	3,964,918
Returns on investments and servicing of finance	27	(43,458)	(34,117)
Taxation	27	(97,124)	(227,717)
Capital expenditure	27	639,085	(3,479,737)
		1,409,233	223,347
Equity dividends paid		-	(200,000)
		1,409,233	23,347
Financing	27	(976,465)	2,888,236
<u>Increase in cash in the year</u>		<u>432,768</u>	<u>2,911,583</u>
<u>Reconciliation of net cash flow to movement in net funds (Note 28)</u>			
<u>Increase in cash in the year</u>		432,768	2,911,583
Cash outflow from decrease in debts and lease financing		976,465	(2,723,260)
Change in net funds resulting from cash flows		1,409,233	188,323
<u>Net debt at 1st October 2010</u>		<u>619,694</u>	<u>(808,017)</u>
<u>Net funds at 30 September 2011</u>		<u>789,539</u>	<u>(619,694)</u>

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

1 Accounting policies

1.1 Accounting convention

The accounts are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

1.2 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 5 years.

1.4 Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings - Nil

Leasehold properties- Straight line over the life of the lease

Fixtures, fittings

and equipment - 15% reducing balance

Motor vehicles - 25% reducing balance

No depreciation is provided on freehold land and buildings on the grounds that the depreciation charges on the freehold property element is not material, both on an annual and a cumulative basis.

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

1 7 Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings

1.8 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1 9 Going concern

The directors, having assessed the responses of the directors of the parent company, Independent Vetcare Finance Limited, to their enquires along with confirmation that the parent company will not withdraw its support to the detriment of the company, have no reason to believe that the ongoing adoption of the going concern basis is not appropriate

1.10 Estimation techniques

Following the acquisition of the company during the year, the estimation technique used to estimate the proportion of the bad debts that will not be recovered was changed to fall in line with new policy. The effect of this change on the results for the period is to increase the loss before tax by £226,243.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

3 <u>Operating (loss)/profit</u>	2011	2010
	£	£
Operating (loss)/profit is stated after charging		
Depreciation and other amounts written off		
intangible assets	1,343,682	1,286,005
Depreciation and other amounts written off		
Depreciation		
- written off owned tangible fixed assets	121,203	119,389
- written off tangible fixed assets on		
HP/Finance lease	16,489	19,399
Operating lease rentals		
- Plant and machinery	13,495	20,758
- Motor vehicles	22,735	-
Auditors' remuneration (Note 4)	11,000	4,500
Exceptional items		
- Exceptional administrative expenditure	305,001	-
and after crediting:		
Profit on disposal of tangible fixed assets	-	318

Exceptional item

The exceptional item relates to the loss on disposal of the freehold property of the company, which was sold during the year

4 <u>Auditors' remuneration</u>	2011	2010
	£	£
Auditors' remuneration - audit of the		
financial statements	11,000	4,500
5 <u>Interest receivable and similar income</u>	2011	2010
	£	£
Bank interest	3,497	446

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

6	<u>Interest payable and similar charges</u>	2011	2010
		£	£
	Interest payable on loans < 1 yr	41,123	26,299
	Hire purchase interest	5,832	8,264
		<u>46,955</u>	<u>34,563</u>

7	<u>Employees</u>		
	<u>Number of employees</u>	2011	2010
	The average monthly numbers of employees (including the directors) during the year were:		
	Veterinary surgeons	37	32
	Nurses and receptionists	101	89
	Administration	40	30
		<u>178</u>	<u>151</u>

	<u>Employment costs</u>	2011	2010
		£	£
	Wages and salaries	2,863,044	1,988,468
	Social security costs	243,704	183,570
	Pension costs-other operating charge	21,552	2,667
		<u>3,128,300</u>	<u>2,174,705</u>

7 1	<u>Directors' remuneration</u>	2011	2010
		£	£
	Remuneration and other emoluments	<u>209,202</u>	<u>25,032</u>

	<u>Highest paid director</u>	£	£
	Amounts included above:		
	Emoluments and other benefits	<u>48,128</u>	<u>-</u>

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

8 Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £ Nil (2010 - £2,667).

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

9 Tax on (loss)/profit on ordinary activities

<u>Analysis of charge in period</u>	2011	2010
	£	£
<u>Current tax</u>		
UK corporation tax	49,943	97,124
Total current tax charge	49,943	97,124
<u>Deferred tax</u>		
Timing differences, origination and reversal	17,010	19,726
Total deferred tax	17,010	19,726
Tax on (loss)/profit on ordinary activities	66,953	116,850

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (26.00 per cent). The differences are explained below:

	2011	2010
	£	£
(Loss)/profit on ordinary activities before taxation	(624,212)	237,531
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.00% (30 September 2010 : 28.00%)	(162,295)	66,509
<u>Effects of</u>		
Expenses not deductible for tax purposes	75,738	68,435
Capital allowances for period in excess of depreciation	57,044	(18,828)
Change in rates of tax from 28% to 26%	1,918	-
Marginal tax charge	(1,762)	(18,992)
Exceptional items	79,300	-
Current tax charge for period	49,943	97,124

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

10 Dividends

Dividends paid and proposed on equity shares

	2011	2010
	£	£
Paid during the year		
Equity dividends on Ordinary shares	-	200,000
	<u>-</u>	<u>200,000</u>

11 Intangible fixed assets

	Goodwill	Total
	£	£
<u>Cost</u>		
At 1st October 2010	6,432,974	6,432,974
Additions	285,413	285,413
At 30th September 2011	<u>6,718,387</u>	<u>6,718,387</u>
<u>Amortisation</u>		
At 1st October 2010	2,608,016	2,608,016
Charge for year	1,343,682	1,343,682
At 30th September 2011	<u>3,951,698</u>	<u>3,951,698</u>
<u>Net book values</u>		
At 30th September 2011	<u>2,766,689</u>	<u>2,766,689</u>
At 30th September 2010	<u>3,824,958</u>	<u>3,824,958</u>

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

12 <u>Tangible fixed assets</u>	Land and buildings freehold	Short leasehold property	Fixtures, fittings equipment	Motor vehicles	Total
	£	£	£	£	£
<u>Cost</u>					
At 1st October 2010	1,058,469	159,069	910,073	10,883	2,138,494
Additions	14,501	89,542	96,460	-	200,503
Reclassification	(5,090)	5,090	-	-	-
Disposals	(1,067,880)	-	(93,012)	-	(1,160,892)
At 30th September 2011	-	253,701	913,521	10,883	1,178,105
<u>Depreciation</u>					
At 1st October 2010	-	21,594	261,315	2,708	285,617
On disposals	-	-	(35,891)	-	(35,891)
Charge for the year	-	28,931	106,719	2,042	137,692
At 30th September 2011	-	50,525	332,143	4,750	387,418
<u>Net book values</u>					
At 30th September 2011	-	203,176	581,378	6,133	790,687
At 30th September 2010	1,058,469	137,475	648,758	8,175	1,852,877

Included above are assets held under finance leases or hire purchase contracts as follows:

<u>Asset description</u>	2011	2010
	Net book value	Net book value
	£	£
Equipment	93,439	109,928
	16,489	19,399
13 <u>Stocks</u>	2011	2010
	£	£
Goods for resale	173,513	187,621

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

14	<u>Debtors</u>	2011	2010
		£	£
	Trade debtors	497,905	518,319
	Other debtors	67,942	-
	Prepayments and accrued income	21,252	10,802
		<u>587,099</u>	<u>529,121</u>

15	<u>Creditors amounts falling due within one year</u>	2011	2010
		£	£
	Bank loan	-	38,133
	Net obligations under finance leases and hire purchase contracts	40,637	40,637
	Trade creditors	868,077	739,338
	Amounts owed to group undertaking	3,954,796	-
	Corporation tax	49,943	97,124
	Other taxes and social security costs	333,604	181,781
	Directors' accounts	-	1,376,629
	Accruals and deferred income	68,673	38,422
		<u>5,315,730</u>	<u>2,512,064</u>

Secured debts

The following secured debts are included within creditors

Bank loans	-	896,225
Net obligations under finance leases and hire purchase contracts	59,484	101,592
	<u>59,484</u>	<u>997,817</u>

The following securities are in place

The title and ownership of assets held under finance lease and hire purchase contracts

A debenture in the name of Advanced Vetcare Ltd dated 9th September 2011.

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

16 <u>Creditors amounts falling due</u> <u>after more than one year</u>	2011 £	2010 £
Bank loan	-	858,092
Directors' loans	-	2,835,000
Net obligations under finance leases and hire purchase contracts	18,847	60,955
	<u>18,847</u>	<u>3,754,047</u>
<u>Loans repayable by instalments</u>		
Repayable in one year or less, or on demand (Note 15)	-	38,133
Repayable between two and five years	-	164,490
Repayable in five years or more	-	693,602
	<u>-</u>	<u>896,225</u>
<u>Net obligations under finance leases</u> <u>and hire purchase contracts</u>		
Repayable within one year	40,637	40,637
Repayable between one and five years	18,847	60,955
	<u>59,484</u>	<u>101,592</u>

17 Provisions for liabilities

	Deferred taxation (Note 18) £	Total £
At 1st October 2010	62,811	62,811
Movements in the year	17,010	17,010
At 30th September 2011	<u>79,821</u>	<u>79,821</u>

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

18 <u>Provision for deferred taxation</u>	2011 £	2010 £
Accelerated capital allowances	79,821	62,811
Provision for deferred tax	<u>79,821</u>	<u>62,811</u>
Provision at 1st October 2010	62,811	
Deferred tax charge in profit and loss account	<u>17,010</u>	
Provision at 30th September 2011	<u>79,821</u>	

19 <u>Share capital</u>	2011 £	2010 £
<u>Allotted, called up and fully paid</u>		
103,437 Ordinary shares of £0.01 each	<u>1,034</u>	<u>1,034</u>
<u>Equity Shares</u>		
103,437 Ordinary shares of £0.01 each	<u>1,034</u>	<u>1,034</u>

On the 9th September 2011 the whole of the issued ordinary share capital was acquired by Independent Vetcare Finance Limited

20 <u>Equity Reserves</u>	Share premium account £	Profit and loss account £	Total £
<u>At 1 October 2010</u>	163,950	278,794	442,744
Loss for the year		(691,165)	(691,165)
<u>At 30 September 2011</u>	<u>163,950</u>	<u>(412,371)</u>	<u>(248,421)</u>

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

21 <u>Reconciliation of movements in shareholders' funds</u>	2011 £	2010 £
(Loss)/profit for the year	(691,165)	120,681
Dividends	-	(200,000)
	<u>(691,165)</u>	<u>(79,319)</u>
Net proceeds of equity share issue	-	163,976
Other recognised gains or losses	-	1,000
	<u>(691,165)</u>	<u>85,657</u>
Net addition to shareholders' funds	(691,165)	85,657
Opening shareholders' funds	443,778	358,121
	<u>443,778</u>	<u>358,121</u>
Closing shareholders' funds	<u>(247,387)</u>	<u>443,778</u>

22 Financial commitments

At 30th September 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
<u>Expiry date:</u>				
Within one year	25,120	-	-	-
Between one and five years	31,595	130,972	13,055	-
In over five years	191,860	65,200	-	-
	<u>248,575</u>	<u>196,172</u>	<u>13,055</u>	<u>-</u>

23 <u>Capital commitments</u>	2011 £	2010 £
Details of capital commitments at the accounting date are as follows		
Contracted for but not provided in the financial statements	<u>-</u>	<u>74,428</u>

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

24 Related party transactions

The company paid rent of £93,435 (2010 - £76,250) to four of the directors of the company, who were in office during the year

The company sold the freehold premises known as 'Rosemary Lodge' to four of its directors, who were in office during the year, for £820,000.

The company paid £2,456 of expenses on behalf of Independent Vetcare Limited, a fellow group company. At the year end the company was owed £2,456 (2010 - £Nil).

The company received a loan of £3,954,795 from Independent Vetcare Finance Limited, its parent company. At the year end the company owed £3,954,795 (2010 - £Nil).

The company repaid £4,822,795 to the directors during the year. At the year end the directors owed £10,158 to the company (2010 - were owed £4,211,629). This has been repaid since the year end. The advance was unsecured, interest free, repayable on demand and represented the maximum overdrawn balance during the year.

All transactions during the year were undertaken on normal commercial terms at an arms length basis.

25 Ultimate parent company

The company is a subsidiary of Independent Vetcare Finance Limited, which is a subsidiary of the ultimate parent company, Independent Vetcare Holdings Limited, a company incorporated in England and Wales

26 Controlling interest

August Equity LLP is the ultimate controlling party of the company.

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

27 Gross cash flows

	2011	2010
	£	£
<u>Returns on investments and servicing of finance</u>		
Interest received	3,497	446
Interest paid	(46,955)	(34,563)
	<u>(43,458)</u>	<u>(34,117)</u>
<u>Taxation</u>		
Corporation tax paid	<u>(97,124)</u>	<u>(227,717)</u>
<u>Capital expenditure</u>		
Payments to acquire intangible assets	(285,413)	(3,071,717)
Payments to acquire tangible assets	(200,504)	(418,852)
Receipts from sales of tangible assets	1,125,002	10,832
	<u>639,085</u>	<u>(3,479,737)</u>
<u>Financing</u>		
Issue of ordinary share capital	-	164,976
New long term bank loan	-	858,092
Other new long term loans	-	2,835,000
New short term bank loan	-	38,133
Repayment of long term bank loan	(896,225)	(883,929)
Repayment of short term bank loan	(38,133)	(73,776)
Capital element of finance leases and hire purchase contracts	<u>(42,107)</u>	<u>(50,261)</u>
	<u>(976,465)</u>	<u>2,888,235</u>

Advanced Vetcare Ltd

Notes to the abbreviated financial statements

for the year ended 30th September 2011

28 Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	378,123	470,900	849,023
Debt due within one year	(38,133)	38,133	-
Debt due after one year	(858,092)	858,092	-
Finance leases and hire purchase contracts	(101,592)	42,108	(67,160)
	(997,817)	938,333	(67,160)
<u>Net funds</u>	(619,694)	1,409,233	789,539