

Registration number: 07746795

INDEPENDENT VETCARE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT



INDEPENDENT VETCARE LIMITED

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INDEPENDENT VETCARE LIMITED

COMPANY INFORMATION

Directors	D R G Hillier (Chief Executive Officer) A J Davis (Chief Financial Officer) S J Caton (Director) P A W Cowling (Director)
Registered office	Station House East Ashley Avenue Bath BA1 3DS
Bankers	HSBC Bank plc 2nd Floor HSBC Building Mitchell Way Southampton SO18 2XU
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

INDEPENDENT VETCARE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present their strategic report for the year ended 30 September 2017.

Principal activity

The principal activity of the company is that of the provision of veterinary services.

Strategy & Progress

The group's strategy is to build the highest quality veterinary services group in the UK by the acquisition of high quality groups and practices and continuing to grow existing practices organically. The practices are locally branded and led by clinically focussed staff benefiting from enhanced buying power, marketing, training and back office support.

During the year we made 31 acquisitions comprising of 156 practices (2016 - 40 acquisitions comprising of 107 practices) creating a group of 445 practices (2016 - 289) at 30 September 2017.

Acquisitions are funded by a combination of funds from Group cash flows, shareholders and debt facilities. This funding is shown on the balance sheet of the ultimate UK parent company as Creditors: Amounts falling due after more than one year.

Goodwill arising from acquisitions is written off over 5 years which creates a large charge to the Profit and Loss account but has no effect on cash flow.

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

Fair review of the business

The results for the year, which are set out in the profit and loss account, show an operating profit before amortisation of £16,747,200 (2016 - £14,351,389). This equates to an operating loss of £9,714,685 (2016 - £3,800,272) after charging amortisation of £26,461,885 (2016 - £18,151,661). The company EBITDAM (earnings before interest, tax, depreciation, amortisation and management charges and before costs of reorganisation and restructuring was £22,647,116 (2016 - £18,652,601). At 30 September 2017 the company had total assets less current liabilities of £273,813,999 (2016 - £111,115,421).

The directors are pleased with the results for the year and consider the financial position of the company at the year end to be satisfactory.

Key performance indicators

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The company 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 directors do not consider the inclusion of an analysis using key performance indicators to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the company.

Principal risks and uncertainties

The management of the business and the execution of the strategy of the group to which the company belongs are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from both national and local providers of veterinary services and the general state of the veterinary industry.

INDEPENDENT VETCARE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

Financial instruments

Objectives and policies

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

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

The group to which the company belongs is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures. However most of the company's sales are paid in cash or by credit or debit card and are subject to little risk. The nature of its financial statements are such that they are not subject to price and liquidity risk.

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

The directors have prepared forecasts for the next 12 months that indicate the company has sufficient financial resources. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

Approved by the Board on 13/12/17 and signed on its behalf by:


A J Davis (Chief Financial Officer)
Director

INDEPENDENT VETCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present their report and the financial statements for the year ended 30 September 2017.

During the year, the entire issued share capital of a number of companies, whose principal activities (other than as stated) are the provision of veterinary services, were acquired by the company.

Date of acquisition	Company name
26 October 2016	Rosehill Vets Limited
1 December 2016	Shipley Vets Limited
13 December 2016	Beeches Veterinary Centre Limited
13 December 2016	Blenheim Veterinary Centre Limited
21 December 2016	Summerhill Veterinary Centre Limited
21 December 2016	Tibrogargun Limited (holding company)
19 January 2017	Brownlow Veterinary Group Limited
21 January 2017	Kirks Vets Limited
21 January 2017	Ardene House Vet Practice Limited
27 January 2017	Aniwell Veterinary Company Limited
27 January 2017	Aniwell Limited
27 January 2017	Aniwell Veterinary Clinic Limited
28 February 2017	Victoria Veterinary Practice Limited
8 March 2017	Parkvets Limited
23 March 2017	My Vet Limited
24 March 2017	Haughley Veterinary Centre Limited
14 April 2017	Usk Veterinary Centre Limited
25 April 2017	Cardiff Pet Health Limited
13 May 2017	Avon Lodge Veterinary Group Limited
20 May 2017	Lawrence Veterinary Centre Limited
27 May 2017	London Road Veterinary Centre Limited
27 May 2017	McPhersons Veterinary Practice Limited
8 June 2017	Kingsteignton Vets Limited
8 June 2017	Hawthorn Lodge Veterinary Practice Limited
23 June 2017	Midforest Veterinary Practice Limited
1 July 2017	Animal Corner Veterinary Services Limited
4 July 2017	Carmel Veterinary Centre Limited
5 July 2017	The Sheen Veterinary Practice Limited
6 July 2017	Woodland Veterinary Centre Limited
7 July 2017	Beech House (Southampton) Limited
8 July 2017	Avondale Veterinary Services Limited
8 July 2017	Earlswood Veterinary Referrals Limited
15 July 2017	Mearley Vets Limited
15 July 2017	Aberdeen Veterinary Referrals Limited
29 July 2017	Alder Veterinary Practice Spalding Limited

INDEPENDENT VETCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 August 2017	Wilton House Veterinary Clinic Limited
1 August 2017	Pro-Vets Group Limited (holding company)
1 August 2017	Manor Vets Limited
1 August 2017	Foxcotte Veterinary Clinics Limited
1 August 2017	Abivale Veterinary Group Limited
1 August 2017	Vale Vets Limited
1 August 2017	Colebrook Vets Limited
1 August 2017	Lordswood Vets Limited
1 August 2017	Letchworth Veterinary Centre Limited
1 August 2017	Willow Veterinary Care Limited
1 August 2017	Boness Veterinary Enterprises Limited
1 August 2017	Lansdown Veterinary Services Limited
1 August 2017	Lydon Veterinary Centre Limited
4 August 2017	Veterinary Drugs to Go Limited
12 August 2017	Easipet Limited
17 August 2017	Shorewood Consultant Limited
19 August 2017	Deane Veterinary Centre Limited
20 September 2017	Alpha Veterinary Practice Limited
30 September 2017	Chapelfield Veterinary Partnership Limited

The company also acquired the trade and assets of a number of unincorporated businesses, whose principal activities are the provision of veterinary services, during the year.

Date of acquisition	Company name
21 December 2016	Jones The Vet
4 March 2017	Seafeld Veterinary Group
8 April 2017	Inshes Veterinary Centre
28 April 2017	Acres Veterinary Centre
26 May 2017	Aran Vets
1 August 2017	Alma Veterinary Hospital
4 August 2017	Portland House Veterinary Group
5 August 2017	Deepdale Veterinary and Aquatic Centre
6 September 2017	Coombefield Veterinary Hospital
20 September 2017	McKenzie Vets

INDEPENDENT VETCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

On 28 February 2017, the trade and net assets of the following fellow wholly owned group entities were transferred into Independent Vetcare Limited:

Mill House Vets Ltd
Albert Cottage Veterinary Clinic
Grove Lodge Veterinary Group
Fenaghy Veterinary Clinics (NI) Limited
PVG (Fife) Limited

On 31 May 2017, the trade and net assets of the following fellow wholly owned group entities were transferred into Independent Vetcare Limited:

Robson and Prescott Limited
Abbeymoor Veterinary Centres Limited
Dentalvets Limited
Rosehill Vets Limited
Blenheim Veterinary Centre Limited

On 30 June 2017 the trade and net assets of the following fellow wholly owned group entities were transferred into Independent Vetcare Limited:

Ardene House Vet Practice Limited
Kirks Vets Limited
Beeches Veterinary Centre Limited
Shipley Vets Limited

On 31 July 2017, the trade and net assets of the following fellow wholly owned group entities were transferred into Independent Vetcare Limited:

Brownlow Veterinary Group Limited
Victoria Veterinary Practice Limited

On 4 August 2017, the trade and net assets of the following fellow wholly owned group entity was transferred into Independent Vetcare Limited:

Veterinary Drugs to Go Ltd

On 31 August 2017, the trade and net assets of the following fellow wholly owned group entities were transferred into Independent Vetcare Limited:

Summerhill Veterinary Centre Limited
Cardiff Pet Health Limited
Usk Veterinary Centre Limited
Moorview Veterinary Practice Limited
Haughley Veterinary Centre Limited
My Vet Limited
Park Vets Limited

INDEPENDENT VETCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

Directors of the company

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

D R G Hillier (Chief Executive Officer)

A J Davis (Chief Financial Officer)

S J Caton (Director)

P A W Cowling (Director) (appointed 30 January 2017)

Employment of disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training 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 involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information on matters of concern to employees is given through information bulletins and reports which aim to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Future developments

The company plans to continue with its strategy of acquiring high quality veterinary practices. The group has funding facilities in place to fund the planned acquisitions. The business is strongly cash generating before investing in additional acquisitions.

Important non adjusting events after the financial period

After the year end, the company acquired the entire share capital of Brown & Bentley Ltd, CVG (D.C.) Limited, Walpole & Bingham Limited, Kapsapea Limited, LWAH Limited and MBM Vets Limited.

After the year end, the company also acquired the trade and net assets of The Brook Veterinary Clinic, Fair City Veterinary Group, Millburn Veterinary Practice, Bowler Lewis and Partners, Alphavet Veterinary Centre and Delaware.

Their principal activity is the provision of veterinary services and the total consideration payable in respect of these acquisitions amounted to £39,748,618.

Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 13/12/17 and signed on its behalf by:


A J Davis (Chief Financial Officer)
Director

INDEPENDENT VETCARE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 period. In preparing these financial statements, the directors are required to:

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

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

INDEPENDENT VETCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT VETCARE LIMITED

Opinion

We have audited the financial statements of Independent Vetcare Limited (the 'company') for the year ended 30 September 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT VETCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT VETCARE LIMITED

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.


.....
Andrew Brookes (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date:

13 December 2017

INDEPENDENT VETCARE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Note	2017 £	2016 £
Turnover	3	190,380,181	134,680,278
Cost of sales		<u>(112,117,761)</u>	<u>(79,783,205)</u>
Gross profit		78,262,420	54,897,073
Administrative expenses		(62,375,938)	(40,887,018)
Other operating income		<u>860,718</u>	<u>341,334</u>
Operating profit before amortisation		16,747,200	14,351,389
Amortisation of goodwill		<u>(26,461,885)</u>	<u>(18,151,661)</u>
Operating loss	4	(9,714,685)	(3,800,272)
Income from shares in group undertakings		16,368,061	7,897,025
Write off of fixed asset investments	5	(12,241,412)	(3,093,798)
Interest receivable	7	-	25
Interest payable and similar charges	8	(11,933,795)	(6,540,032)
Waiver of intra-group loans		(106,196)	(3,951,489)
Loss on ordinary activities before taxation		<u>(17,628,027)</u>	<u>(9,488,541)</u>
Tax on loss on ordinary activities	9	<u>(465,965)</u>	<u>544,385</u>
Loss for the financial year		<u><u>(18,093,992)</u></u>	<u><u>(8,944,156)</u></u>

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The table below illustrates the company EBITDAM:

	2017 £	2016 £
Loss on ordinary activities before taxation	(17,628,027)	(9,488,541)
Interest payable (net of interest received)	11,933,795	6,540,007
Write off of fixed asset investments	12,241,412	3,093,798
Income from shares in group undertakings	(16,368,061)	(7,897,025)
Amortisation of goodwill	26,461,885	18,151,661
Depreciation	4,943,889	3,456,090
Profit on disposal of fixed assets	(21,697)	(8,554)
Management charges payable	977,724	853,676
Waiver of intra-group loans	<u>106,196</u>	<u>3,951,489</u>
Earnings before interest, tax, depreciation, amortisation and management charges (EBITDAM)	<u><u>22,647,116</u></u>	<u><u>18,652,601</u></u>

The notes on pages 14 to 29 form an integral part of these financial statements.

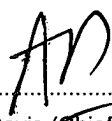
INDEPENDENT VETCARE LIMITED

(REGISTRATION NUMBER: 07746795)

BALANCE SHEET AS AT 30 SEPTEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	10	124,386,142	72,865,229
Tangible assets	11	19,279,736	12,155,013
Investments	12	101,883,029	25,529,602
		<u>245,548,907</u>	<u>110,549,844</u>
Current assets			
Stocks	13	3,983,347	2,880,284
Debtors: Amounts falling due within one year	14	48,532,671	12,150,961
Debtors: Amounts falling due after more than one year	14	5,125,879	634,990
Cash at bank and in hand		11,586,511	11,517,021
		<u>69,228,408</u>	<u>27,183,256</u>
Creditors: Amounts falling due within one year	15	(40,963,316)	(26,617,679)
Net current assets		<u>28,265,092</u>	<u>565,577</u>
Total assets less current liabilities		<u>273,813,999</u>	<u>111,115,421</u>
Creditors: Amounts falling due after more than one year	15	<u>321,282,987</u>	<u>140,490,417</u>
Provisions for liabilities	9	<u>-</u>	<u>-</u>
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account		(47,468,989)	(29,374,997)
Total equity		<u>(47,468,988)</u>	<u>(29,374,996)</u>
Total capital, reserves and long term liabilities		<u>273,813,999</u>	<u>111,115,421</u>

Approved and authorised by the Board on 13/12/17 and signed on its behalf by:



 A J Davis (Chief Financial Officer)
 Director

The notes on pages 14 to 29 form an integral part of these financial statements.

INDEPENDENT VETCARE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Share capital £	Retained earnings £	Total £
At 1 October 2016	1	(29,374,997)	(29,374,996)
Loss for the year and total comprehensive income	-	(18,093,992)	(18,093,992)
At 30 September 2017	<u>1</u>	<u>(47,468,989)</u>	<u>(47,468,988)</u>

	Share capital £	Retained earnings £	Total £
At 1 October 2015	1	(20,430,841)	(20,430,840)
Loss for the year and total comprehensive income	-	(8,944,156)	(8,944,156)
At 30 September 2016	<u>1</u>	<u>(29,374,997)</u>	<u>(29,374,996)</u>

The notes on pages 14 to 29 form an integral part of these financial statements.

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Station House East
Ashley Avenue
Bath
BA1 3DS

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

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

Basis of preparation

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

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Name of parent of group

These financial statements are consolidated in the financial statements of IVC Acquisition Midco Limited.

The financial statements of IVC Acquisition Midco Limited may be obtained from Companies House.

Group accounts not prepared

The financial statements contain information about IVC Acquisition Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, IVC Acquisition Midco Limited, a company incorporated in England and Wales.

True and fair override on the transfer of trade and net assets of subsidiary undertakings

On 28 February 2017, 31 May 2017, 30 June 2017, 31 July 2017, 4 August 2017 and 31 August 2017, group reorganisations were undertaken. The trade and net assets of 23 of its subsidiary undertakings, as detailed in the Directors' Report, were transferred to the company with consideration payable being equal to the carrying value in the balance sheet of their tangible net assets. As part of this reorganisation the Independent Vetcare Limited investment in those companies was written down, leaving a residual balance transferred to goodwill equal to the original goodwill arising on acquisition of the companies, this representing the substance of the impact of the reorganisation. Following the transfer of the trade and assets, those companies have remained dormant.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Judgements and estimation uncertainty

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

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

Government grants

Government 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 revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. 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 date. 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.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, 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 company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Depreciation

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	Nil
Short leasehold property	Over the term of the lease
Fixtures and surgery equipment	Straight line over 5 years
Motor vehicles	Straight line over 4 years
Computer equipment	Straight line over 3 years

No depreciation is provided on freehold properties as it is the company's policy to maintain these assets so that they keep their previously assessed standard of performance. As the useful economic lives of these assets are of such a length and the residual values are such that they are not materially different from the carrying amount any depreciation would not be material.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 5 years

This is the period over which the directors expect to derive economic benefit from the acquisition.

Investments

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

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

Cash and cash equivalents

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

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Inventories are also 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, and an impairment loss recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Dividends

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

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company 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.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Financial instruments (continued)

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Turnover

The analysis of the company's revenue for the year from continuing operations is as follows:

	2017 £	2016 £
Sale of goods	19,692,686	14,073,635
Rendering of services	170,687,495	120,606,643
	<u>190,380,181</u>	<u>134,680,278</u>

The company's turnover which is derived from its principal activity is wholly undertaken in the United Kingdom.

4 Operating loss

Arrived at after charging/(crediting):

	2017 £	2016 £
Operating leases - plant and machinery	386,734	334,571
Operating leases - other assets	6,435,655	4,578,986
Foreign currency (gains)/losses	6,715	(784)
Depreciation	4,943,889	3,456,090
Hire purchase interest	50,336	20,409
Amortisation	26,461,885	18,151,661
Auditor's remuneration - The audit of the company's annual accounts	40,129	35,900
Auditor's remuneration - other compliance services	73,100	37,100
Auditor's remuneration - taxation compliance	47,950	24,050
Auditor's remuneration - other advisory services	<u>395,376</u>	<u>143,430</u>

In addition to the above, the auditors were paid £116,000 (2016 - £114,024) in relation to financial due diligence and acquisitions advice which are included as part of the cost of investments in note 12.

All directors are remunerated through the company's parent undertaking IVC Acquisition Limited.

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

5 Write off of fixed asset investments

	2017 £	2016 £
Amounts written off investments	<u>12,241,412</u>	<u>3,093,798</u>

Amounts written off investments are explained in the accounting policies on page 14 of the financial statements.

6 Particulars of employees

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017 £	2016 £
Wages and salaries	81,178,972	55,676,553
Social security costs	6,538,678	4,517,887
Pension costs, defined contribution scheme	<u>898,911</u>	<u>634,933</u>
	<u>88,616,561</u>	<u>60,829,373</u>

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

	2017 No.	2016 No.
Assistant vets	1,010	716
Nurses	1,305	978
Support staff	<u>1,782</u>	<u>1,084</u>
	<u>4,097</u>	<u>2,778</u>

7 Other interest receivable and similar income

	2017 £	2016 £
Bank interest receivable	<u>-</u>	<u>25</u>

8 Interest payable and similar expenses

	2017 £	2016 £
Other interest payable	90,397	4,975
Intra group interest	<u>11,843,398</u>	<u>6,535,057</u>
	<u>11,933,795</u>	<u>6,540,032</u>

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

9 Taxation

Tax charged/(credited) in the profit and loss account

	2017 £	2016 £
Current taxation		
UK corporation tax	677,147	-
UK corporation tax adjustment to prior periods	<u>(11,824)</u>	<u>(34,287)</u>
	665,323	(34,287)
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(199,358)</u>	<u>(510,098)</u>
Tax expense/(receipt) in the income statement	<u>465,965</u>	<u>(544,385)</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 19.5% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Loss before tax	<u>(17,628,027)</u>	<u>(9,488,541)</u>
Corporation tax at standard rate	(3,437,465)	(1,897,708)
Non deductible expenses (predominantly write-off of fixed asset investments and non-deductible goodwill amortisation)	7,041,108	3,877,005
Utilisation of tax losses	-	(1,573,624)
Adjustments in respect of previous periods	(11,824)	(34,287)
Depreciation in excess of capital allowances	339,037	155,547
Other timing differences	(2,294)	32,437
Unrelieved tax losses carried forward	-	475,650
Tax increase (decrease) arising from group relief	(270,825)	-
Dividends received not taxable	<u>(3,191,772)</u>	<u>(1,579,405)</u>
Total tax charge/(credit)	<u>465,965</u>	<u>(544,385)</u>

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Deferred tax

Deferred tax assets and liabilities

	Asset £
2017	
Fixed asset timing differences	339,369
Short term timing differences	69,759
Taxable losses	-
	<u>409,128</u>

	Asset £
2016	
Fixed asset timing differences	84,254
Short term timing differences	60,452
Taxable losses	343,456
	<u>488,162</u>

10 Intangible assets

	Goodwill £
Cost	
At 1 October 2016	118,775,590
Additions	15,938,858
Transferred from investments	54,684,345
Transferred from group companies	<u>7,359,763</u>
At 30 September 2017	<u>196,758,556</u>
Amortisation	
At 1 October 2016	45,910,529
Charge for the year	<u>26,461,885</u>
At 30 September 2017	<u>72,372,414</u>
Net book value	
At 30 September 2017	<u>124,386,142</u>
At 30 September 2016	<u>72,865,229</u>

The amounts transferred from group companies relate to those transferred on 28 February 2017, 30 April 2017, 31 May 2017, 31 July 2017, 4 August 2017 and 31 August 2017 as detailed on pages 4 and 5 (director's report) and on page 14 of these financial statements.

The company acquired the trade and assets of a number of businesses during the year. The assets acquired comprised the goodwill, tangible fixed assets, stock and trade debtors. The tangible fixed assets acquired are disclosed in note 11 to the financial statements and the stock and trade debtors acquired are not considered material to be disclosed separately.

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

11 Tangible assets

	Land and buildings £	Fixtures and surgery equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 October 2016	3,790,523	9,832,001	305,422	5,593,907	19,521,853
Additions	2,119,147	4,198,227	91,254	3,610,555	10,019,183
Disposals	(347,073)	(197,142)	(25,175)	(62,169)	(631,559)
Transfers	815,413	1,551,502	165,989	76,334	2,609,238
At 30 September 2017	<u>6,378,010</u>	<u>15,384,588</u>	<u>537,490</u>	<u>9,218,627</u>	<u>31,518,715</u>
Depreciation					
At 1 October 2016	711,998	3,747,507	137,238	2,770,097	7,366,840
Charge for the year	468,259	2,474,422	114,590	1,886,618	4,943,889
Eliminated on disposal	(4,112)	(43,710)	(19,775)	(4,153)	(71,750)
At 30 September 2017	<u>1,176,145</u>	<u>6,178,219</u>	<u>232,053</u>	<u>4,652,562</u>	<u>12,238,979</u>
Carrying amount					
At 30 September 2017	<u>5,201,865</u>	<u>9,206,369</u>	<u>305,437</u>	<u>4,566,065</u>	<u>19,279,736</u>
At 30 September 2016	<u>3,078,525</u>	<u>6,084,494</u>	<u>168,184</u>	<u>2,823,810</u>	<u>12,155,013</u>

Freehold property is not depreciated.

Included within the net book value of land and buildings above is £Nil (2016 - £303,500) in respect of freehold land and buildings and £5,201,865 (2016 - £2,775,025) in respect of short leasehold land and buildings.

The amounts transferred from group companies relate to those transferred on 28 February 2017, 31 May 2017, 31 July 2017, 4 August 2017 and 31 August 2017 as detailed on page 6 (director's report) and on page 14 of these financial statements.

Included within additions are £312,000 of leasehold property, £438,734 of fixtures and surgery equipment, £60,982 of motor vehicles and £30,876 of computer equipment that were acquired from various trade and asset purchases of unincorporated businesses during the year.

Assets held under hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2017 £	2016 £
Fixtures and surgery equipment	1,139,602	739,112
Motor vehicles	75,933	41,120
Computer equipment	6,272	11,302
	<u>1,221,807</u>	<u>791,534</u>

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

12 Investments held as fixed assets

	2017 £	2016 £
Shares in group undertakings and participating interests	101,883,029	25,529,602
Shares in group undertakings		Subsidiary undertakings £
Cost		
At 1 October 2016		25,529,602
Additions		143,279,182
Transferred to goodwill (note 10)		(54,684,343)
Amounts written off (note 5)		(12,241,412)
At 30 September 2017		101,883,029
Carrying amount		
At 30 September 2017		101,883,029
At 30 September 2016		25,529,602

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
Mill House Vets Limited*	England and Wales	Ordinary	100%	100%
Albert Cottage Veterinary Clinic Limited*	England and Wales	Ordinary	100%	100%
Grove Lodge Veterinary Group Limited*	England and Wales	Ordinary	100%	100%
Fenaghy Veterinary Clinics (NI) Limited*	Northern Ireland	Ordinary	100%	100%
PVG (Fife) Limited*	Scotland	Ordinary	100%	100%
Arg Belyn Limited	Isle of Man	Ordinary	100%	100%
Milan Veterinary Limited	Isle of Man	Ordinary	100%	100%
Orwell Vets Limited	England and Wales	Ordinary	100%	100%
Pet Prescription Limited	England and Wales	Ordinary	100%	100%
Robson and Prescott Limited*	England and Wales	Ordinary	100%	100%
Abbeymoor Veterinary Centres Limited*	England and Wales	Ordinary	100%	100%
Dentalvets Limited*	Scotland	Ordinary	100%	100%
Rosehill Vets Limited*	England and Wales	Ordinary	100%	0%
Shipley Vets Limited*	England and Wales	Ordinary	100%	0%

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Beeches Veterinary Centre Limited*	England and Wales	Ordinary	100%	0%
Blenheim Veterinary Centre Limited*	England and Wales	Ordinary	100%	0%
Summerhill Veterinary Centre Limited*	England and Wales	Ordinary	100%	0%
Tibrogargun Limited**	England and Wales	Ordinary	100%	0%
Brownlow Veterinary Group Limited*	England and Wales	Ordinary	100%	0%
Kirks Vets Limited*	England and Wales	Ordinary	100%	0%
Ardene House Vet Practice Ltd*	Scotland	Ordinary	100%	0%
Aniwell Veterinary Company Ltd	England and Wales	Ordinary	100%	0%
Aniwell Limited	England and Wales	Ordinary	100%	0%
Aniwell Veterinary Clinic Limited	England and Wales	Ordinary	100%	0%
Victoria Veterinary Practice Limited*	England and Wales	Ordinary	100%	0%
Parkvets Limited*	England and Wales	Ordinary	100%	0%
My Vet Limited*	England and Wales	Ordinary	100%	0%
Haughley Veterinary Centre Limited*	England and Wales	Ordinary	100%	0%
Moorview Veterinary Practice Limited*	England and Wales	Ordinary	100%	0%
Usk Veterinary Centre Limited*	England and Wales	Ordinary	100%	0%
Cardiff Pet Health Limited*	England and Wales	Ordinary	100%	0%
Avon Lodge Veterinary Group Limited	England and Wales	Ordinary	100%	0%
Lawrence Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
London Road Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
McPhersons Veterinary Practice Limited	England and Wales	Ordinary	100%	0%
Kingsteignton Vets Limited	England and Wales	Ordinary	100%	0%
Hawthorne Lodge Veterinary Practice Limited	England and Wales	Ordinary	100%	0%
Midforest Veterinary Practice Limited	England and Wales	Ordinary	100%	0%
Animal Corner Veterinary Services Limited	England and Wales	Ordinary	100%	0%
Carmel Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
The Shreen Veterinary Practice Limited	England and Wales	Ordinary	100%	0%
Woodland Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
Beech House (Southampton) Limited	England and Wales	Ordinary	100%	0%
Avondale Veterinary Services Limited	Scotland	Ordinary	100%	0%
Earlswood Veterinary Referrals Limited	Northern Ireland	Ordinary	100%	0%
Mearley Vets Limited	England and Wales	Ordinary	100%	0%
Aberdeen Veterinary Referrals Limited	Scotland	Ordinary	100%	0%
Alder Veterinary Practice Spalding Limited	England and Wales	Ordinary	100%	0%
Wilton House Veterinary Clinic Limited	England and Wales	Ordinary	100%	0%
Pro-Vets Group Limited	England and Wales	Ordinary	100%	0%
Manor Vets Limited	England and Wales	Ordinary	100%	0%
Foxcotte Veterinary Clinics Limited	England and Wales	Ordinary	100%	0%
Abivale Veterinary Group Limited	England and Wales	Ordinary	100%	0%

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

Vale Vets Limited	England and Wales	Ordinary	100%	0%
Colebrook Vets Limited	England and Wales	Ordinary	100%	0%
Lordswood Vets Limited	England and Wales	Ordinary	100%	0%
Letchworth Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
Willow Veterinary Care Limited	England and Wales	Ordinary	100%	0%
Boness Veterinary Enterprises Limited	England and Wales	Ordinary	100%	0%
Lansdown Veterinary Services Limited	England and Wales	Ordinary	100%	0%
Lydon Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
Veterinary Drugs to Go Limited	England and Wales	Ordinary	100%	0%
Easipetcare Limited	England and Wales	Ordinary	100%	0%
Shorewood Consultant Limited	England and Wales	Ordinary	100%	0%
Deane Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
Alpha Veterinary Practice Limited	England and Wales	Ordinary	100%	0%
Chapelfield Veterinary Partnership Limited	England and Wales	Ordinary	100%	0%

* dormant

** intermediate holding company

All the companies listed above, unless otherwise stated, have a principal activity of veterinary services.

Details of the fair values of assets acquired relating to each company are disclosed in the financial statements of IVC Acquisition Midco Limited.

Independent Vetcare Limited owns a number of other wholly owned subsidiaries all of which are dormant as at 30 September 2017 and are disclosed in the financial statements of IVC Acquisition Midco Limited.

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

13 Stocks

	2017 £	2016 £
Goods for resale	<u>3,983,347</u>	<u>2,880,284</u>

14 Debtors

	Note	2017 £	2016 £
Trade debtors		37,736,852	5,886,199
Amounts owed by group undertakings		5,125,879	634,990
Other debtors		6,325,143	3,383,680
Prepayments		3,382,727	2,317,751
Deferred tax assets	9	409,128	488,162
Corporation tax asset		<u>678,821</u>	<u>75,169</u>
		53,658,550	12,785,951
Less non-current portion		<u>(5,125,879)</u>	<u>(634,990)</u>
		<u>48,532,671</u>	<u>12,150,961</u>

Details of non-current trade and other debtors

£5,125,879 (2016 - £634,990) of receivables is classified as non-current. This relates to amounts owed from group undertakings.

15 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	16	390,179	208,109
Trade creditors		20,887,320	14,339,023
Social security and other taxes		7,678,158	5,384,048
Other creditors		4,637,844	2,184,696
Accrued expenses		7,361,296	4,501,803
Deferred income		<u>8,519</u>	<u>-</u>
		<u>40,963,316</u>	<u>26,617,679</u>
Due after one year			
Loans and borrowings	16	903,066	497,348
Amounts owed to group undertakings		<u>320,379,921</u>	<u>139,993,069</u>
		<u>321,282,987</u>	<u>140,490,417</u>

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

16 Loans and borrowings

	2017 £	2016 £
Current loans and borrowings		
Finance lease liabilities	<u>390,179</u>	<u>208,109</u>

	2017 £	2016 £
Non-current loans and borrowings		
Finance lease liabilities	<u>903,066</u>	<u>497,348</u>

17 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

18 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	390,179	207,874
Later than one year and not later than five years	<u>903,066</u>	<u>497,583</u>
	<u>1,293,245</u>	<u>705,457</u>

Operating leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	9,839,508	6,578,250
Later than one year and not later than five years	35,038,980	22,993,065
Later than five years	<u>46,158,821</u>	<u>23,968,935</u>
	<u>91,037,309</u>	<u>53,540,250</u>

INDEPENDENT VETCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £898,911 (2016 - £634,933).

Contributions totalling £128,115 (2015 - £90,913) were payable to the scheme at the end of the period and are included in creditors.

20 Contingent liabilities

The company is bound by an intra-group cross guarantee in respect of bank debt with other members of the group headed by its ultimate UK parent undertaking, IVC Acquisition Limited. The amount guaranteed at 30 September 2017 is £458,542,126 and is secured by a debenture over the assets and undertakings of certain companies in the group.

21 Parent and ultimate parent undertaking

The company is controlled by IVC Acquisition Limited, a company registered in England and Wales. The ultimate parent undertaking up to 31 January 2017 was IVC Lux Holdings 1 SARL, a company registered in Luxembourg. The ultimate controlling party up to 31 January 2017 was funds managed by Summit Partners Europe Private Equity Fund LP.

Since 31 January 2017, the ultimate parent undertaking has been Browne Holding SARL, a company registered in Luxembourg, and the ultimate controlling party was funds managed by EQT.

22 Non adjusting events after the financial period

After the year end, the company acquired the entire share capital of Brown & Bentley Ltd, CVG (D.C.) Limited, Walpole & Bingham Limited, Kapsapea Limited, LWAH Limited and MBM Vets Limited.

After the year end, the company also acquired the trade and net assets of The Brook Veterinary Clinic, Fair City Veterinary Group, Millburn Veterinary Practice, Bowler Lewis and Partners, Alphavet Veterinary Centre and Delaware.

Their principal activity is the provision of veterinary services and the total consideration payable in respect of these acquisitions amounted to £39,748,618.