

Registration number: 07746795

INDEPENDENT VETCARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018



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	The Chocolate Factory Keynsham Bristol BS31 2AU
Bankers	HSBC Bank plc Second Floor HSBC Building Mitchell Way Southampton SO18 2XU
Auditor	Deloitte LLP Bristol

INDEPENDENT VETCARE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

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

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 focused staff benefiting from enhanced buying power, marketing, training and back office support.

During the year we made 73 share acquisitions and 28 trade and asset acquisitions comprising of 229 practices (2017 - 31 share acquisitions and 10 trade and asset acquisitions comprising of 156 practices) creating a group of 674 practices (2017 - 445) at 30 September 2018.

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, IVC Acquisition Pikco Limited, 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 £3,798,800 (2017 - £14,731,833). This equates to an operating loss of £55,391,343 (2017 - £6,028,978) after charging mainly amortisation of £57,250,509 (2017 - £24,781,264). The company adjusted EBITDAM (earnings before interest, tax, depreciation, amortisation and management charges was £30,004,762 (2017 - £20,631,749). The loss on ordinary activities before taxation for the year ended 30 September 2018 was £78,184,123 (2017 - £17,962,773). At 30 September 2018, the company had total capital employed of £655,583,029 (2017 - £318,764,098).

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

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 two main KPIs are the number of acquisitions during the year and the increase in adjusted EBITDAM which can be found above.

Directors' insurance

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

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.

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 2018

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.

Going concern

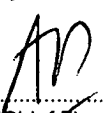
In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' the directors of all companies are required to provide disclosures regarding the adoption of the going concern basis of accounting.

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.

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.

In addition, given the net liabilities position of the company's balance sheet, the company has received a letter of support from its ultimate parent undertaking, IVC Acquisition Topco Limited.

Approved by the Board on 26/6/19 and signed on its behalf by:


A J Davis (Chief Financial Officer)
Director

INDEPENDENT VETCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

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

During the year, the entire issued share capital of a number of companies, whose principal activities are the provision of veterinary services, were acquired by the company. The total consideration for these acquisitions was £306,912,762 (see note 11 for more detail).

The company also acquired during the year the trade and net assets of a number of unincorporated businesses whose principal activities are also the provision of veterinary services. The total consideration for these acquisitions was £59,426,613 (see note 9 for more detail).

Directors of the company

The directors who held office during the year, and up to the date of approving the annual report, 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)

Financial risk management objectives and policies

Details of the company's financial risk management objectives and policies can be found in the Strategic Report on page 3.

Dividends

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

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 Vets Now Limited, Kernow Veterinary Group Limited and Westmorland Veterinary Services Limited. The company also acquired the trade and assets of Pool House Veterinary Group. The total consideration payable in respect of these acquisitions amounted to £107,408,520.

The company also acquired 57 other companies and businesses after the year end which are deemed to be immaterial to disclose. The total consideration payable in respect of these acquisitions amounted to £172,092,166.

On 12 February 2019, IVC New TopHolding S.A., a company registeted in Luxembourg, replaced Browne Holding SARL as the ultimate parent company.

INDEPENDENT VETCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

Disclosure of information to the auditor

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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of the auditor

Deloitte LLP were appointed as the auditor in the period, following the resignation of Hazlewoods LLP, and have expressed their willingness to continue in office.

Approved by the Board on 26/6/19 and signed on its behalf by:


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A J Davis (Chief Financial Officer)
Director

INDEPENDENT VETCARE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 - "The Financial Reporting Standard applicable in the UK and the Republic of Ireland". 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 then 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 REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of Independent Vetcare Limited (the "company"):

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 22.

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).

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 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 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.

INDEPENDENT VETCARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INDEPENDENT VETCARE LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 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 matters 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 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.

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, 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.

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: 26 June 2019

INDEPENDENT VETCARE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2018

		2018 £	As restated See note 2 2017 £
Turnover	3	311,039,453	190,380,181
Cost of sales		<u>(163,259,461)</u>	<u>(112,117,761)</u>
Gross profit		147,779,992	78,262,420
Administrative expenses		<u>(145,782,286)</u>	<u>(64,391,305)</u>
Other operating income		<u>1,801,094</u>	<u>860,718</u>
Operating profit before amortisation		3,798,800	14,731,833
Amortisation of goodwill		<u>(57,250,509)</u>	<u>(24,781,264)</u>
Waiver of intra-group loans		<u>(5,305,875)</u>	<u>(106,196)</u>
Income from shares in group undertakings		19,648,375	16,368,061
Write off of fixed asset investments	5	<u>(16,282,134)</u>	<u>(12,241,412)</u>
Operating loss	4	<u>(55,391,343)</u>	<u>(6,028,978)</u>
Interest receivable		1,992	-
Interest payable and similar charges	7	<u>(22,794,772)</u>	<u>(11,933,795)</u>
Loss on ordinary activities before taxation		<u>(78,184,123)</u>	<u>(17,962,773)</u>
Tax on loss on ordinary activities	8	<u>1,344,126</u>	<u>(465,965)</u>
Loss for the financial year		<u><u>(76,839,997)</u></u>	<u><u>(18,428,738)</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 adjusted EBITDAM:

	2018 £	As restated See note 2 2017 £
Loss on ordinary activities before taxation	(78,184,123)	(17,962,773)
Interest payable (net of interest received)	22,792,780	11,933,795
Write off of fixed asset investments	16,282,134	12,241,412
Income from shares in group undertakings	(19,648,375)	(16,368,061)
Amortisation of goodwill	57,250,509	24,781,264
Depreciation	9,258,039	4,943,889
Profit on disposal of fixed assets	(78,344)	(21,697)
Management charges payable (net of income receivable)	(79,575)	977,724
Waiver of intra-group loans	5,305,875	106,196
Restructuring and re-organisation costs	<u>17,105,842</u>	<u>-</u>
Earnings before interest, tax, depreciation, amortisation and management charges (adjusted EBITDAM)	<u><u>30,004,762</u></u>	<u><u>20,631,749</u></u>

EBITDAM includes earn out payments which have previously been capitalised within the costs of acquisition. The new treatment applied this year has reduced EBITDAM by £8,088,332 in the current period and the prior period has been restated by £2,015,367 (see note 2 for more detail).

The notes on pages 12 to 36 form an integral part of these financial statements.


INDEPENDENT VETCARE LIMITED

**(REGISTRATION NUMBER: 07746795)
BALANCE SHEET AS AT 30 SEPTEMBER 2018**

		2018 £	As restated See note 2 2017 £
	Note		
Fixed assets			
Intangible assets	9	259,305,025	123,614,637
Tangible assets	10	35,259,368	19,279,736
Investments	11	278,979,581	101,883,029
		<u>573,543,974</u>	<u>244,777,402</u>
Current assets			
Stocks	12	7,867,775	3,983,347
Debtors	13	64,057,286	58,416,838
Cash at bank and in hand		10,113,994	11,586,511
		<u>82,039,055</u>	<u>73,986,696</u>
Total assets		<u>655,583,029</u>	<u>318,764,098</u>
Capital employed			
<i>Amounts falling due within one year</i>			
Creditors - shareholder	14	662,570,724	318,610,095
Creditors - intercompany other	14	28,635,440	1,769,826
Creditors - external to IVC group	14	87,853,361	45,502,102
<i>Amounts falling due after more than one year</i>			
Creditors - external to IVC group	14	1,384,492	903,066
Called up share capital	16	1	1
Profit and loss account		<u>(124,860,989)</u>	<u>(48,020,992)</u>
Total capital employed		<u>655,583,029</u>	<u>318,764,098</u>

The presentation of the balance sheet shows a total for "Total capital employed". The directors consider that this more appropriately represents the funding structure of the Company as the current liabilities are mainly funded by shareholders.

Approved and authorised by the Board on 26/6/19 and signed on its behalf by:


.....
A J Davis (Chief Financial Officer)
Director

The notes on pages 12 to 36 form an integral part of these financial statements.

INDEPENDENT VETCARE LIMITED

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

	Called up share capital £	Profit and loss account £	Total £
Balance at 30 September 2017 as previously stated	1	(47,468,989)	(47,468,988)
Changes due to change in accounting policy (see note 2)	-	(552,003)	(552,003)
Balance at 1 October 2017 as restated	1	(48,020,992)	(48,020,991)
Loss for the year and total comprehensive income	-	(76,839,997)	(76,839,997)
At 30 September 2018	<u>1</u>	<u>(124,860,989)</u>	<u>(124,860,988)</u>

	Called up share capital £	Profit and loss account £	As restated See note 2 Total £
Balance at 30 September 2016 as previously stated	1	(29,374,997)	(29,374,996)
Changes due to change in accounting policy (see note 2)	-	(217,257)	(217,257)
Balance at 1 October 2016 as restated	1	(29,592,254)	(29,592,253)
Loss for the year and total comprehensive income	-	(18,428,738)	(18,428,738)
At 30 September 2017	<u>1</u>	<u>(48,020,992)</u>	<u>(48,020,991)</u>

The notes on pages 12 to 36 form an integral part of these financial statements.

INDEPENDENT VETCARE LIMITED

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

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:

The Chocolate Factory
Keynsham
Bristol
BS31 2AU

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'. The group has early adopted the 'Amendments to FRS 102' published in December 2017 in preparing these financial statements and they do not expect this to impact the financial statements.

Cash flow exemption

The company has not presented a cash flow statement on the grounds that the company's cash flows are included in the financial statements of the consolidated financial statements of its ultimate parent undertaking in the UK, IVC Acquisition Pikco Limited.

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.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The company has changed its presentation of the balance sheet within the year. The presentation of the balance sheet shows a total for "Total capital employed". The directors consider that this more appropriately represents the funding structure of the company as the current liabilities are mainly funded by shareholders.

INDEPENDENT VETCARE LIMITED

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

2 Accounting policies (continued)

Non-GAAP measures

In reporting financial information, the company presents a non-GAAP measure which is not defined or specified under the requirements of FRS 102. The company believes that their non-GAAP measure of adjusted EBITDAM provides the user of the accounts with useful information about the company's trading performance. This measure is consistent with how the business is monitored and reported internally to management and the Board.

The company makes adjustments to the statutory profit measure in order to arrive at adjusted EBITDAM. The company's policy is to exclude items that are considered to be significant in both nature and quantum and where treatment as an adjusted item provides stakeholders with additional useful information to assess the trading performance of the company. On this basis, the following items were included as adjusting items to arrive at adjusted EBITDAM:

- Interest payable (net of interest received) - this is a significant expense in the period and relates to the financing of the company;
- Write off of fixed asset investments - this is a significant expense in the period and relates to restructuring of the group in which the company is included;
- Income from shares in group undertakings - this is a significant expense in the period and relates to restructuring of the group in which the company is included;
- Profit on disposal of fixed assets - this is a non-cash item in the period;
- Management charges payable (net of income receivable) - this is a significant expense in the period and relates to the company's share of central costs;
- Waiver of intra-group loans - this is a significant expense in the period and relates to restructuring of the group in which the company is included;
- depreciation - this is a non-cash item in the period;
- amortisation of goodwill - this is a non-cash item and a significant expense in the period;
- Restructuring and re-organisation costs - this is a significant expense in the period and details are disclosed in note 4;

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 Independent Vetcare 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. The address of IVC Acquisition Midco Limited's registered office is The Chocolate Factory, Keynsham, Bristol, BS31 2AU.

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

On 21 December 2017, 31 December 2017, 31 January 2018, 5 February 2018, 28 February 2018, 31 March 2018, 25 April 2018, 30 April 2018, 31 May 2018, 30 June 2018, 31 July 2018 and 31 August 2018, group reorganisations were undertaken. The trade and net assets of 53 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.

INDEPENDENT VETCARE LIMITED

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

2 Accounting policies (continued)

Going concern

The Company's business activities together with the factors likely to affect its future development, performance and position are set out on pages 2-5. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described on page 33. In addition, the notes to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Company meets its day-to-day working capital requirements through free cash and its acquisition requirements through senior debt facilities. The Company's forecasts and projections, covering a period of at least 12 months from the approval of these financial statements, show that the Company should be able to operate within the level of its current debt facilities. After taking account of reasonably possible changes in trading performance, and having completed a refinancing after the year end under which lenders are providing enlarged debt facilities to the Company via its parent undertakings, no material uncertainty exists regarding covenant compliance on the new facilities.

In addition, given the net liabilities position of the company's balance sheet, the company has received a letter of support from its ultimate parent undertaking, IVC Acquisition Topco Limited.

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the 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

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Deferred consideration

The balance sheet includes amounts which are payable for the acquisition of subsidiaries which are dependent on the future performance of the trade acquired. 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 based on the terms of the purchase agreements and the expected future performance based on the information available at the balance sheet date and may vary depending on actual results.

Management has concluded the substance of the transaction means that, where there is no employment condition, the amount should be accounted for as consideration, and not remuneration; and where there is an employment condition and an amount dependent on future performance, the amount should be accounted for as remuneration not consideration. This is a change in accounting policy, and the prior period has been restated accordingly.

See note 14 for more information.

INDEPENDENT VETCARE LIMITED

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

2 Accounting policies (continued)

Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet 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.

Impairment of goodwill

The balance sheet includes a significant amount of value of goodwill which is assessed for triggers for impairment at each reporting date. In the current year management has completed a full impairment review comparing the net book value to the value in use of the cash generating units supporting the goodwill balance. In calculating the value in use of the cash generating units management has made assumptions on the growth rates and discounts rates used in the model.

Deferred consideration

The balance sheet includes amounts which are payable for the acquisition of subsidiaries which are dependent on continued employment and future performance of the trade acquired. These amount have been estimated based on the terms of the purchase agreements and the expected future performance and may vary depending on actual results.

Revenue recognition

Revenue represents amounts receivable from customers for veterinary services, related veterinary products, the sale of products on-line and crematoria services provided during the year.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The revenue recognition point is when a veterinary consultation, a veterinary procedure or a cremation is completed. Sales of goods are recognised when goods are dispatched and title has passed; for example, on-line sales are recognised when the goods are dispatched from the warehouse. Revenue is measured at the fair value of the consideration received or receivable, excluding value added tax and discounts.

Members of customer loyalty schemes, for example the Pet Health Plan, generally pay subscription fees on a monthly basis and receive consultation and treatments periodically. Revenue is recognised evenly over the twelve-month period, which the Directors consider approximates to the timing of the services provided across the financial year.

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.

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.

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.

INDEPENDENT VETCARE LIMITED

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

2 Accounting policies (continued)

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.

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
Short leasehold property	Over the term of the lease
Fixtures and surgery equipment	Straight line over 5 years
Computer equipment	Straight line over 3 years
Motor vehicles	Straight line over 4 years

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.

INDEPENDENT VETCARE LIMITED

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

2 Accounting policies (continued)

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
Goodwill

Amortisation method and rate
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.

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. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is 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.

INDEPENDENT VETCARE LIMITED

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

2 Accounting policies (continued)

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.

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.

INDEPENDENT VETCARE LIMITED

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

2 Accounting policies (continued)

Financial instruments

Classification

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

Recognition and measurement

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

Impairment

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

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

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

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

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

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

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

INDEPENDENT VETCARE LIMITED

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

2 Accounting policies (continued)

Change in accounting policy

During the year, the directors reviewed the treatment of earn out payments which have previously been capitalised within the costs of acquisition. Where there is an employment obligation, these payments are now recognised as an employment cost.

The effect of this change is summarised below:

	Period ending 30 September 2017 £
Profit and loss account	
Increase in administrative expenses	2,015,367
Decrease in amortisation of goodwill	(1,680,621)
Decrease in profit for the year	<u>334,746</u>
	2017 £
Balance sheet	
Decrease in goodwill	(771,505)
Increase in creditors: amounts falling due within one year	(4,538,786)
Increase in debtors: amounts falling due after more than one year	4,758,288
Decrease in retained earnings brought forward	<u>217,257</u>
Decrease in net assets	<u>(334,746)</u>

The directors also re-assessed the duration of its intercompany loans and determined that as the balances are repayable on demand, all intercompany amounts should be classified as current debtors and creditors. The prior year balance sheet has been restated to reflect this.

3 Turnover

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

	2018 £	2017 £
Sale of goods	28,821,252	19,692,686
Rendering of services	<u>282,218,201</u>	<u>170,687,495</u>
	<u>311,039,453</u>	<u>190,380,181</u>

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

INDEPENDENT VETCARE LIMITED

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

4 Operating loss

Arrived at after charging:

	2018	As restated See note 2 2017
	£	£
Operating leases - plant and machinery	1,459,577	386,734
Operating leases - other assets	10,878,783	6,435,655
Foreign currency losses	22,823	6,715
Depreciation	9,258,039	4,943,889
Hire purchase interest	95,863	50,336
Amortisation	57,250,509	24,781,264
Auditor's remuneration - The audit of the company's annual accounts	170,000	40,129
Auditor's remuneration - other compliance services	-	73,100
Auditor's remuneration - taxation compliance	-	47,950
Auditor's remuneration - other advisory services	-	395,376

In addition to the above, the previous auditor was paid £nil (2017 - £116,000) in relation to financial due diligence and acquisitions advice which are included as part of the cost of investments in note 11.

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

During the year, the company had significant costs in relation to transforming IVC Group systems and processes. The costs of doing so have been disclosed as exceptional as they are significant in nature and quantum to the period. These items have been stripped out of adjusted EBITDAM to give the reader of the accounts a more informed view of the underlying profitability of the company. These amounted to £17,105,842 (2017 - £nil) in the period.

5 Write off of fixed asset investments

	2018	2017
	£	£
Amounts written off investments	16,282,134	12,241,412

Amounts written off investments are explained in the accounting policies in note 2 of the financial statements.

INDEPENDENT VETCARE LIMITED

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

6 Particulars of employees

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

	2018	As restated See note 2 2017
	£	£
Wages and salaries	150,384,724	83,194,339
Social security costs	10,966,074	6,538,678
Pension costs, defined contribution scheme	2,375,059	898,911
	<u>163,725,857</u>	<u>90,631,928</u>

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

	2018 No.	2017 No.
Vets	1,513	1,010
Nurses	1,992	1,305
Support staff	2,754	1,782
	<u>6,259</u>	<u>4,097</u>

The Directors' remuneration was borne by other entities within the IVC group. The Directors do not believe it is practical to apportion these amounts between the company and other group entities.

7 Interest payable and similar expenses

	2018	2017
	£	£
Other interest payable	32,959	90,397
Intra group interest	22,761,813	11,843,398
	<u>22,794,772</u>	<u>11,933,795</u>

INDEPENDENT VETCARE LIMITED

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

8 Taxation

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

	2018 £	As restated See note 2 2017 £
Current taxation		
UK corporation tax	-	677,147
UK corporation tax adjustment to prior periods	(677,147)	(11,824)
	(677,147)	665,323
Tax charge incurred on behalf of hived up subsidiaries	69,379	-
Total current income tax	(607,768)	665,323
Deferred taxation		
Arising from origination and reversal of timing differences	(736,358)	(199,358)
Tax (receipt)/expense in the income statement	(1,344,126)	465,965

The tax on loss before tax for the year is higher than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.5%).

The differences are reconciled below:

	2018 £	As restated See note 2 2017 £
Loss before tax	(78,184,123)	(17,962,773)
Corporation tax at standard rate	(14,854,983)	(3,502,741)
Non deductible expenses (predominantly write-off of fixed asset investments and non-deductible goodwill amortisation)	6,250,248	7,106,384
Deferred tax expense relating to changes in tax rates or laws	146,732	-
Adjustments in respect of previous periods	(677,147)	(11,824)
Depreciation in excess of capital allowances	9,504,132	339,037
Other timing differences	493,417	(2,294)
Tax increase (decrease) arising from group relief	2,010,564	(270,825)
Dividends received not taxable	(3,733,191)	(3,191,772)
Other tax effects for reconciliation between accounting profit and tax expense (income)	(483,898)	-
Total tax (credit)/charge	(1,344,126)	465,965

INDEPENDENT VETCARE LIMITED

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

8 Taxation (continued)

Deferred tax

Deferred tax assets and liabilities

2018

**Asset
£**

Fixed asset timing differences

537,966

Short term timing differences

69,759

607,725

2017

**Asset
£**

Fixed asset timing differences

339,369

Short term timing differences

69,759

409,128

INDEPENDENT VETCARE LIMITED

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

9 Intangible assets

	As restated See note 2 Goodwill £
Cost	
At 1 October 2017	191,578,139
Additions	79,460,292
Disposals	(91,664)
Transferred from investments	<u>113,534,076</u>
At 30 September 2018	<u>384,480,843</u>
Amortisation	
At 1 October 2017	67,963,502
Charge for the year	57,250,509
Amortisation eliminated on disposals	<u>(38,193)</u>
At 30 September 2018	<u>125,175,818</u>
Net book value	
At 30 September 2018	<u>259,305,025</u>
At 30 September 2017	<u>123,614,637</u>

The amounts transferred from group companies are included within additions and relate to those transferred on 21 December 2017, 31 December 2017, 31 January 2018, 5 February 2018, 28 February 2018, 31 March 2018, 25 April 2018, 30 April 2018, 31 May 2018, 30 June 2018, 31 July 2018 and 31 August 2018 as detailed on pages 7 and 8 (Directors' Report) and on page 16 of these financial statements.

The company acquired the trade and assets of a number of businesses during the year as disclosed on page 2. The assets acquired comprised the goodwill, tangible fixed assets, stock and trade debtors. The tangible fixed assets acquired are disclosed in note 10 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 2018

10 Tangible assets

	Leasehold land and buildings £	Fixtures and surgery equipment £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 October 2017	6,378,010	15,384,588	537,490	9,218,627	31,518,715
Additions	1,586,746	10,159,649	198,648	8,036,502	19,981,545
Disposals	(409,824)	(168,420)	(57,505)	(495,748)	(1,131,497)
Transfers	3,110,914	2,721,311	92,945	356,587	6,281,757
At 30 September 2018	<u>10,665,846</u>	<u>28,097,128</u>	<u>771,578</u>	<u>17,115,968</u>	<u>56,650,520</u>
Depreciation					
At 1 October 2017	1,176,145	6,178,219	232,053	4,652,562	12,238,979
Charge for the year	1,276,621	4,157,008	295,605	3,528,805	9,258,039
Eliminated on disposal	(14,882)	(12,659)	(26,110)	(52,215)	(105,866)
At 30 September 2018	<u>2,437,884</u>	<u>10,322,568</u>	<u>501,548</u>	<u>8,129,152</u>	<u>21,391,152</u>
Carrying amount					
At 30 September 2018	<u>8,227,962</u>	<u>17,774,560</u>	<u>270,030</u>	<u>8,986,816</u>	<u>35,259,368</u>
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>

Freehold property is not depreciated.

The amounts transferred from group companies relate to those transferred on 21 December 2017, 31 December 2017, 31 January 2018, 5 February 2018, 28 February 2018, 31 March 2018, 25 April 2018, 30 April 2018, 31 May 2018, 30 June 2018, 31 July 2018 and 31 August 2018 as detailed on pages 7 and 8 (Directors' Report) and on page 16 of these financial statements.

Included within additions are £nil (2017 - £312,000) of leasehold property, £363,155 (2017 - £438,734) of fixtures and surgery equipment, £31,377 (2017 - £60,982) of motor vehicles and £23,623 (2017 - £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:

	2018 £	2017 £
Fixtures and surgery equipment	1,971,890	1,139,602
Motor vehicles	20,661	75,933
Computer equipment	7,683	6,272
	<u>2,000,234</u>	<u>1,221,807</u>

INDEPENDENT VETCARE LIMITED

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

11 Investments held as fixed assets

	2018 £	As restated See note 2 2017 £
Shares in group undertakings and participating interests	278,979,581	101,883,029

	As restated See note 2 Subsidiary undertakings £
Shares in group undertakings	
Cost	
At 1 October 2017	101,883,029
Additions	306,912,762
Transferred to goodwill (note 9)	(113,534,076)
Amounts written off (note 5)	(16,282,134)
At 30 September 2018	278,979,581
Carrying amount	
At 30 September 2018	278,979,581
At 30 September 2017	101,883,029

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	
			2018	2017
Subsidiary undertakings				
Arg Beiyin 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%
Tibrogargun Limited**	England and Wales	Ordinary	100%	100%
Aniwell Veterinary Company Limited *	England and Wales	Ordinary	100%	100%
Aniwell Limited	England and Wales	Ordinary	100%	100%
Aniwell Veterinary Clinic Limited	England and Wales	Ordinary	100%	100%
Avon Lodge Veterinary Group Limited *	England and Wales	Ordinary	100%	100%

INDEPENDENT VETCARE LIMITED

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

11 Investments held as fixed assets (continued)

Lawrence Veterinary Centre Limited *	England and Wales	Ordinary	100%	100%
London Road Veterinary Centre Limited *	England and Wales	Ordinary	100%	100%
McPhersons Veterinary Practice Limited *	England and Wales	Ordinary	100%	100%
Kingsteignton Vets Limited *	England and Wales	Ordinary	100%	100%
Hawthorne Lodge Veterinary Practice Limited *	England and Wales	Ordinary	100%	100%
Midforest Veterinary Practice Limited *	England and Wales	Ordinary	100%	100%
Corner House Veterinary Practice Limited *	England and Wales	Ordinary	100%	100%
Carmel Veterinary Centre Limited *	England and Wales	Ordinary	100%	100%
The Shreen Veterinary Practice Limited *	England and Wales	Ordinary	100%	100%
Woodland Veterinary Centre Limited *	England and Wales	Ordinary	100%	100%
Beech House (Southampton) Limited *	England and Wales	Ordinary	100%	100%
Avondale Veterinary Services Limited *	Scotland	Ordinary	100%	100%
Earlswood Veterinary Referrals Limited *	Northern Ireland	Ordinary	100%	100%
Mearley Vets Limited *	England and Wales	Ordinary	100%	100%
Aberdeen Veterinary Referrals Limited *	Scotland	Ordinary	100%	100%
Alder Veterinary Practice Spalding Limited	England and Wales	Ordinary	100%	100%
Wilton House Veterinary Clinic Limited *	England and Wales	Ordinary	100%	100%
Pro-Vets Group Limited *	England and Wales	Ordinary	100%	100%
Manor Vets Limited *	England and Wales	Ordinary	100%	100%
Foxcotte Veterinary Clinics Limited *	England and Wales	Ordinary	100%	100%
Abivale Veterinary Group Limited *	England and Wales	Ordinary	100%	100%
Vale Vets Limited *	England and Wales	Ordinary	100%	100%
Vale Animal Limited *	England and Wales	Ordinary	100%	0%
Colebrook Vets Limited *	England and Wales	Ordinary	100%	100%
Lordswood Vets Limited *	England and Wales	Ordinary	100%	100%
Letchworth Veterinary Centre Limited *	England and Wales	Ordinary	100%	100%
Willow Veterinary Care Limited *	England and Wales	Ordinary	100%	100%
Boness Veterinary Enterprises Limited *	England and Wales	Ordinary	100%	100%
Lansdown Veterinary Services Limited	England and Wales	Ordinary	100%	100%
Lydon Veterinary Centre Limited *	England and Wales	Ordinary	100%	100%
Veterinary Drugs to Go Limited	England and Wales	Ordinary	100%	100%
Easipetcare Limited	England and Wales	Ordinary	100%	100%
Shorewood Consultants Limited *	England and Wales	Ordinary	100%	100%
Deane Veterinary Centre Limited *	England and Wales	Ordinary	100%	100%
Alpha Veterinary Practice Limited	England and Wales	Ordinary	100%	100%
Chapelfield Veterinary Partnership Limited *	England and Wales	Ordinary	100%	100%
Brown And Bentley Ltd *	England and Wales	Ordinary	100%	0%

INDEPENDENT VETCARE LIMITED

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

11 Investments held as fixed assets (continued)

CVG (D.C.) Limited	Northern Ireland	Ordinary	100%	0%
Walpole & Bingham Limited *	England and Wales	Ordinary	100%	0%
Kapsapea Limited *	England and Wales	Ordinary	100%	0%
LWAH Limited	England and Wales	Ordinary	100%	0%
MBM Vets Limited *	Scotland	Ordinary	100%	0%
Glenburn Veterinary Centre Limited *	Northern Ireland	Ordinary	100%	0%
Crieff Vets Limited *	Scotland	Ordinary	100%	0%
Glaven Veterinary Practice Limited *	England and Wales	Ordinary	100%	0%
Wherry Veterinary Practice Limited *	England and Wales	Ordinary	100%	0%
Waterloo House Veterinary Services Limited *	England and Wales	Ordinary	100%	0%
Roe Valley Veterinary Clinic Limited *	Northern Ireland	Ordinary	100%	0%
West Midlands Vets Limited *	England and Wales	Ordinary	100%	0%
NEVC Limited *	England and Wales	Ordinary	100%	0%
The Veterinary Clinic Limited *	England and Wales	Ordinary	100%	0%
Taverham Veterinary Practice Holdings Limited	England and Wales	Ordinary	100%	0%
Taverham Veterinary Practice Limited	England and Wales	Ordinary	100%	0%
Taylor Veterinary Practice Limited *	Scotland	Ordinary	100%	0%
Avon Lodge Veterinary Centre Limited *	England and Wales	Ordinary	100%	0%
DVG Limited	England and Wales	Ordinary	100%	0%
Foreman & Hanna Limited *	England and Wales	Ordinary	100%	0%
A.C. Rawlins Limited *	England and Wales	Ordinary	100%	0%
Dohne And Friends Limited *	England and Wales	Ordinary	100%	0%
Shedden Vets Limited *	Scotland	Ordinary	100%	0%
ICR Veterinary Group Ltd	Scotland	Ordinary	100%	0%
Frontfoot Consultancy Suffolk Limited	England and Wales	Ordinary	100%	0%
Rathgael Veterinary Clinic Limited	Northern Ireland	Ordinary	100%	0%
AVC 35 Limited	England and Wales	Ordinary	100%	0%
Cedarmount Veterinary Clinic Limited	Northern Ireland	Ordinary	100%	0%
MVSL Limited *	England and Wales	Ordinary	100%	0%
Drumahoe Veterinary Clinic Limited	Northern Ireland	Ordinary	100%	0%
H G H (V S) Limited	England and Wales	Ordinary	100%	0%
Petsco Limited	England and Wales	Ordinary	100%	0%
Petsco 2 Limited	England and Wales	Ordinary	100%	0%
Castle Vets Pet Healthcare Limited	England and Wales	Ordinary	100%	0%
Bilton Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
Barrow Hill Veterinary Group Limited	England and Wales	Ordinary	100%	0%

INDEPENDENT VETCARE LIMITED

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

11 Investments held as fixed assets (continued)

New Street Vets Ltd	England and Wales	Ordinary	100%	0%
Gilmore Pet Surgery Limited	England and Wales	Ordinary	100%	0%
Steffan Veterinary Services Limited	England and Wales	Ordinary	100%	0%
Williams Vet Care Limited	England and Wales	Ordinary	100%	0%
HookVeterinary Centre Limited	England and Wales	Ordinary	100%	0%
Oakmount Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
Hall Place Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
Hart Veterinary Limited	England and Wales	Ordinary	100%	0%
Twickenham Vets Limited	England and Wales	Ordinary	100%	0%
Ark Veterinary Centre (Colchester) Limited	England and Wales	Ordinary	100%	0%
Blackberry Veterinary Clinic Limited	England and Wales	Ordinary	100%	0%
Fivelands Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
Market Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
Biscot Mill Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
Bourne Practice Ltd	England and Wales	Ordinary	100%	0%
Corner House Veterinary Practice Limited	England and Wales	Ordinary	100%	0%
The Barn Veterinary Practice Limited	England and Wales	Ordinary	100%	0%
Mainstone Veterinary Clinic Limited	England and Wales	Ordinary	100%	0%
Springfield Veterinary Centre Ltd	England and Wales	Ordinary	100%	0%
Crown House Surgery Limited	England and Wales	Ordinary	100%	0%
Pets First Limited	England and Wales	Ordinary	100%	0%
The Vets' Place Limited	England and Wales	Ordinary	100%	0%
Towerwood Holdings Limited	England and Wales	Ordinary	100%	0%
Holmefield Veterinary Clinic Limited	England and Wales	Ordinary	100%	0%
Glenshane Veterinary Clinics Limited	Northern Ireland	Ordinary	100%	0%
Amery Vets Limited	England and Wales	Ordinary	100%	0%
Forest Vets Limited	England and Wales	Ordinary	100%	0%
Maltman Cosham Limited	England and Wales	Ordinary	100%	0%
Glenythorne Vets Limited	England and Wales	Ordinary	100%	0%
Abervet 2015 Limited	Scotland	Ordinary	100%	0%
White House Vets Limited	England and Wales	Ordinary	100%	0%
Derbyshire Veterinary Services Limited	England and Wales	Ordinary	100%	0%
Eaton Veterinary Practice Ltd	England and Wales	Ordinary	100%	0%
Inglis Veterinary Centres Limited	Scotland	Ordinary	100%	0%
Miramar Veterinary Centre Limited	England and Wales	Ordinary	100%	0%
Penmellyn Veterinary Group Limited	England and Wales	Ordinary	100%	0%
IVC (TB) Limited *	England and Wales	Ordinary	100%	100%
Glenshane Veterinary Clinics Limited *	Northern Ireland	Ordinary	100%	0%

INDEPENDENT VETCARE LIMITED

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

11 Investments held as fixed assets (continued)

The Colourful Consultancy Limited *	England and Wales	Ordinary	100%	0%
Saxon Vets Limited *	England and Wales	Ordinary	100%	0%
Towerwood Vets Limited	England and Wales	Ordinary	100%	0%
Independent Vetcare Finance Limited *	England and Wales	Ordinary	100%	100%
Berry House Limited	England and Wales	Ordinary	100%	100%
Chase Vets Limited	England and Wales	Ordinary	100%	100%
Rhodes Veterinary Practice Limited	England and Wales	Ordinary	100%	100%
Purton Vets Limited	England and Wales	Ordinary	100%	100%
Oakfield Pet Health Centre Limited	England and Wales	Ordinary	100%	100%
Chase Vets Eastbourne Limited	England and Wales	Ordinary	100%	100%
Congleton Veterinary Centre Limited	England and Wales	Ordinary	100%	100%
Fields Vets Limited	England and Wales	Ordinary	100%	100%
Cheshire Vets Medical Centre Limited	England and Wales	Ordinary	100%	100%
Wellpetclinic Limited	England and Wales	Ordinary	100%	100%
Orchard Vets Limited	England and Wales	Ordinary	100%	100%
Crown Veterinary Services Limited	Scotland	Ordinary	100%	100%
Westwood Veterinary Practice Limited	England and Wales	Ordinary	100%	100%
1066 Veterinary Centre Limited	England and Wales	Ordinary	100%	100%
Corinium Veterinary Clinic Limited	England and Wales	Ordinary	100%	100%
Millpark Veterinary Centre Limited	England and Wales	Ordinary	100%	100%
Well Pets Veterinary Centre Limited	England and Wales	Ordinary	100%	100%
Kingston Veterinary Group Limited	England and Wales	Ordinary	100%	100%
The Veterinary Hospital Limited	England and Wales	Ordinary	100%	100%
Richard Hillman Veterinary Centre Limited	England and Wales	Ordinary	100%	100%
St Mary's Veterinary Practice Limited	England and Wales	Ordinary	100%	100%
The Cambushinnie Service Company Limited	Scotland	Ordinary	100%	100%
Celyn House Limited	England and Wales	Ordinary	100%	100%
K & M Donald Limited	Scotland	Ordinary	100%	100%
Island Veterinary Service Limited	England and Wales	Ordinary	100%	100%
Gatehouse Veterinary Centre Limited	England and Wales	Ordinary	100%	100%
Northdale Veterinary Practice Limited	England and Wales	Ordinary	100%	100%
Lowesmoor House Vets Limited	England and Wales	Ordinary	100%	100%
Croft Vets Limited	England and Wales	Ordinary	100%	100%
Well House Vets Limited	England and Wales	Ordinary	100%	100%
Clifton Veterinary Practice Limited	England and Wales	Ordinary	100%	100%
Shore Veterinary Centre Limited	Scotland	Ordinary	100%	100%
J Dinsdale Limited	England and Wales	Ordinary	100%	100%

INDEPENDENT VETCARE LIMITED

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

11 Investments held as fixed assets (continued)

Alexander Veterinary Centre Limited	England and Wales	Ordinary	100%	100%
Rhyd Broughton Veterinary Group Limited	England and Wales	Ordinary	100%	100%
Boyce & Houston Limited	Scotland	Ordinary	100%	100%
Abbey Vets (NE) Limited	England and Wales	Ordinary	100%	100%
Burch Vets Limited	England and Wales	Ordinary	100%	100%
A & J Practice Management Limited	England and Wales	Ordinary	100%	100%
Terrington Vets Limited	England and Wales	Ordinary	100%	100%
Abbeydale Vets Limited	England and Wales	Ordinary	100%	100%
Vermuyden Veterinary Practice Limited	Scotland	Ordinary	100%	100%
Forest Lodge Veterinary Practice Limited	England and Wales	Ordinary	100%	100%
Kilbarchan Veterinary Practice Limited	Scotland	Ordinary	100%	100%
Zetland Limited	England and Wales	Ordinary	100%	100%
Thanet One Limited	England and Wales	Ordinary	100%	100%
The Veterinary Clinic (Bearwood) Limited	England and Wales	Ordinary	100%	100%
Boothroyds and Woodwards Limited	Scotland	Ordinary	100%	100%
Barton Lodge Veterinary Centre Limited	England and Wales	Ordinary	100%	100%
Three Rivers Vets Limited	England and Wales	Ordinary	100%	100%
St Georges Veterinary Group Limited	England and Wales	Ordinary	100%	100%
The Croft Veterinary Centre (Wolverhampton) Limited	England and Wales	Ordinary	100%	100%
Acorn Veterinary Practice Limited	England and Wales	Ordinary	100%	100%
Mintlaw Vets Limited	England and Wales	Ordinary	100%	100%
Budget Vets Limited	England and Wales	Ordinary	100%	100%
Williams and Cummings Veterinary Group	England and Wales	Ordinary	100%	100%
WellPets Animal Care Limited	England and Wales	Ordinary	100%	100%
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 Clinic (NI) Limited	Northern Ireland	Ordinary	100%	100%
PVG (Fife) Limited	Scotland	Ordinary	100%	100%
Robson & 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%	100%
Blenheim Veterinary Centre Limited	England and Wales	Ordinary	100%	100%
Kirks Vets Ltd	England and Wales	Ordinary	100%	100%
Ardene House Vet Practice Limited	Scotland	Ordinary	100%	100%
Beeches Veterinary Centre Limited	England and Wales	Ordinary	100%	100%

INDEPENDENT VETCARE LIMITED

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

11 Investments held as fixed assets (continued)

Shipley Vets Limited	England and Wales	Ordinary	100%	100%
Brownlow Veterinary Group Limited	England and Wales	Ordinary	100%	100%
Victoria Veterinary Practice Limited	England and Wales	Ordinary	100%	100%
Parkvets Limited	England and Wales	Ordinary	100%	100%
My Vet Limited			100%	100%
Haughley Veterinary Centre Ltd	England and Wales	Ordinary	100%	100%
Moorview Veterinary Practice Limited	England and Wales	Ordinary	100%	100%
Usk Veterinary Centre Limited	England and Wales	Ordinary	100%	100%
Cardiff Pet Health Limited	England and Wales	Ordinary	100%	100%
Summerhill Veterinary Centre Limited	England and Wales	Ordinary	100%	100%
IVC Topco Limited *	England and Wales	Ordinary	100%	100%

* 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.

The registered office for all companies registered in England and Wales is The Chocolate Factory, Keynsham, Bristol BS31 2AU. The registered office for all companies registered in Scotland is 58 Argyle Street, Inverness IV2 3BB. The registered office for all companies registered in Northern Ireland is 133 Galgorm Road, Ballymena BT42 1DE. The registered office for all companies registered in the Isle of Man is 33-37 Athol Street, Douglas, Isle of Man IM1 1LB.

12 Stocks

	2018	2017
	£	£
Goods for resale	<u>7,867,775</u>	<u>3,983,347</u>

The cost of stocks recognised as an expense in the year amounted to £63,592,602 (2017 - £41,886,092) and relates to the sale of goods and rendering of services.

INDEPENDENT VETCARE LIMITED

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

13 Debtors

	Note	2018 £	As restated See note 2 2017 £
Trade debtors		24,265,856	10,462,425
Amounts owed by group undertakings		18,378,504	37,158,594
Other debtors		12,792,674	6,325,143
Prepayments		5,587,317	3,382,727
Deferred tax assets	8	607,725	409,128
Corporation tax asset		2,425,210	678,821
		<u>64,057,286</u>	<u>58,416,838</u>

Amounts owed from group undertakings are repayable on demand and carry interest at 4.7% per annum.

14 Creditors

	Note	2018 £	As restated See note 2 2017 £
Due within one year			
Amounts owed to group undertakings		691,206,165	320,379,921
Loans and borrowings	15	790,326	390,179
Trade creditors		37,945,470	20,887,320
Social security and other taxes		10,700,175	7,678,158
Other creditors		21,789,644	7,560,358
Accrued expenses		16,621,090	8,977,568
Deferred income		6,655	8,519
		<u>779,059,525</u>	<u>365,882,023</u>
Due after one year			
Loans and borrowings	15	<u>1,384,492</u>	<u>903,066</u>

Other creditors due within one year includes deferred consideration of £2,625,864 (2017 - £2,922,514) in relation to acquisitions. These balances are held at fair value and have not been discounted by the company's cost of borrowing as the time value of money was not significant

Amounts owed to group undertakings are repayable on demand and carry interest at 4.7% per annum. There is no intention of the shareholder or other group undertakings to recall the balance within the next year.

INDEPENDENT VETCARE LIMITED

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

15 Loans and borrowings

	2018 £	2017 £
Current loans and borrowings		
Bank overdrafts	193,955	-
Finance lease liabilities	596,371	390,179
	<u>790,326</u>	<u>390,179</u>
 Non-current loans and borrowings	 2018 £	 2017 £
Finance lease liabilities	1,384,492	903,066

16 Share capital and reserves

Allotted, called up and fully paid shares

	2018 No.	£	2017 No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

17 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	596,371	390,179
Later than one year and not later than five years	1,384,492	903,066
	<u>1,980,863</u>	<u>1,293,245</u>

Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	14,043,775	9,839,508
Later than one year and not later than five years	48,975,027	35,038,980
Later than five years	65,776,069	46,158,821
	<u>128,794,871</u>	<u>91,037,309</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £11,856,012 (2017 - £6,822,389).

INDEPENDENT VETCARE LIMITED

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

18 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 £2,375,059 (2017 - £898,911).

Contributions totalling £1,113,365 (2017 - £128,115) were payable to the scheme at the end of the period and are included in creditors.

19 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 2018 is £840,346,904 (2017 - £458,542,126) and is secured by a debenture over the assets and undertakings of certain companies in the group.

20 Parent and ultimate parent undertaking

The company is controlled by IVC Acquisition Limited, a company registered in England and Wales. Up to 12 February 2019, the ultimate parent undertaking was Browne Holding SARL, incorporated in Luxembourg. Since 12 February 2019, the ultimate parent undertaking is IVC New TopHolding S.A., a company registered in Luxembourg.

The parent of the largest group in which these financial statements are consolidated is IVC Acquisition Topco Limited, incorporated in England and Wales.

The address of IVC Acquisition Topco Limited is:
The Chocolate Factory, Keynsham, Bristol BS31 2AU.

The parent of the smallest group in which these financial statements are consolidated is IVC Acquisition Midco Limited, incorporated in England and Wales.

The address of IVC Acquisition Midco Limited is:
The Chocolate Factory, Keynsham, Bristol BS31 2AU.

21 Non adjusting events after the financial period

After the year end, the company acquired the entire share capital of Vets Now Limited, Kernow Veterinary Group Limited and Westmorland Veterinary Services Limited. The company also acquired the trade and assets of Pool House Veterinary Group. The total consideration payable in respect of these acquisitions amounted to £107,408,520.

The company also acquired 57 other companies and businesses after the year end which are deemed to be immaterial to disclose. The total consideration payable in respect of these acquisitions amounted to £172,092,166.

On 12 February 2019, IVC New TopHolding S.A., a company registered in Luxembourg, replaced Browne Holding SARL as the ultimate parent company.

22 Related party transactions

The company has taken advantage of the exemption available and has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary of the group.