Bolagsverket
2022 -04- 12

20220412130114537

Årsredovisning

Evidensia Djursjukvård AB

Org.nr 556880-7217

Räkenskapsår 2020-10-01 - 2021-09-30

Fastställelseintyg

Undertecknad styrelseledamot i Evidensia Djursjukvård AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2022-03-31. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm 2022-03-31

Johan Viklund

20220413014538

Årsredovisning

Evidensia Djursjukvård AB

Org.nr 556880-7217

Räkenskapsår 2020-10-01 - 2021-09-30

20220413014359

Årsredovisning för räkenskapsåret 2020-10-01 - 2021-09-30

Styrelsen och verkställande direktören för Evidensia Djursjukvård AB avger följande årsredovisning.

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Styrelsens säte: Stockholm
Företagets redovisningsvaluta: Svenska kronor (SEK).
Alla belopp redovisas, om inget annat anges, i tusentals kronor (Tkr). Till följd av detta kan avrundningsdifferenser förekomma.

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Förvaltningsberättelse

Information om verksamheten
Evidensia startade under år 2012 när några av Sveriges äldsta och främsta djursjukhus och deras kliniker gick samman. Med gemensamma värderingar och liknande arbetssätt bestämde vi oss för att göra gemensam sak för att kunna erbjuda den allra bästa vården till landets alla sällskapsdjur.

År 2017 köpte IVC (Independent Vetcare) Evidensia. IVC grundades 2011 och har vuxit snabbt genom att erbjuda veterinärer en unik och innovativ arbetsmiljö. Till den gemenskapen har sedan de finaste djursjukhusen och djurklinikerna i snabb takt valt att ansluta sig. Idag är vi inom koncernen ca 1 700 djursjukhus och djurkliniker i 17 länder och är Europas största veterinärmedicinska kedja med över 6,5 miljon behandlade djur per år.

Visionen är att Evidensia skall erbjuda den mest avancerade djursjukvården i Europa. Med ett utpräglat medicinskt kvalitetsfokus skall Evidensia av djurägarna uppfattas som den mest högkvalitativa vårdgivaren i allt från basvård till de mest avancerade vårdinsatserna.

Ägarna delar Evidensias vision - att fortsätta driva den veterinärmedicinska utvecklingen framåt till förmån för både djur, djurägare och medarbetare.

Bolaget har sitt säte i Stockholm, Stockholms län.

Väsentliga händelser under räkenskapsåret
Under räkenskapsåret har det genomförts en fusion av dotterbolagen i Schweiz. Bolaget har även under årets skrivit av interna lån mot dotterbolagen i Finland samt gjort aktieägartillskott till dotterbolagen i Nederländerna.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer
Bolaget fortsätter sin strategi att växa genom strategiska förvärv, så under 2021/2022 kan vi fortsatt se selektiva förvärv av högkvalitativa enheter.

Bolaget och dess dotterbolag är exponerade för finansiella risker i form av kreditrisk. Kreditrisken hanteras genom kreditprövning för nya kunder och löpande uppföljning av utestående fordringar.

I händelse av lokalt sjukdomsutbrott kopplat till den rådande COVID-19-pandemin kan det innebära störningar i bolagets operativa dotterbolags leveranskapacitet. Stort fokus under under kommande räkenskapsår kommer fortsatt att vara på att tillse tillräcklig bemanning i dotterbolagen för att kunna möta rådande efterfrågan.

Forskning och utveckling
Inom Evidensia bedrivs omfattande forskning och utbildning inom veterinärmedicin. Utvecklingen sker hela tiden i mycket nära samarbete med djurägarna och deras organisationer. Med betydande kompetens, erfarenheter och resurser drivs forskningen framåt och bidrar till nytta och trygghet till förmån för djur, djurägare och hela veterinäryrkesgruppen. Evidensia bedriver klinisk forskning inom flera områden, vilket bland annat har lett till nya behandlingsmetoder som används världen över.

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Tillstånds- eller anmälningspliktig verksamhet enligt miljöbalken
Bolaget bedriver tillståndspliktig verksamhet enligt miljöbalken. Tillståndet har beviljats av Strålsäkerhetsmyndigheten och avser veterinärmedicinsk utrustning för röntgendiagnostik samt öppna strålkällor.

Ägarförhållanden
Evidensia Djursjukvård AB (org. nr. 556880-7217) är ett helägt dotterbolag till Evidensia Djursjukvård Holding AB (org. nr. 556880-7225), med säte i Stockholm. Detta är i sin tur helägt dotterbolag till Evidensia Acquisition AB (org.nr 556980-3132), med säte i Hallstahammar och som i sin tur är helägt dotterbolag till Evidensia Holding AB (org.nr 556980-3140), med säte i Hallstahammar.

Koncernens moderbolag är Islay New Group Holding S.A (org.nr. B225223) med säte i Luxemburg.

Flerårsöversikt (Tkr)	**2020/21**	**2019/20**	**2018/19**	**2017/18**	**2017** (9 mån)
Nettoomsättning	84 359	38 154	29 385	18 766	42 653
Resultat efter finansiella poster	-280 931	-62 050	-67 780	-93 728	-137 361
Balansomslutning	4 409 782	3 824 064	3 715 953	3 048 973	2 592 018
Antal anställda	23	20	14	11	17
Soliditet (%)	5,8	14,7	15,3	17,9	24,6

Förändring av eget kapital (Tkr)

	Aktie-kapital	**Fond för utv.utgifter**	**Överkurs-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	50	41 450	51 564	475 242	-6 737	**561 569**
Disposition enligt beslut av årets årsstämma				-6 737	6 737	**0**
Omföring från fond för utvecklingsutgifter		-6 228		6 228		**0**
Årets resultat					-306 722	**-306 722**
Belopp vid årets utgång	**50**	**35 222**	**51 564**	**474 733**	**-306 722**	**254 847**

Förslag till vinstdisposition
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	474 734 550
överkursfond	51 563 645
årets förlust	-306 722 325
	219 575 870
disponeras så att	
i ny räkning överföres	219 575 870

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Resultaträkning
Tkr

	Not	2020-10-01 -2021-09-30	2019-10-01 -2020-09-30
Nettoomsättning		84 359	38 154
		84 359	**38 154**
Rörelsens kostnader			
Övriga externa kostnader	2	-314 021	-43 273
Personalkostnader	3	-47 495	-11 226
Avskrivningar av materiella och immateriella anläggningstillgångar		-9 807	-4 447
		-371 324	**-58 946**
Rörelseresultat		**-286 965**	**-20 792**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	4	142 071	98 366
Räntekostnader och liknande resultatposter	5	-136 037	-139 624
		6 034	**-41 258**
Resultat efter finansiella poster		**-280 931**	**-62 050**
Bokslutsdispositioner	6	0	58 500
Resultat före skatt		**-280 931**	**-3 550**
Skatt på årets resultat		-25 792	-3 187
Årets resultat		**-306 722**	**-6 737**

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Balansräkning Tkr	**Not**	**2021-09-30**	**2020-09-30**
TILLGÅNGAR			
Anläggningstillgångar			
Immateriella anläggningstillgångar			
Balanserade utgifter för utvecklingsarbete och liknande arbete	7	35 221	41 450
Övriga immateriella anläggningstillgångar	8	686	1 077
		35 907	**42 527**
Materiella anläggningstillgångar			
Maskiner och andra tekniska anläggningar	9	1 078	1 569
Finansiella anläggningstillgångar			
Andelar i koncernföretag	10	3 690 884	2 225 465
Fordringar hos koncernföretag	11	203 100	1 427 240
Uppskjuten skattefordran	12	0	16 433
		3 893 984	**3 669 138**
Summa anläggningstillgångar		**3 930 969**	**3 713 234**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		432 824	7 141
Aktuella skattefordringar		0	10 937
Övriga fordringar		14 600	3 642
Förutbetalda kostnader och upplupna intäkter		2 685	4 317
		450 109	**26 037**
Kassa och bank		28 704	84 793
Summa omsättningstillgångar		**478 813**	**110 830**
SUMMA TILLGÅNGAR		**4 409 782**	**3 824 064**

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Balansräkning
Tkr

	Not	2021-09-30	2020-09-30
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		50	50
Fond för utvecklingsutgifter		35 221	41 450
		35 271	**41 500**
Fritt eget kapital			
Överkursfond		51 564	51 564
Balanserad vinst eller förlust		474 734	475 242
Årets resultat		-306 722	-6 737
		219 576	**520 069**
Summa eget kapital		**254 847**	**561 569**
Långfristiga skulder	13		
Skulder till koncernföretag		4 069 999	2 537 122
Kortfristiga skulder			
Leverantörsskulder		4 908	1 203
Skulder till koncernföretag		42 781	682 411
Aktuella skatteskulder		9 613	0
Övriga skulder		1 261	34 801
Upplupna kostnader och förutbetalda intäkter		26 373	6 958
Summa kortfristiga skulder		**84 936**	**725 373**
SUMMA EGET KAPITAL OCH SKULDER		**4 409 782**	**3 824 064**

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Noter
Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Omräkning av utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Ersättning i form av ränta, royalty eller utdelning redovisas som intäkt när det är sannolikt att företaget kommer att få de ekonomiska fördelar som är förknippade med transaktionen och när inkomsten kan beräknas på ett tillförlitligt sätt.

Immateriella tillgångar
Företaget redovisar internt upparbetade immateriella anläggningstillgångar enligt aktiveringsmodellen. Det innebär att samtliga utgifter som avser framtagandet av en internt upparbetad immateriell anläggningstillgång aktiveras och skrivs av under tillgångens beräknade nyttjandeperiod, under förutsättningarna att kriterierna i BFNAR 2012:1 är uppfyllda.

Anläggningstillgångar
Immateriella och materiella anläggningstillgångar redovisas till anskaffningsvärde minskat med ackumulerade avskrivningar enligt plan och eventuella nedskrivningar.

Avskrivning sker linjärt över den förväntade nyttjandeperioden med hänsyn till väsentligt restvärde.
Följande avskrivningsprocent tillämpas:

Immateriella anläggningstillgångar	
Balanserade utgifter för utvecklingsarbeten	20 %
Övriga immateriella anläggningstillgångar	20 %
Materiella anläggningstillgångar	
Maskiner och andra tekniska anläggningar	20 %
Datorer	33 %

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Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Andelar i dotterföretag
Andelar i dotterföretag redovisas till anskaffningsvärde efter avdrag för eventuella nedskrivningar. I anskaffningsvärdet ingår köpeskillingen som erlagts för aktierna samt förvärvskostnader. Eventuella kapitaltillskott läggs till anskaffningsvärdet när de uppkommer.

Andra långfristiga värdepappersinnehav
Placeringar i värdepapper som är anskaffade med avsikt att innehas långsiktigt har redovisats till sina anskaffningsvärden. Varje balansdag görs bedömning om eventuellt nedskrivningsbehov.

Kundfordringar/kortfristiga fordringar
Kundfordringar och kortfristiga fordringar redovisas som omsättningstillgångar till det belopp som förväntas bli inbetalt efter avdrag för individuellt bedömda osäkra fordringar.

Låneskulder och leverantörsskulder
Låneskulder och leverantörsskulder redovisas initialt till anskaffningsvärde efter avdrag för transaktionskostnader. Skiljer sig det redovisade beloppet från det belopp som ska återbetalas vid förfallotidpunkten periodiseras mellanskillnaden som räntekostnad över lånets löptid med hjälp av instrumentets effektivränta. Härigenom överensstämmer vid förfallotidpunkten det redovisade beloppet och det belopp som ska återbetalas.

Kvittning av finansiell fordran och finansiell skuld
En finansiell tillgång och en finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast då legal kvittningsrätt föreligger samt då en reglering med ett nettobelopp avses ske eller då en samtida avyttring av tillgången och reglering av skulden avses ske.

Nedskrivningsprövning av finansiella anläggningstillgångar
Vid varje balansdag bedöms om det finns indikationer på nedskrivningsbehov av någon av de finansiella anläggningstillgångarna. Nedskrivning sker om värdenedgången bedöms vara bestående och prövas individuellt.

Leasingavtal
Företaget redovisar samtliga leasingavtal, såväl finansiella som operationella, som operationella leasingavtal. Operationella leasingavtal redovisas som en kostnad linjärt över leasingperioden.

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Inkomstskatter
Total skatt utgörs av aktuell skatt och uppskjuten skatt. Skatter redovisas i resultaträkningen, utom då underliggande transaktion redovisas direkt mot eget kapital varvid tillhörande skatteeffekter redovisas i eget kapital.

Aktuell skatt
Aktuell skatt avser inkomstskatt för innevarande räkenskapsår samt den del av tidigare räkenskapsårs inkomstskatt som ännu inte redovisats. Aktuell skatt beräknas utifrån den skattesats som gäller per balansdagen.

Uppskjuten skatt
Uppskjuten skatt är inkomstskatt som avser framtida räkenskapsår till följd av tidigare händelser. Redovisning sker enligt balansräkningsmetoden. Enligt denna metod redovisas uppskjutna skatteskulder och uppskjutna skattefordringar på temporära skillnader som uppstår mellan bokförda respektive skattemässiga värden för tillgångar och skulder samt för övriga skattemässiga avdrag eller underskott.

Uppskjutna skattefordringar nettoredovisas mot uppskjutna skatteskulder endast om de kan betalas med ett nettobelopp. Uppskjuten skatt beräknas utifrån gällande skattesats på balansdagen. Effekter av förändringar i gällande skattesatser resultatförs i den period förändringen lagstadgats. Uppskjuten skattefordran redovisas som finansiell anläggningstillgång och uppskjuten skatteskuld som avsättning.

Uppskjuten skattefordran avseende underskottsavdrag eller andra framtida skattemässiga avdrag redovisas i den omfattning det är sannolikt att avdragen kan avräknas mot framtida skattemässiga överskott.

På grund av sambandet mellan redovisning och beskattning särredovisas inte den uppskjutna skatteskulden som är hänförlig till obeskattade reserver.

Ersättningar till anställda
Ersättningar till anställda avser alla former av ersättningar som företaget lämnar till de anställda. Kortfristiga ersättningar utgörs av bland annat löner, betald semester, betald frånvaro, bonus och ersättning efter avslutad anställning (pension). Kortfristiga ersättningar redovisas som kostnad och en skuld då det finns en legal eller informell förpliktelse att betala ut en ersättning till följd av en tidigare händelse och en tillförlitlig uppskattning av beloppet kan göras.

Ersättningar till anställda efter avslutad anställning
I företaget finns endast avgiftsbestämda pensionsplaner. Som avgiftsbestämda planer klassificeras planer där fastställda avgifter betalas och det inte finns förpliktelser att betala något ytterligare, utöver dessa avgifter.

Utgifter för avgiftsbestämda planer redovisas som en kostnad under den period de anställda utför de tjänster som ligger till grund för förpliktelsen.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

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Koncernförhållanden
Företaget är moderföretag men med hänvisning till undantagsreglerna i årsredovisningslagen 7 kap 2§ upprättas ingen egen koncernredovisning.

Det överordnade moderföretaget IVC Acquisition Midco Limited, org nr 10510862 med säte i Bath, England, upprättar koncernredovisning för den minsta koncernen där Evidensia Djursjukvård AB ingår.

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader, men före skatter.

Balansomslutning
Företagets samlade tillgångar.

Antal anställda
Medelantal anställda under räkenskapsåret.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

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Not 2 Exceptionella kostnader

	2020-10-01 -2021-09-30	2019-10-01 -2020-09-30
Eftergift av koncernfordran	255 053	0
	255 053	**0**

Bolaget har under året skrivit av interna lån mot dotterbolag i Finland.

Not 3 Medelantalet anställda

	2020-10-01 -2021-09-30	2019-10-01 -2020-09-30
Medelantalet anställda	23	20

Not 4 Övriga ränteintäkter och liknande resultatposter

	2020-10-01 -2021-09-30	2019-10-01 -2020-09-30
Ränteintäkter från koncernföretag	80 949	95 310
Övriga ränteintäkter	0	210
Kursdifferenser	61 122	2 846
	142 071	**98 366**

Not 5 Räntekostnader och liknande resultatposter

	2020-10-01 -2021-09-30	2019-10-01 -2020-09-30
Räntekostnader till koncernföretag	-135 672	-139 624
Övriga räntekostnader	-365	0
	-136 037	**-139 624**

Not 6 Bokslutsdispositioner

	2020-10-01 -2021-09-30	2019-10-01 -2020-09-30
Mottagna koncernbidrag	0	58 500
	0	**58 500**

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Not 7 Balanserade utgifter för utvecklingsarbete och liknande arbete

	2021-09-30	2020-09-30
Ingående anskaffningsvärden	46 763	0
Inköp	2 613	19 930
Omklassificeringar	0	26 833
Utgående ackumulerade anskaffningsvärden	**49 376**	**46 763**
Ingående avskrivningar	-5 313	0
Omklassificeringar	0	-1 891
Årets avskrivningar	-8 841	-3 423
Utgående ackumulerade avskrivningar	**-14 154**	**-5 314**
Utgående redovisat värde	**35 222**	**41 449**

Not 8 Övriga immateriella anläggningstillgångar

	2021-09-30	2020-09-30
Ingående anskaffningsvärden	2 349	29 182
Omklassificeringar	0	-26 833
Utgående ackumulerade anskaffningsvärden	**2 349**	**2 349**
Ingående avskrivningar	-1 272	-2 770
Omklassificeringar	0	1 891
Årets avskrivningar	-392	-392
Utgående ackumulerade avskrivningar	**-1 664**	**-1 271**
Utgående redovisat värde	**685**	**1 078**

Not 9 Maskiner och andra tekniska anläggningar

	2021-09-30	2020-09-30
Ingående anskaffningsvärden	3 126	1 554
Inköp	83	1 572
Utgående ackumulerade anskaffningsvärden	**3 209**	**3 126**
Ingående avskrivningar	-1 557	-924
Årets avskrivningar	-574	-633
Utgående ackumulerade avskrivningar	**-2 131**	**-1 557**
Utgående redovisat värde	**1 078**	**1 569**

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Not 10 Andelar i koncernföretag

	2021-09-30	2020-09-30
Ingående anskaffningsvärden	2 316 350	2 094 525
Inköp	40 395	221 825
Aktieägartillskott	1 425 023	0
Utgående ackumulerade anskaffningsvärden	**3 781 768**	**2 316 350**
Ingående nedskrivningar	-90 885	-90 885
Utgående ackumulerade nedskrivningar	**-90 885**	**-90 885**
Utgående redovisat värde	**3 690 883**	**2 225 465**

Not 11 Fordringar hos koncernföretag

	2021-09-30	2020-09-30
Ingående anskaffningsvärden	1 427 240	1 576 868
Tillkommande fordringar	0	26 953
Avgående fordringar	-1 224 140	-176 581
Utgående ackumulerade anskaffningsvärden	**203 100**	**1 427 240**
Utgående redovisat värde	**203 100**	**1 427 240**

Not 12 Uppskjuten skattefordran

	2021-09-30	2020-09-30
Ingående bokfört värde	16 433	19 603
Avgående fordringar	-16 433	-3 170
Utgående bokfört värde	**0**	**16 433**
Utgående redovisat värde	**0**	**16 433**

Räkenskapsåret 17/18 återlade bolaget koncerninterna räntekostnader som en ej avdragsgill kostnad. Då ny information framkom rörande koncernmoderns skattemässiga status gjorde bolaget en ny bedömning att de koncerninterna räntorna därmed är avdragsgilla. En omprövning på inkomstdeklarationen för inkomståret 17/18 skickades till Skatteverket. Beslut från Skatteverket erhölls under 2021 där avdrag för de koncerninterna räntekostnader medgavs, därmed har den uppskjutna skatten återförts.

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Not 13 Långfristiga skulder

	2021-09-30	2020-09-30
Långfristiga skulder som förfaller senare än 5 år efter balansdagen	4 069 999	2 537 122
	4 069 999	**2 537 122**

Stockholm 2022- 03-16

Johan Viklund
Ordförande

Mark Gillings

Elin Risbecker

Russell Trenter
Verkställande direktör

Vår revisionsberättelse har lämnats 2022-03-30
Deloitte AB

Anders Rinzén
Auktoriserad revisor

20220413014473

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Evidensia Djursjukvård AB
organisationsnummer 556880-7217

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Evidensia Djursjukvård AB för räkenskapsåret 2020-10-01 - 2021-09-30.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Evidensia Djursjukvård ABs finansiella ställning per den 30 september 2021 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Evidensia Djursjukvård AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

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- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Evidensia Djursjukvård AB för räkenskapsåret 2020-10-01 - 2021-09-30 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Evidensia Djursjukvård AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Umeå 2022-03- 30

Deloitte AB

Anders Rinzén
Auktoriserad revisor

Fotokopians överensstämmelse med originalet intygas:

Registration number: 10510800

IVC Acquisition Pikco Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 30 September 2021

IVC Acquisition Pikco Limited

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IVC Acquisition Pikco Limited

Company Information

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P G Franzen
M A Gillings
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Registered number

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IVC Acquisition Pikco Limited

Strategic Report for the Year Ended 30 September 2021

The directors present their Strategic Report together with the audited consolidated financial statements for IVC Acquisition Pikco Ltd ("the Company") and its subsidiaries ("the Group") for the year ended 30 September 2021. This Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to IVC Acquisition Pikco Ltd and its subsidiary undertakings when viewed as a whole.

In this document references to "the Company Board" are to the board of directors of the Company. References to the Group Board are to the board of directors of the IVC Evidensia group of companies.

Strategy and progress

IVC Acquisition Pikco Ltd is an investment holding company of IVC Evidensia. It indirectly owns 1,844 sites (2020: 1,536) of vet practices, crematoria and associated operations across the United Kingdom and Europe through a number of subsidiaries. During the year, the Group continued its expansion plans and entered the United States, Canada, Spain, Portugal, Poland and the Czech Republic.

What the IVC Evidensia Group does is driven by the Group's mission and informed by its core values.

Vision
Our vision is to create the world's best veterinary group.

Mission
Our mission is to bring people together to make animal care better.

Purpose
Our purpose is to ensure healthy animals and happy owners.

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

Key Principles

The Key Principles determine how the business is operated for our veterinary staff:

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

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

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

An independent spirit
Our practices are at the heart of our communities and the Group wants it to stay that way. The Group always keeps the spirit of the original practice intact.

Key Principles (continued)

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

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

Group Strategy

The Group's strategy is to build the highest quality veterinary services group by the acquisition of high-quality groups and practices, whilst continuing to grow existing practices organically. Encouraging practices to join the Group's network increases its purchasing power and economies of scale, allowing investment into existing and new surgeries. The Group can then offer customers access to a greater range of treatments.

Ensuring excellent care, client satisfaction and staff fulfilment leads to sustainable and flourishing practices. The practices are predominantly locally-branded and led by clinically focused staff benefiting from enhanced buying, marketing, training and back-office support.

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

For more on the Group's ethical statement and how the directors apply this strategy with all stakeholders in mind, please refer to the s172 statement on page 11.

Acquisitions are funded by a combination of funds from trading cash flows from subsidiaries and debt facilities. In April 2021, the Group refinanced its bank facilities with a new revolving credit facility of £348m to fund a strong near-term acquisition pipeline. The funding is shown on the Consolidated Statement of Financial Position and in the respective notes to the financial statements. Further refinancing was performed in November 2021, see page 128 and note 32 for more information.

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

Review of the business

The results for the year which are set out in the Consolidated Statement of Profit or Loss show an operating profit of £195M (2020: £91M) and a loss before tax of £44M (2020: £85M). The losses are mainly because of the level of interest charges to service the Group's intercompany (£77M) and external debt (£99M), which are not fully covered by operating profits. Revenue was £1,771M (2020: £1,311M) and includes £256M related to acquisitions made during the financial year and now the full year impact of acquisitions made in the prior financial year.

Adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and other costs) is the main profit measure reviewed by management and was £373M (2020: £220M) (see note 35 for the reconciliation to statutory reported profit and page 50 for the accounting policy).

During the prior year, the Group took advantage of certain Covid-19 government initiatives across Europe and received £19M of government support. There was only £0.5M taken in the current year.

As at 30 September 2021, the Group had total assets less current liabilities of £3,320M (2020: £2,738M) and net liabilities of £22M (2020: net asset of £49M).

Review of the business (continued)

The results for the year were encouraging with good progress made on delivering the Group's strategy. Full-year results were ahead of management expectations due to a combination of strong organic performance and higher acquisition activity.

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to several risks as outlined within the table below.

IVC Evidensia Group's approach to risk management aims to ensure that the internal control environment is appropriate for the associated risks and therefore minimises potential damage to the group's financial position or reputation.

The Company Board's aim is to embed enterprise risk management as an integral part of ongoing business activities, ensuring that effective arrangements are in place for the robust management of risks. The Group encourages transparency of risks. Risks are escalated, depending on their severity through various levels of management, including Country Leadership Teams, the Senior Leadership Team, the Executive Committee, the Company Board and ultimately the Group Board.

The Group has a Risk Management Policy that sets out the framework and roles and responsibilities for risk management. This Policy is reviewed and re-approved by the Group Board at least every three years.

Principal Risks

Principal Risks are single risks or a combination of connected risks that can seriously affect the performance, future prospects or reputation of IVC Acquisition Pikco Ltd and/or the wider IVC Evidensia Group, including those risks that would threaten its business model, future performance, solvency or liquidity.

Principal Risks are identified, reviewed and managed through the Executive Risk and Controls Group (ERCG), with each Principal Risk assigned an executive level owner and reviewed on a quarterly basis, including mitigation actions.

Principal Risks	Risk Description	How is the Risk being Managed?
Business disruption events and the risk of general economic downturn.	Business disruption can be caused by several internal and external factors, including a general economic downturn. During the last year, global and local economies have been disrupted by notable events including Covid 19 and the United Kingdom's withdrawal from the European Union ('Brexit').	• A Crisis Management team has been set up to respond to manage the Covid-19 pandemic, through the "COVID Task Force". • The business continues to monitor economic conditions in key markets and respond accordingly.

Principal risks and uncertainties (continued)

Mergers & Acquisitions	The Group has achieved successful growth through its strategic approach to be the acquirer of choice. The business may fail to meet its strategic objectives if it fails to continue to execute its acquisition strategy. As the business further diversifies its acquisitions strategy and approach, there are greater risks that it may fail to deliver this strategy or achieve a positive return on investment on such acquisitions	• The business has developed a proven "Day 1" integration strategy where material synergies are immediately available for newly acquired sites. • The business also has a proven process for identifying Greenfield opportunities and smoothly executing their implementation. • An audit of critical controls and of risks within the acquisitions process has been included within the 2021 internal audit plan.
Attracting and retaining veterinarians, clinical staff, and key corporate roles.	The global shortage of qualified and trained veterinary specialists and increasing competition for those candidates may result in challenges recruiting veterinarians and other clinical staff. The continued growth and success of the business also requires the attraction and retention of talent in key corporate roles.	• Several short-, medium-, and longer-term initiatives are in progress or are being considered to address this risk. • A pipeline of talent will continue to be built through the Group's own Graduate Academy. • The Executive was strengthened during the previous financial year with a new Chief Executive Officer, Chief Financial Officer, HR Director and Chief Marketing Officer while further experienced talent has been recruited in functional support areas of Legal & Compliance, Data Privacy, Risk Management & Internal Audit, Information Security, Reward and Sustainability during this financial year.
Cyber Security and Data Privacy Compliance	Breaches of the business' IT systems or inappropriate disclosure of confidential company or personal information could have a material impact on the business' operations and reputation. The business is also subject to a range of privacy laws and regulations and the failure to comply with those regulations could result in financial penalties and reputational damage.	• An experienced Head of Cyber Security has been appointed and has implemented an Information security improvement programme, including the recruitment of key cyber security roles within IT. • A Data Protection Officer / Head of Compliance has also been hired and has established a partnership with the Head of Cyber Security, delivering an integrated Information Security and Data Privacy roadmap. • An Executive Steering Group has been established to govern both programmes. • A range of cyber security technical controls have been implemented to further protect the business from a cyber-attack and to lessen the impacts of such an incident. • A maturity assessment has been conducted to measure the business' current and future-state cyber security maturity and benchmarked against similar sized peers.

Principal risks and uncertainties (continued)

Regulation	The business is subject to a wide-ranging and rapidly evolving range of regulatory requirements affecting large global organisations. There are also changes to the regulatory landscape within the veterinary industry, driven in part by Brexit.	• A broad based compliance program is in place to address corporate compliance requirements, including anti-bribery & corruption, anti-money laundering, and anti-modern slavery. • An updated policy suite has been published together with a new Code of Conduct. • The impact of both current and future regulatory changes within the industry are being actively monitored by the Executive Risk and Controls Group ("ECRG").
Corporate Governance	The business needs to ensure that it has an appropriate corporate governance structure in place in line with best practices and standards to ensure its continued sustainable growth and achievement of objectives. Suitable risk management processes are also critical to support the achievement of the group's objectives through the early and robust identification and treatment of risks.	• Comprehensive advice has been sought and provided by both legal and strategic advisors. • The business has subsequently adopted the Wates Principles for Large Private Companies (See p8). • A permanent Director of Risk Management and Internal Audit has been appointed. • The appointment of a new independent Chair of the Audit and Risk Committee, with an extensive background in financial reporting and executive management. • The Executive Risk Control Group chaired by the Chief Financial Officer to manage & mitigate Principal Risks meets every three months or ad hoc when necessary.
Financial Controls incl. Breach of Banking Covenants	If the business had inadequate financial controls, it would increase the opportunity for fraud. Similarly, inadequate financial controls could result in the breach of financial covenants, potentially resulting in penalties and/ or damage to the relationship with key financial partners.	• A comprehensive risk assessment has been conducted by the business' strategic advisors. • A process and controls mapping and gap analysis exercise has been completed to identify any potential areas of fraud. • A financial controls audit has been included within the 2021 Internal Audit Plan. • Actual and forecast leverage is monitored monthly to identify trends and prompt appropriate action is taken as necessary. • Month and year end financial close processes are closely monitored by the Support Office.

Principal risks and uncertainties (continued)

IT Systems Stability	Failures of the Group's information technology systems, including failures resulting from systems conversions, may disrupt the Group's operations and/or cause the loss of customers or business opportunities.	• The business has an overarching Disaster Recovery policy and plan including procedures for activation in the event of a major failure. • Critical systems each have system recovery plans detailing procedures required to restore service in line with business agreed targets. • The testing frequency is determined by criticality of system.
Market Conditions and Competitor Impact	While market trends remain favourable, there could be an unforeseen market change. Economic and consumer landscapes have drastically changed during the financial year causing both temporary and potentially long-term shifts.	• Competitor activity is closely monitored by Finance and reported to the Executive monthly. • Consumer trends in our industry are monitored continuously by the Marketing team to enable the Executive to anticipate and respond agilely to changing consumer habits.

Key performance indicators

Given the nature of the business, the Group's directors are of the opinion that key performance indicators are important. The Group uses several indicators to monitor and improve the development, performance and the position of the business. Indicators are reviewed and altered to meet changes in both the internal and external environments. The three main Key Performance Indicators are reported and reviewed are like for like sales, the number of acquisitions during the year and the increase in adjusted EBITDA. These are reported on page 3 and in note 35. The Group's directors are pleased to announce that the like for like sales grew by 15.3% (2020: 6.7%) and the number of acquisitions in the year was 156 (2020: 141), adding 308 (2020: 230) sites to the Group. Adjusted EBITDA increased by 69.12% (2020: 67.33%) as a result of both this acquisition growth and strong organic growth.

Statement of Corporate Governance Arrangements

As a large privately owned company, the company's parent group, IVC Evidensia, has adopted the 'Wates Corporate Governance Principles for Large Companies' ("the Wates Principles") as its governing code, as provided for under The Companies (Miscellaneous Reporting) Regulations 2018 (SI 2018/860), to report on its arrangements for corporate governance. The Company Board together with the Group Board, recognises the importance of good governance.

The Wates Principles comprise a set of six high level principles of corporate governance as set out below and provide a framework for the Group's Board and senior management to monitor its corporate governance. The Wates Principles have been chosen as they provide an approach to corporate governance that offers sufficient flexibility without being overly prescriptive. The Group has seen rapid growth and the Wates Principles offer an effective means to ensure that an appropriate corporate governance framework is in place. The Company has a plan to develop governance over the next 24 months. This includes clear policies and processes and for the year ended 2021 whilst not all aspects have been completed the Company made significant progress and is committed to delivering further improvements in FY22.

The Company is reporting against the Wates Principles on the "apply and explain" approach set out in the Wates Principles, on a consistent basis across its group companies that meet the threshold of a large company, under The Companies (Miscellaneous Reporting) Regulations 2018 (SI 2018/860).

Principle One

An effective board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.

As set out on page 2 our purpose is to ensure healthy animals and happy owners. Our values- to care, to share and to dare and our key principles (see pages 2 and 3 for both) are aligned to that purpose in focusing on exceptional veterinary services and customer satisfaction. By putting patients first and making significant investment in training and innovation we seek to expand continuously and to improve current veterinary service offerings to the benefit of patients and customers.

The Group strategy of growing organically and through acquisition of high-quality veterinary practices ensures our services grow in depth and in breadth as our coverage expands nationally and internationally.

Members of the Group Board, in addition to the Company's Board and senior management, take a close interest in operational matters and rigorously challenge strategy, operational activity and performance. The impact of the Covid-19 pandemic on colleagues and practices has been a particular focus in FY2021, together with the ongoing effects of Brexit affecting UK business having been particular focuses in the past year.

The Group's culture (how things are done) is entrepreneurial and collaborative, leveraging the clinical and functional expertise of our teams. It is informed by what our dedicated veterinary practitioners (veterinary surgeons, veterinary nurses and veterinary care assistants) establish as the standard of care. The tone from the top comes from the Group Board and a highly experienced group senior leadership team including Kate Swann (Chair), Stephen Clarke (Group CEO), and Paul Kenyon (Group CFO).

Statement of Corporate Governance Arrangements (continued)

The Group acknowledges the importance of our licence to operate, and the nature of the service that we provide means doing the right thing is critical. In the last financial year an extensive compliance programme, appropriate to the size of the Group, was developed and is in the process of being implemented. We have introduced a new Code of Conduct which sets the base line and provides the framework for our compliance culture. Supporting policies and guidance are planned or in progress; for example, we launched a new anti-bribery policy in July 2021 together with related tools and launched a new whistleblowing policy and speak-up line ahead of the EU requirement that came into force in November 2021. Our Conflicts of Interest policy, re-adopted by the Group Board in July 2021, sets out how we will deal with conflicts of interest (by transparency and appropriate approvals/safeguards) and is supported by an on-line register.

The Group Board includes representatives of key shareholders such as EQT, SilverLake and Nestlé, as well as non-executives and management. This ensures there is an active and engaged board which receives regular updates on performance and strategic and operational matters and drives informed debate.

Principle Two

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

Chair

Kate Swann has chaired the Group Board since 2017. She is a well-respected business leader and knows the company and its sector well. She is an engaged and active chair, ensuring appropriate information is shared with the Group Board and with sufficient time for meaningful discussion. The role of chair is separate from that of CEO, and the Group Board adopted a clear separation of powers in January 2021.

Board balance and diversity

The Group Board is made of non-executive directors, investor directors, and executive directors. As at year end, there are 2 executive directors (FY20:5) and 8 non-executives (FY20:9) including investor directors and 3 female non-executive directors. The directors have been selected to ensure an appropriate combination of skills, backgrounds and experience appropriate to the group, its size and potential. New members of the Group Board are personally recruited by the chair, with a view to ensuring an engaged and effective board that promotes accountability and incorporates objective thought, and thereby constructive challenge to achieve effective decision-making.

The Group Board includes two independent non-executive directors who joined in FY21, as a further means of promoting objective challenge. They were recruited to add to the diversity of skills and experience within the Group Board, including digital.

The Group has recently adopted an Equality, Diversity and Inclusion policy which makes clear the Group's commitment to inclusion, including at board level.

The Company Board includes appropriate senior management. As at 30 September it is made up of 5 men (FY 20: 1 woman, 7 men).

Statement of Corporate Governance Arrangements (continued)

Overall, 87% of the Group's workers are employees of which 43.7% of senior roles are female. These include members of the Group Board, the Group Executive, GVMB, country managers, clinical directors and others. The Group Chair is female and during the year a new female Audit Chair was appointed (see below) and a further female NED. Senior female appointments in FY21 also included the appointment of the General Counsel and Company Secretary, the Chief Experience Officer and Chief Marketing Officer, our UK and Europe CFO and in June 2021, our Sustainability and ESG Director. Furthermore, we appointed a female Chief Medical Officer ("CMO") in August 2021. Since last year the Executive Committee has moved to 40% female representation (FY20:0%). We have committed to having 50% representation of women in senior roles by 2025 and we are currently developing initiatives to support us in achieving this.

In October 2020 we had our inaugural BAME Board meeting and celebrated Black History month. The BAME Board is chaired by the CMO.

The Group is committed to promoting equality in every aspect of the organisation, regardless of colour, gender, sexual orientation, disability or religion. It takes seriously its responsibility to build a culture and organisation that respects diversity and inclusion. It takes this stance not to garner publicity, but to demonstrate its support to all our workforce, and the clients and communities in which we all work (See page 11 for more).

Principle Three

The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.

As noted in the introductory paragraphs to this Corporate Governance section, the company, as part of the IVC Evidensia group, has in the past year strengthened its corporate governance policies and practices, including defining certain authority limits and adopting a Group wide conflict of interest policy. The Group has also reviewed and expanded the information provided to the Group Board between or ahead of board meetings.

The Group Board makes use of an audit and risk committee focusing on financial reporting and risk. As of 1 July 2021, Clare Bousfield became the chair of the Audit Committee. Clare is one of the new independent non-executive directors and has an extensive background in financial reporting. In recent years Clare has been the CFO of M&G Plc, a non-executive Director of RSA, the CEO of Prudential UK and the CFO of Aegon UK.

The Company Board understands the role it plays in the management of the company, and within the Group.

Principle Four

A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.

The Group Board is focused on the long-term growth and potential of the IVC Evidensia group, and new business opportunities of significance are discussed with the Group Board by members of the Company Board. As noted earlier, the Group Board has been expanded in the past year and has an expanded capacity to identify and assess opportunity and manage risk. The Group Board includes an Audit and Risk Committee which maintains oversight of the Group's risk and how it is managed. The Group has also recently appointed a new Group Head of Internal Audit and Risk, who will support the Audit and Risk Committee.

Statement of Corporate Governance Arrangements (continued)

IVC Evidensia maintains a group risk register of principal risks, each of which are 'owned' by a member of the group executive management team, including members of the Company Board, and regularly reviewed by the group executive. Any emerging risks faced by the Group are also considered and reviewed at these meetings. Any notable risks are escalated to the Group Board and any risks associated with Company activity are discussed by the directors within their discussions regarding the respective activity.

Further details on the Company and group's approach to risk can be found on page 4 to 7.

Principle Five

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, considering pay and conditions elsewhere in the company.

Remuneration for Group directors and senior managers, including the directors of the Company, is aligned with performance, behaviours, and the achievement of group and company purpose, values and strategy.

The Group continues to develop its remuneration structures, including its internal reward team. An exercise to map and align reward structures is ongoing. This includes Company reward structures.

Principle Six

Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

The Group and Company Boards maintain contact with stakeholders, including colleagues, suppliers and investors.

The Group Board, via the executive management team, ensures meaningful two-way dialogue via several workforce communications channels such as regular Connect calls, professional group meetings (e.g., Clinical Director meetings, GVMB (Group Veterinary Medical Board), Group Leadership Meetings and time with colleagues in practice). The Group regularly consults with practices and teams on new initiatives and projects, often piloting before implementation.

The Company's directors, together with the IVC Evidensia Group Board, are conscious of the potential impact of the Company and Group on wider society, for example at an environmental and a community level. Within the financial year to 30 September 2021, IVC Evidensia group appointed a Head of ESG and Sustainability, one of whose responsibilities is to consider wider stakeholders and IVC Evidensia's relationship with and impact on them.

IVC Evidensia group is has prepared its first Sustainability Report. Further information on how IVC Evidensia and its group companies, including the Company, is approaching its commitment to sustainability and positive wider stakeholder impact is set out in the Group's Sustainability Report.

Section 172 (1) statement

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

Section 172 (1) statement (continued)

Customers

The Group Board initiates the design, implementation, and regular review of a platform of care that promotes the well-being of animals we treat, adhering to all relevant national legislation. Customers expect the highest clinical standards and care to be observed. When a clinic joins IVC Evidensia, its staff are trained in safety and clinical standards to ensure animals receive care of a consistently high standard.

To ensure clinical excellence across the Group, Clinical Boards are established in each country the Group operates in. These Clinical Boards create support materials and ensure clinical guidance reflects best practice. The Clinical Boards have an open dialogue with individual practices, Veterinary Surgeons, and nurses, ensuring they can respond to the needs of colleagues in practice, IA to review, overall professional demands and trends. Country Clinical Boards are overseen by the Group Veterinary Medical Board (GVMB). This guides the Group on matters of ethics or professional standards, making recommendations on matters such as laboratory quality, education, infection prevention and control, anti-microbial resistance, and professional conduct, as well as promoting an exchange of ideas between countries.

In the past 12 months the GVMB was joined by a Group Animal Welfare Advisor and appointed a Group Director of Quality Improvement, to maximise the pace and quality of our development in these critical areas. These colleagues join an existing team made up of Country Medical Directors/Clinical Board Chairs, a Group Head of Farm and Equine and Group Infection Prevention and Control Director.

Engagement with customers and staff led in October 2020 to IVC Evidensia launching a Care Fund to assist customers who could not otherwise afford lifesaving treatment for their animal. Customers expressed concerns over affordability of certain treatments which risked euthanasia of their pet. These concerns were heard by our empathetic clinical teams and shared with senior management through Clinical Director meetings, Clinical Board and GVMB.

This not only protects animal well-being it also protects the well-being of our customers and staff by providing support to an often challenging and immensely stressful decision-making process. The Care Fund has grown to be one of the most valued benefits of working for IVC Evidensia, being used by 881 vets to save the lives of pets that would otherwise have lost their lives due to lack of finances alone (the target of 350 support claims in Year 1 of the scheme was more than doubled-881). Feedback from clients has been overwhelming, clearly providing vital support for those in difficult circumstances due to a variety of reasons such as ill health or unemployment. Additionally, access to the fund has improved our teams' feeling of control and wellbeing when faced with these situations by greater than 90%. Our goal is to build on this initial success, aiming to provide funding to 1500 animals per year by 2025.

The Group Board also supported the GVMB to deliver a research platform, combining both financial grant awards, with practical assistance for colleagues in practices who wish to perform research. In the past 12 months this has attracted some 25 applications for a wide range of projects in both general practice and specialist settings. It is the firm belief of the Group Board and GVMB that delivering research opportunities generates improved evidence for effective clinical care, which in turn improves outcomes and customer satisfaction.

During the year, the Group Board communicates with its customers by receiving updates on key customer issues at its regular Group Board meetings and Executive members of the Board attend site visits so they can hear first-hand about customer concerns. The Group Board also reviews customer feedback through social media channels, surveys, and mail and this helps to inform its actions. For example, IVC Evidensia tracks and scores highly in customer net promoter score surveys (Score: 91) and in customer 'Onswitch' surveys. Based on these communications, the Group Board takes appropriate actions to make sure its customers are in its highest regard such as the nutrition programme based on consumer feedback mentioned below.

Section 172 (1) statement (continued)

This year, the Group Board reluctantly took a decision to temporarily close a limited number of vet practices during the main period of the Covid-19 pandemic for the safety of customers and our own staff. Social distancing policies were adopted, additional protective personal equipment was sourced and provided to all surgeries and other safety measures were implemented before practices were re-opened.

Other decisions that show the Group Board have the highest regard for its customers include the adoption of a new nutrition programme this year to support improved health of customers' pets. Healthcare plans, such as the Pet Health Club in the UK, are also offered to customers to help provide visibility of costs throughout the year.

Employees

The directors communicate key messages and group/company performance through monthly meetings where questions are asked by employees and via bi-weekly video newsletters sent to all employees. In addition, there are regular meetings coordinated throughout the company, based on areas of interest or specialism, for example the farm animal clinical directors' meetings. This gives clinicians an opportunity to share experience and best practice.

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

Mental Health and Wellbeing

The Group launched a mental health strategy in 2020 with all countries committed to providing wellbeing support. The UK and Ireland ran an employee survey on mental health in Summer 2020 in partnership with Mental Health First Aid (a leading workplace provider of mental health support) which resulted in three areas of focus. Breaking down the stigma associated with mental health - we now run regular webinars featuring our employees, practices and the support available. Signposting support is available through our wellbeing portal and this covers e-booklets, awareness days, helplines, access to counselling and training. All our UK Clinical Directors, Practice Managers and Wellbeing Champions have been offered Mental Health First Aid training by MHFA to equip them with the skills to support mental health in their practices. We also publish modules for our clinical teams to care for their own wellbeing and build resilience.

A number of initiatives are underway in many of our countries including a wellbeing project in Denmark focused on health and a focus in the Netherlands on wellbeing coaching and a psychologist helpdesk.

Health and Safety

At a Group level we have H&S policies in all countries. On a monthly basis we track the number of H&S incidents by country and importantly the number of reportable incidents. These are reviewed in monthly review meetings with country managers. We are pleased to report that there have been no reportable incidents across the Group this year.

In addition, we track Covid incidents by country and have regular Covid taskforce meetings including representation from all countries and detailed country level tracking of Covid cases at a national level and vaccination rates.

Diversity and Inclusion

IVC Evidensia is focused on recognising the contribution of every individual and aims to create an environment in which all are valued and organisational goals are achieved through the principle of inclusivity. We are committed to ensuring we have a workforce that reflects the diverse communities we work in, and a workplace where everyone has a voice.

Section 172 (1) statement (continued)

There are a number of ongoing equality and diversity initiatives which our inclusion agenda will build on. In September 2021 we launched our Equality, Diversity and Inclusion (EDI) strategy with online training to be taken by everyone. We have committed to having 50% representation of women in senior roles by 2025 and we are currently developing initiatives to support us in achieving this. We launched in 2020 the Ethnic Diversity Scholarship which is aimed at improving diversity within the veterinary industry and have funded 13 veterinary undergraduates entering vet school in the UK in 2021 and 4 nurses. Encouraging diversity is hugely important to us and this scheme is a great start. It will help pave the way for more positive changes in the profession improving it for future generations. In addition to making funds available to the scholars, a support network is also in place. The company supports LGBTQ+ through a networking hub which is there to support, provide contacts and links and post social groups.

Training, Education and Development

Our Academy provides a high level of training, education and personal development with a range of offerings to suit all members of our teams.

Scale has enabled the organisation to grow to create the largest vet academy in Europe. Some initiatives occur at group level specifically our Graduate Academy and Referral support whilst other activity occurs in country.

Further detail includes:

IVC Evidensia Group Graduate Academy

We provide a two-year group wide graduate programme for vets with small animal, farm, equine and mixed species modular courses offered reflecting the diversity of our practices. Our programme includes both professional and clinical skills and is based on the 70:20:10 approach (representing experiential, peer and formal learning). Clinical coaching support in practice is emphasised and we have a comprehensive online library of clinical content. A highlight of our year is our International Graduate Congress; this was delivered online in 2020 and 2021 with 465 attendees in 2021. Whilst the majority of our participants are based in the UK, we have an increasing number (79 in 2021) of graduate joining from our European countries.

IVC Evidensia Group Referral support

With over 300 European specialists and residents (specialist in training) across the group, we launched an online referral community including the facility for remote teaching rounds and journal clubs. Our inaugural referral summit was held over 2 days in April 2021 with over 350 clinicians registering and 180 attending live to hear a range of clinical and professional development topics delivered by internal and external speakers.

Germany, Austria and Switzerland (DACH)

We offer CPD programmes including both clinical and non-clinical skills for both vets and nurses including a tailored leadership program for clinical directors offered multiple times per year. Graduates may participate in our local graduate programme, which offers modules over a time period of one year; in its second year nine young graduates have recently started the programme. Training of specific practical skills e.g. ultrasound and endoscopy are offered at dedicated training centres. In addition, online learning is increasingly important with over 500 vets and nurses attending webinars on topics such as communication skills, emergency care or nutrition during FY21.

France

The IVC Evidensia Academie France offers a wide range of learning opportunities for vets, nurses and clinic support staff across all species groups (small animal, farm and equine). Diverse teaching methods are used (e.g. face-to-face theory and clinical case studies, practical work days, virtual classes) and are developed in house or by our training partners. We also provide internship and specialist training opportunities at our referral sites. In Q2-4, FY21, 112 vets and 108 nurses participated in sessions.

Section 172 (1) statement (continued)

Finland

The Finnish Academy provides a broad range of learning opportunities for vets, nurses and customer service staff. Our clinical training is focussed on small animals with a specific theme each year (FY20 – emergency and critical care; FY21, - laboratory medicine). In FY21 we delivered 66 webinars and 134 CPD hours with 1,200 employees attending. In addition to clinical training, we provide support in coaching and teaching skills for vets and nurses and support peer-to-peer learning amongst our nurses via a monthly online "Afternoon coffee for nurses". A customer service course has been developed and will roll out in FY22 initially to our reception teams and subsequently our vets and nurses.

Sweden

The Sweden Academy provides a broad range of learning opportunities for vets, nurses and other clinic staff. The training is delivered by a combination of face-to-face training and online learning. Our online training is now hosted by a learning management system which we are piloting in Sweden for the group. We cover small animal, equine and non-clinical topics such as leadership, Health and Safety and data security. Clinical training includes our extensive three-year dental programme as part of the country's dental project and orthopaedic and anaesthesia programmes for both small animal and equine nurses. Clinical specialist coaches within the Academy visit our practices regularly for bespoke on-site training. Wellbeing is one of our top priorities and is a focus for FY22 including client communication, stress management and resilience.

The Netherlands

The IVC Evidensia Academy NL provides development opportunities suitable for all employees (vets, veterinary nurses, and support teams) and utilises internal specialist vet resource to support delivery of this. Programmes include technical, personal, and professional development and are delivered through a combination of formal and informal learning. In FY21, our primary care programme delivered 252 modules with 2529 attendees across these sessions (both vets and nurses) with an average feedback score of 8.2/10. Our differentiated practitioner programme allowing vets to develop expertise in a specific area of clinical medicine covers 7 areas of specialism with 36 vets attending. This programme utilises the concept of Entrustable Professional Activities (EPAs) where feedback, self-reflections and formal entrustment decisions are all stored in a personal development portfolio. In addition, 25 leadership.

Suppliers

The Group's directors are committed to the fair treatment of suppliers and the company is committed to paying within agreed terms of credit in compliance with applicable laws of the jurisdictions in which it operates.

Our operational teams build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships, engaging through regular interactions and formal reviews.

The Group's directors recognise that relationships with suppliers are important to the group's long-term success. They communicate with them by being briefed on supplier feedback and issues on a regular basis. Based on these communications, the directors adjust certain practices with suppliers in order to improve the company's supply chain.

The Group's chief focus in 2020/21 was to provide continuity of supply to our existing markets and to establish supply chains in new markets. Both were achieved.

Supplier Code of Conduct and Supplier Review: During the year progress has been made in terms of approving and piloting both our Supplier Code of Conduct and our new Supplier Assessment for Europe which clearly set out the standards we expect from our business partners. The electronic Supplier Assessment is an assurance process which will be used across the Group for all new suppliers going through the tender process and existing suppliers based on risk. In FY21 we are rolling out in Europe use of electronic assessment following progress within the UK in FY20 and will use our risk assessment findings to ensure we target suppliers operating in high-risk sectors.

Section 172 (1) statement (continued)

To protect service levels through Covid, the Group was pleased to report that it had built up inventory reserves on key articles with our suppliers and that there have been no material reported shortages of such supplies. Similarly, the Group has been unaffected by driver shortages that has affected some deliveries in different sectors in different countries.

Some examples of improvements in engagement with practices, customers and patients include:

We are working more closely with our suppliers in a structured manner to deliver initiatives and promotions in a way that works best for our practices leading to less work for our practice teams, clearer communication with our clients and a better return on investment for our partner suppliers.

During the year we focused on gastro-intestinal support and launched Purina branded counter display units highlighting to clients the products available to them if their pet had gastro issues. We planned to implement the re-launch in 500 practices and achieved 97% of target (485). This was a landmark achievement as previously the best clinic engagement that had been achieved was below 70%.

With new product development launches during FY21 an integrated plan (including, practices, supplier, wholesale, and marketing) was developed and this led to a clearly communicated strategy and strong practice and client engagement. For example, the Purina dental chew relaunch drove increased volumes that were up 400% from a previous launch.

The development of a centrally curated pet accessory offer led to larger and more consistent sales for our suppliers and enabled our clients to ensure that they are buying the best treats and toys for their pets due to the implicit trust of the veterinary environment. A number of our suppliers now see us as a significant partner for the future and are approaching us with further growth opportunities. The convenience retail offer is currently in 57 locations but we intend to extend this to a further 500 this financial year.

Anti-bribery and anti-corruption: With the establishment of the Compliance Function in January 2021 and the recruitment of a dedicated supporting team in May 2021 a compliance training and management programme was commenced. The Group is committed to implementing effective measures to prevent, monitor and eliminate bribery and to foster a culture of integrity to support our code of conduct principle of "Respecting people and animals". The Group has a zero-tolerance approach towards bribery. The Group Board approved the Group's policies on anti-bribery and corruption, conflicts of interest and gifts and hospitality and these were published in 2021 with mandatory training for the UK occurring. Web registers for both Conflicts of Interest and Gifts and Hospitality in the UK were introduced in the period and will be rolled out across Europe in FY 21. The Group also intend to introduce the three policies above and a test to confirm understanding.

Business Conduct: The Group Board is aware of the need to maintain high standards of business conduct. In April 2021 the Code of Conduct was launched in the UK. This Code of Conduct is important in driving the right behaviours that are linked to our values and set out a common framework around how we are all expected to behave and do the right thing. Foremost is that we conduct all of our activities with honesty, integrity and according to the highest ethical and legal standards. Those who come across a situation that is inconsistent with our Code, are encouraged to speak up and when in doubt or facing a dilemma, ask for help. We expect all of our employees to read the Code of Conduct, sign up to it and act upon it by ensuring they do the right thing. Each key corporate policy has an Executive Sponsor accountable for ensuring that the importance of adhering to their policy is recognised. The efficiency and reputation of our service depends on the conduct and efficiency of our directors, employees and consultants (temporary and permanent). All of our employees are required to perform their duties adhering to the recognised and documented policies, procedures and training which commenced in the UK in 2021 and which is being rolled out across Europe in FY21.

Section 172 (1) statement (continued)

Modern Slavery: The prevention, detection and reporting of modern slavery in any part of our business or supply chain is the responsibility of everyone at IVC Evidensia. Combatting modern slavery is an important element of our overall approach to business and human rights. We are committed to respecting, protecting, and championing the human rights of all those who encounter our operations, including employees, supply chain workers, customers and local communities. We accept our responsibility to support transparency; to find and resolve problems, to regularly review our business practices, and to collaborate with others to protect the rights of workers, particularly those who are most vulnerable to abuse such as modern slavery. This year IVC Evidensia has given considerable focus to the assessment of our current activities relating to the prevention of modern slavery. One of the key priorities for the Compliance Function referred to above was to complete a modern slavery risk assessment to identify any gaps in our operational processes and controls. The findings from our risk assessment will form the basis for our activity in FY21 which will include mandatory training and risk assessments for European suppliers.

Environment, Sustainability and Governance ("ESG")

At IVC Evidensia, we work to protect the health and happiness of people and their pets, while reducing our environmental impact to promote a cleaner and more sustainable environment. Our sustainability strategy, known as the Positive Pawprint strategy, is based on three pillars: People, Planet and Pets, each underpinned by commitments, KPIs and performance targets. The strategy is led by our Sustainability & ESG Director supported by our Positive Pawprint Steering Committee. Our Chief Operating Officer has accountability for sustainability issues at Executive board level and Group CEO has overall accountability for sustainability on the Group Board. We have developed policies for the key aspects of our sustainability programme, available at *https://ivcevidensia.com/how-we-work/sustainability*. A detailed report on our sustainability performance and approach is published in *IVC Evidensia's 2021 Positive Pawprint Report*.

People

As a company, we know that our most important asset is our people who provide outstanding care to our clients and their animals. We are focussed on providing exceptional development opportunities, supporting the wellbeing of our people, and promoting an inclusive working environment.

We are committed to supporting wellbeing with each country developing their own local strategy to support the wellbeing of our teams. In the UK, we are proud to have partnered with Mental Health First Aid to offer training to our practices, with 200 Mental Health First Aiders trained to date. We aim is to have established wellbeing programmes in all markets by 2023. For more see **Employees** above.

As a business spread over 17 countries, we are passionate that diversity in all its forms is key to the strength of our business success and the long-term sustainability of IVC Evidensia. We are committed to creating a welcoming and inclusive workplace, and our first action is to ensure a diverse and representative leadership. It is our goal to have women in half of senior roles by 2025. We are developing strategies to deliver this objective and ensure that our female employees feel that they have the right level of support to progress their careers within IVC Evidensia. As of 30 September 2021, 87% of our people were female (all employees) and 43.7% of senior roles were held by women. For more see **Employees** above.

It is our priority that people working for IVC Evidensia and within our supply chain are to be treated with respect, and their health, safety and basic human rights must be protected and promoted. During the year, we finalised our Supplier Code of Conduct and we are currently communicating this out to our suppliers so that they fully understand the standards we expect them to meet. In line with the requirements of the 2015 Modern Slavery Act, we also operate a due diligence process to ensure that modern slavery risks are closely monitored within our business and supply chain (See **Modern Slavery** above). Going forward, we will continue to work with our country management teams to assess the risks in the supply chain and, where appropriate, work with suppliers to improve performance.

Section 172 (1) statement (continued)

Planet
What we do for animal health is important, and so it is also our responsibility to manage the environmental impact that goes with it. Innovation of our everyday actions and procurement practices, alongside smart, applied training will help us to set new standards for environmental sustainability in veterinary care.

Energy audits have been carried out across UK, Sweden and Netherlands to form the basis of energy efficiency initiatives in the year ahead. The Group's operations in the UK, Sweden, Netherlands and Finland are buying renewable electricity and we will continue to look for opportunities to move to renewable energy supply in other markets. We have also installed photovoltaic panels at some sites, including Stromsholm, one of our largest animal hospitals in Sweden. Work is underway to validate our carbon footprint. Once this work is complete, our aim is to publish carbon reduction targets in 2022.

Total UK energy use
For the year ended 30 September 2021, the Group consumed 4.6kt (FY20: 6.6kt) of CO2 emissions in the UK resulting from the purchase of electricity for its own use, including for the purposes of transport.

During the same period, the Group consumed 5.8kt (FY20: 5.5kt) of CO2 emissions in the UK from stationary or mobile activities for which business is responsible involving the combustion of gas.

As noted in the prior year accounts, FY20 was the first year that CO2 emissions from the purchase of electricity and combustion of gas were collected for activities in the UK. It was also noted that in order to calculate those figures, the Group had to pro-rate energy consumption for gas and electricity from a sample of offices and practices. This is because the UK business has recently changed energy suppliers and not all information was available when surgeries were on many different provider platforms. During FY21 that transition has gradually been completed resulting in more complete data and much reduced use of extrapolation for energy consumption for gas and electricity compared to FY20. For that reason it appears that the FY21 CO2 emissions have reduced from the purchase of electricity in FY20 (in spite of an increase in the number of clinics), when in fact the FY21 data is more accurate compared to FY20, for the reason describe above.

Also in the same period, the Group consumed 1.5kt (FY20: 0.8kt) of CO2 emissions in the UK from activities for which the Group is responsible, involving the consumption of fuel for the purposes of transport.

The Group also generated 4.5kt (FY20: not available) of CO2 emissions in the UK from fugitive emissions, from the use of anaesthetic gases

This meant the Group consumed 59,323,612 kWh (FY20: 62,356,761kWh) as a result of electricity, gas and transport consumption in the United Kingdom as defined above. The above equates to 0.011kg CO2 (FY20: 0.019kg CO2) emissions for every £1 of revenue that the Group earns.

Note: The following further assumptions/calculation methods were used to calculate the emissions: The emissions use grid carbon intensities with no allowance for REGO electricity. The most recent DEFRA carbon factors 2021 (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021) were used for fuels, travel (mileage emissions) and the electricity (scope 2) emission factors. Global Warming Potentials for anaesthetic gases were obtained from (https://www.gaspanaesthesia.com/anaesthetic-gases-inhalers). Amounts in mL were converted to kg. Local electricity grid carbon factors were obtained from the IEA website. The emissions only cover Scope 1 and 2 Emissions for the United Kingdom. There is no overlap between the datasets used to calculate the travel emissions for the UK. Where there are data gaps, it has been extrapolated (where enough information is available to do so).

During the year, the Group made energy efficiency measures to help bring down the Group's carbon emissions. For more details on this, see the Section 172 (1) statement on page 11.

Section 172 (1) statement (continued)

Beyond energy, we are looking at supply chain deliveries, travel and the medicines we use to find solutions to lower our climate impact. In the UK, we have worked with our partner MWI Animal Health to move over 350 UK practices from daily to two wholesale deliveries per week, with next day deliveries still available for emergencies. Since February 2021, this has removed over 260,000 vehicle miles - equivalent to over 85 tonnes of CO2e. We are now rolling this initiative out across all our UK practices and hospitals.

We want to optimise our use of resources; reduce the waste we produce and recycle as much as we can. During the year, we have analysed the waste generated across our businesses in our three largest markets, Sweden, the UK and the Netherlands, and this will form the basis of strategies to reduce the volume of waste sent to landfill and to maximise recycling.

Pets

At IVC Evidensia, our mission is to bring people together to make animal care better. Animal health is core to this, but we want to go further. We are making animal wellbeing our focus, going beyond an animal's basic needs, and providing holistic care. Our focus is on improving the health of animals, the happiness of their owners and the satisfaction of our clinical teams.

Quality of care is key to successful outcomes and ensures a safe and stress-free patient experience. Our Clinical Boards work tirelessly to drive improvement, learning from great examples of work being done within our practices and sharing this throughout Europe, via our Group Veterinary Medical Board. In the past 12 months we have developed goals and targets to focus our efforts and allow us to measure progress, intervening where standards could be improved. We have also taken steps to appoint experienced leadership within key areas such as Animal Welfare and Quality Improvement, working with our teams and providing guidance and counsel.

The IVC Evidensia Care fund, launched in 2021, provides much needed support. More on this can be read under **Customers** (above).

In 2021 we launched an online Infection Prevention and Control portal which provides all the tools and resources a clinic needs to manage staff hygiene, the clinic environment and guidance on the most responsible use of antimicrobials. This portal also empowers a team to certify their clinic as part of our internal IPC programme, further driving engagement with such an important topic and demonstrating that standard to colleagues and clients. We have committed to reduce the number of surgical site infections seen following routine neutering procedures to 5% by 2025. We will also reduce the total number of outpatient antibiotic prescriptions to 5% by 2030. The key to meeting these goals is effective leadership both from our Group and within our practices. To support this we will appoint a dedicated Hygiene Ambassador to 75% of our practices by 2025.

Community

The Group takes a very active role in its local communities and such commitment to community and social responsibility is locally led by the community and charity interests of its practices and of its support centres. For instance, the central support office, in Keynsham, Bristol, UK selects an animal and a human charity to support each year. For 2021, this was Street Vet and Southwest Children's Hospice.

In Finland, for example, the Evidensia Rauma clinic agreed to neuter cats at the local animal shelter for cost price, thereby making them suitable for adoption.

The Group Board and country management teams communicate with its community base through senior management attending local community forums and events (such as the Somerdale community forum at its support centre at Keynsham). This has led to the Group Board changing its policies in the community, choosing alternative local fundraisers for example.

Section 172 (1) statement (continued)

The Group is committed to its colleagues and the veterinary community of which they are part. In response to colleague requests in mid-August 2021 the Group provided urgent support to veterinary charities in Afghanistan. A number of clinical colleagues asked the Group to provide support as the situation in Afghanistan worsened, with concerns for human and animal welfare. The Group responded quickly, escalating the need for support to members of the Group Executive and of the Group Board. We made a corporate donation, enabled local fundraising for example in the UK and provided veterinary and logistical support. Our goal was to support the veterinary teams and their families and ensure safe passage for those that wanted it, all in the context of a rapidly deteriorating situation. We have offered our continued support and potential employment to individuals who have sought safety in the countries in which the Group operates.

Investors

The Group is funded by a mixture of equity and loan finance, meaning the Group Board has to consider the interests of both shareholders and lenders. The Group Board is committed to providing its stakeholders with sustainable, profitable growth over the longer term. This is underpinned by the Group's highly acquisitive strategy. During the year, the Board took the decision to refinance the Group, thereby providing funding for future acquisitions whilst maintaining liquidity for protection of the business through the pandemic, ensuring the Group had sufficient cash and working capital. Lower interest loans were negotiated with the banking agencies and these were used to pay off higher interest bearing loans which adds value for investors.

Encouraging practices to join the Group's network increases its purchasing power and economies of scale, allowing investment into existing and new surgeries. The Group can then offer customers access to a greater range of treatments. In addition, this creates increased shareholder returns. The Group has expanded into Spain, Portugal, Poland, Czech Republic, the United Stated and Canada this year and also expanded its crematoria operations.

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

Government and regulators

The Group's clinical activity span some 38 different regulatory jurisdictions ranging from country specific bodies to provincial regulators. These relationships are managed by the Country Medical Directors (or equivalent) who are tasked with identifying any current or expected changes which could have an impact on our ability to deliver a standard of care, protect animal welfare or impact us commercially.

As well as identifying any changes which could restrict our service, they also horizon scan for any development which could provide opportunities to offer modern veterinary healthcare. An example of this is the relaxation of regulatory positions on delivery of remote consultation using telemedicine, during the Covid pandemic. This key change, accelerated by a need to avoid physical contact to protect clients and teams, is expected to continue long-term. Our teams are currently working to understand the opportunities that this may present to offer comprehensive access to digital healthcare.

Illustrations of how the Group Board engages with governments and regulators:

Swedish Regulations – Post-Brexit recruitment of UK Vets

Following Brexit, the Swedish Department of Agriculture (SDA), the national veterinary professional regulator, decided that UK vets were no longer able to work in Sweden under pre-Brexit conditions. For unknown reasons, in May 2021, the SDA stated that UK vets would need to validate their skills via additional training at a Swedish University. Until this point the SDA had considered UK vets to be trained to high standard and qualified to practice without these additional measures.

Section 172 (1) statement (continued)

The IVC Evidensia leadership in Sweden sought support from the GVMB on this matter, with obvious concerns around the future workforce in Sweden. The GVMB were able to provide examples where regulators within other EU countries were making no such changes therefore supporting the argument that these measures were excessive and damaging to the veterinary profession at a time where the workforce was already threatened. Example countries include France, Finland and Ireland where the regulatory position was unchanged.

Our Swedish Country Manager took these examples to the SDA and achieved a positive outcome for UK vets, Swedish practices, patients and customers. The SDA admitted that the situation was unwanted and despite the regulatory changes made provided the Swedish leadership with helpful guidance on how applications could be made successfully, in accordance with the legislation. Despite no absolute agreement being reached on the relaxing of legislation the Swedish government accepted that applications would need to be reviewed on a case-by-case basis thereby removing the broad sweeping approach previously considered.

Tuk's Law-response to proposal

IVC Evidensia joined the profession in its concern that Tuk's Law could over-legislate a situation, reducing a vet's ability to respond quickly to an animal's welfare needs. This law if passed would require all animals to be microchip-scanned and identified prior to euthanasia, by searching a database for both a primary owner, and any potential secondary charity owners. Our concern was that this could introduce an unnecessary delay to euthanasia.

The Group responded through engagement with professional associations and the government. This profession-wide response resulted in an improvement to the proposed legislation, implemented through the RCVS Code of Conduct and supported by the BVA (British Veterinary Association) and the Department of Environment, Food and Rural Affairs (DEFRA). This improved guidance-led approach suggests that any procedure requiring euthanasia on welfare grounds can be performed without first checking an animals' microchip. The updated RCVS guidance requires vets to check the microchip of any healthy patients where euthanasia is requested for any reason, but significantly reduces the risk that any vet could be seen as non-compliant, as these situations are uncommon.

The change to the RCVS Code of Conduct was widely publicised within the UK profession and circulated within our Group to ensure full awareness.

Illustrations of how the Group Board considers all stakeholder views:

In its acquisition strategy
The Group has continued its highly acquisitive strategy this year by purchasing another 316 sites. The Group had 1,536 sites at the start of the year and now has 1,844 sites across the United Kingdom and Europe. There were 8 site closures in the year. The Board considers all stakeholders' interests as part of its acquisition strategy.

Employees benefit from the acquisition strategy as it brings access to one of the world's largest professional veterinary networks, with high-quality training. In addition, as the Group increases its scale its greater financial resources enable employees to benefit from investments made in its practices to broaden the range of treatments offered. The enlarged Group can also offer enhanced career opportunities as well as supporting relocations where family circumstances require it.

Customers benefit from the Group's growth, both through the aforementioned investment in a broader range of treatment options in its local practices, as well as through access to the Group's growing network of specialist referral centres. The Group also offers greater certainty of cost through its subscription schemes (for example the Pet Health Club in the UK) and access to its Care Fund.

Section 172 (1) statement (continued)

Suppliers can also benefit from the Group's acquisition strategy as they gain access to a fast-growing Group operating across multiple geographies. They want to access more vets and can achieve higher volumes by the Group acquiring further sites. Investors benefit from the acquisition strategy through the increased value of the Group as it executes its integration playbook and leverages its scale in areas such as procurement. Investor risk is also reduced to a certain extent by the Group's greater geographic diversification.

In its strategy for dealing with Covid

In taking consideration of all the views of stakeholders the Group has often to balance the positions of different stakeholders. For instance, during Covid the Group decided to open certain practices for patients to be delivered to the door by customers who were prohibited from entering into the practices on the grounds of H&S and Covid-preventative measures. Whilst not ideal for either patient or customer this flexibility allowed essential procedures to be carried out whilst protecting both the health of clinic employees and their ability to provide continuity of service which benefits other patients and customers. The same can be said of the growth of telemedicine including internet consultations by the Group.

Future developments

The Group plans to continue with its strategy of acquiring high quality veterinary practices. The Group has funding facilities in place for its immediate pipeline of acquisitions following a further successful refinance in November 2021. The Company Board has considered the continued impact of the Covid-19 pandemic and is satisfied that the Group has sufficient levels of inventory to avoid disruption to operations and has changed processes to cope with any existing or future national or local lockdowns. Although there is a risk that economies will be adversely affected by the continued effects of the Covid-19 pandemic, the veterinary sector has proven resilient to economic downturns. Therefore, the Board remains confident about future trading.

Approved by the board on 8/12/22 and signed on its behalf by:

.....

M A Gillings

Director

IVC Acquisition Pikco Limited

Directors' Report for the Year Ended 30 September 2021

The directors present their Annual Report together with the audited consolidated financial statements for IVC Acquisition Pikco Ltd ("the Company") and its subsidiaries ("the Group") for the year ended 30 September 2021.

There have been a number of acquisitions in the UK and Europe during the year creating a Group of 1,844 practices as at 30 September 2021 (2020:1,536).

The results for the year ended 30 September 2021 show turnover of £1,771M (2020: £1,311M) and Group adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and exceptional costs) of £373M (2020: £221M) (see note 35). Loss before tax for the year ended 30 September 2021 was £44M (2020: £85M).

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

The principal activity of the Company is that of a non-trading holding company. The Company was established to play a role in funding the Group's acquisition strategy of independent veterinary groups that provide high quality care. A full list of subsidiaries is detailed in note 36.

Directors of the Company

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

S M Clarke
A Farahani
P G Franzen
M A Gillings
P M Kenyon

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

Dividends
The directors do not propose the payment of a dividend in the current year. No dividends were paid either in the current year or prior year.

Political and other donations
Apart from a donation of £100,000 to Nowzad (see page 20) there were no political or other donations during the current year or prior year.

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

Going concern
The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 2 to 22. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 33 to 42. In addition, the notes to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

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

As part of the going concern assessment, the Group modelled various scenarios to show worsening positions related to a break case scenario, i.e. a drop of revenue large enough to cause a breach of financial covenants.

The revenue reduction required in the break case is so significant that it was considered that the chance of this occurring is remote. However, even in the event of such a revenue reduction, the Group would still have sufficient cashflows to allow it to service its debt and settle trading liabilities.

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

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

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

For more detail on how the Group engages with its employees, refer to the S172 (1) statement on pages 13 to 15.

Engagement with suppliers, customers and others
For more detail on how the Group engages with its suppliers and customers, refer to the Section 172 (1) statement on pages 12 to 17.

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

Energy and carbon reporting

Total UK energy use

Please refer to the s172 (1) statement section of the Strategic Report for more information in this area.

Events after the reporting period

On 2 November 2021, the group refinanced a proportion of its debt facilities. The Group drew down additional borrowing on a new B5 facility (EUR) of £650,358,000. This was partly used to repay down fully numerous multi currency revolving credit facilities worth in total £308,651,000. The remaining cash will be used to fund future acquisitions. A new revolving credit facility was also agreed and this was undrawn at £450,500,000

On 3 November 2021, the Group via a share for share exchange in its ultimate parent company, Islay New Group Holding SA in Luxembourg acquired 100% of the share capital of VetStrategy Canada Top Holdings Inc ("Vet Strategy"), a leading veterinary care provider in Canada. The investment was passed down internally to the Group's immediate parent company, IVC Acquisition Pikco Ltd on the same day. IVC Acquisition Pikco Ltd then transferred the investment to the Company on the same day in exchange for new shares in the Company. The Company then transferred the investment in Vet Strategy to its immediate subsidiary undertaking, IVC Acquisition Ltd in exchange for new shares in IVC Acquisition Ltd on the same day. The consideration transferred represented 17.4% of the equity of Islay New Group Holding S.A. It is too early to assess the financial effect of this acquisition at the date of signing these financial statements.

Excluding Vet Strategy, during the period from 1 October 2021 through to 18 January 2022, the Group has entered into agreements to acquire either 100% of the issued shares of certain other acquisitions or 49% of the issued shares for acquisitions in France, or the trade and net assets of 158 sites. The aggregate enterprise value of these acquisitions totals £430,511,000. Included within this, there were two material acquisitions. Firstly, the purchase of 100% of the issued shares of Swayne & Partners Top Co Limited on 22 October 2021 in the United Kingdom for an enterprise value of £26,500,000. Secondly, the purchase of 100% of the issued shares of Vet One Holding on 6 January 2022 in the France for an enterprise value of £195,990,000. It is too early to assess the financial effect of these acquisitions at the date of signing these financial statements.

There have been no material acquisitions between 18 January 2022 and the date of signing of the consolidated financial statements.

Financial risk management objectives and policies

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

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

Credit risk

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

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

Financial risk management objectives and policies (continued)

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

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

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

Information included in the Strategic Report
The Strategic Report includes a summary of the likely future developments in the business of the Company and Group. Information on Corporate Governance within the Group can also be found in the Strategic Report.

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

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

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

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

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

Approved by the board on 8/2/22 and signed on its behalf by:

.....
M A Gillings

Director

IVC Acquisition Pikco Limited

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group financial statements in accordance with International Accounting Standards (IFRSs) in conformity with the requirements of the Companies Act 2006 and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Company for that period.

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

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

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

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

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

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

IVC Acquisition Pikco Limited

Independent Auditor's Report to the Members of IVC Acquisition Pikco Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of IVC Acquisition Pikco Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated and Parent Company Statements of Financial Position;
- the Consolidated and Parent Company Statements of Changes in Equity;
- the Consolidated Statement of Cash Flows; and
- the related notes 1 to 36.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity 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 group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

Conclusions relating to going concern (continued)

- evaluation of the sophistication of the model used to prepare the forecasts, testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management
- challenge of the key assumptions within the going concern assessment with reference to historical trading performance, the group's strategic objectives and the market
- obtained an understanding of the financing facilities available to the group, including repayment terms and covenants
- assessed the impact of reverse stress testing and sensitivity analysis on the group's funding position and covenant calculations

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Auditor's responsibilities for the audit of the financial statements (continued)
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.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation, etc; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team, including significant component audit teams and relevant internal specialists such as tax, valuations, pensions and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.
As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

- Valuation of intangible assets – Veternity
  - With the assistance of internal valuation specialists, we have challenged the key judgements and assumptions made in relation to the fair value of the intangible assets acquired;
  - Assessed the arithmetic accuracy of models used to support the judgement and tested the key inputs into the calculation; and
  - Reviewed the financial statement disclosures associated with the significant risk identified.
- Contingent consideration
  - Performed risk assessment procedures including sensitivity analysis around the key assumptions included within the contingent consideration model to pinpoint our significant risk population;
  - Challenged forecasts based on historical information and known factors at the time of acquisition;
  - Evaluated post-acquisition performance to challenge conclusions reached;
  - Independently discussed the budgets/forecasts with the CEO of Veternity and the Operations manager of Beast Mode;
  - Re-performed the earn-out calculation ensuring that contingent consideration recognised is accurate; and
  - Assessed the key assumptions in the contingent consideration model and performed sensitivity analysis on the revenue growth rates and discount rate assumptions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent Auditor's Report to the Members of IVC Acquisition Pikco Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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

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

We have nothing to report in respect of these matters.

Independent Auditor's Report to the Members of IVC Acquisition Pikco Limited (continued)

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

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

Date: 8 February 2022

IVC Acquisition Pikco Limited

Consolidated Income Statement for the Year Ended 30 September 2021

	Note	2021 £'000	2020 £'000
Revenue	5	1,771,186	1,311,097
Cost of sales	6	(987,042)	(763,802)
Gross profit		784,144	547,295
Other operating income	7	9,676	10,753
Administrative expenses	6	(598,560)	(467,220)
Operating profit		195,260	90,828
Finance expense	11	(231,909)	(197,855)
Finance income	11	33,893	17,368
Revaluation of financial instruments	23	(41,613)	4,685
Loss before tax		(44,369)	(84,974)
Tax (charge)/credit	12	(25,562)	7,114
Loss for the year		(69,931)	(77,860)
Attributable to:			
Owners of the parent		(70,240)	(77,479)
Non-controlling interest		309	(381)
Loss for the year		(69,931)	(77,860)

The above results were derived from continuing operations.

The notes on pages 43 to 168 form part of these financial statements.

IVC Acquisition Pikco Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 30 September 2021

	Note	For the year ended 30 September	
		2021 £'000	2020 £'000
Loss for the year		(69,931)	(77,860)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss net of tax:			
Remeasurements of defined benefit pension schemes	28	1,653	(38)
Items that may be reclassified subsequently to profit or loss net of tax:			
Exchange differences on translation of foreign operations (net of tax credit of £1,210,000 for 2021, tax expense of £535,000 for 2020)		(20,961)	9,312
Other comprehensive (loss) / income for the year net of tax		(19,308)	9,274
Total comprehensive loss for the year		(89,239)	(68,586)
Total comprehensive (loss) / income for the year attributable to:			
Owners of the parent		(89,548)	(68,586)
Non-controlling interest		309	-
		(89,239)	(68,586)

The notes on pages 43 to 168 form part of these financial statements.

IVC Acquisition Pikco Limited

(Company number: 10510800)
Consolidated Statement of Financial Position as at 30 September 2021

	Note	30 September 2021 £'000	30 September 2020 £'000
Non-current assets			
Property, plant and equipment	13	583,784	464,551
Goodwill	16	2,397,801	2,020,342
Other intangible assets	15	336,954	272,064
Trade and other receivables	19	51,447	-
Other investments	17	1,327	245
Total non-current assets		3,371,313	2,757,202
Current assets			
Inventories	18	54,927	40,484
Trade and other receivables	19	154,074	148,197
Income tax receivable		150	3,717
Cash and cash equivalents		186,528	219,515
Total current assets		395,679	411,913
Total assets		3,766,992	3,169,115
Current liabilities			
Trade and other payables	20	(347,787)	(310,540)
Lease liabilities	14	(46,541)	(45,543)
Income tax payable		-	(3,687)
Employee benefit liabilities	22, 28	(8,615)	(17,403)
Provisions	23	(44,147)	(53,710)
Total current liabilities		(447,090)	(430,883)
Non-current liabilities			
Trade and other payables	20	(807,636)	(726,207)
Loans and borrowings	21	(2,032,502)	(1,589,742)
Lease liabilities	14	(347,895)	(296,054)
Deferred tax liability	24	(65,604)	(46,655)
Employee benefit liabilities	22, 28	(1,383)	(3,034)
Provisions	23	(86,862)	(27,762)
Total non-current liabilities		(3,341,882)	(2,689,454)

IVC Acquisition Pikco Limited

(Company number: 10510800)
Consolidated Statement of Financial Position as at 30 September 2021 (continued)

	Note	30 September 2021 £'000	30 September 2020 £'000
Total liabilities		(3,788,972)	(3,120,337)
NET ASSETS		(21,980)	48,778
Equity			
Share capital	25	9,568	9,568
Share premium reserve	25, 26	517,028	517,028
Translation reserve	26	(26,017)	(5,056)
Accumulated deficit	26	(541,327)	(472,740)
Equity attributable to the owners of the parent		(40,748)	48,800
Non-controlling interests		18,768	(22)
TOTAL EQUITY		(21,980)	48,778

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

.....

M A Gillings
Director

Date: 8/2/22

The notes on pages 43 to 168 form part of these financial statements.

IVC Acquisition Pikco Limited

(Company number: 10510800)
Company Statement of Financial Position as at 30 September 2021

	Note	30 September 2021 £'000	30 September 2020 £'000
Assets			
Non-current assets			
Investments in subsidiaries	17	655,167	655,167
Other receivables	19	574,658	707,527
Total non-current assets		1,229,825	1,362,694
Current assets			
Trade and other receivables	19	-	30,876
Cash and cash equivalents		4	1
Total current assets		4	30,877
Total assets		1,229,829	1,393,571
Liabilities			
Current liabilities			
Trade and other payables	20	(49)	(29,142)
Income taxes payable		-	(10)
Total current liabilities		(49)	(29,152)
Non-current liabilities			
Trade and other payables	20	(739,737)	(638,527)
Loans and borrowings		-	(215,221)
Total non-current liabilities		(739,737)	(853,748)
Total liabilities		(739,786)	(882,900)
NET ASSETS		490,043	510,671
Equity			
Share capital	25	9,568	9,568
Share premium reserve	25,26	517,028	517,028
Accumulated deficit	26	(36,553)	(15,925)
TOTAL EQUITY		490,043	510,671

The Company has taken advantage of the exemption allowed under section 408 for the Companies Act 2006 and has not presented its own Statement of Profit or Loss or Statement of Comprehensive Income. The loss of the Company for the year was £20,628,000 (2020 – £12,440,000).

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

.....

M A Gillings

Director
Date: 8/2/22

The notes on pages 43 to 168 form part of these financial statements.

IVC Acquisition Pikco Limited

Consolidated Statement of Changes in Equity as at 30 September 2021

	Share capital £'000	Share premium £'000	Translation reserve £'000	Accumulated deficit £'000	Total attributable to equity holders of parent £'000	Non-controlling interests £'000	Total Equity £'000
Balance at 1 October 2020	9,568	517,028	(5,056)	(472,740)	48,800	(22)	48,778
Comprehensive income/(loss) for the year							
Loss for the year	-	-	-	(70,240)	(70,240)	309	(69,931)
Other comprehensive income/(loss) for the year	-	-	(20,961)	1,653	(19,308)	-	(19,308)
Total comprehensive income/(loss) for the year	-	-	(20,961)	(68,587)	(89,548)	309	(89,239)
Business combinations (note 29)	-	-	-	-	-	18,481	18,481
Balance at 30 September 2021	9,568	517,028	(26,017)	(541,327)	(40,748)	18,768	(21,980)

There were no transactions with current owners in the year.

The notes on pages 43 to 168 form part of these financial statements.

IVC Acquisition Pikco Limited

Consolidated Statement of Changes in Equity as at 30 September 2021 (continued)

	Share capital £'000	Share premium £'000	Translation reserve £'000	Accumulated deficit £'000	Total attributable to equity holders of parent £'000	Non-controlling interests £'000	Total Equity £'000
Balance at 1 October 2019	9,568	511,878	(13,987)	(395,223)	112,236	(22)	112,214
Comprehensive income/(loss) for the year							
Loss for the year	-	-	-	(77,479)	(77,479)	(381)	(77,860)
Other comprehensive income/(loss) for the year	-	-	8,931	(38)	8,893	381	9,274
Total comprehensive income/(loss) for the year	-	-	8,931	(77,517)	(68,586)	-	(68,586)
Transactions with owners							
Issue of share capital	-	5,150	-	-	5,150	-	5,150
Total transactions with owners	-	5,150	-	-	5,150	-	5,150
Balance at 30 September 2020	9,568	517,028	(5,056)	(472,740)	48,800	(22)	48,778

The notes on pages 43 to 168 form part of these financial statements.

IVC Acquisition Pikco Limited

Company Statement of Changes in Equity as at 30 September 2021

	Share capital £'000	Share premium £'000	Accumulated deficit £'000	Total equity £'000
Balance at 1 October 2020	9,568	517,028	(15,925)	510,671
Comprehensive loss for the year				
Loss for the year	-	-	(20,628)	(20,628)
Total comprehensive loss for the year	-	-	(20,628)	(20,628)
30 September 2021	9,568	517,028	(36,553)	490,043

	Share capital £'000	Share premium £'000	Accumulated deficit £'000	Total equity £'000
Balance at 1 October 2019	9,568	511,878	(3,485)	517,961
Comprehensive income for the year				
Profit for the year	-	-	(12,440)	(12,440)
Total comprehensive income for the year	-	-	(12,440)	(12,440)
Transactions with owners				
Issue of share capital	-	5,150	-	5,150
Total transactions with owners	-	5,150	-	5,150
30 September 2020	9,568	517,028	(15,925)	510,671

The notes on pages 43 to 168 form part of these financial statements.

IVC Acquisition Pikco Limited

Consolidated Statement of Cash Flows for the Year Ended 30 September 2021

	Note	2021 £'000	Restated 2020 £'000
Cash flows from operating activities			
Operating profit		195,258	90,828
Adjustments for:			
Depreciation of property, plant and equipment	13	51,338	37,648
Depreciation of right-of-use assets	13	60,031	43,928
Amortisation of other intangible assets	15	40,391	27,858
Impairment losses on right-of-use assets	13	2,555	3,305
Loss / (Gain) on sale of property, plant and equipment		(162)	(183)
Lease termination		(1,926)	-
Effect of foreign exchange rate changes		39,542	(8,975)
Cash generated from operations before working capital		387,027	194,409
(Increase) / decrease in trade and other receivables	19	(21,107)	1,661
(Increase) / decrease in inventories	18	(11,645)	3,037
(Decrease) / increase in trade and other payables	20	(34,209)	57,344
Decrease) / increase in employee benefits liabilities	22	(8,788)	9,491
Cash generated from operations		311,278	265,942
Income taxes paid		(22,726)	(7,982)
Net cash flows from operating activities		288,552	257,960
Investing activities			
Acquisition of subsidiary undertakings and trade and assets acquisitions, net of cash acquired	29	(421,001)	(248,041)
Acquisition of investments		(443)	-
Payment of contingent consideration	23	(62,179)	(16,392)
Purchases of property, plant and equipment	13	(73,544)	(47,520)
Proceeds on sale of property, plant and equipment		207	3,504
Interest received		185	-
Proceeds from sale of investments		-	1,791
Net cash used in investing activities		(556,775)	(306,658)

Consolidated Statement of Cash Flows for the Year Ended 30 September 2021 (continued)

	Note	2021 £'000	Restated 2020 £'000
Financing activities			
Issue of ordinary shares	25	-	5,150
Dividends paid to non-controlling interests		(25)	-
Proceeds from bank and other loans		1,390,168	262,384
Debt issue costs paid		(9,847)	(5,268)
Repayment of bank and other loans		(925,479)	(105,521)
Repayment of intercompany loans		(49,006)	-
Principal paid on lease liabilities	14	(55,342)	(33,953)
Interest paid on lease liabilities	14	(21,100)	(15,226)
Interest paid on loans and borrowings		(79,794)	(54,971)
Effect of foreign exchange rate changes		(10,532)	3,769
Net cash from financing activities		239,043	56,364
Net (decrease) / increase in cash and cash equivalents		(29,180)	7,666
Cash and cash equivalents at beginning of year		219,515	209,789
Effect of foreign exchange rate changes		(3,807)	2,060
Cash and cash equivalents at end of year		186,528	219,515

The notes on pages 43 to 168 form part of these financial statements.

The effects of foreign exchange rate changes have been reclassified in Statement of Cash Flows to present them in section to which the cash flows relates.

IVC Acquisition Pikco Limited

Notes to the Financial Statements for the Year Ended 30 September 2021

1 General information

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

The principal activity of the Company and its subsidiaries ("the Group") is that of the provision of veterinary services in the United Kingdom and Europe. The principal activity of the Company is that of a non-trading holding company. The Company was established to play a role in funding the Group's acquisition strategy of independent veterinary groups that provide high quality care. A full list of subsidiaries is detailed in note 36.

2 Accounting policies

Basis of accounting

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

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

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

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

2 Accounting policies (continued)

Basis of accounting (continued)

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

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

Disclosure exemptions adopted

As the Company is a qualifying company, in preparing separate financial statements the Company has taken advantage of certain disclosure exemptions conferred by FRS 101:

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

2 Accounting policies (continued)

The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements consolidate the separate financial statements of the Group as at and for the year ended 30 September 2021. Separate financial statements for the Company only have also been presented.

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

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

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

France vet operations – Each vet company is managed and administered by a "Supervisory Committee". The Supervisory Committee decides on how to run the operating and financing activities of the business. It makes key decisions such as setting the budget, proposing dividends and deciding on the activities of the business. IVC Evidensia nominates the majority of members on the Supervisory Committee. An entity can consolidate an investee under IFRS 10 Consolidated financial Statements if it has power over the investee and can use that power to affect the amount of returns in the investee. Management has determined that having control of the Supervisory Committee means IVC Evidensia can exert control over the entity.

Belgium – Vets must provide their services through a company that is fully owned by veterinarians. This means that neither Evidensia Belgium nor any of the 100% owned IVC Evidensia companies can acquire vet practices as they are not fully owned by veterinarians. IVC Evidensia enters into partnership agreements with the vets (i.e. the sellers) to jointly run a veterinary services business. IVC Evidensia indirectly owns 99% of voting rights in the partnership. As IVC Evidensia has 99% of the voting shares, it can consolidate under IFRS 10 as it has the power through this partnership agreement to affect the shareholder returns, and therefore has control.

Veternity group - During the year the following factors have been considered in respect of the acquisition of Veternity in reaching the judgement that that group is controlled by IVC Evidensia:

On 30 June 2021, five companies in France that are 49% owned by the Group collectively purchased a 51% stake in La Compagnie des Veterinaires SA ("Veternity") via Eden Vet SAS (a holding company 100% collectively owned by these five companies). Therefore, for many of the Veternity companies, including entities in USA, Canada, Poland, Czech Republic, Germany and Portugal as well as France, ownership is a c25% indirect holding. However, as the Group has control of each supervisory committee of the five companies that collectively have a controlling stake in Veternity, the group has control of Veternity and must consolidate 100% line by line into its group consolidated financial statements.

2 Accounting policies (continued)

Basis of consolidation (continued)
Inter-company transactions and balances held between members of the Group are eliminated in full.

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

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

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

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

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

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

2 Accounting policies (continued)

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out on pages 2 to 20. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 33 to 342. In addition, the notes to the financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

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

As part of the going concern assessment, the Group modelled various scenarios to show worsening positions related to a break case scenario, ie a drop of revenue large enough to cause a breach of financial covenants.

The revenue reduction required in the break case is so significant that it was considered that the chance of this occurring is extremely unlikely. However, even in the event of such a revenue reduction, the Group would still have sufficient cashflows to allow it to service its debt and settle trading liabilities.

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

2 Accounting policies (continued)

Revenue recognition

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

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

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

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

2 Accounting policies (continued)

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

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

Grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to income or to assets. Grants relating to income are recognised in 'Other operating income' or netted against the associated expense, over the period in which the related costs are recognised. Grants relating to assets are recognised in deferred income and released to the Consolidated Statement of Profit or Loss over the expected useful life of the asset. The Group has not participated in any such asset schemes in the year ended 30 September 2021. Where there are associated conditions attached to a grant, recognition within the Consolidated Statement of Profit or Loss reflects the fulfilment of those conditions. The impact of these grants is a reduction in the expense which the grant covers or a reduction in depreciation or amortisation if relating to an asset.

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

Research and development (R&D) tax credit recognition

Judgement is required around the timing and quantum of the recognition of income from R&D tax credits. These are recognised within EBITDA, matching the income with the associated labour costs incurred in conducting the research.

R&D claims are prepared on behalf of the group by specialist tax advisors with a history of successful claims using a proven methodology. Accordingly, they are submitted with a high degree of certainty that they will be approved.

Therefore, Management has determined that the income related to R&D tax credits should be recognised in the Statement of Profit or Loss in the period in which the R&D claim is submitted to the tax authorities, and in amount equal to the amount claimed.

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.

2 Accounting policies (continued)

Interest income
Interest income is recognised using the effective interest method.

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

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

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

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

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

EBITDA is defined as earnings before interest, tax, depreciation and amortisation. Adjusted EBITDA is defined as EBITDA adjusted for exceptional items and also the costs of entering markets with significant regulatory barriers to entry, gains/losses on foreign exchange and changes in fair value of contingent consideration as laid out in note 35.

Share based payments

All share-based payment arrangements are recognised in the consolidated financial statements in accordance with IFRS 2.

During the year the group entered into an equity settled share-based payment scheme with certain employees whereby shares could be acquired in the Group's ultimate parent company. Management has determined that these awards did not give rise to vesting conditions and as such the awards have been recognised in full within employee benefits costs.

2 Accounting policies (continued)

Taxation

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

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except for differences arising on:

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

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

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

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

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

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

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

2 Accounting policies (continued)

IRIC 23- Uncertain tax positions

IFRIC 23 provides clarity on how companies should reflect uncertainty in the recognition and measurement of tax treatments of items within the financial statements. IFRIC 23 is treated as a applying to the Group from the date of adoption of IFRS.

IFRIC 23 only applies to taxes within the scope of IAS 12 and therefore it does not cover taxes such as payroll taxes or VAT. The adoption of this interpretation has not had a material effect on the Group's net assets or results.

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

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

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

Under IFRS 3 there is a requirement to consider what types of intangible assets are acquired through business combinations. In assessing what intangible assets are likely to exist within the Group, Management has considered what are the main drivers for customers choosing an IVC Evidensia practice, crematorium or other service, and why they stay with their chosen provider.

For Vet operations, Management's view is that customers choose a practice primarily based on location, typically searching the internet or obtaining a personal reference for a nearby veterinary practice with a good reputation, and will remain with that practice as long as the service and care they receive meets their needs and expectations. Therefore, future economic benefits and the ability to attract of new customers will flow from repeat business and the goodwill of a practice's customers at the date of acquisition. Management has therefore concluded that a customer relationship intangible asset is appropriate to be recognised for all veterinary practice acquisitions.

Management has recognised a customer list intangible asset value for Veternity and other crematoria sites acquired in the year. These have stable and established customer bases which provide a recurring stream of income. Management therefore considers the crematorium's relationship with its customers to represent a material identifiable intangible asset. Given this reliable income stream, customer lists intangible assets are recognised for Crematoria as a proportion of the goodwill, are higher than for vet sites.

Another type of intangible asset that may be relevant is that associated with brand value. For veterinary practices in countries other than the Nordics, the IVC Evidensia brand name is not used and in other countries practices typically do not significantly market their brand name. For the Nordics, Evidensia was acquired prior to the IFRS conversion date of 1 October 2017 and so brand value is assigned. Management has determined that for other veterinary practices, no brand value is assigned because of this.

Vets Now is a specific exception to this, being nationally recognised as a brand and as a leading provider of out of hours veterinary services in the UK. Therefore, a brand intangible asset has been recognised for this acquisition in FY20. During the year a brand value has been attributed to PetAir, which was acquired in September 2021 in the UK, albeit the value is wholly immaterial.

2 Accounting policies (continued)

Intangible assets (continued)

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

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

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

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

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

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

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

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

2 Accounting policies (continued)

Impairment of non-financial assets (excluding inventories and deferred tax assets) (continued)
Goodwill is allocated on initial recognition to sites expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss. An impairment loss recognised for goodwill cannot be reversed.

Inventories
Inventories comprise drugs and consumables at practices.

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

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

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

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

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

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

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

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

2 Accounting policies (continued)

Financial assets (continued)
Amortised cost (continued)

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

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

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

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. The Group defines a default event as a breach of contract and amounts past due. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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

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

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

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

2 Accounting policies (continued)

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

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

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

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

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

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

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

2 Accounting policies (continued)

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

Liabilities arising are initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the requirements of IFRS 15.

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

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

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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

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

2 Accounting policies (continued)

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

Remeasurements of the net defined obligation are recognised directly within equity. The remeasurements include:
- Actuarial gains and losses
- Return on plan assets (interest exclusive): and
- Any asset ceiling effects (interest exclusive).

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

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

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

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

Leases
Identifying Leases

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

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

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

2 Accounting policies (continued)

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

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

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

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. To determine the IBR, the Group has used entity-specific synthetic credit ratings for each operating territory as a starting point and has adjusted this for conditions specific to each lease, such as its term and security. Based on this methodology, the Group has assessed IBRs in the range of 2.0% to 8.7%. The large majority of the portfolio was within 4%-5%.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

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

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

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

2 Accounting policies (continued)

Leases (continued)

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

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

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

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

A key consideration in the accounting treatment of leases under IFRS 16 Leases is the term of each lease used to calculate the lease liability and related right-of-use assets. A large majority by value of the Group's leases are for the rental of properties from which the Group carries out veterinary services. The leases may contain break clauses or options to extend the lease. A key judgment has to be made regarding the term of the leases, and importantly is whether or not break or extensions options will be exercised. Frequently, the leases are newly entered into at the date of acquisition and are for periods of fifteen or more years, ie are terminating at a point of time well into the future. Therefore, Management considers there is no basis on which to assess that the leases will be extended. In addition, there are very limited circumstances in which we have or would exercise a break option. Accordingly, for the purpose of IFRS 16, the lease term for each lease is considered to be the period to the lease termination date in each lease agreement.

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

3 Changes in accounting policy

Standards adopted by the Group for the first time during the year
A number of revised standards, including the following are effective for reporting periods beginning on or after 1 January 2020:

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

IFRS 16 *Leases* ("IFRS 16") (Amendment – Covid-19-Related Rent Concessions) is effective for reporting periods beginning on or after 1 June 2020.

Adoption of these standards has not had an impact on the Group's financial statements.

New standards, interpretation and amendments not yet effective
There are a number of standards, amendments to standards and interpretations which have been issued by the International Accounting Standards Board ("IASB") that are effective in future accounting periods that the Group has decided not to adopt early. The following amendments are effective for the reporting periods beginning on or after 1 January 2021:

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

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

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

IFRS 16 *Leases* ("IFRS 16") (Amendment – Covid-19-Related Rent Concessions beyond 30 June 2021)

The amendment extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments are effective for reporting periods beginning on or after 1 April 2021, with earlier application permitted. Due to the Group's size, there were no rent reliefs or rent concessions given as a result of the Covid-19 pandemic. As such the Group did not early adopt these amendments.

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

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

3 Changes in accounting policy (continued)

The following amendments are effective for reporting periods beginning on or after 1 January 2023:

- IAS 1 *Presentation of Financial Statements* ("IAS 1") (Amendment - Classification of Liabilities as Current or Non-Current)
- IAS 1 *Presentation of Financial Statements* ("IAS 1") *and* IFRS *Practice Statement 2* (Amendment – Disclosure of Accounting Policies)
- IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")* (Amendment – Definition of Accounting Estimates)
- IAS 12 *Income Taxes* ("IAS 12") (Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

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

4 Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying the Group's accounting policies

Management has considered the application of the Group's and Company's accounting policies, and related judgements (other than those involving estimations) that have a significant impact on the amounts recognised, and related estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

As a consequence of that consideration, management have concluded that there are no critical judgements (other than those involving estimations).

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

Key sources of estimation uncertainty in the consolidated financial statements

Valuation of intangible assets acquired in business combinations

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

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

	Range used for Veternity and other material acquisitions (over £10m or strategic acquisitions eg Easy Direct Debit)	**Range used for portfolio (all other acquisitions under £10m)**
Attrition rates applied	5% - 20%, 2% for Vets Now	20%
Discount rates	6.6% - 14.5%	8.5% - 10.1%

For details on sensitivity analysis of these inputs refer to note 15.

Contingent consideration

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

In certain cases, payments of contingent consideration are dependent on the continued employment of the vendor. These payments are treated as employment costs and accrued on a time basis over the period for which they are assessable. In other cases, now the significant majority, payments are not dependent on an employment condition, and a provision for the expected payment is made. In accordance with the group accounting policy, which was updated during FY21, the amounts payable are estimated at each accounting reference date based on information available at that date. The actual amounts payable may vary depending on subsequent financial performance.

For potential payments related to financial performance, the expected contingent consideration payment is determined separately in respect of each acquisition, unless as stated below. Contingent consideration and subsequent changes in its fair value, including accretion for the passage of time, are recognised in the Consolidated Statement of Profit or Loss, unless the change is due to additional information of circumstances at the date of acquisition. In this case the change in fair value is booked to Goodwill.

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

For acquisitions more than £10m, and for all acquisitions made prior to six months before the accounting reference date, the default provision calculation method is to apply actual and current future budget projections to the terms of the agreement with the vendor for determining the amount payable. For acquisitions within 6 months of the accounting reference date, the provision for contingent consideration is, by default, calculated based on historical payout percentages.

The amount recognised as a liability in respect of contingent consideration as at 30 September 2021 amounted to £131m. For acquisition made during FY21, contingent consideration recognised at the year end was £70.2m and the range of possible outcomes in respect of these payments was between zero and £88.0m. The range of possible outcomes in respect of total contingent consideration at 30 September 2021 was between zero and £179.4m. The impact on the amount payable of a 5% increase or decrease in the revenue rate is to increase the amount by £1,092k or reduce it by £20,118k respectively.

The historical payment rates used were determined as follows:

UK and Ireland

The historical payout rate for periods prior to March 2020, at which point the impact of Covid restrictions significantly impacted the extent to which vets in the UK and Ireland were able to provide services, was 44%. This was the rate at which provisions based on historical payment percentages were made at the prior year end. Management noted that during FY21, payments (based on trading performances impacted by the Covid restrictions) were, on average, at a lower percentage rate.

It is now considered the impact on vet operations of the Covid restriction and of the pandemic generally was substantially overcome by the end the FY20 year. Management therefore considered that it would be inappropriate to use the historical payout rate at 30 September 21 as a basis for payments made in FY22 and beyond, as it is depressed by the Covid impact. It was therefore considered appropriate to use a payment percentage of 44%.

Europe (excluding Ireland)

The financial performance of Vet operations in Europe was not significantly impacted by Covid in the way it was in the UK and Ireland, and there was no noted reduction in the payout percentage rates during FY21. Accordingly, it was considered appropriate, subject to the considerations below, to use historical payout percentage rates at 30 September 2021 as the basis for providing where historical payout percentages are used.

The historical payout percentages were calculated country by country and for Europe in total, for the three years to 30 September 2021. This is broadly reflective of the periods during which payouts are payable for an acquisition, and prior to FY 19, relatively few payments were made as most acquisitions were in the UK.

The country specific historical payout percentages were used in the provision calculations for each country except as follows:

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

- Sweden – the pattern of payments during the three-year period was highly skewed, with payments in the first half of this period being approximately 5% if the maximum amount, whilst those for the latter part of that period were consistently higher. Management assessed this and judged that the European average historical payout (a higher percentage) would be a more reliable basis on which to provide.
- France – at 30 September 2020 there was a limited number payouts made for French acquisitions and it was not felt that this provided a reliable basis for providing at year end. Instead, a model was developed to assess the likely payout percentage, and this was used for year end provisioning.
- Spain – as a new operation to the group, Spain also had no reliable history of payouts on which to provide. Accordingly, the Europe average percentage of payouts was used for this country.
- Switzerland – due to the limited number of recent acquisitions, Switzerland also had no significant recent history of payouts to form a basis on which to provide. Accordingly, the Europe average percentage of payouts was also used for this country.

Strong growth in pet ownership over the last 18 months will have the effect of increasing financial performance and this will generally increase the amount of contingent consideration being paid, potentially leading to a material difference. This has been factored into the expected future performance contributing to the calculation of the large provisions (acquisitions over £10m) of the contingent consideration, as the calculations are (other than for very recent acquisitions below £10m) based on actual performance since acquisition and the current forecast or budget (which would reflect this pet ownership growth).

In addition, Management has closely reviewed the provisions for contingent consideration for acquisitions where the KPIs of acquired operation is close to the thresholds for a payment to be due, in order to ensure we are fairly reflecting the substance of the likely outcome those deals.

For details of the assumptions used for contingent consideration and sensitivity analysis refer to note 23.

5 Revenue

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

Disaggregation of Revenue

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

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

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

Type of good or service

	2021 £'000	2020 £'000
Sale of goods	102,629	59,651
Rendering of services	1,569,063	1,174,557
Pet Health Club	99,494	76,889
	1,771,186	1,311,097

Timing of transfer of goods and services

	2021 £'000	2020 £'000
Point in time	1,695,570	1,257,275
Over time	75,616	53,822
	1,771,186	1,311,097

	2021 £'000	2020 £'000
Point in time – sale of goods	102,629	59,651
Point in time – rendering of services	1,592,941	1,197,624
Over time – rendering of services (all relates to Pet Health Club)	75,616	53,822
	1,771,186	1,311,097

Revenue alternative performance measures have been presented in note 35.

6 Expenses by nature

	2021	2020
Cost of sales	**£'000**	**£'000**
Cost of inventories recognised as expense	291,749	223,550
Write-down of inventory to net realisable value	1,814	1,832
Reversal of write-down of inventory to net realisable value	(7,937)	(1,110)
Employee benefit costs (note 9)	641,512	498,658
Grants	-	(10,571)
Lab costs and other direct costs	59,904	51,443
	987,042	763,802
Administrative expenses		
Advertising	11,082	10,593
Amortisation of intangibles (note 15)	40,391	27,858
Auditors' remuneration (note 8)	6,126	2,508
Computer running costs	23,199	17,775
Depreciation of property plant and equipment (note 13)	51,338	37,648
Depreciation of Right-of-use assets (note 13)	60,031	43,928
Impairment of Right-of-use assets (note 13)	2,555	3,305
Exceptional items (note 35)	20,746	19,626
Costs of entering markets with significant regulatory barriers to entry	5,141	604
Other admin costs	93,522	76,761
(Gain)/loss on disposal of property, plant and equipment	(162)	(183)
Employee benefit costs (note 9)	215,019	175,794
Grants	(483)	(8,195)
Property related costs	37,848	27,496
Repairs and maintenance	15,105	11,323
Loss allowance on trade receivables (note 19)	1,897	4,308
Staff travel and training	15,205	16,071
	598,560	467,220

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

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

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

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

7 Other operating income

	2021 £'000	2020 £'000
Sundry income	2,848	4,068
Out of hours/Licence fees	118	1,523
Donations received	922	3,664
Rent received – Sub Leases	1,532	1,314
Grants	4,256	184
	9,676	10,753

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

Grants includes a R&D tax credit of £3,632,000 (2020 - £Nil) that originated from a 2019 tax claim submitted.

8 Auditors' remuneration

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

	2021 £'000	2020 £'000
Fees payable to the Company's auditor and their associates for;		
The audit of the Company's financial statements	2,328	1,391
The audit of the Company's subsidiaries financial statements*	1,287	1,089
Total audit fees	3,615	2,480
Other assurance services**	2,477	-
Accounting advisory	32	-
Other advisory services	2	28
Total non-audit fees	2,511	28

*In the year ended 30 September 2021 includes £35,000 of attestation services required by Law (30 September 2020 - £13,000).

**Relates to reporting accountant assurance services.

9 Employee benefit costs

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

	2021 No.	2020 No.
Vets	6,829	5,529
Nurses	8,794	7,025
Support staff	8,059	7,216
	23,682	19,770

There are no employees employed by the Company (2020 - Nil).

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

	2021 £'000	2020 £'000
Wages and salaries	744,086	587,297
Social security costs	80,748	63,426
Expenses of defined contribution pension scheme	31,160	24,028
Expenses of defined benefits pension scheme	537	431
Grants	(483)	(18,766)
Share based payments	7,789	-
	863,837	656,416

Directors' remuneration and key management personnel

The directors' remuneration for the year was as follows:

	2021 £'000	2020 £'000
Remuneration (including benefits in kind)	4,742	2,001
Expenses of defined contribution pension scheme	6	8
	4,748	2,009

During the year 1 director accrued benefits under money purchase schemes (2020 - 1).

In respect of the highest paid director:

	2021 £'000	2020 £'000
Remuneration (including benefits in kind)	1,876	669
Expenses of defined contribution pension scheme	6	-
	1,882	669

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

In relation to the Group, the board members of Islay New Group Holding S.A., IVC New Topco Holding S.A, IVC Acquisition Topco Limited, IVC Acquisition Pikco Limited, IVC Acquisition Midco Limited and IVC Acquisition Limited are considered key management personnel.

9 Employee benefit costs (continued)

Key management personnel compensation is as follows:

	2021 £'000	2020 £'000
Wages and salaries	4,914	1,824
Expenses of defined contribution pension scheme	6	8
	4,920	1,832

10 Geographical analysis

The Group has three regions, United Kingdom, Europe and North America. The Europe region consists of the Group's operations in Belgium, Denmark, Finland, France, Germany, the Netherlands, Norway, the Republic of Ireland, Spain, Sweden, Switzerland and other. North America consists of USA and Canada and is a new region following the acquisition of Veternity.

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

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

30 September 2021	**UK £'000**	**Europe £'000**	**North America £'000**	**Total £'000**
Total revenue	1,068,571	701,590	1,025	1,771,186
Total revenue from external customers	1,068,571	701,590	1,025	1,771,186
Group revenue per Consolidated Statement of Profit or Loss				1,771,186
30 September 2020				
Total revenue	834,688	476,409	-	1,311,097
Total revenue from external customers	834,688	476,409	-	1,311,097
Group revenue per Consolidated Statement of Profit or Loss				1,311,097

10 Geographical analysis (continued)

	External revenue by location of customers	
	2021 £'000	2020 £'000
United Kingdom	1,068,571	834,688
Sweden	152,857	133,399
Netherlands	198,827	147,155
Other	350,931	195,855
	1,771,186	1,311,097

11 Finance income and expense

Recognised in profit or loss	2021 £'000	2020 £'000
Finance income		
Interest income	185	399
Foreign exchange gains on loans and borrowings	33,708	-
Foreign exchange gains on intercompany balances*	-	16,969
Total finance income	33,893	17,368
Finance expense		
Interest expense on lease liabilities	(21,460)	(15,218)
Interest expense on bank borrowings	(98,760)	(77,313)
Other loan interest	(2,877)	(19,448)
Group loan interest	(76,658)	(69,244)
Foreign exchange losses on loans and borrowings	-	(16,632)
Foreign exchange losses on intercompany balances*	(29,993)	-
Other financing costs	(2,161)	-
Total finance expense	(231,909)	(197,855)

*Intercompany balances which do not eliminate on consolidation.

Included within interest on bank borrowings are previously capitalised debt issue costs that were written off of £12,110,000 (2020 - £Nil).

11 Finance income and expense (continued)

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

	2021 £'000	2020 £'000
Total interest income on financial assets	33,893	17,368
Total interest expense on financial liabilities	(231,909)	(197,855)
	(198,016)	(180,487)

12 Taxation

	2021 £'000	2020 £'000
Current tax:		
UK corporation tax	11,062	2,032
UK corporation tax – prior year adjustments	994	(1,224)
European tax	12,604	3,423
European tax – prior year adjustments	399	(2,368)
Total current tax	25,059	1,863
Deferred tax		
Origination and reversal of timing differences	(1,848)	(10,154)
Effect of changes in tax rates	7,566	3,668
Differences relating to a prior period	(1,790)	1,262
Recognition of previously unrecognised deferred tax assets	(3,425)	(3,753)
Total deferred tax (note 24)	503	(8,977)
Tax charge / (credit)	25,562	(7,114)

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

	2021 £'000	2020 £'000
Loss before tax	(44,369)	(84,974)
Tax at the UK corporation tax rate of 19% (2020 - 19%)	(8,430)	(16,145)
Non-deductible expenses	25,231	2,778
Adjustment to tax charge in respect of prior year	(119)	(2,330)
Group relief (claimed)/surrendered	-	3,671
Effect of different tax rates of subsidiaries in other jurisdictions	(2,392)	(962)
Unrecognised deferred tax movement	589	2,269
Other items	3,117	-
Effect of changes in tax rates	7,566	3,605
Total tax charge / (credit)	25,562	(7,114)

12 Taxation (continued)

The group considers whether it is probable that a tax authority will accept an uncertain tax treatment. Where tax exposures can be quantified, a provision is made. These positions can be complex and judgemental, therefore in determining the provision, management judgement is based on interpretation of legislation, management experience and professional advice. During the year a provision for £3.1m (FY20 – Nil) has been made.

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

	2021 £'000	2020 £'000
Deferred tax		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on property, plant and equipment	(58)	-
Exchange differences on leases	-	(15)
Exchange differences on intangible assets	(1,295)	550

Changes in tax rates and factors affecting the future tax charge

The Group's Deferred tax assets and liabilities are calculated using tax rates that are expected to apply in the period when the liability is settled or the asset realised based on tax rates that have been enacted or substantively enacted by the reporting date.

United Kingdom

As announced in the Chancellor's budget on 3 March 2021 the main rate of corporation tax in the United Kingdom will increase from 19.0 per cent to 25.0 per cent from April 2023. This rate has been substantively enacted at the balance sheet date.

France

The French corporate income tax rate reduced for fiscal years starting on or after 1 January 2021 to 26.5 per cent where French consolidated tax revenue is below €250m and 27.5 per cent above that threshold. For fiscal years starting on or after 1 January 2022 the rate will reduce further to 25.0 per cent, with the revenue thresholds removed.

Sweden

The Swedish corporate income tax rate reduced for fiscal years starting on or after 1 January 2021 from 21.4 per cent to 20.6 per cent.

13 Property, plant and equipment

Group	Land and buildings £'000	Fixtures and surgery equipment £'000	Motor vehicles £'000	Computer equipment £'000	Right-of-use assets £'000	Total £'000
Cost						
At 1 October 2019	63,373	119,005	5,044	38,689	368,848	594,959
Additions	13,170	15,728	609	18,013	9,761	57,281
Acquired through business combinations	5,070	5,413	421	121	53,437	64,462
Disposals	(2,883)	(7,230)	(239)	(297)	(169)	(10,818)
Exchange differences	1,399	2,820	76	781	5,346	10,422
At 30 September 2020	80,129	135,736	5,911	57,307	437,223	716,306
Additions	11,668	34,145	522	27,209	68,314	141,858
Acquired through business combinations	23,062	37,538	753	4,008	46,662	112,023
Disposals	(102)	(162)	(671)	(626)	-	(1,561)
Remeasured and modified leases	-	-	-	-	2,352	2,352
Termination of leases	-	-	-	-	(11,031)	(11,031)
Exchange differences	12,436	(25,861)	2,010	256	(30,700)	(41,859)
At 30 September 2021	127,193	181,396	8,525	88,154	512,820	918,088

Total property, plant and equipment additions presented in the Consolidated Statement of Cash Flows amounts to £73,544,000, being the total additions above excluding additions of Right-of-use assets.

13 Property, plant and equipment (continued)

Group	Land and buildings £'000	Fixtures and surgery equipment £'000	Motor vehicles £'000	Computer equipment £'000	Right-of-use assets £'000	Total £'000
Accumulated depreciation and impairment						
At 1 October 2019	19,052	62,512	4,794	20,662	63,529	170,549
Charge for the year	6,974	19,774	226	10,674	43,928	81,576
Disposals	(351)	(6,558)	(219)	(200)	(114)	(7,442)
Impairment	-	-	-	-	3,305	3,305
Exchange differences	528	1,480	24	337	1,398	3,767
At 30 September 2020	26,203	77,208	4,825	31,473	112,046	251,755
Charge for the year	8,145	28,936	892	13,365	60,031	111,369
Disposals	(102)	(132)	(656)	(626)	-	(1,516)
Impairment	-	-	-	-	2,555	2,555
Termination of leases	-	-	-	-	(11,031)	(11,031)
Exchange differences	4,652	(5,704)	336	2,101	(20,213)	(18,828)
At 30 September 2021	38,898	100,308	5,397	46,313	143,388	334,304
Net book value						
At 30 September 2021	88,295	81,088	3,128	41,841	369,432	583,784
At 30 September 2020	53,926	58,528	1,086	25,834	325,177	464,551
At 30 September 2019	44,321	56,493	250	18,027	305,319	424,410

13 Property, plant and equipment (continued)

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

Group Right-of-use assets	Land and buildings	Fixtures and surgical equipment	Motor vehicles	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 October 2019	345,496	16,739	5,534	1,079	368,848
Additions	58,120	2,123	2,799	156	63,198
Disposals	-	(11)	(158)	-	(169)
Exchange differences	5,033	222	83	8	5,346
At 30 September 2020	408,649	19,073	8,258	1,243	437,223
Additions	67,084	954	276	-	68,314
Acquired through business combinations	42,418	492	3,552	200	46,662
Remeasured and modified leases	2,352	-	-	-	2,352
Terminations	(8,962)	(743)	(1,098)	(228)	(11,031)
Exchange differences	(10,408)	(14,894)	(4,910)	(488)	(30,700)
At 30 September 2021	501,133	4,882	6,078	727	512,820
Accumulated depreciation and impairment					
At 1 October 2019	51,974	8,252	2,736	567	63,529
Charge for the year	35,215	6,082	2,364	267	43,928
Disposals	-	(5)	(109)	-	(114)
Impairment	3,305	-	-	-	3,305
Exchange differences	1,186	153	53	6	1,398
At 30 September 2020	91,680	14,482	5,044	840	112,046
Charge for the year	57,606	965	1,293	167	60,031
Impairment	2,555	-	-	-	2,555
Terminations	(8,962)	(743)	(1,098)	(228)	(11,031)
Exchange differences	(4,408)	(12,060)	(3,377)	(368)	(20,213)
At 30 September 2021	138,471	2,644	1,862	411	143,388
Net book value					
At 30 September 2021	362,662	2,238	4,216	316	369,432
At 30 September 2020	316,969	4,591	3,214	403	325,177
At 30 September 2019	293,522	8,487	2,798	512	305,319

Income received from the sub-letting of right of use assets can be found in Note 7.

13 Property, plant and equipment (continued)

Included within the net book value of land and buildings at 30 September 2021 is £5,712,000 (30 September 2020 - £4,803,000) in respect of freehold land and buildings and £55,894,000 (30 September 2020 - £49,122,000) in respect of short leasehold improvements. Of this amount at 30 September 2021 £2,784,000 relates to freehold land which is not depreciated (30 September 2020 - £262,000).

At 30 September 2021 property, plant and equipment pledged as security for liabilities or where there is restricted title amounted to £1,437,000 (30 September 2020 - £Nil).

At 30 September 2021 contractual commitments for the acquisition of property, plant and equipment at amounted to £1,832,000 (30 September 2020 - £Nil).

In the year ended 30 September 2021, an impairment charge of £2,555,000 (30 September 2020 - £3,305,000) was made to the right-of-use asset in respect of onerous leases. Those leases that were deemed to be onerous at each period end were subject to an impairment review in line with IAS 36. Given the onerous leases arose as a result of the Group abandoning the properties, these are deemed to no longer be revenue-generating and would therefore have no value in use. As such, these right-of-use assets were written down in full through an impairment charge.

Company
The Company has no tangible fixed assets.

14 Leases

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

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

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

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

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

At 30 September 2021 and 30 September 2020, the carrying amounts of lease liabilities are not reduced by the amount of payments that would be avoided from exercising break clauses because on all dates it was considered reasonably certain that the Group would not exercise its right to exercise any right to break the lease. Total lease payments of £118,202,000 (30 September 2020 - £92,859,000) are potentially avoidable were the Group to exercise break clauses at the earliest opportunity.

14 Leases (continued)

Lease liabilities

Group	Land and buildings £'000	Fixtures and surgical equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
At 30 September 2019	(299,392)	(9,259)	(2,236)	(543)	(311,430)
Additions	(58,119)	(550)	(1,341)	(12)	(60,022)
Interest expense	(14,547)	(453)	(192)	(26)	(15,218)
Lease payments	45,202	3,059	653	265	49,179
Exchange differences	(3,959)	(119)	(26)	(2)	(4,106)
At 30 September 2020	(330,815)	(7,322)	(3,142)	(318)	(341,597)
Additions	(101,758)	(8,751)	(4,268)	(200)	(114,977)
Disposals	1,916	-	10	-	1,926
Lease modifications	(2,352)	-	-	-	(2,352)
Interest expense	(20,090)	(767)	(232)	(11)	(21,100)
Lease payments	69,333	5,407	1,530	172	76,442
Exchange differences	136	5,579	1,467	40	7,222
At 30 September 2021	(383,630)	(5,854)	(4,635)	(317)	(394,436)

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

Group	30 September 2021 £'000	30 September 2020 £'000
Short-term lease expense	823	282
Low value lease expense	105	131
Aggregate undiscounted commitments for short-term leases	593	47

The total cash outflow of leases during the reporting period was £ 74,971,000 (2020 - £49,179,000).

14 Leases (continued)

The maturity of lease liabilities are as follows:

Group	Within 1 year £'000	Between 1 and 5 years £'000	Over 5 years £'000	Total £'000
30 September 2021				
Lease liabilities	(46,541)	(130,471)	(217,424)	(394,436)
30 September 2020				
Lease liabilities	(45,543)	(121,060)	(174,994)	(341,597)

The total undiscounted commitments for leases are as follows:

	Within 1 year £'000	Between 1 and 5 years £'000	Over 5 years £'000	Total £'000
30 September 2021				
Lease liabilities	(60,848)	(193,805)	(235,385)	(490,038)
30 September 2020				
Lease liabilities	(65,167)	(165,670)	(210,923)	(441,760)

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

Company

The Company has no leases.

15 Other intangible assets

Group

	Customer Relationships £'000	Brands £'000	Total Other intangible assets £'000
Cost			
At 1 October 2019	234,189	5,461	239,650
Acquired through business combinations	81,350	-	81,350
Foreign exchange differences	2,358	55	2,413
At 30 September 2020	317,897	5,516	323,413
Acquired through business combinations	111,791	448	112,239
Foreign exchange differences	(7,796)	-	(7,796)
At 30 September 2021	421,892	5,964	427,856
Amortisation and impairment			
At 1 October 2019	(23,309)	(182)	(23,491)
Amortisation charge for the year	(27,584)	(274)	(27,858)
At 30 September 2020	(50,893)	(456)	(51,349)
Amortisation charge for the year	(40,117)	(274)	(40,391)
Foreign exchange differences	838	-	838
At 30 September 2021	(90,172)	(730)	(90,902)
Carrying amount			
At 30 September 2021	331,720	5,234	336,954
At 30 September 2020	267,004	5,060	272,064
At 30 September 2019	210,880	5,279	216,159

15 Other intangible assets (continued)

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

	30 September 2021 £'000	30 September 2020 £'000
Increase in discount rate	(3,115)	(1,056)
Decrease in discount rate	4,435	1,587
Increase in attrition rate	(19,320)	(6,074)
Decrease in attrition rate	21,310	8,534

There are no contractual commitments for the acquisition of intangibles as at 30 September 2021 (30 September 2020 - £Nil).

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

Company

The Company has no intangible assets.

16 Goodwill and Impairment

Group

	Goodwill £'000
Cost	
At 1 October 2019	1,868,907
Acquired through business combinations	215,947
Foreign exchange differences	25,666
At 30 September 2020	2,110,520
Acquired through business combinations	411,221
Foreign exchange differences	(36,663)
At 30 September 2021	2,485,078
Impairment	
At 1 October 2019	(87,000)
Foreign exchange differences	(3,178)
At 30 September 2020	(90,178)
Foreign exchange differences	2,901
At 30 September 2021	(87,277)
Carrying amount	
At 30 September 2021	2,397,801
At 30 September 2020	2,020,342
At 30 September 2019	1,781,907

16 Goodwill and Impairment (continued)

The Group is required to test whether goodwill has suffered any impairment on an annual basis or more frequently if there are indications that goodwill might be impaired. The Group was unable to calculate a fair value less cost to sell as the length of time since the last open market transaction meant a fair value could not be reliably estimated. Therefore, for the years ended 30 September 2021 and 30 September 2020 value in use represented the recoverable amount used in the impairment tests.

The Group have determined that the site that is expected to benefit from the synergies of an acquisition is the site located in the same country as the acquisition and have therefore allocated goodwill on this basis. The carrying amount of goodwill is allocated as follows:

	30 September 2021 £'000	30 September 2020 £'000
UK	1,557,843	1,407,121
Netherlands	224,605	190,760
Sweden	158,873	151,379
France	180,403	79,154
Other	276,077	191,928
	2,397,801	2,020,342

The number of countries included in other is 9 (2020 - 8).

16 Goodwill and Impairment (continued)

Value in use

The recoverable amounts for the year ended 30 September 2021 have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a four year period. Other major assumptions are as follows:

	Average year on year growth rate in EBITDA %	Pre-tax discount rate %	Long-term Growth rate* %
30 September 2021			
UK	12.7%	8.3% - 9.0%	3.0%
Netherlands	19.4%	8.8%	3.0%
Sweden	15.2%	8.4%	3.0%
France	19.9%	9.2%	3.0%
Other	15.1% - 26.7%	7.3% - 9.9%	3.0%

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

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

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

Long-term growth rates beyond the first four years are based on economic data pertaining to developed economies and the industry concerned.

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

17 Investments

Group	Investments in Associates £'000	Other investments £'000	Total £'000
Cost			
At 1 October 2019	32	27	59
Additions	-	2,013	2,013
Disposals	(32)	(1,791)	(1,823)
Foreign exchange	-	(4)	(4)
At 30 September 2020	-	245	245
Additions	-	997	997
Revaluation	-	98	98
Foreign exchange	-	(13)	(13)
At 30 September 2021	-	1,327	1,327
Carrying amount			
At 30 September 2021	-	1,327	1,327
At 30 September 2020	-	245	245
At 30 September 2019	32	27	59

17 Investments (continued)

Group
Other investments mainly relate to a number of funds and securities that the Group has obtained from acquisitions or from donations.

Company	Shares in Group undertakings £'000
Cost or valuation	
At 1 October 2019	650,017
Additions	5,150
At 30 September 2020	655,167
Additions	-
At 30 September 2021	655,167
Impairment	
At 1 October 2019	-
At 30 September 2020	-
At 30 September 2021	-
Carrying amount	
At 30 September 2021	655,167
At 30 September 2020	655,167
At 30 September 2019	650,017

In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the amount included in the Statement of Financial Position.

Subsidiary undertakings and associated undertakings
The undertakings in which the Company's and Group's interest at the year end is 20% or more is shown in note 36.

18 Inventories

Group

	30 September 2021 £'000	30 September 2020 £'000
Finished goods and consumables	54,927	40,484

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

There is no inventory pledged as securities for liabilities.

Company
The Company has no inventories.

19 Trade and other receivables

Group Current	30 September 2021 £'000	30 September 2020 £'000
Trade receivables at amortised cost	81,203	73,611
Less: expected credit loss provision	(18,777)	(16,880)
Trade receivables at amortised cost - net	62,426	56,731
Other receivables	69,835	45,495
Prepayments	21,813	16,625
Amounts owed by parent companies	-	29,346
Total current trade and other receivables	154,074	148,197

Group Non-Current	30 September 2021 £'000	30 September 2020 £'000
Amounts owed by parent company	51,447	-
Total non-current trade and other receivables	51,447	-

19 Trade and other receivables (continued)

Other receivables include rebate receivables of £19,765,000 (30 September 2020 - £17,325,000). Amounts owed by the parent companies relates to amounts owed by IVC Acquisition Topco Limited and IVC Acquisition Pikco Limited, which become repayable in 2028. Interest is charged at 11% per annum. Credit risk for amounts owed by the parent company has not increased significantly since its initial recognition. The carrying value of amounts owed by parent company classified at amortised cost approximates fair value. The carrying value of trade and other receivables classified at amortised cost approximates fair value.

Exposure to credit risk

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

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

Group	30 September 2021 £'000	30 September 2020 £'000
Opening provision for impairment of trade receivables	16,880	12,572
Increase during the year	1,897	4,308
Closing provision for impairment of trade receivables	18,777	16,880

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

Group	Current £'000	More than 30 days past due £'000	More than 60 days past due £'000	More than 120 days past due £'000	Total £'000
30 September 2021					
Expected loss rate	0.00%	0.00%	45.45%	82.47%	
Gross carrying amount	46,458	9,575	5,353	19,817	81,203
Loss provision	-	-	2,433	16,344	18,777
30 September 2020					
Expected loss rate	4.78%	6.44%	23.13%	52.74%	
Gross carrying amount	33,466	9,020	5,789	25,336	73,611
Loss provision	1,599	581	1,339	13,361	16,880

No loss provision has provided for balances less than 60 days past due in the current year. This expected loss is not material. Expected credit losses arising in relation to other financial assets for which such a loss is to be measured under IFRS 9 are not material and associated expected credit loss disclosures are therefore not presented in these financial statements for these balances.

19 Trade and other receivables (continued)

Company Current	30 September 2021 £'000	30 September 2020 £'000
Other debtors	-	4
Amounts owed by other group undertakings	-	2,959
Amounts owed by parent company	-	27,913
Total current trade and other receivables	-	30,876

Company Non-Current	**30 September 2021 £'000**	**30 September 2020 £'000**
Amounts owed by other group undertakings	543,675	707,527
Amounts owed by parent company	30,983	-
Total non-current trade and other receivables	574,658	707,527

Amounts owed by other group undertakings relates to amounts owed by IVC Acquisition Limited are repayable in 2028. Interest is charged at 11% per annum.

Amounts owed by parent company relates to amounts owed by IVC Acquisition Pikco Limited are repayable on in 2028. Interest is charged at 11% per annum.

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

20 Trade and other payables

Group	30 September 2021 £'000	30 September 2020 £'000
Current		
Trade payables	100,245	70,673
Accruals	118,597	96,813
Other payables	41,398	36,214
Other taxation and social security	87,547	106,840
Total current trade and other payables	347,787	310,540
Non-current		
Amounts owed to parent companies	804,852	725,106
Accruals	2,784	1,101
Total non-current trade and other payables	807,636	726,207

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

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

Group	Due within one and five years £'000	Due after five years £'000	Total £'000
30 September 2021			
Amounts owed to parent companies	-	804,852	804,852
Accruals	2,784	-	2,784
30 September 2020			
Amounts owed to parent companies	-	725,106	725,106
Accruals	-	1,101	1,101

20 Trade and other payables (continued)

Company	30 September 2021 £'000	30 September 2020 £'000
Current		
Accruals	49	30
Amounts owed to other group undertakings	-	29,112
Total current trade and other payables	49	29,142
Non-current		
Amounts owed to parent company	707,536	637,426
Amounts owed to group undertakings	32,201	-
Accruals	-	1,101
Total non-current trade and other payables	739,737	638,527

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

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

Company	Due within one and five years £'000	Due after five years £'000	Total £'000
30 September 2021			
Amounts owed to other group undertakings	-	30,983	30,983
Amounts owed to parent company	-	543,675	543,675
	-	574,658	574,658
30 September 2020			
Amounts owed to parent company	-	637,426	637,426
Accruals	-	1,101	1,101

21 Loans and borrowings

Group	30 September 2021 £'000	30 September 2020 £'000
Current		
Bank loans	-	-
Non-current		
Bank loans	2,032,502	1,374,630
Other loans	-	215,112
Total non-current loans and borrowings	2,032,502	1,589,742

Total bank loans outstanding of £2,032,502,000 (30 September 2020 - £1,374,521,000) are stated after deducting £20,153,000 (30 September 2020 - £19,303,000) of costs associated with the raising of this finance, which are being charged to the Consolidated Statement of Profit or Loss over the term of the debt which is an average of 5 years (i.e. total bank debt was £2,052,655,000 at 30 September 2021 (£1,393,824,000 at 30 September 2020) and are repayable in 2025 and 2027. The rate of interest on each loan for each interest period is the percentage rate per annum, which is the aggregate of the applicable margin and LIBOR as the case may be (between 3.75% and 7.55%). Interest is paid in instalments chosen by the Group typically quarterly, subject to the Group's compliance with banking covenants.

Long term bank borrowings

	30 September 2021 £'000	30 September 2020 £'000
Non-current bank loans		
National Westminster Bank PLC	2,052,655	1,393,824
Less unamortised deferred debt costs	(20,153)	(19,194)
Total non-current bank loans	2,032,502	1,374,630

*The Group is funded through a syndicated debt facility managed by National Westminster Bank PLC as agent.

21 Loans and borrowings (continued)

Long term bank borrowings (continued)

Split Per Facility	£'000	Repayment dates	Repayment	Rate of interest
30 September 2021				
B3 Facility (GBP)	821,000	13/02/2026	Bullet	SONIA+4.25%
B4 Facility (EUR)	743,971	13/02/2026	Bullet	EURIBOR+3.5%
2nd LIEN Facility (GBP)	238,000	13/02/2027	Bullet	LIBOR+7.5%
RCF (GBP)	50,000	13/08/2025	Revolving	SONIA+3.25%
RCF (EUR)	94,719	13/08/2025	Revolving	EURIBOR+3.25%
RCF (SEK)	90,553	13/08/2025	Revolving	STIBOR+3.25%
RCF (NOK)	14,412	13/08/2025	Revolving	NIBOR+3.25%
	2,052,655			
30 September 2020				
B1 Facility (GBP)	532,000	13/02/2026	Bullet	LIBOR+4.5%
B2 Facility (EUR)	462,734	13/02/2026	Bullet	LIBOR+4%
2nd LIEN Facility (GBP)	238,000	13/02/2027	Bullet	LIBOR+7.5%
Incremental Facility B212 (EUR)	91,090	13/02/2026	Bullet	LIBOR+4%
Incremental Facility B112 (GBP)	70,000	13/02/2026	Bullet	LIBOR+4.5%
RCF (GBP)	-	13/08/2025	Revolving	LIBOR+3.5%
	1,393,824			

Existing facilities

In April 2021, the Group refinanced its bank debt facilities with National Westminster Bank PLC. The Group drew down additional Borrowing on a new B3 Facility (GBP) and B4 Facility (EUR) that amounted to £219m and £318m respectively. This was used to repay the existing revolving credit facility. Subsequently the B1 Facility (GBP) £602m and B2 Facility (EUR) €430m were merged into the new B3 Facility (GBP) and B4 Facility (EUR) resulting in total loan values at April 2021 of B3 Facility (GBP) £821m and B4 Facility (EUR) €748m. A new revolving credit facility was also agreed of £348m.

The First Lien Senior facilities bears interest of SONIA plus a margin of 4.25% on the B3 facilities, and EURIBOR plus a margin of 3.5% on the B4 facilities, with both having a maturity date of 13 February 2026. The RCF facility bears interest at a rate of GBP loans SONIA plus a margin of 3.25%, NOK loans NIBOR plus a margin of 3.25%, SEK loans STIBOR plus a margin of 3.25%, EUR loans EURIBOR plus a margin of 3.25% and has a maturity date of 13 August 2025. The Second Lien facility bore interest of SONIA plus a margin of 7.5% and has a maturity date of 13 February 2027.

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

The only financial covenant associated with the Senior Facilities is that the Parent shall ensure that the Consolidated Net Leverage Ratio in respect of each testing period shall not exceed 9.12:1 prior to the IFRS effective date and 8.68:1 on or after the IFRS effective date.

21 Loans and borrowings (continued)

Other loans were repaid in full during the year.

All loans are measured at amortised cost.

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

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

Group	Due within one and five years £'000	Due after five years £'000	Total £'000
30 September 2021			
Loans and borrowings	1,794,502	238,000	2,032,502
30 September 2020			
Loans and borrowings	-	1,589,742	1,589,742

Further refinancing occurred after the balance sheet date on 2 November 2021. Refer to note 32 for more information.

Company	30 September 2021 £'000	30 September 2020 £'000
Non-current		
Other loans	-	215,221

For the terms of other loans refer to the Group section above. The maturity profile of amounts due after one year is below:

Company	Due within one and five years £'000	Due after five years £'000	Total £'000
30 September 2021			
Loans and borrowings	-	-	-
30 September 2020			
Loans and borrowings	-	215,221	215,221

22 Employee benefit liabilities

	30 September 2021 £'000	30 September 2020 £'000
Group		
Current		
Accrual for annual leave	8,615	17,403
Non-current		
Defined benefit schemes (note 28)	1,383	3,034

Company
The Company has no employee benefit liabilities.

23 Provisions

Group

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

The contingent consideration balance is a Level 3 fair value measurement, as the calculation of these amounts utilises unobservable inputs. The inputs included are projected revenue and/or earnings before interest, tax, depreciation, historical pay-out rates and amortisation amounts and risk-adjusted discount rates. The discount rate utilised in the calculation of these fair value measurements ranges from 3.25% - 3.41%. There have been no transfers between Level 1 or 2 throughout the year ending 2021.

Included in the contingent consideration balance as at 30 September 2021 is a balance of £Nil (30 September 2020 - £41,447,903) related to the acquisition of Vets Now.

23 Provisions (continued)

The following table provides a roll-forward of the fair value of contingent consideration for the years ended 30 September 2021, 2020 and 2019:

Group	Contingent consideration £'000
At 30 September 2019	75,339
Issuance of contingent consideration in connection with acquisition	27,210
Change in fair value of contingent consideration	(4,685)
Payment of contingent consideration	(16,392)
At 30 September 2020	81,472
Issuance of contingent consideration in connection with acquisition	71,961
Change in fair value of contingent consideration	41,613
Payment of contingent consideration	(62,179)
Foreign exchange differences	(1,858)
At 30 September 2021	131,009

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

	30 September 2021 £'000	30 September 2020 £'000
Revaluation of financial instruments	41,613	4,685

The fair value is determined considering the expected payment, discounted to present value using a risk adjusted discount rate. The expected payment is determined separately in respect of each individual earn-out agreement taking into consideration the expected level of profitability of each acquisition. The provision for contingent consideration is principally in respect of acquisitions completed during 2017 to 2021.

The significant unobservable input is forecast revenue growth rates. For the reporting period ended 30 September 2021 these were 5% - 12% (30 September 2020: 5% - 15%).

The estimated fair value would increase/(decrease) if the revenue growth rate was higher/(lower). A number of acquisitions made more than 6 months before the year end contain maximum contingent consideration payable of £2m or greater. 10 acquisitions meet this criteria, these represent a maximum payable amount of £48m with recognised contingent consideration liability of £33m. If revenues for these acquisitions increased or decreased by 5%, then the amount payable would increase by £1m and decrease by £20m respectively

23 Provisions (continued)

For the contingent consideration of acquisitions completed during the year ended 30 September 2021 that are valued based on a historical payout percentage basis, a 5% increase or decrease in the payout percentage would increase or decrease the amount payable by £1,769K.

The maturity profile of contingent consideration is as follows:

Group	Due within one year £'000	Due after more than one year £'000	Total £'000
30 September 2021			
Contingent consideration	44,147	86,862	131,009
30 September 2020			
Contingent consideration	53,710	27,762	81,472

Company

The Company has no contingent consideration.

24 Deferred tax

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

Group	Property, plant and equipment £'000	Other temporary differences £'000	Losses £'000	Leases £'000	Business combinations £'000	Total £'000
At 30 September 2019	(1,368)	(236)	6,882	614	(42,817)	(36,925)
On acquisition	(787)	-	-	-	(17,385)	(18,172)
Credit/(expense) to OCI	-	-	-	15	(550)	(535)
Credit/(expense) to profit or loss	4,956	(1,704)	2,877	853	1,995	8,977
At 30 September 2020	2,801	(1,940)	9,759	1,482	(58,757)	(46,655)
On acquisition	-	-	-	-	(19,799)	(19,799)
Credit/(expense) to OCI	58	-	-	-	1,295	1,353
Credit/(expense) to profit or loss	579	449	732	4,164	(6,427)	(503)
At 30 September 2021	3,438	(1,491)	10,491	5,646	(83,688)	(65,604)

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

Group	30 September 2021 £'000	30 September 2020 £'000
Unused tax losses	4,624	15,929
Fixed asset temporary differences	3,423	86
Employee benefits	1,735	523
	9,782	16,538

Included in unrecognised tax losses are £ Nil (30 September 2020 - £1,026,148) which must be used by 2025 and 2026. Other losses may be carried forward indefinitely.

24 Deferred tax (continued)

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

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

	30 September 2021 £'000	30 September 2020 £'000
Group		
Deferred tax asset	22,087	-
Deferred tax liability	(87,691)	(46,655)
Net deferred tax	(65,604)	(45,655)

Company

The Company had no deferred tax asset or liability.

25 Share capital

	30 September 2021 Number 000	30 September 2020 Number 000
Authorised, issued and fully paid:		
Ordinary shares of £0.01 each	359,432	359,432
Ordinary shares of £1 each	5,974	5,974
	365,406	365,406

	£'000	£'000
Authorised, issued and fully paid:		
Ordinary shares of £0.01 each	3,594	3,594
Ordinary shares of £1 each	5,974	5,974
	9,568	9,568

	30 September 2021 Number 000	30 September 2021 £'000	30 September 2020 Number 000	30 September 2020 £'000
Ordinary shares of £0.01 each				
At 1 October	359,432	3,594	359,432	3,594
Other issue for cash	-	-	-	-
At 30 September	359,432	3,594	359,432	3,594

25 Share capital (continued)

	30 September 2021 Number 000	30 September 2021 £'000	30 September 2020 Number 000	30 September 2020 £'000
Ordinary shares of £1 each				
At 1 October	5,974	5,974	5,974	5,974
At 30 September	5,974	5,974	5,974	5,974

Share premium	30 September 2021 £'000	30 September 2020 £'000
Ordinary shares of £1 each		
At 1 October	517,028	511,878
Other issue for cash	-	5,150
At 30 September	517,028	517,028

New shares allotted
No new shares were allotted by the Company during the financial year ended 30 September 2021.

Rights and restrictions
The shares have attached to them full voting, dividend and capital distribution rights (including on winding up).
They do not confer any right of redemption. All shares have been allotted, called-up and fully-paid.
The Company has two classes of ordinary shares (1p and £1 nominal value) which carry no right to fixed income.

26 Reserves

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

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

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

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

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

27 Financial Instruments

Group

Capital risk management

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

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

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

Categories of financial instruments

Carrying amount	**30 September 2021**	**30 September 2020**
Financial assets	**£'000**	**£'000**
Amortised cost		
Other investments	1,327	245
Cash and cash equivalents	186,528	219,515
Trade receivables (note 19)	62,426	56,731
Other receivables (note 19)	69,835	45,495
Amounts owed by parent companies (note 19)	51,447	29,346
Total financial assets held at amortised cost	371,563	351,332
Financial liabilities		
Amortised cost		
Trade payables (note 20)	100,245	70,673
Accruals (note 20)	121,381	97,914
Other payables (note 20)	41,398	36,214
Amounts owed to parent companies (note 20)	804,852	725,106
Loans and borrowings (note 21)	2,032,502	1,589,742
Employee benefit liabilities (note 22)	8,615	17,403
Total financial liabilities held at amortised cost	3,108,993	2,537,052

Fair values of financial instruments

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

27 Financial Instruments (continued)

Fair values of financial instruments (continued)

At 30 September 2021 and, 2020 the carrying amounts of cash at bank, receivables, payables, accrued expenses, short-term advances to related parties and short-term borrowings from related parties reflected in the consolidated financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation. The fair value of floating interest rate bank borrowings at the end of the reporting periods is not significantly different from the carrying amounts.

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

	30 September 2021 £'000	30 September 2020 £'000
Financial liabilities measured at fair value		
Contingent consideration (note 23)	131,009	81,472
Financial liabilities measured at amortised cost		
Other loans (note 22)	-	215,112
Amounts owed to parent companies (note 20)	804,852	725,106
	804,852	940,218
Fair values (Level 3): significant unobservable inputs		
Contingent consideration (note 23)	131,009	81,472
Other loans (note 22)	-	325,156
Amounts owed to parent companies (note 20)	1,253,126	1,162,058
	1,384,135	1,568,686

There have been no transfers between levels during the year.

27 Financial Instruments (continued)

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

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

Financial risk management

Overview

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

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

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

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

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

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

Credit risk

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

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

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

27 Financial Instruments (continued)

Credit risk (continued)

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

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

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

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

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

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

	30 September 2021 £'000	30 September 2020 £'000
Trade receivables (note 19)	62,426	56,731
Amounts owed by parent companies (note 19)	51,447	29,346
Other receivables (note 19)	69,835	45,495
Cash and cash equivalents	186,528	219,515

Market risk

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

27 Financial Instruments (continued)

(i) Interest rate risk

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

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

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

Group	30 September 2021 £'000	30 September 2020 £'000
Variable rate instruments		
Financial liabilities	2,032,502	1,589,742
Total financial liabilities	2,032,502	1,589,742

Sensitivity analysis

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

Group Profit or loss and Equity	30 September 2021 £'000	30 September 2020 £'000
Increase	10,263	7,949
Decrease	(10,263)	(7,949)

(ii) Foreign currency risk

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

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

27 Financial Instruments (continued)

(ii) Foreign currency risk (continued)

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

30 September 2021	Euro £'000	SEK £'000	CHF £'000	DKK £'000	USD £'000	PLN £'000	CZK £'000	CAD £'000	NOK £'000	Total £'000
Trade and other receivables	30,006	7,069	1,061	222	331	64	(10)	17	1,368	40,128
Cash and cash equivalents	82,477	14,953	2,463	1,455	221	-	41	380	3,074	105,064
Trade and other payables	(83,329)	(22,685)	(5,458)	(1,721)	(9,826)	(3,233)	(8)	(6,143)	(5,140)	(137,543)
Loans and borrowings	(838,690)	(90,553)	-	-	-	-	-	-	(14,412)	(943,655)

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

27 Financial Instruments (continued)

(ii) Foreign currency risk (continued)

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

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

30 September 2021	**Euro**	**SEK**	**CHF**	**DKK**	**USD**	**PLN**	**CZK**	**CAD**	**NOK**	**Total**
Profit or loss and Equity	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Increase	(40,477)	(4,561)	(97)	(2)	(464)	(158)	1	(287)	(756)	(46,801)
Decrease	40,477	4,561	97	2	464	158	(1)	287	756	46,801

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

27 Financial Instruments (continued)

(iii) Liquidity risk

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

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

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

Maturity analysis (undiscounted cash flows)

	Due within one year £'000	Due within one and five years £'000	Due after five years £'000	Total £'000
2021				
Loans and borrowings	87,436	2,116,416	244,623	2,448,475
Amounts owed to parent companies	804,850	-	-	804,850
Trade payables	100,245	-	-	100,245
Other payables	41,401	-	-	41,401
Accruals	118,597	2,784	-	121,381
Employee benefit liabilities	8,615	-	-	8,615

	Due within one year £'000	Due within one and five years £'000	Due after five years £'000	Total £'000
2020				
Loans and borrowings	-	-	2,148,711	2,148,711
Amounts owed to parent companies	-	-	1,648,951	1,648,951
Trade payables	70,673	-	-	70,673
Other payables	36,214	-	-	36,214
Accruals	96,813	-	1,101	97,914
Employee benefit liabilities	17,403	-	-	17,403

28 Retirement benefit schemes

Defined contribution schemes

Group

The Group operates defined contribution retirement benefit schemes. The pension cost charge for the year represented contributions payable by the Group to the schemes and amounted to £31,542,000 (30 September 2020 - £24,028,000). Contributions totalling £3,347,000 (30 September 2020 - £2,365,000) were payable to the schemes at the end of the year and are included in other creditors.

(i) Defined benefit plan characteristics and funding

The Group has 2 entities in Switzerland that are affiliated to 4 pension funds operating 13 post-employment defined benefit plans. The nature of the plans is similar for all plans:

- The retirement benefits are organised as "cash-balance plans":
  - Each active insured has a savings account, which is accumulated by contributions of the employee as well as the employer.
  - In addition, the savings accounts are augmented by an interest rate, which is determined by the board of the trustees on a yearly basis.
  - In the case of an employee changing the employer, the savings account is transferred to the new employer's pension fund. The employee's savings process is continued in the new pension plan.
  - At retirement age, the amount on the savings account is converted into an annuity by multiplication with the pension fund specific conversion rate. The employee has also the possibility to take the saving account fully or partly as an old-age lump sum. However, taking an old-age annuity is more common.
- Other benefits:
  - In addition to retirement benefits, the employee has death and disability benefits. These benefits (annuities) are typically defined as a percentage of the employee's insured salary.

Differences and similarities of pension plans:

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

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

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

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

28 Retirement benefit schemes (continued)

Defined benefit plans (continued)

(i) Defined benefit plan characteristics and funding (continued)

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

In 2022, the Group expects to contribute £408,000 into its defined benefit plans.

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

	30 September 2021 £'000	30 September 2020 £'000
Movement in defined benefit obligation		
At 1 October	13,740	10,968
Current service cost	505	420
Interest cost	32	11
Included in profit or loss	537	431
Actuarial (gains) / losses from:		
- Financial assumptions	(308)	(171)
- Adjustments (experience)	168	2
Included in other comprehensive income	(140)	(169)
Contributions by plan participants	382	289
Business combinations	2,488	2,687
Exchange rate adjustment (gains)/losses	(755)	343
Benefits paid	(914)	(809)
Other Movements	1,201	2,510
At 30 September	15,338	13,740

28 Retirement benefit schemes (continued)

Defined benefit plans (continued)

Group

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

Fair value of plan assets	30 September 2021 £'000	30 September 2020 £'000
At 1 October	10,706	8,717
Interest income	26	9
Included in profit or loss	26	9
Return on plan assets (excluding interest)	1,513	(206)
Included in other comprehensive income	1,513	(206)
Contributions by the employer	382	289
Contributions by plan participants	382	289
Business combinations	2,430	2,153
Exchange rate adjustment (losses)/gains	(570)	264
Benefits paid	(914)	(809)
Other Movements	1,710	2,186
At 30 September	13,955	10,706

28 Retirement benefit schemes (continued)

Defined benefit plans (continued)

Group

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

Amounts recognised in the Consolidated Statement of Financial Position	**30 September 2021 £'000**	**30 September 2020 £'000**
Present value of funded obligation	15,338	(13,740)
Fair value of plan assets	(13,955)	10,706
Net liability	1,383	(3,034)

Consolidated Statement of Financial Position reconciliation	**30 September 2021 £'000**	**30 September 2020 £'000**
At 1 October	3,034	2,251
Pension expenses recognised in profit or loss	511	422
Amounts recognised in other comprehensive income	(1,653)	38
Employer contributions	(382)	(289)
Net transfer in/(out) including the effect of any business combinations/divestiture	57	534
Exchange rate adjustment (gains)/losses	(184)	78
At 30 September	1,383	3,034

Expense recognised in profit or loss	**30 September 2021 £'000**	**30 September 2020 £'000**
Current serve cost	505	420
Net interest cost	6	2
	511	422

(iii) Estimate of contributions in subsequent period

	30 September 2021 £'000	**30 September 2020 £'000**
Best estimate of expected contribution by the employer during the next financial period	408	354
Best estimate of expected contribution by plan participants during the next financial period	408	354

28 Retirement benefit schemes (continued)

Defined benefit plans (continued)

Group
(iv) Principal actuarial assumptions used

	30 September 2021	30 September 2020
Discount rate (beginning of period)	0.20%	0.10%
Discount rate (end of period)	0.35%	0.20%
Expected return on plan assets (in period)	0.20%	0.10%
Interest on savings account	0.50%	0.50%
Salary increase rate	1.00%	1.00%
Pension increase rate	0.00%	0.00%
Lump-sum withdrawal rate	30.00%	30.00%
Mortality table	BVG 2020 GT	BVG 2015 GT
Disability table	BVG 2020	BVG 2015
Turnover table	BVG 2020	BVG 2015
Treatment of contributions from employees	IAS19.93(b)	IAS19.93(b)

(v) Sensitivity (change in defined benefit obligation)

	30 September 2021 £'000	30 September 2020 £'000
Discount rate		
+0.50%	(1,083)	(1,036)
- 0.50%	1,234	1,189
Interest on savings-accounts		
+0.50%	305	313
- 0.50%	(289)	(298)
Pension increase rate		
+0.50%	739	684
- 0.50%	(671)	(618)
Salary increase rate		
+0.50%	175	174
- 0.50%	(169)	(166)
Life expectancy		
- 1 year	(333)	(312)
+ 1 year	389	365
Duration defined benefit obligation (years)	14 to 18	14 to 17

28 Retirement benefit schemes (continued)

Defined benefit plans (continued)
Sensitivity (change in defined benefit obligation) (continued)

A sensitivity analysis for each significant actuarial assumption as of the end of the reporting period is performed, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumption that were reasonably possible at that date. The whole valuations are re-performed by applying the sensitivities disclosed and the impact of the change of the assumptions on the liability is disclosed.

There have been no changes in method compared to the prior year.

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

	30 September 2021 £'000	30 September 2020 £'000
Active members	11,499	13,691
Pensioners	3,839	49
	15,338	13,740

(vii) Allocation of plan assets at end of period

	30 September 2021 £'000	30 September 2020 £'000
With quoted market price		
Cash and cash equivalents	428	353
Equity instruments	4,237	3,461
Debt instruments	4,798	3,338
Real estate	3,311	2,524
Other	1,181	1,030
	13,955	10,706
Without quoted market price		
Other	-	-
	-	-
Total	13,955	10,706

29 Business combinations during the period

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

The material acquisitions acquired in the year ended 30 September 2021 are separately disclosed within this note. The directors have considered the accounting requirements of IFRSs and have concluded that there were no other material acquisitions which require separate disclosure. The below balances are provisions as IFRS 3: Business Combinations gives an entity a 12 month period after acquisition date to change fair values if new information arises. Pro forma disclosure of revenues and earnings for each of the material acquisitions disclosed in the notes below was not determined to be practicable due to the availability of financial information prior to acquisition in the applicable accounting standard.

29 Business combinations during the period (continued)

La Compagnie Des Veterinaries SA ("Veternity")

On 30 June 2021 the Group acquired 51% of the voting equity instruments of La Compagnie Des Veterinaires in France. The principal activity of La Compagnie Des Veterinaires is crematoria services.

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

	Provisional fair value on acquisition £'000
Assets and liabilities acquired	
Investments	638
Intangible assets	27,786
Property, plant and equipment	28,805
Right-of-use assets	1,607
Inventories	2,015
Trade and other receivables	7,524
Cash and cash equivalents	7,972
Payables	(29,495)
Corporation tax liability	(107)
Deferred tax liability	(8,261)
Total fair value of identifiable net assets upon acquisition	**38,484**
Non-controlling interests	(18,857)
Fair value of 51% of identifiable net assets upon acquisition	**19,627**
Fair value of consideration paid	
Cash	68,140
Contingent consideration	11,712
Total consideration	79,852
Goodwill (see note 16)	**60,225**
Cash flow analysis:	
Cash consideration	68,140
Less: cash and cash equivalent balances acquired	(7,972)
Net cash outflow on acquisition	**60,168**

29 Business combinations during the period (continued)

La Compagnie Des Veterinaries SA ("Veternity") (continued)

Non-controlling interest was measured at £18,857,000 representing the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Acquisition costs of £1,229,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

As part of the acquisition agreement, a contingent consideration arrangement exists that requires additional consideration to be paid by the Group to the sellers of La Compagnie des Veterinaires based on the EBITDA performance of the Group up to and including the financial year ending 30 September 2024. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between €Nil and €15,000,000. The fair value of the contingent consideration recognised on the acquisition date of 30 June 2021 of €13,411,000 was estimated by assessing the budgeted EBITDA of the Group up to and including 30 September 2024 in accordance with the criteria of the contract. Key assumptions include probability of future acquisition pipeline meeting expectations.

The main factors leading to the recognition of goodwill are:

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

The goodwill recognised will not be deductible for tax purposes.

Veternity has contributed £11,347,119 to Group revenues and £35,390 of loss to Group loss between the date of acquisition and 30 September 2021.

29 Business combinations during the period (continued)

Omaeläinklinikka Holding Oy

On 31 August 2021 the Group acquired 100% of the voting equity instruments of Omaeläinklinikka Holding Oy in Finland. The principal activity of Omaeläinklinikka Holding Oy is veterinary services.

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

	Provisional fair value on acquisition £'000
Assets and liabilities acquired	
Intangible assets	6,163
Property, plant and equipment	2,136
Right-of-use assets	3,823
Inventories	277
Trade and other receivables	480
Cash and cash equivalents	1,098
Payables	(6,782)
Deferred tax liability	(438)
Total fair value of identifiable net assets upon acquisition	**6,757**
Fair value of consideration paid	
Cash	27,767
Contingent cash consideration	-
Total consideration	27,767
Goodwill (see note 16)	**21,010**
Cash flow analysis:	
Cash consideration	27,767
Less: cash and cash equivalent balances acquired	(1,098)
Net cash outflow on acquisition	**26,669**

29 Business combinations during the period (continued)

Omaeläinklinikka Holding Oy (continued)

Acquisition costs of £164,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

The main factors leading to the recognition of goodwill are:

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

The goodwill recognised will not be deductible for tax purposes.

Omaeläinklinikka Holding Oy has contributed £1,630,464 to Group revenues and £74,378 of profit to Group loss since the acquisition date to 30 September 2021.

29 Business combinations during the period (continued)

Beast Mode Limited

On 27 November 2020 the Group acquired 100% of the voting equity instruments of Beast Mode Limited (trading as 'Swift Referrals') in the United Kingdom. The principal activity of Beast Mode Limited is veterinary services.

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

	Provisional fair value on acquisition £'000
Assets and liabilities acquired	
Intangible assets	2,862
Property, plant and equipment	1,670
Right-of-use asset	1,026
Inventories	86
Trade and other receivables	364
Cash and cash equivalents	429
Payables	(2,830)
Corporation tax liability	(51)
Deferred tax liabilities	(501)
Total fair value of identifiable net assets upon acquisition	**3,055**
Fair value of consideration paid	
Cash	8,995
Contingent consideration	5,592
Total consideration transferred	14,587
Goodwill (see note 16)	**11,532**
Cash flow analysis:	
Cash consideration	8,995
Less: cash and cash equivalent balances acquired	(429)
Net cash outflow on acquisition	**8,566**

29 Business combinations during the period (continued)

Beast Mode Limited (continued)

Acquisition costs of £161,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

As part of the acquisition agreement, a contingent consideration arrangement exists that requires additional consideration to be paid by the Group to the sellers of Beast Mode Limited based on the revenue growth, payroll expenses and EBITDA of Beast Mode Limited over a four-year period. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £11,000,000. The fair value of the contingent consideration recognised on the acquisition date of 27 November 2020 of £5,592,000 was estimated by applying the income approach. The measure is based on significant Level 3 inputs not observable in the market. Key assumptions include probability adjusted level of revenues.

The main factors leading to the recognition of goodwill are:

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

The goodwill recognised will not be deductible for tax purposes.

Beast Mode Limited has contributed £5,684,103 to Group revenues and £1,944,502 of profit to Group loss since the acquisition date to 30 September 2021.

29 Business combinations during the period (continued)

Donnington Grove Veterinary Group Limited
On 15 December 2020 the Group acquired 100% of the voting equity instruments of Donnington Grove Veterinary Group Limited in the United Kingdom. The principal activity of Donnington Grove Veterinary Group Limited is veterinary services.

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

	Provisional fair value on acquisition £'000
Assets and liabilities acquired	
Intangible assets	4,810
Property, plant and equipment	1,272
Right-of-use asset	1,967
Inventories	106
Trade and other receivables	1,221
Cash and cash equivalents	266
Payables	(3,584)
Corporation tax liability	(84)
Deferred tax liabilities	(1,083)
Total fair value of identifiable net assets upon acquisition	**4,891**
Fair value of consideration paid	
Cash	21,918
Contingent consideration	1,515
Total consideration transferred	23,433
Goodwill (see note 16)	**18,542**
Cash flow analysis:	
Cash consideration	21,918
Less: cash and cash equivalent balances acquired	(266)
Net cash outflow on acquisition	**21,652**

29 Business combinations during the period (continued)

Donnington Grove Veterinary Group Limited (continued)

Acquisition costs of £208,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

As part of the acquisition agreement, a contingent consideration arrangement exists that requires additional consideration to be paid by the Group to the sellers of Donnington Grove Veterinary Group Limited based on the revenue growth and payroll expenses of Donnington Grove Veterinary Group Limited over a two-year period. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is between £Nil and £4,000,000. The fair value of the contingent consideration recognised on the acquisition date of 15 December 2020 of £1,515,000 was estimated by applying the income approach. The measure is based on significant Level 3 inputs not observable in the market. Key assumptions include probability adjusted level of revenues.

The main factors leading to the recognition of goodwill are:

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

The goodwill recognised will not be deductible for tax purposes.

Donnington Grove Veterinary Group Limited has contributed £9,326,042 to Group revenues and £1,830,592 of profit to Group loss since the acquisition date to 30 September 2021.

29 Business combinations during the period (continued)

Other acquisitions - 2021

The Group acquired 105 other subsidiaries during the year which individually were not material to include the identifiable assets acquired and liabilities assumed separately.

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

	Provisional fair value on acquisition £'000
Assets and liabilities acquired	
Intangible assets	70,616
Property, plant and equipment	31,477
Right-of-use asset	38,239
Inventories	314
Trade and other receivables	4,529
Cash and cash equivalents	40,248
Payables	(74,353)
Corporation tax liability	(4,506)
Deferred tax liability	(9,515)
Total fair value of identifiable net assets upon acquisition	**97,049**
Non-controlling interests	376
Fair value of net assets upon acquisition	**97,425**
Fair value of consideration paid	
Cash	344,194
Contingent consideration	53,143
Total consideration transferred	397,337
Goodwill (see note 16)	**299,912**
Cash flow analysis:	
Cash consideration	344,194
Less: cash and cash equivalent balances acquired	(40,248)
Net cash outflow on acquisition	**303,946**

29 Business combinations during the period (continued)

Other acquisitions – 2021 (continued)
In addition to acquisitions made during the year, the amounts disclosed above include current year adjustments to goodwill, net assets and consideration for acquisitions that were acquired the in prior year.

Acquisition costs of £19,321,000 arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Statement of Profit or Loss.

The main factors leading to the recognition of goodwill are:

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

The goodwill recognised will not be deductible for tax purposes.

Since the acquisition date, other acquisitions have contributed £175,694,797 to Group revenues and £26,770,416 of profit to Group loss since the acquisition date to 30 September 2021.

30 Related party transactions

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

The Company and Group has amounts owing to and from its parent company IVC Acquisition Topco Ltd. There were no transactions during the respective years in relation to these amounts other than interest on the associated balances which is disclosed in note 11.

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

		Transactions		Outstanding balance	
	Type of transaction	30 September 2021 £'000	30 September 2020 £'000	30 September 2021 £'000	30 September 2020 £'000
Other related parties	Purchase of goods	8,739	2,178	448	14
Entities which have significant influence over the Group	Provision of services	-	17	-	-

Transactions with related parties were at arm's length and on 30-day payment terms (30 September 2020 - 30 days).

30 Related party transactions (continued)

Purchase of goods transactions were as follows:

Related party relationship	Type of transaction	Transactions 30 September 2021 £'000	Transactions 30 September 2020 £'000	Outstanding balance 30 September 2021 £'000	Outstanding balance 30 September 2020 £'000
Subsidiaries of a minority shareholder of the Group which is deemed to have significant influence over the Group	Purchase of goods	8,441	2,053	444	13
Companies in which directors have significant influence	Purchase of goods	298	125	4	1

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group this has been determined to be the directors the Company. There are no related party transactions with key management personnel.

31 Contingent liabilities

The Group is bound by an intra-group cross guarantee in respect of bank debt with other members of the Group headed by one of its UK parent undertakings, IVC Acquisition Limited. The amount guaranteed at 30 September 2021 is £2,052,655,000 (30 September 2020 - £1,393,824,000) and is secured by a debenture over the assets and undertakings of certain companies in the Group.

Share based payment arrangements were entered into by employees of the Group during the year ended 30 September 2020. A contingent liability exists relating to these share arrangements, as they may have been issued below a fair market value for accounting purposes. A charge between £nil and £3,700,000 could crystallise upon a future exit event.

32 Events after the reporting date

On 2 November 2021, the group refinanced a proportion of its debt facilities. The Group drew down additional borrowing on a new B5 facility (EUR) of £650,358,000. This was partly used to repay down fully numerous multi currency revolving credit facilities worth in total £308,651,000. The remaining cash will be used to fund future acquisitions. A new revolving credit facility was also agreed and this was undrawn at £450,500,000.

On 3 November 2021, the Group via a share for share exchange in its ultimate parent company, Islay New Group Holding SA in Luxembourg acquired 100% of the share capital of VetStrategy Canada Top Holdings Inc ("Vet Strategy"), a leading veterinary care provider in Canada. The investment was passed down internally to the Group's immediate parent company, IVC Acquisition Pikco Ltd on the same day. IVC Acquisition Pikco Ltd then transferred the investment to the Company on the same day in exchange for new shares in the Company. The Company then transferred the investment in Vet Strategy to its immediate subsidiary undertaking, IVC Acquisition Ltd in exchange for new shares in IVC Acquisition Ltd on the same day. The consideration transferred represented 17.4% of the equity of Islay New Group Holding SA. It is too early to assess the financial effect of this acquisition at the date of signing these financial statements.

Excluding Vet Strategy, during the period from 1 October 2021 through to 18 January 2022, the Group has entered into agreements to acquire either 100% of the issued shares of certain other acquisitions or 49% of the issued shares for acquisitions in France, or the trade and net assets of 158 sites. The aggregate enterprise value of these acquisitions totals £430,511,000. Included within this, there were two material acquisitions. Firstly, the purchase of 100% of the issued shares of Swayne & Partners Top Co Limited on 22 October 2021 in the United Kingdom for an enterprise value of £26,500,000. Secondly, the purchase of 100% of the issued shares of Vet One Holding on 6 January 2022 in the France for an enterprise value of £195,990,000 It is too early to assess the financial effect of these acquisitions at the date of signing these financial statements.

There have been no material acquisitions between 18 January 2022 and the date of signing of the consolidated financial statements.

33 Immediate and ultimate parent company and controlling party

The company is controlled by IVC Acquisition Topco Limited, incorporated in Guernsey. The ultimate parent undertaking at 30 September 2020 was Browne Holding S.à.r.l., a company registered in Luxembourg. On 25 May 2021, Islay New Group Holding SA, a company registered in Luxembourg acquired the entire shareholding of IVC New Top Holding S.A (an indirect parent company of the Company) which as explained above was controlled by Browne Holding S.à.r.l. As no shareholder owns more than 50% of Islay New Group Holding SA, Islay New Group Holding SA became the new ultimate parent company from 25 May 2021

The largest group in which the results of the entity are consolidated is IVC New Top Holding S.A. The registered office of IVC New Top Holding S.A is 26A, Boulevard Royal, L-2449, Luxembourg. Copies of the financial statements can be obtained from this address. The smallest group in which the results of the entity are consolidated is this set of consolidated financial statements.

34 Notes supporting the cash flow

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

	30 September 2021 £'000	30 September 2020 £'000
Cash at bank and on demand	186,528	219,515

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

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

30 September 2021	**Non-current loans and borrowings £'000**	**Current loans and borrowings £'000**	**Lease liabilities £'000**	**Total £'000**
At 1 October 2020	(1,589,742)	-	(341,597)	(1,931,339)
Cash flows	(463,952)	-	76,442	(387,510)
Non cash flows				
Acquired with subsidiary	-	-	(46,663)	(46,663)
New leases	-	-	(68,315)	(68,315)
Foreign exchange	33,302	-	7,223	40,525
Amortisation of debt issue costs	(12,110)	-	-	(12,110)
Other movement	-	-	(21,525)	(21,525)
At 30 September 2021	(2,032,502)	-	(394,435)	(2,426,937)

30 September 2020	**Non-current loans and borrowings £'000**	**Current loans and borrowings £'000**	**Lease liabilities £'000**	**Total £'000**
At 1 October 2019	(1,397,758)	-	(311,430)	(1,709,188)
Cash flows	(156,863)	-	49,179	(107,684)
Non cash flows				
Acquired with subsidiary	-	-	(51,715)	(51,715)
Foreign exchange	-	-	3,982	3,982
Other movement	(35,121)	-	(31,613)	(66,734)
At 30 September 2020	(1,589,742)	-	(341,597)	(1,931,339)

35 Alternative performance measures

Adjusted EBITDA is a non-GAAP measure and is the Group's measure of underlying profitability, which is used by the Board and senior management to measure and monitor the Group's performance.

In determining the adjustments to arrive at the Adjusted result, we use a set of established principles relating to the nature and materiality of individual items or groups of items, excluding, for example, events which are:

(i) outside the normal course of business,
(ii) incurred in a pattern that is unrelated to the trends in the underlying financial performance of our ongoing business or happen infrequently in a timeframe that could not have been foreseen, given the rate of technological, political and market trends in the veterinary sector.
(iii) related to major acquisitions, to ensure that investors' ability to evaluate and analyse the underlying financial performance of our ongoing business is enhanced.
(iv) When inclusion is considered necessary to explain the underlying performance of the Group and to improve the comparability between periods and/or peers.

Adjusted financial measures merely allow investors to differentiate between different kinds of cost and they should not be used in isolation:

Impairment and write-offs of goodwill, fixed assets and intangible assets, including impairment reversals. These generally arise from business combinations. We adjust for these charges because their pattern of recognition is largely uncorrelated with the underlying performance of the business.

Exceptional Items, including: post-merger integration costs and transformation programmes; costs arising from corporate reconstruction; one-off charges relating to the Covid-19 pandemic; acquisition consideration deemed to be an employment clause. These can take place over a number of years, given the rapidly-growing scale of our business. We adjust for these charges and provisions because they primarily reflect the financial impact of change to legacy arrangements, rather than the underlying performance of our ongoing business. However, our adjusted results do reflect the benefits of certain of these exceptional initiatives.

Other specified items, principally comprising the change in fair value on contingent consideration, adjustment to lease liability in the current year, the impact of translation of the Group's outstanding loans to year-end FX rates and non-recurring costs such as the costs incurred in entering the new markets, mainly this year from acquiring Veternity and pre year end transaction costs for Vet Strategy, acquired in November 2021 (see note 32). It should be noted that other specified items excluded from our Adjusted results, such as finance charges related to contingent consideration and the impact of translation of the Group's loans to year-end FX rates will recur in future years, and other excluded items such as impairments may recur in the future.

35 Alternative performance measures (continued)

The following table provides a reconciliation of Adjusted EBITDA to IFRS Loss for the year:

	2021 £'000	2020 £'000
Revenue	1,771,186	1,311,097
Loss for the year	(69,931)	(77,860)
Depreciation	111,369	81,576
Amortisation	40,391	27,858
Interest expense on lease liabilities, bank borrowings, preference shares and other interest (note 11)	201,916	181,223
Interest income (note 11)	(185)	(399)
Tax charge / (credit)	25,562	(7,114)
EBITDA	309,122	205,284
Exceptional items	20,747	19,626
Costs of entering markets with significant regulatory barriers to entry	5,141	604
(Gain)/loss on foreign exchange	(3,715)	(337)
Fair value of contingent consideration	41,613	(4,685)
Adjusted EBITDA	372,908	220,492
Margin	21.05%	16.82%
Growth	69.13%	67.33%

Adjusted EBITDA is defined as profit or loss for the period before interest, tax, depreciation and amortisation, adjusted for exceptional items and also the costs of entering markets with significant regulatory barriers to entry, gains/losses on foreign exchange and changes in fair value of contingent consideration.

Exceptional items include the following:

	2021 £'000	2020 £'000
Merger and integration costs of IVC and Evidensia	824	12,022
Corporate restructure including sale of minority interest and refinancing the Group	28,401	326
COVID-19 holiday pay accrual	(3,883)	7,757
Rental costs from prior years not previously adjusted according to IFRS 16	(14,530)	-
Acquisition related employment costs	9,935	(479)
	20,747	19,626

35 Adjusted EBITDA (continued)

The IFRS 16 related adjustment above arises due to the identification of leases which had commenced before 30 September 2020 but had not previously been included in the adjustment to the IFRS 16 basis of accounting. Accordingly, lease payments for those leases had been charged to the income statement as on overhead cost prior year financial statements prepared under IFRS. These leases have been accounted for under IFRS 16 for the first time in the year end 30 September 2021, and the adjustment to overheads relating to lease payments in prior years is classified as an EBITDA adjustment due to its size and one-off nature.

Tax impact on exceptional items

Year ended 30 September 2021
The tax credit in respect of exceptional items is £4.1m. This represents a tax impact lower than the standard rate of tax for the Group.

Year ended 30 September 2020
The tax credit in respect of exceptional items is £3.6m. This represents a tax impact lower than the standard rate of tax for the Group.

Revenue alternative performance measures

	2021	**2020**
Revenue Growth	35%	28%
LFL Revenue Growth*	15.3%	6.7%

*Like for like revenue growth shows revenue generated from like for like operations compared to the prior year adjusted for number of working days. For example, for a practice acquired in April 2020, revenue is included from April 2021 in the like for like calculations for FY21. This shows the underlying growth in revenue across the business, excluding the impact of current year acquisitions and sites closed in the prior and current year.

36 List of companies

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Evidensia Belgium BVBA	Belgium	Ottergemsesteenweg-Zuid 808 Box B517, 9000 GENT	Ordinary	100%	100%
Sanimalia Services BV	Belgium	Mizerikstraat 45, 3590 Diepenbeek (Hasselt)	Ordinary	99%	99%
VVD Services BV	Belgium	Grotesteenweg 78, 2600, Berchem Antwerpen	Ordinary	99%	99%
Dieu Services BV	Belgium	Rue de Huy 100, 4280 Hannut	Ordinary	99%	99%
SHU Services BV	Belgium	Chaussée de Mons 282A, 7800 Ath	Ordinary	99%	99%
CVA Services BV	Belgium	Chaussée de Louvain 485, 5004 Namur	Ordinary	99%	99%
UV Services BV	Belgium	Chaussée de Marche 588, 5100 Namur	Ordinary	99%	99%
Champ du Roi Services BV	Belgium	Rue Champ du Roi 145 1040 Brussels	Ordinary	99%	99%
Hulsterheide Services BV	Belgium	Fabrieksstraat 3/2, 3980 Tessenderlo	Ordinary	99%	99%
Aan De Heikant BV	Belgium	Beauvoislaan (Heide) 58, 2920 Kalmthout	Ordinary	99%	99%
Nieuwe Dijk Services BV	Belgium	Kerkhovensesteenweg 296, 3920 Lommel	Ordinary	99%	99%
Nutridei SA	Belgium	Rue du Crucifix 2, 4210 Burdinne, Belgium	Ordinary	99%	99%
AC Services BV	Belgium	Sint-Truidersteenweg 360, 3500 Hasselt	Ordinary	99%	99%
Gouden Poort Services BV	Belgium	Goudenpoortstraat 1, 8900 Ieper	Ordinary	99%	99%
Clos Fleuri Services BV	Belgium	Strandlaan 202, 8670 Koksijde, Belgium	Ordinary	99%	99%
Assist Services BV	Belgium	Luttelmeeuwen 51, 3670 Oudsbergen	Ordinary	99%	99%
Heide Ooms Services BV	Belgium	Koningin Astridlaan 15b, 2560 Nijlen	Ordinary	99%	99%
Alpha Services BV	Belgium	Fraikinstraat 43, 2200 Herentals	Ordinary	99%	99%
Bosberg Services BV	Belgium	Testeltsesteenweg 86a 3201 Langdorp	Ordinary	99%	99%
Animalis Services BV	Belgium	Gentse Steenweg 239, 9620 Zottegem	Ordinary	99%	99%
OPCP Vlaanderen BV	Belgium	Ottergemsesteenweg-Zuid 808 Box B517, 9000 GENT	-	-	-
Veterinaires Dieu & Collaborateurs SRL	Belgium	Rue de Huy 100, 4280 Hannut	-	-	-

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
NewVetco BV	Belgium	Ottergemsesteenweg-Zuid 808 Box B517, 9000 GENT	-	-	-
Malcourant New Vet Co	Belgium	Chaussée de Charleroi 46A 5030 Gembloux	Ordinary	99%	-
Clinique Veterinaire du MontFalise SPRL	Belgium		Ordinary	99%	-
Van Kop tot Staart BVBA	Belgium	Predikherenstraat 48, 8000 Brugge	Ordinary	99%	-
ANIMAVET SPRL	Belgium	Rue de Frameries 503 7033 Cuesmes	Ordinary	99%	-
Vanhaelen SPRL	Belgium	Avenue de Jette, 337 1083 Ganshoren	Ordinary	99%	-
Prinsenhof BV	Belgium	Nieuwstraat 143 3511 Kuringen	Ordinary	99%	-
Veternity Belgium Srl***	Belgium	Drève des Shetlands, 5/2 - 1150 Bruxelles	Ordinary	25%	-
Creo-Line Spr***	Belgium	Chemin Corbisier 2, 7060, Soignies, Belgium	Ordinary	25%	-
Somnia Scr***	Belgium	Verhelststraat, 3 8460 OUDENBURG	Ordinary	25%	-
Dierenarts Anne Kuhweide BVBA	Belgium	Bruggestraat 163 A 8820 Torhout	Ordinary	99%	-
DAC Van Puyvelde-D'Hondt VOF	Belgium	Zillebeek(BEV) 90 9120 Beveren	Ordinary	99%	-
Dierenarts Van Campen Frank BVBA	Belgium	Gentsesteenweg, 52, 9230, Wetteren	Ordinary	99%	-
DAC Vets & Co	Belgium	Bruggestraat 163 A 8820 Torhout	Ordinary	99%	-
Vétérinaire Frenay	Belgium	Zillebeek(BEV) 90 9120 Beveren	Ordinary	99%	-
Dierenartsenpraktijk Imschoot & François BVBA	Belgium	Bruggestraat 163 A 8820 Torhout	Ordinary	99%	-
Evidensia Dyrehospital A/S	Denmark	Enggardsvej 2, 4700 Naestved	Ordinary	100%	100%
IVC Acquisition Midco Limited*	England & Wales	See note i) below	Ordinary	100%	100%
IVC Acquisition Ltd*	England & Wales	See note i) below	Ordinary	100%	100%
IVC Limited	England & Wales	See note i) below	Ordinary	100%	100%
Independent Vetcare Limited*	England & Wales	See note i) below	Ordinary	100%	100%
Ivc Group International Limited	England & Wales	See note i) below	Ordinary	100%	100%
Petprescriptions Limited****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Orwell Vets Limited	England & Wales	See note i) below	Ordinary	100%	100%
Wellpetclinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Orchard Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Westwood Veterinary Practice****	England & Wales	See note i) below	Ordinary	100%	100%
1066 Veterinary Centre****	England & Wales	See note i) below	Ordinary	100%	100%
Corinium Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Millpark Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Well Pets Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Kingston Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
The Veterinary Hospital Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Richard Hillman Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
St Mary's Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Celyn House Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Island Veterinary Service Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Gatehouse Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Northdale Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Lowesmoor House Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Croft Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Well House Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Clifton Veterinary Practice****	England & Wales	See note i) below	Ordinary	100%	100%
J Dinsdale Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Alexander Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
IVC (TB) Limited	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Lansdown Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Berry House Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Chase Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Rhodes Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Purton Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Oakfield Pet Health Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Chase Vets Eastbourne Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Congleton Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Fields Vets Limited	England & Wales	See note i) below	Ordinary	100%	100%
Cheshire Vets Medical Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Rhyd Broughton Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Abbey Vets (NE) Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Burch Vets Limited (Burch Tree Vets)****	England & Wales	See note i) below	Ordinary	100%	100%
A & J Practice Management Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Terrington Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Abbeydale Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Forest Lodge Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Zetland Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Thanet One Limited****	England & Wales	See note i) below	Ordinary	100%	100%
The Veterinary Clinic (Bearwood) Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Barton Lodge Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Three Rivers Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
St Georges Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
The Croft Veterinary Centre (Wolverhampton) Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Acorn Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Mintlaw Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Budget Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Williams and Cummings Veterinary Group****	England & Wales	See note i) below	Ordinary	100%	100%
Usk Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Cardiff Pet Health Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Summerhill Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
My Vet Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Haughley Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Moorview Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Wellpets Animal Care Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Mill House Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Albert Cottage Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Grove Lodge Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Robson & Prescott Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Abbeymoor Veterinary Centres Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Rosehill Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Blenheim Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
IVSR Limited****	England & Wales	See note i) below	Ordinary	100%	100%
My Family Vets Limited ****	England & Wales	See note i) below	Ordinary	100%	100%
Heartland Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Kirk Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Beeches Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Shipley Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Brownlow Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Victoria Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Parkvets Limited****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Hall Place Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Easipetcare Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Alpha Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Kapsapea Limited****	England & Wales	See note i) below	Ordinary	100%	100%
The Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Wherry Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Market Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
LWAH Limited****	England & Wales	See note i) below	Ordinary	100%	100%
NEVC Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Avon Lodge Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Glaven Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Taverham Veterinary Practice Holdings Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Taverham Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
DVG Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Saxon Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Steffan Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Gilmore Pet Surgery Limited****	England & Wales	See note i) below	Ordinary	100%	100%
A.C. Rawlins Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Bilton Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
New Street Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
AVC 35 Limited****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Castle Vets Pet Heathcare Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Dohne and Friends Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Barrow Hill Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Bourne Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Twickenham Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Ark Veterinary Centre (Colchester) Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Hart Veterinary Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Blackberry Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Springfield Veterinary Centre Ltd****	England & Wales	See note i) below	Ordinary	100%	100%
Hook Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Fivelands Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
H G H (V S) Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Petsco Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Petsco 2 Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Oakmount Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
The Barn Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Williams Vet Care Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Forest Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Gilmore Pet Surgery Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Biscot Mill Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Amery Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Towerwood Holdings Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Towerwood Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Mainstone Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Corner House Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Pets First Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Crown House Surgery Limited****	England & Wales	See note i) below	Ordinary	100%	100%
The Vets' Place Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Holmefield Veterinary Clinics Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Aniwell Veterinary Company Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Avon Lodge Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Lawrence Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
London Road Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Hawthorne Lodge Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Mcphersons Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Midforest Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Carmel Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
The Shreen Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Wilton House Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Woodland Veterinary Centre****	England & Wales	See note i) below	Ordinary	100%	100%
Beech House Veterinary Centre****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Advanced Vetcare Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Mearley Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Alder Veterinary Practice (Spalding Limited) ****	England & Wales	See note i) below	Ordinary	100%	100%
Chapelfield Veterinary Partnership Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Pro-Vets Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Manor Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Foxcotte Veterinary Clinics Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Abivale Veterinary Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Vale Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Vale Animal Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Colebrook Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Lordswood Vets Ltd****	England & Wales	See note i) below	Ordinary	100%	100%
Letchworth Veterinary Care Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Willow Veterinary Care Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Boness Veterinary Enterprises****	England & Wales	See note i) below	Ordinary	100%	100%
Lydon Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Deane Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Brown & Bentley Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Walpole & Bingham Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Shorewood Consultants Limited****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Kingsteignton Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
West Midlands Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Veterinary Drugs To Go****	England & Wales	See note i) below	Ordinary	100%	100%
Frontfoot Consultancy Suffolk Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Amery Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Wellpets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Crossroads Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%
GP Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Lakeside Veterinary Surgery Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Sampson Park Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Stamford Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Norcross Veterinary Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Pool Farm Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Alexandra & Hillyfields Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Kieren Peterkin Limited****	England & Wales	See note i) below	Ordinary	100%	100%
FramVet Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Earl Soham Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Waverley Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Companion Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Oval Pet Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Mondocane Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Hungerford Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Shield Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Bray House Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Belmont Vets Limited ****	England & Wales	See note i) below	Ordinary	100%	100%
Rufford Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Alcombe Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
The Laurels Veterinary Centre (Hereford) Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Pet Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Twin Enterprise Limited Subsidiary: Cambridge Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Brackley Pet Healthcare Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Westmorland Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Westmorland Veterinary Services (Pets) Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Simply Pets – Cheltenham****	England & Wales	See note i) below	Ordinary	100%	100%
North Downs Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Shaw Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Crossways Animal Care Limited****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Birch Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Westmorland Veterinary Services (Farm Animal) Limited****	England & Wales	See note i) below	Ordinary	100%	100%
The Riverside Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Strathmore Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Kingsway Veterinary Group****	England & Wales	See note i) below	Ordinary	100%	100%
Kingsway Holdings (Skipton) Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Fielding & Cumber Limited****	England & Wales	See note i) below	Ordinary	100%	100%
The Neighbourhood Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Abbotskerswell Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Avenue Veterinary Centre (Malvern) Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Grove Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Clent Hills Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Hawkedon and Homefield Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Wheelhouse Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
November Limited ****	England & Wales	See note i) below	Ordinary	100%	100%
Kernow Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Lynton House Veterinary Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
South Lakes Veterinary Centre Limited ****	England & Wales	See note i) below	Ordinary	100%	100%
Blake Veterinary Group Limited ****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
The Cheshire Pet Medical Centre (Sandbach) Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Eden Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Border Vets (Longtown) Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Ashleigh Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Vet On The Hill Limited ****	England & Wales	See note i) below	Ordinary	100%	100%
Adamsvet – Pet Care Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Darley House Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Straid Veterinary Clinic Limited ****	England & Wales	See note i) below	Ordinary	100%	100%
AlphaPet Management Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Tother Services Limited (share) ****	England & Wales	See note i) below	Ordinary	100%	100%
Mansion Hill Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
George Hunt & Son Limited****	England & Wales	See note i) below	Ordinary	100%	100%
WHVC Limited ****	England & Wales	See note i) below	Ordinary	100%	100%
Cootes Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Scarsdale Vets (Derby) Limited ("Pride Referrals") ****	England & Wales	See note i) below	Ordinary	100%	100%
Derbyshire Veterinary Services Limited ****	England & Wales	See note i) below	Ordinary	100%	100%
Cogges Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Ark House Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Highfield Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
The Animal House Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Highcliff Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Fenwold Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Paxton Veterinary Clinics Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Petcare Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Leonard Brothers Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Horsehead Nebula Limited****	England & Wales	See note i) below	Ordinary	100%	100%
South Lincs Vet Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Tother Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Greg Toth Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Animates Veterinary Clinic Limited	England & Wales	See note i) below	Ordinary	100%	100%
Moy Vets Limited	England & Wales	See note i) below	Ordinary	100%	100%
Azure Blue Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Vetspeed Limited	England & Wales	See note i) below	Ordinary	100%	100%
Paws Colchester Veterinary Centre****	England & Wales	See note i) below	Ordinary	100%	100%
Park Issa Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Tern Vets Limited	England & Wales	See note i) below	Ordinary	100%	100%
Eden Veterinary Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Marshlands Animal Care Limited	England & Wales	See note i) below	Ordinary	100%	100%
Bowden & Charlesworth Limited****	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Axe Valley Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Green Lane Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
The Vet Centre Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Beast Mode Ltd	England & Wales	See note i) below	Ordinary	100%	-
Copeland Veterinary Practice Ltd ****	England & Wales	See note i) below	Ordinary	100%	-
The Equine Vet Clinic Limited ****	England & Wales	See note i) below	Ordinary	100%	-
Blue House Veterinary Centre Ltd	England & Wales	See note i) below	Ordinary	100%	-
Donnington Grove Veterinary Group Ltd	England & Wales	See note i) below	Ordinary	100%	-
Yorkshire Vets Ltd	England & Wales	See note i) below	Ordinary	100%	-
The Oak Veterinary Group Ltd	England & Wales	See note i) below	Ordinary	100%	-
Isle Veterinary Group Ltd	England & Wales	See note i) below	Ordinary	100%	-
Cherry Tree Veterinary Practice Ltd	England & Wales	See note i) below	Ordinary	100%	-
Hamilton Specialist Referrals Ltd	England & Wales	See note i) below	Ordinary	100%	-
Chelvets Ltd	England & Wales	See note i) below	Ordinary	100%	-
Walton Lodge Veterinary Group Ltd	England & Wales	See note i) below	Ordinary	100%	-
Penson Rayley Ltd	England & Wales	See note i) below	Ordinary	100%	-
T&K Veterinary Services Ltd	England & Wales	See note i) below	Ordinary	100%	-
Pawz Ltd	England & Wales	See note i) below	Ordinary	100%	-
Sunninghill Veterinary Centre Ltd	England & Wales	See note i) below	Ordinary	100%	-
Lime Trees Vets Ltd	England & Wales	See note i) below	Ordinary	100%	-

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Carterton Veterinary Surgery Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Veterinary Healthcare Limited	England & Wales	See note i) below	Ordinary	100%	100%
Bell & Partners Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Fyrnwy Equine Group Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Manor Farm Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Priory Vets Cardigan Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Ark Veterinary Practice Limited***	England & Wales	See note i) below	Ordinary	100%	100%
New Priory Vets Brighton Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Cedar Grove Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Orby Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
The Mobile Vet Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Animal House Vets Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Highcroft (Hailsham) Limited	England & Wales	See note i) below	Ordinary	100%	100%
Heartland Veterinary Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%
IVSR Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Wellpet Veterinary Practice Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Catley Cross Veterinary Clinic Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Bowden South Normanton Limited****	England & Wales	See note i) below	Ordinary	100%	100%
Ashbank Vet Centre Limited	England & Wales	See note i) below	Ordinary	100%	100%
Asbank Holdings Limited	England & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Chestnut Vets Ltd	England & Wales	See note i) below	Ordinary	100%	-
Kenwyn Veterinary Centre Ltd ****	England & Wales	See note i) below	Ordinary	100%	-
Heathside Veterinary Practice Ltd ****	England & Wales	See note i) below	Ordinary	100%	-
Norwood Road Veterinary Practice Ltd ****	England & Wales	See note i) below	Ordinary	100%	-
Axe Valley Veterinary Practice Ltd ****	England & Wales	See note i) below	Ordinary	100%	-
At Home Veterinary Services Ltd ****	England & Wales	See note i) below	Ordinary	100%	-
Wheelhouse Veterinary Centre Limited ****	England & Wales	See note i) below	Ordinary	100%	-
Cliffe Veterinary Group Ltd	England & Wales	See note i) below	Ordinary	100%	-
Otter Vets Ltd	England & Wales	See note i) below	Ordinary	100%	-
Kevin Castle (Pet Care) Ltd	England & Wales	See note i) below	Ordinary	100%	-
West Midlands Vets Limited ****	England & Wales	See note i) below	Ordinary	100%	-
Penrose Veterinary Group Ltd	England & Wales	See note i) below	Ordinary	100%	-
Petair Ltd	England & Wales	See note i) below	Ordinary	100%	-
Easy Direct Debits Ltd	England & Wales	See note i) below	Ordinary	100%	-

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Verna OY	Finland	Hulaudentie 135, 37500 Lempäälä, Finland	Ordinary	100%	100%
Evidensia Eläinlääkäripalvelut Oy	Finland	Tammiston Kauppatie 29, 01510 Vantaa, Helsinki, Finland	Ordinary	100%	100%
Toijalan Eläinlääkäriasema Oy	Finland	Hämeentie 64, 37800 Toijala, Finland	Ordinary	100%	100%
Univet Kalanti OY	Finland	Yrittäjäntie 1, 23600 Kalanti, Finland	Ordinary	51%	51%
Animagi Hevosklinikat Oy****	Finland	Valimotie 27, 01510 Vantaa	Ordinary	100%	100%
E-Laaketukku Oy	Finland	Kalevantie 2, 33100 Tampere	Ordinary	100%	100%
UniVet Holding Oy	Finland	Tammiston kauppatie 29, 01510 Vantaa	Ordinary	100%	100%
Omaeläinklinikka Holding	Finland	Höyläämötie 5, 00380 Helsinki	Ordinary	100%	-
Omaeläinklinikka Oy	Finland	Höyläämötie 5 00350 Helsinki	Ordinary	100%	-
Evidensia France SAS	France	1-7 Cours Valmy, 92800 Puteaux, France	Ordinary	100%	100%
Oncovet SAS	France	Avenue Paul Langevin, 59650 Villeneuve-d'Ascq, Frankrike	Ordinary	49%	49%
Vetotech SAS **	France	Avenue Paul Langevin, 59650 Villeneuve-d'Ascq, Frankrike	Ordinary	-	49%
Wivetix Services GIE	France	1-7 Cours Valmy, 92800 Puteaux, France	Ordinary	100%	100%
Société de vétérinaires des docteurs Garinot,Frenay et Le Faucheur	France	37 bis rue de Soissons, 60800 Crépy-en-Valois	Ordinary	49%	49%
Opal'Vet SAS	France	62 Boulevard du General de Gaulle, 62480 Le Portel	Ordinary	49%	49%
BCDH	France	43 Av Aristide Briand, 94110 Arcueil, France	Ordinary	49%	49%
CHV Fregis	France	43 Avenue Aristide Briand, 94110 Arcueil, France	Ordinary	49%	49%
SCP Vétérinaires Warmoes Croisier	France	32 bis rue de Bourg, 08000 Les Ayvelles	Ordinary	49%	49%
SCP Campaignie Weil	France	19 Avenue des Clayes, 78450 Villepreux	Ordinary	49%	49%
SELARL Clinique Veterinaire des Genets	France	29bis route de Lyon 69740 Genas	Ordinary	49%	49%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
SELARL des Barbes d'Or	France	Z.A Les Barbes d'Or 1 Les Claudots 10260 Saint-Parres-les-Vaudes	Ordinary	49%	49%
Evolia	France	43 Avenue du Chemin Vert 95290 L'Isle-Adam	Ordinary	49%	49%
Societe Veterinaire Des Cordeliers	France	35 Avenue du Maréchal Joffre 77100 Meaux	Ordinary	49%	49%
SELARL Du Docteur Marie	France	2 Rue De Lorraine 93000 Bobigny France	Ordinary	49%	-
Selarl Du Docteur Veterinaire Gilles Hagege	France	159 GR CHARLES DE GAULLE 94130 NOGENT-SUR-MARNE	Ordinary	49%	-
Selarl Nsz	France	Avenue Marechal Foch 34500 Beziers	Ordinary	49%	-
Scp De Couliboeuf Marchaison Cvet	France	67 B Av De Fontainebleau 77310 Saint-Fargeau-Ponthierry France	Ordinary	49%	-
SELARL De Veterinaires Ferlier	France	118 Boulevard De Plymouth 29200 Brest	Ordinary	49%	-
Clinique Vétérinaire de la Tremblade	France	72 Bd Du Marechal Joffre 17390 La Tremblade	Ordinary	49%	-
Vétérinaires Associés CVA	France	177, rue de la porte de Trivaux 92140 Clamart	Ordinary	49%	49%
Clinique Vétérinaire du Pont Paul Bert	France	1 rue de l'Ile-aux-Plaisirs, Auxerre	Ordinary	49%	49%
Clinique Vétérinaire du Cèdre	France	Route de Caen 14610 Épron	Ordinary	49%	49%
SELARL Vet Alienor	France	2095 Avenue JF Kennedy, 40280 St-Pierre-du-Mont	Ordinary	49%	49%
Societe Vetoservice	France	177 Rue De La Porte Trivaux, 92140 Clamart, France	Ordinary	49%	49%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
SELARL CastelVet	France	17 rue du Petit, Chantilly 60510 Bresles	Ordinary	49%	49%
SELARL Veterinaire Chapelaine	France	1 Boulevard de l'Ouest 10600 La Chapelle-Saint-Luc	Ordinary	49%	49%
Clinique Vétérinaire des Lys	France	28 Avenue Aristide Briand, 37600 Loches	Ordinary	49%	49%
Languedovet	France	Tannes Basses, 34800 Clermont-l'Hérault	Ordinary	49%	49%
SELARL des Docteurs Veterinaires des Bastides	France	279 route des Alpes 84440 Robion	Ordinary	49%	49%
SELARL La Bastide des Alpilles	France	Route de Plan d'Orgon 13210 Saint Remy de Provence	Ordinary	49%	49%
Selarl Azia-Barraud-Brochot- Cassagnes-Demiaux	France	3 rue Maurice Mignon 06200 Nice	Ordinary	49%	49%
Selar Cvdeh	France	40 rue Claude Bourgelat 60610 La-Croix-St-Ouen	Ordinary	49%	49%
SELARL Rouget De l'Isle	France	7, bd des Alliés, 94600 Choisy-Le-Roi	Ordinary	49%	-
SELARL Clinique Vétérinaire Des Revols	France	15 Che Des Meannes 26540 Mours-Saint-Eusebe	Ordinary	49%	-
Clinique Vétérinaire d'Ille-Sur-Têt	France	7 Rue Louison Bobet 5 Et 66130 Ille-Sur-Tet	Ordinary	49%	-
Clinique Vétérinaire Ledonia	France	Boulevard Jules Ferry 39000 Lons-Le-Saunier	Ordinary	49%	-
Clinique Vétérinaire Les Sablons	France	112 Rue Claude Chappe 78370 Plaisir	Ordinary	49%	-
Cliniques Vétérinaires Judlin Et Wonner	France	Parc D'activités 7 R Manfred Behr, 68250 Rouffach	Ordinary	49%	-
Sas Vetiroise	France	Vetiroise 20 Rue Du Docteur Pouliquen 29800 Landerneau	Ordinary	49%	-
Alliance Vet	France	2 Avenue DU MARECHAL MORTIER 94510 LA QUEUE-EN-BRIE	Ordinary	49%	-
Clinique vétérinaire Saint-Max	France	117 Av Carnot 54130 Saint – Max	Ordinary	49%	-

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
SELARL de vétérinaires L2GH	France	2 rue Daumesnil, Vincennes, Ile de France, 94300	Ordinary	49%	-
SELARL de vétérinaires Hagège Goldgran Benhamo	France	159 Gr Charles De Gaulle 94130 Nogent-Sur-Marne	Ordinary	49%	-
Clinique Vétérinaires des 4 Chemins	France	44 avenue de la Libération 95540 Méry sur Oise, Hauts de France, 95540	Ordinary	49%	-
Clinique Vétérinaire Saint-Hubert	France	85, Route de Palavas – 34970 Lattes	Ordinary	49%	-
Clinique Vétérinaire de la Vaucouleurs	France	6 Rue Marcel Sembat 78711 Mantes-la-Ville	Ordinary	49%	-
Garbe Follet	France	4 Rue des Droits de l'Homme, Dunkerque, Hauts de France, 59430	Ordinary	49%	-
Clinique Vétérinaire Foch	France	104, Avenue du Maréchal Foch 77100 MEAUX	Ordinary	49%	-
Clinique Vétérinaire du Moulin	France	23 route de Montfermeil 77500 Chelles	Ordinary	49%	-
SASU Clinique Vétérinaire Domitia	France	44 rue Laurens Ravanel 34500 Béziers	Ordinary	49%	-
SELARL DES FAUVETTES	France	33 avenue du Lycée 95330 Domont	Ordinary	49%	-
Société Vétérinaire du Moline	France	89 RUE DU MOLINEL 59700 MARCQ-EN-BAROEUL	Ordinary	49%	-
Clinique Vétérinaire du Morin	France	52 rue de Paris 77860 Saint-Germain-sur-Morin	Ordinary	49%	-
Clinique Vétérinaire de Combs-la-Ville	France	19 bis Avenue de la République 77380 COMBS-LA-VILLE	Ordinary	49%	-
Clinique Vétérinaire des Forges	France	Route de Bourges ZAC Pole Echange 18100 VIERZON	Ordinary	49%	-
Pezenas Vet	France	47 avenue de Verdun 34120 PEZENAS	Ordinary	49%	-
Cliniques Vétérinaires Verrières Chauvigny	France	1 rue de Provence 86410 Verrières	Ordinary	49%	-
VETSFORTHEM	France	170, 172 Route de Toulouse, 33130 BEGLES	Ordinary	49%	-

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
SAS Vétérinaire des Hutins	France	7 avenue Napoléon III F-74160 St Julien en Genevois	Ordinary	49%	-
Sas De Vétérinaires Deloche Et Rousselle	France	28 Avenue de Royan, 17130 Montendre	Ordinary	49%	-
Eden Vet SAS	France	43 Avenue Aristide Briand, Arcueil, France, 94110	Ordinary	49%	-
VETUP	France	12 Che Des Prairies N 3 83550 Vidauban	Ordinary	49%	-
MAN CO LCV***	France	Parc scientifique de la Haute Borne 2 Avenue Halley 59 650 VILLENEUVE D'ASCQ	Ordinary	25%	-
La Compagnie des Veterinaires SA***	France	Parc scientifique de la Haute Borne 2 Avenue Halley 59 650 VILLENEUVE D'ASCQ	Ordinary	25%	-
LCV USA SASU***	France	Parc scientifique de la Haute Borne 2 Avenue Halley 59 650 VILLENEUVE D'ASCQ	Ordinary	25%	-
Incineris SASU***	France	Parc scientifique de la Haute Borne 2 Avenue Halley VILLENEUVE D'ASCQ59650	Ordinary	25%	-
FINAVET SASU***	France	Parc scientifique de la Haute Borne, 2 Avenue Halley, 59 650 VILLENEUVE D'ASCQ	Ordinary	25%	-
MONKEE SAS***	France	19 rue Riboud 69003 LYON 3EME	Ordinary	9%	-
DIGIVET SASU***	France	Parc scientifique de la Haute Borne, 2 Avenue Halley, 59 650 VILLENEUVE D'ASCQ	Ordinary	25%	-
VETPOCKET SAS***	France	2 avenue des Pinsons 91400 ORSAY	Ordinary	15.4%	-
LCV Canada Inc***	Canada	625, avenue du Président-Kennedy, Bureau 1111, Montréal, QC H3A 1K2, Canada	Ordinary	25%	-
9220-3124 QUEBEC INC. ***	Canada	23 chemin Henri-Petit, Rigaud, QC, J0P 1P0, Canada	Ordinary	25%	-
LCV Canada Immobilier Inc***	Canada	625, avenue du Président-Kennedy, Bureau 1111, Montréal, QC H3A 1K2, Canada	Ordinary	25%	-
Resting Paws Cemetery & Crematorium Inc***	Canada	23, Chemin, Henri-Petit Rigaud, J0P1P0	Ordinary	25%	-

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
GPSI – Green Packaging Solutions Innovation, Unipessoal, LDA***	Portugal	Av. Primeiro de Dezembro, 41, Pêro Pinheiro, F 2715-109	Ordinary	25%	-
LCV Holding LLC***	United States	2915 Oggletown Rd, #3646, NEWARK , DE, New Castle 19713	Ordinary	25%	-
PWW HOLDING LLC***	United States	2915 Oggletown Rd, #3646, NEWARK , DE, New Castle 19713	Ordinary	25%	-
Paws. Whiskers & Wag LLC***	United States	2804 Ponce de Leon Ave, Decatur, Georgia, 30030	Ordinary	25%	-
Paws. Whiskers & Wag NC. LLC***	United States	1315 East Boulevard, Unit #423, Charlotte, NC 28203, USA	Ordinary	25%	-
LCV REAL ESTATE HOLDING LLC***	United States	2915 Oggletown Rd, #3646, NEWARK , DE, New Castle 19713	Ordinary	25%	-
2800 ponce De Leon LLC ***	United States	2915 Oggletown Rd, #3646, NEWARK , DE, New Castle 19713	Ordinary	25%	-
2804 ponce De Leon LLC***	United States	2915 Oggletown Rd, #3646, NEWARK , DE, New Castle 19713	Ordinary	25%	-
2511 South Tryon LLC***	United States	2915 Oggletown Rd, #3646, NEWARK , DE, New Castle 19713	Ordinary	25%	-
1315 East Boulevard LLC***	United States	2915 Oggletown Rd, #3646, NEWARK , DE, New Castle 19713	Ordinary	25%	-
INCINERIS SP Z O O***	Poland	SKY OFFICE CENTER III p. ul. Wincentego Rzymowskiego 31 02-697 Warszawa ul. Adama Branickiego 15, Warsaw, 02-972 POLAND	Ordinary	25%	-
Kerberos Krematorium AS***	Czech Republic	Brigádníků 3353/351b, Strašnice, Prague 10, 100 00	Ordinary	25%	-

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Evidensia Vet-Zentrum Rosenheim GmbH	Germany	Lackermannweg 4, 83071 Stephanskirchen	Ordinary	100%	100%
Evidensia Deutschland GmbH	Germany	Schwanthalerstr. 32, 80336 München, Germany	Ordinary	100%	100%
TKS Tierärztliche Klinik Stommeln Gmbh	Germany	Nettegasse 122, D-50259 Pulheim	Ordinary	100%	100%
Kleintiergesundheits zentrum Ravensburg Evidensia GmbH	Germany	Eywiesenstr. 4, D-88212 Ravensburg	Ordinary	100%	100%
Evidensia Vet-Zentrum Berchtesgadener Land GmbH	Germany	Weitwiesenring 4 83435 Bad Reichenhall	Ordinary	100%	100%
Evidensia Tierärztliche Klinik Betzdorf	Germany	Eberhardystr. 30, 57518 Betzdorf, Germany	Ordinary	100%	100%
Tierärzte IVC Evidensia Berlin GmbH	Germany	Kufsteiner Str. 22, 10825 Berlin, Germany	Ordinary	100%	100%
Tierärzte IVC Evidensia Würmtal GmbH	Germany	3280336 München	Ordinary	100%	100%
Tierärzte Elmshorn IVC Evidensia GmbH	Germany	Hamburger Str. 8, 25337 Elmshorn, Germany	Ordinary	100%	100%
Tierärzte Trier IVC Evidensia GmbH	Germany	Herzogenbuscher Str. 3, 54292 Trier, Germany	Ordinary	100%	100%
Tiershop.de Tierärzte IVC Evidensia GmbH	Germany	Herzogenbsucher Straße 3, 54292 Trier.	Ordinary	100%	100%
Tierklinik Neufahrn	Germany	Neufahrner Str. 14 c 85375 Neufahrn	Ordinary	100%	100%
Tierärzte Lingen IVC Evidensia GmbH	Germany	Schwanthalerstr. 32, 80336 München, Germany	Ordinary	100%	100%
Evidensia Tierärztliche Klinik für Kleintiere Norderstedt GmbH	Germany	Kabels Stieg 41, 22850 Norderstedt	Ordinary	100%	100%
Kleintierspezialisten Dres Schmerbach & Höpfner GmbH	Germany	Wittestraße 30P, 13509 Berlin	Ordinary	100%	100%
Tierklinik am Nordring Evidensia Nürnberg GmbH	Germany	Obermaierstraße 10, 90408 Nürnberg	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Evidensia Tierkliniken und -praxen Nordrhein GmbH	Germany	Adlerstraße 63, 40211 Düsseldorf	Ordinary	100%	100%
Veteria Fachtierarzt-Zentrum & Tagesklinik GmbH	Germany	An der Eisenbahn 16 15711 Königs Wusterhausen	Ordinary	100%	100%
Kleintierpraxis Dr. Swenshon GmbH	Germany	Monschauer Straße 198 52355 Düren	Ordinary	100%	100%
Tierärztliches Augenzentrum München GmbH	Germany	Kreuzhofstraße 10, 81476 München	Ordinary	100%	100%
Tierarztpraxis Dr. Martin Haas GmbH	Germany	Aussiedlerhof Bach, 56422 Wirges	Ordinary	100%	100%
Tierarzliche Klinik Reichenberg Evidensia GmbH	Germany	Steige 9, 97234 Reichenberg	Ordinary	100%	100%
Tierarztliche Gemeinschafispraxis Seligenstadt GmbH	Germany	Peterstraße 1, 63500 Seligenstadt am Main	Ordinary	100%	100%
Kleintierzentrum AM Kurpark Numbrecht GmbH	Germany	Höhenstrasse 51, 51588 Nümbrecht	Ordinary	100%	100%
Tierarztpraxis Eiserfeld Evidensia GmbH	Germany	Eiserfelder Strasse 411, 57080 Siegen	Ordinary	100%	100%
Tiergesundheit Volkach Evidensia GmbH	Germany	Friedrich-Ebert-Straße 1A, 97332 Volkach,	Ordinary	100%	100%
Tierklinik Stadtsteinach Evidensia GmbH	Germany	Alte Pressecker Str. 39, 95346 Stadtsteinach, Germany	Ordinary	100%	100%
Kleintierzentrum Heidenheim GmbH	Germany	Heckentalstraße 1, 89518 Heidenheim an der Brenz	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Kleintierpraxis Kaiserslautern Evidensia GmbH	Germany	Lothringer Dell 48, 67659 Kaiserslautern, Germany	Ordinary	100%	100%
Tierärzte Lohmar IVC Evidensia GmbH	Germany	Walterscheid-Müller-Straße 9, 53797 Lohmar	Ordinary	100%	100%
Tierarztpraxis Strassenheim GmbH	Germany	Ortsstrasse 5, 68259 Mannheim	Ordinary	100%	100%
Kleintierpraxis Rendsburg Evidensia GmbH	Germany	Hollesenstraße 23, 24768 Rendsburg	Ordinary	100%	100%
Kleintierzentrum Knoop GmbH	Germany	Im Soratfeld 2-4, 33165 Lichtenau, Germany	Ordinary	100%	100%
Kleintierpraxis Harrislee Evidensia GmbH	Germany	Alt Frösleer Weg 81A, 24955 Harrislee, Germany	Ordinary	100%	100%
Tierarztpraxis Dr Schilling GmbH	Germany	Ziegelstrasse 29, 33609 Bielefeld	Ordinary	100%	100%
Tierärzte Gelnhausen IVC Evidensia GmbH	Germany	Lützelhäuser Weg 15, 63571 Gelnhausen	Ordinary	100%	100%
Tierärzte Kamp-Lintfort IVC Evidensia GmbH	Germany	Gohrstr. 45, 47475 Kamp-Lintfort, Germany	Ordinary	100%	100%
Tierärzte Westfalen-Lippe IVC Evidensia GmbH	Germany	Carl-Miele-Str. 1033330 Gütersloh, Germany	Ordinary	100%	100%
Evidensia Tiergesundheitszentrum 033 GmbH	Germany	Schwanthalerstr. 32, 80336 München, Germany	Ordinary	100%	100%
VETS Tierärzte GmbH	Germany	Kesslerhalde 11, 78234 Engen	Ordinary	100%	-
LCV Germany Gmbh***	Germany	An der Lackfabrik 8, Wesel, 46485	Ordinary	25%	-
Cremare Tierkrematorien GmbH***	Germany	An der Lackfabrik 8, 46485 Wesel	Ordinary	25%	-
Tiermedizinisches Zentrum Stuttgart Vaihingen	Germany	Industriestraße 3, 70565 Stuttgart-Vaihingen	Ordinary	100%	-
Tierärzte Gettorf IVC Evidensia GmbH	Germany	Eichkoppel 8. 24214 Gettorf, Germany	Ordinary	100%	-
Tierärzte IVC Evidensia GmbH	Germany	Harschenflether Weg 6, 21682 Stade	Ordinary	100%	100%
Kleintierpraxis Maintal Evidensia GmbH	Germany	Wilhelmsbader Str. 17, 63477 Maintal, Germany	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Independent Vetcare Ireland Limited	Ireland	See ii) below	Ordinary	100%	100%
Anicare Veterinary Facilities Limited	Ireland	See ii) below	Ordinary	100%	100%
Athlone Veterinary Centre Limited	Ireland	See ii) below	Ordinary	100%	100%
Milltown Veterinary Services Limited	Ireland	See ii) below	Ordinary	100%	100%
Beaufield Veterinary Centre	Ireland	See ii) below	Ordinary	100%	100%
Vetstore Limited	Ireland	See ii) below	Ordinary	100%	100%
Drogheda Petmedical Limited	Ireland	See ii) below	Ordinary	100%	100%
Shenick Veterinary Centre	Ireland	See ii) below	Ordinary	100%	-
O'Shea Bramley & Breen Ltd	Ireland	See ii) below	Ordinary	100%	-
Ark Vet Ltd	Ireland	See ii) below	Ordinary	100%	-
PJ Walmac Holdings Ltd					
Ashrock Veterinary Support Ltd	Ireland	See ii) below	Ordinary	100%	-
Kilcoole Vets Ltd	Ireland	See ii) below	Ordinary	100%	-
Chimedale Limited t/a Crescent Veterinary Clinic	Ireland	See ii) below	Ordinary	100%	-
Companion Care Limited t/a Beechwood Vets	Ireland	See ii) below	Ordinary	100%	-
Misneach Veterinary Ltd	Ireland	See ii) below	Ordinary	100%	-
Milan Veterinary Limited	Isle of Man	See iii) below	Ordinary	100%	100%
Arg Beiyn Limited	Isle of Man	See iii) below	Ordinary	100%	100%
Evidensia Nederland B.V. *	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Dierenuitvaartzorg Nederland B.V.	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	100%	100%
J de Jong Dierenartsen BV **	Netherlands	Commandeurslaan 1 1851 XP Heiloo	Ordinary	-	100%
Evidensia Dierenklinieken B.V.	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	100%	100%
Evidensia NL Dierenklinieken B.V.	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	100%	100%
Evidensia P B.V.	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	100%	100%
Dierenkliniek Zuiderkaag B.V. **	Netherlands	De Boog 74, 1741 MT Schagen, Netherlands	Ordinary	-	100%
Dierenkliniek Venray B.V. **	Netherlands	Stationsweg 111 A, 5803 AA Venray, Netherlands	Ordinary	-	100%
Plus Dierenkliniek Saendelft B.V. **	Netherlands	Kaaikhof 32, 1567 JP Assendelft, Netherlands	Ordinary	-	100%
Plus Dierenkliniek De Saen B.V. **	Netherlands	Tjotterlaan 14 B, 1503 LB Zaandam, Netherlands	Ordinary	-	100%
Dierenkliniek Keistad B.V. **	Netherlands	Van Bemmelstraat 1, 3818 PA Amersfoort, Netherlands	Ordinary	-	100%
Dierenartsenpraktijk Moerstraten B.V. **	Netherlands	Moerstraatseweg 55a, 4727 SK Moerstraten, Netherlands	Ordinary	-	100%
Glas Diergeneeskunde B.V. **	Netherlands	Ten Darperweg 3, 7981 LX ,Diever, Netherlands	Ordinary	-	100%
Dierenartsenpraktijk Berghem B.V. **	Netherlands	Julianastraat 27, 5351 AL Berghem, Netherlands	Ordinary	-	100%
ABC voor Dieren B.V **	Netherlands	Ringweg-Kruiskamp 68, 3814 TE, Amtersfoort, Netherlands	Ordinary	-	100%
DKL Putten B.V. **	Netherlands	Roosendaalseweg 162 C, 3882 MP, Wells	Ordinary	-	100%
Dierenkliniek Het Zicht – De Duinen B.V. **	Netherlands	Het Zicht 61, 2543 AK, Den Haag, Netherlands	Ordinary	-	100%
Dierenkliniek Middeldiep B.V. **	Netherlands	Flatusstraat 9, 2909 TH, Capelle aan den Ijssel, Netherlands	Ordinary	-	100%
Diergeneeskundig Centrum Alblasserwaard B.V. **	Netherlands	Inner Dams 52, 3373 AD, Hardinxveld-Giessendam	Ordinary	-	100%
Basic Vets Dordrecht B.V. **	Netherlands	Flatusstraat 9, 2909 TH, Capelle aan den Ijssel, Netherlands	Ordinary	-	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Basic Vets Groep Nederland B.V. **	Netherlands	Prism 100, 3364 DJ Sliedrecht	Ordinary	-	100%
Dierenkliniek Dijkshoorn B.V.	Netherlands	Utrechtseweg 50-52, 3704 HE Zeist	Ordinary	100%	-
Diergeneeskundig Centrum Doorn B.V	Netherlands	Kampweg 42, 3941 HJ te Doorn	Ordinary	100%	-
Dierenklinieksmeetsmaastricht B.V.	Netherlands	Ambyerstraat Noord 56 6225 EG Maastricht	Ordinary	100%	-
Dierenkliniek Leeuwendael B.V.	Netherlands	Oranjelaan 72, 2281 GH, Rijswijk, Zuid-Holland	Ordinary	100%	-
Dierenartsen Heerenveen	Netherlands	Roerdomplaan 1 8446 JP Heerenveen	Ordinary	100%	-
Dierenartsenpraktijk Texel BV	Netherlands	Keesomlaan 11, 1791 DA, Den Burg	Ordinary	100%	100%
Fako Onroerend Goed B.V	Netherlands	Kadoelenweg, 221-C, Amsterdam, 1035 NH	Ordinary	100%	100%
Dierenklinieken Heerde Epe	Netherlands	Vosbergerweg 6, 8181 JH, Heerde	Ordinary	100%	100%
Huisdierencrematorium Oost Nederland B.V.	Netherlands	Kamilleveld 35, 3124 CE Schiedam	Ordinary	100%	100%
Dierenkliniek Spaland B.V.	Netherlands	Kamilleveld 35, 3124 CE Schiedam	Ordinary	100%	100%
Pets Health Muiderberg BV	Netherlands	Naardervaart 1a, 1399 PH Muiderberg	Ordinary	100%	100%
Joocle BV	Netherlands	ooiweg 4 , 3927 EB Renswoude	Ordinary	100%	100%
Pets Health Midden Nederland BV	Netherlands	chrepelpad 6, 2491 EE Den Haag	Ordinary	100%	100%
Glenshane Veterinary Clinics Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Fenaghy Veterinary Clinic (NI) Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%
Roe Valley Veterinary Clinic Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%
CVG (D.C.) Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%
Glenburn Veterinary Centre Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%
Drumahoe Veterinary Clinic Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%
Clare Veterinary Practice Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%
Knockanboy Veterinary Clinic Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%
Evidensia Dyrehelse AS *	Norway	Dronningens Gate 16, 0152 Oslo, Norway	Ordinary	100%	100%
Smådyrkrematoriet AS	Norway	Smadyrkrematoriet AS, Postboks 2504, 3702 Skien, Norge	Ordinary	100%	100%
Evidensia Smådyr AS	Norway	Dronningens Gate 16, 0152 Oslo, Norway	Ordinary	100%	100%
Dyresykehuset Dyrlegen Harstad AS	Norway	Klubbveien 14, 9406 Harstad, Norway	Ordinary	100%	-
Son Dyreklinikk AS	Norway	Slettaveien 2, 1555 Son	Ordinary	100%	-
Moss Dyreklinikk A	Norway	Osloveien 35, 1534 Moss	Ordinary	100%	-
Vestre Toten Dyreklinikk AS	Norway	Storgata 67, 2830 Raufoss	Ordinary	100%	-
Din Dyreklinnik Sandefjord	Norway	Skiringssalveien 9, 3211 Sandefjord, Norway	Ordinary	100%	-
Tu Dyreklinikk AS	Norway	Lalandsvegen 441, 4340 Bryne, Norway	Ordinary	100%	-
Crown Veterinary Services Limited****	Scotland	See v) below	Ordinary	100%	100%
The Cambushinnie Service Company Limited****	Scotland	See v) below	Ordinary	100%	100%
K & M Donald Limited****	Scotland	See v) below	Ordinary	100%	100%
Shore Veterinary Centre Limited****	Scotland	See v) below	Ordinary	100%	100%
Boyce & Houston Limited****	Scotland	See v) below	Ordinary	100%	100%
Vermuyden Veterinary Practice Limited****	Scotland	See v) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Kilbarchan Veterinary Practice Limited****	Scotland	See v) below	Ordinary	100%	100%
Boothroyds and Woodwards Ltd****	Scotland	See v) below	Ordinary	100%	100%
Avondale Veterinary Services Limited****	Scotland	See v) below	Ordinary	100%	100%
Aberdeen Veterinary Referrals****	Scotland	See v) below	Ordinary	100%	100%
PVG (Fife) Limited****	Scotland	See v) below	Ordinary	100%	100%
Forth Valley Vets Limited****	Scotland	See v) below	Ordinary	100%	100%
DentalVets Limited****	Scotland	See v) below	Ordinary	100%	100%
Taylor Veterinary Practice Limited****	Scotland	See v) below	Ordinary	100%	100%
Ardene House Vet Practice Limited****	Scotland	See v) below	Ordinary	100%	100%
Crieff Vets Limited****	Scotland	See v) below	Ordinary	100%	100%
The Lamond Veterinary Clinic Limited****	Scotland	See v) below	Ordinary	100%	100%
Easter Ross Vets Limited****	Scotland	See v) below	Ordinary	100%	100%
Robson Vets Limited****	Scotland	See v) below	Ordinary	100%	100%
Macmerry Pet and Horse Centre Limited****	Scotland	See v) below	Ordinary	100%	100%
ICR Veterinary Group Limited****	Scotland	See v) below	Ordinary	100%	100%
Shedden Vets Limited****	Scotland	See v) below	Ordinary	100%	100%
Fife Referrals Limited****	Scotland	See v) below	Ordinary	100%	100%
Martin Veterinary Centre Limited****	Scotland	See v) below	Ordinary	100%	100%
Jackson Vets Limited****	Scotland	See v) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
MBM Vets Limited****	Scotland	See v) below	Ordinary	100%	100%
Abervet 2015 Limited****	Scotland	See v) below	Ordinary	100%	100%
The Dermatology Referral Service Limited****	Scotland	See v) below	Ordinary	100%	100%
Vets Now Limited	Scotland	See v) below	Ordinary	100%	100%
VN Holdings Limited	Scotland	See v) below	Ordinary	100%	100%
Vets Now Emergency Limited	Scotland	See v) below	Ordinary	100%	100%
Inglis Veterinary Centres Limited****	Scotland	See v) below	Ordinary	100%	100%
Gordon Vets Limited****	Scotland	See v) below	Ordinary	100%	100%
Nithsdale Vets Limited****	Scotland	See v) below	Ordinary	100%	100%
Glenbrae Veterinary Clinic Limited****	Scotland	See v) below	Ordinary	100%	100%
IVC Evidensia España SLU	Spain	Calle Velazquez, 10 4° Derecha. 28001, Madrid	Ordinary	100%	-
IVC Evidensia Assets SLU	Spain	Calle Algepser 22-1 Parque Empresarial Táctica 46980 Paterna Valencia	Ordinary	100%	-
Suveterinario S.L.P.	Spain	Avenida De Ronda 14, 28981, Parla, Madrid	Ordinary	100%	-
Hospital Veterinario El Bosque S.L.	Spain	C/ Bidasoa, 1 Centro Comercial EL, Bosque, Villaviciosa De Odon, Madrid, 28670	Ordinary	100%	-
Hospital Veterinario Castellon del Mar	Spain	Calle José María Guinot Galán, 5 12003 Castellón De La Plana	Ordinary	100%	-
Auna Especialidades Veterinarias	Spain	Calle Algepser 22-1 Parque Empresarial Táctica 46980 Paterna Valencia	Ordinary	100%	-

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Evidensia Holding AB *	Sweden	Östhammarsgatan 74 4TR, 115 28 Stockholm, Sweden	Ordinary	100%	100%
Evidensia Acquisition AB *	Sweden	Box 27037, 102 51 Stockholm, Sweden	Ordinary	100%	100%
Evidensia Djursjukvård Holding AB *	Sweden	Box 27037, 102 51 Stockholm, Sweden	Ordinary	100%	100%
Evidensia Djursjukvård AB *	Sweden	Östhammarsgatan 74 4TR, 115 28 Stockholm, Sweden	Ordinary	100%	100%
K64 Stockholm AB	Sweden	Osthammarsgatan 74, 115 28 Stockholm Sweden	Ordinary	100%	100%
Evidensia Häst AB *	Sweden	Box 27037, SE-102 51, Stockholm	Ordinary	100%	100%
Evidensia Smådjur AB *	Sweden	Box 27037, SE-102 51 Stockholm	Ordinary	100%	100%
Cremit AB	Sweden	P1 6062, Påbro, 281 92 Hässleholm, Sverige	Ordinary	100%	100%
Ulvsby Smadjursklinik AB	Sweden	Bengtsbol 608, SE-655 93 Karlstad	Ordinary	100%	100%
Lekebergs Smådjurskremering AB	Sweden	ÄGELSTA GÅRD 3, 716 91 Fjugesta, Sweden	Ordinary	100%	100%
Smådjursveterinären Åmål-Säffle AB	Sweden	Drottning Kristinas väg 2, Åmål, 66230	Ordinary	100%	-
Djurkliniken Skånes Mitt AB	Sweden	Veterinärgatan 1, 243 34 Höör	Ordinary	100%	-
Solsidans Djurklinik AB	Sweden	Torggatan 23, 133 31 Saltsjöbaden	Ordinary	100%	-
Tyresö Djurklinik AB	Sweden	Studiovägen 10, Tyresö	Ordinary	100%	-
Kleintierpraxis ACR AG **	Switzerland	Steigstrasse 26, 8406 Winterthur, Schweiz	Ordinary	-	100%
Bessy´s Kleintierklinik AG **	Switzerland	Eichwatt 3, 8105 Regensdorf, Schweiz	Ordinary	-	100%
ENNETSeeKLINIK für Kleintiere AG **	Switzerland	Rothusstrasse 2, 6331 Hünenberg, Schweiz	Ordinary	-	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2021 Shares held %	2020 Shares held %
Kleintierpraxis Schwäntenmos AG **	Switzerland	Schwäntenmos 12, 8126 Zumikon, Schweiz	Ordinary	-	100%
Clinique VETérinaire Dr D. Stornetta Dr J.-B. Deillon **	Switzerland	Route de Bâle 153, 2800 Delémont, Schweiz	Ordinary	-	100%
IVC Evidensia Schweiz AG	Switzerland	Eichwatt 3, 8105 Regensdorf, Schweiz	Ordinary	100%	100%
Tierarztpraxis DuoVet AG	Switzerland	Heidmoosweg 19, 3049 Säriswil	Ordinary	100%	100%

36 List of companies (continued)

The principal place of business and country of incorporation are equivalent.

The principal activity of all companies listed above is veterinary services except those marked * which are intermediate holding companies.

** Entity was involved in a legal merger during the year and is now within another company in the Group (Evidensia Smådyr AS if Norway, IVC Evidensia Scheiz AG if Switzerland, Evidensia Dyrehospital ApS if Denmark and Evidensia Dierenklinieken BV Evidensia NL Dierenklinieken BV. or Dierenuitvaartzorg Nederland B.V if Netherlands) – 2021 merger.

*** Entity is part of the Veternity group (please refer to note 4).

**** Entities are dormant. The dormant companies have take advantage of the S448A Companies Act 2006 exemption from filing individual accounts.

i) The registered office for all companies registered in England and Wales is The Chocolate Factory, Keynsham, Bristol BS31 2AU.

ii) The registered office for all companies registered in Ireland is Whitney Moore, 2 Shelbourne Buildings, Crampton Avenue, Shelbourne Road, Ballsbridge, Dublin 4, Ireland.

iii) The registered office for all companies registered in the Isle of Man is 33-37 Athol Street, Douglas, Isle of Man IM1 1LB.

iv) The registered office for all companies registered in Northern Ireland is Pinsent Masons LLP, The Soloist Building, 1 Lanyon Place, Belfast, BT1 3LP.

v) The registered office for all companies registered in Scotland is Pinset Masons LLP, 13 Queens Road, Aberdeen, Scotland, AB15 4YL.

The only direct holding relating to the Company is IVC Acquisition Midco Limited.

The following subsidiary companies are claiming exemption from audit under section 479a of the Companies Act 2006 for the year ending 30 September 2021:

Company name	**Company number**	**Company name**	**Company number**
IVC (TB) Limited	10695292	South Lakes Veterinary Centre	7147058
Bowden & Charlesworth Limited	6302860	Chelvets Ltd	05340949
Ark House Vets Ltd	07393269	Penson Rayley Ltd	11955186
Green Lane Vets Ltd	9102955	T&K Services Ltd	11927557
Pawsquad (Pawz Limited)	08402231	Hamilton Specialist Referrals Ltd	10557864