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Årsredovisning

Evidensia Djursjukvård Holding AB

Org.nr 556880-7225

Räkenskapsår 2021-10-01 - 2022-09-30

Fastställelseintyg

Undertecknad styrelseledamot i Evidensia Djursjukvård Holding AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2023-03-31. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

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

Stockholm 2023-03-31

Johan Viklund

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Årsredovisning

Evidensia Djursjukvård Holding AB

Org.nr 556880-7225

Räkenskapsår 2021-10-01 - 2022-09-30

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Årsredovisning för räkenskapsåret 2021-10-01 - 2022-09-30

Styrelsen för Evidensia Djursjukvård Holding 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 2 600 djursjukhus och djurkliniker i 20 länder och är världens största veterinärmedicinska kedja.

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 2022 genomgick Evidensia Djursjukvård Holding AB en rekapitalisering. Effekten på denna enhet är en minskning av koncerninterna skulder och fordringar och en ökning av investeringar och eget kapital.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer

Bolaget och dess dotterbolag fortsätter sin strategi att växa såväl organiskt som genom strategiska förvärv. Samtidigt som selektiva förvärv av högkvalitativa enheter kan inträffa under 2022/2023 ser vi således även utveckling av dotterbolagens kliniker.

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.

Under det gångna räkenskapsåret har bolaget och dess dotterbolag påverkats på olika sätt av den rådande COVID-19-pandemin. Registrering av nya djur har bibehållits på höga nivåer, vilket understödjer efterfrågan på bolagets operativa dotterbolags tjänster och produkter. I händelse av lokalt sjukdomsutbrott kan detta innebära temporära störningar i bolagets operativa dotterbolags leveranskapacitet, vilket vi sett exempel på under räkenskapsåret. Sammantaget har vi inte sett någon stor negativ effekt av pandemin.

Konjunkturens utveckling är en aspekt som kan påverka verksamhetens kostnadsläge och efterfrågan. Ur historiskt perspektiv har djursjukvård visat sig vara en relativt sett konjunkturokänslig bransch. Vi följer ändock utvecklingen noga och planerar potentiella motåtgärder utifrån flera möjliga scenarion för att bibehålla verksamhetens bärighet och växtkraft.

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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.

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 Holding AB (org. nr. 556880-7225) är ett 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. B252223) med säte i Luxemburg.

Flerårsöversikt (Tkr)	**2021/22**	**2020/21**	**2019/20**	**2018/19**	**2017/18**
Resultat efter finansiella poster	6 688	1 938	5 001	4 239	13 180
Balansomslutning	3 620 823	907 264	909 006	912 908	902 174
Soliditet (%)	99,9	91,9	91,2	90,4	91,5

Förändringar i eget kapital (Tkr)

	Aktie-kapital	**Överkurs-fond**	**Balanserat resultat**	**Årets resultat**	**Totalt**
Belopp vid årets ingång	9 535	516 848	299 651	5 139	**831 172**
Disposition enligt beslut av årsstämman:			5 139	-5 139	**0**
Erhållna aktieägartillskott			2 779 486		**2 779 486**
Årets resultat				3 258	**3 258**
Belopp vid årets utgång	**9 535**	**516 848**	**3 084 275**	**3 258**	**3 613 916**

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

balanserad vinst	3 084 274 888
överkursfond	516 848 014
årets vinst	3 258 474
	3 604 381 376
disponeras så att	
i ny räkning överföres	3 604 381 376

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Resultaträkning Tkr	**Not** 1	**2021-10-01** **-2022-09-30**	**2020-10-01** **-2021-09-30**
Övriga rörelseintäkter		424	0
		424	**0**
Rörelsens kostnader			
Övriga externa kostnader		-127	-225
Övriga rörelsekostnader		-224	0
		-351	**-225**
Rörelseresultat		**73**	**-225**
Resultat från finansiella poster			
Övriga ränteintäkter och liknande resultatposter	2	-376	11 598
Räntekostnader och liknande resultatposter	3	6 991	-9 435
		6 615	**2 163**
Resultat efter finansiella poster		**6 688**	**1 938**
Bokslutsdispositioner	4	-3 430	3 201
Resultat före skatt		**3 258**	**5 139**
Årets resultat		**3 258**	**5 139**

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Balansräkning Tkr	**Not** 1	**2022-09-30**	**2021-09-30**
TILLGÅNGAR			
Anläggningstillgångar			
Materiella anläggningstillgångar			
Pågående nyanläggningar och förskott avseende materiella anläggningstillgångar	5	0	12
Finansiella anläggningstillgångar			
Andelar i koncernföretag	6	3 614 640	724 893
Fordringar hos koncernföretag	7	0	173 630
		3 614 640	**898 523**
Summa anläggningstillgångar		**3 614 640**	**898 534**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		3 201	4 483
Övriga fordringar		8	28
		3 209	**4 511**
Kassa och bank		2 973	4 218
Summa omsättningstillgångar		**6 183**	**8 729**
SUMMA TILLGÅNGAR		**3 620 823**	**907 264**

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Balansräkning Tkr	**Not** 1	**2022-09-30**	**2021-09-30**
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		9 535	9 535
Fritt eget kapital			
Överkursfond		516 848	516 848
Balanserad vinst eller förlust		3 084 275	299 651
Årets resultat		3 258	5 139
		3 604 381	**821 637**
Summa eget kapital		**3 613 916**	**831 172**
Obeskattade reserver	8	3 351	3 351
Långfristiga skulder	9		
Skulder till koncernföretag		0	71 969
Kortfristiga skulder			
Skulder till koncernföretag		3 430	564
Upplupna kostnader och förutbetalda intäkter		125	207
Summa kortfristiga skulder		**3 555**	**771**
SUMMA EGET KAPITAL OCH SKULDER		**3 620 823**	**907 264**

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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.

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

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.

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

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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.

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.

Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

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Nyckeltalsdefinitioner
Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Balansomslutning
Företagets samlade tillgångar.

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

Not 2 Övriga ränteintäkter och liknande resultatposter

	2021-10-01 -2022-09-30	2020-10-01 -2021-09-30
Ränteintäkter från koncernföretag	5 596	11 598
Kursdifferenser	-5 973	0
	-376	**11 598**

Not 3 Räntekostnader och liknande resultatposter

	2021-10-01 -2022-09-30	2020-10-01 -2021-09-30
Räntekostnader till koncernföretag	-2 297	-6 417
Övriga räntekostnader	0	-2
Kursdifferenser	9 288	-3 017
	6 991	**-9 435**

Not 4 Bokslutsdispositioner

	2021-10-01 -2022-09-30	2020-10-01 -2021-09-30
Lämnade koncernbidrag	-3 430	0
Mottagna koncernbidrag	0	3 201
	-3 430	**3 201**

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Not 5 Pågående nyanläggningar och förskott avseende materiella anläggningar

	2022-09-30	2021-09-30
Ingående anskaffningsvärden	12	0
Inköp	0	12
Utrangering	-12	0
Utgående ackumulerade anskaffningsvärden	**0**	**12**
Utgående redovisat värde	**0**	**12**

Not 6 Andelar i koncernföretag

	2022-09-30	2021-09-30
Ingående anskaffningsvärden	724 893	724 893
Lämnade aktieägartillskott	2 889 747	0
Utgående ackumulerade anskaffningsvärden	**3 614 640**	**724 893**
Utgående redovisat värde	**3 614 640**	**724 893**

Not 7 Fordringar hos koncernföretag

	2022-09-30	2021-09-30
Ingående anskaffningsvärden	173 630	179 317
Avgående fordringar	-173 630	-5 687
Utgående ackumulerade anskaffningsvärden	**0**	**173 630**
Utgående redovisat värde	**0**	**173 630**

Not 8 Obeskattade reserver

	2022-09-30	2021-09-30
Periodiseringsfond 2018	3 351	3 351
	3 351	**3 351**

Not 9 Långfristiga skulder

	2022-09-30	2021-09-30
Långfristiga skulder som förfaller senare än 5 år efter balansdagen	0	71 969
	0	**71 969**

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Not 10 Uppgifter om moderföretag

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

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

Stockholm 2023-02-13

Johan Viklund
Ordförande

Mark Gillings

Elin Risbecker

Russell Trenter

Vår revisionsberättelse har lämnats 2023-03-31

Deloitte AB

Camilla Backlund
Auktoriserad revisor

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Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Evidensia Djursjukvård Holding AB
organisationsnummer 556880-7225

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Evidensia Djursjukvård Holding AB för räkenskapsåret 2021-10-01 - 2022-09-30.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Evidensia Djursjukvård Holding ABs finansiella ställning per den 30 september 2022 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 Holding 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 ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den 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 för bedömningen av bolagets förmåga att fortsätta verksamheten. Den 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 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 uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen 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.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen

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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 förvaltning för Evidensia Djursjukvård Holding AB för räkenskapsåret 2021-10-01 - 2022-09-30 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter 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 Holding 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 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.

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 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 2023-03-31

Deloitte AB

Camilla Backlund
Auktoriserad revisor

Fotokopians överensstämmelse med originalet intygas:

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Registration number: 10510862

IVC Acquisition Midco Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 30 September 2022

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IVC Acquisition Midco Limited

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IVC Acquisition Midco Limited

Company Information

Directors

S M Clarke (resigned on 5.10.2022)
S M Smith (appointed on 5.10.2022)
A Farahani
P G Franzen
M A Gillings
P M Kenyon

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IVC Acquisition Midco Limited

Strategic Report for the Year Ended 30 September 2022

The directors present their Strategic Report together with the audited consolidated financial statements for IVC Acquisition Midco Limited ("the Company") and its subsidiaries ("the Group") for the year ended 30 September 2022. This Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to IVC Acquisition Midco Limited and the IVC Evidensia group of companies 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.

GROUP STRATEGY

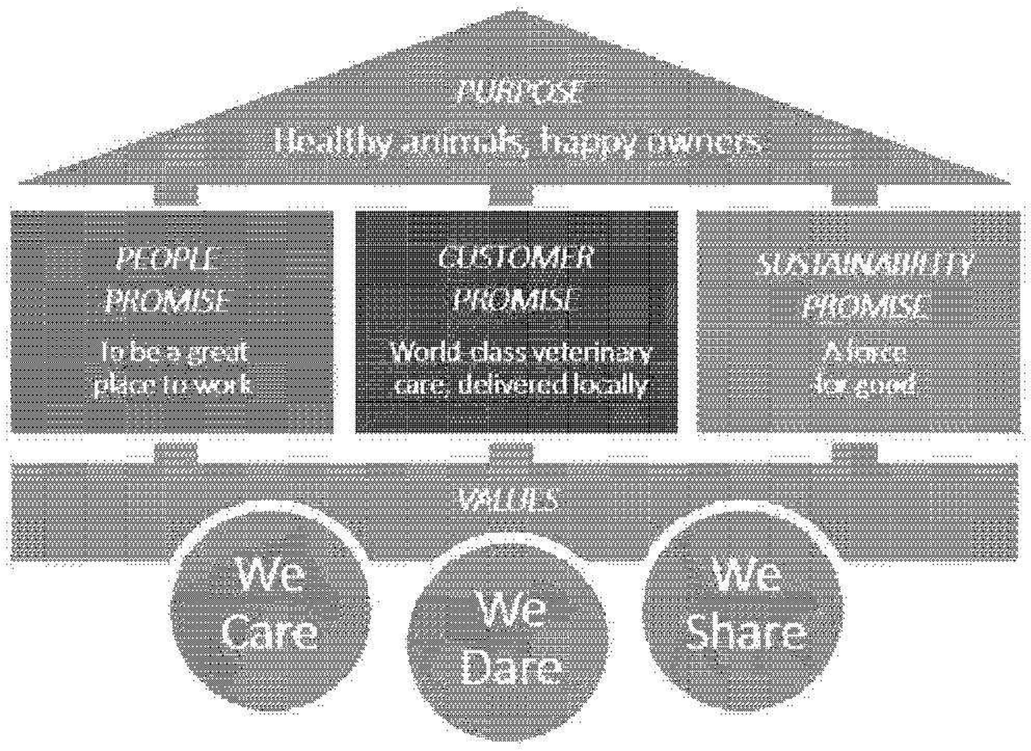
The Company is an investment holding company of the Group. The Group is a veterinary care provider, delivering the highest quality pet care possible to millions of animals every year. Our purpose is healthy animals, happy owners and our strengths benefits every clinic, patient and customer. Our colleagues are expert clinicians, who care deeply about the animals they care for. We strive every day to be a force for good in the profession, and to always behave ethically and with empathy.

The Group owns 2,488 sites (2021: 1,844) of veterinary practices, crematoria, and other businesses across the United Kingdom, Europe and North America through a number of subsidiaries. This is another significant increase in sites in the year (35%) and builds upon the 20% increase in sites in 2021. VetStrategy, Canada's leading veterinary services group with 360+ veterinary practices, joined the Group during the financial year (see page 5 for details). We also acquired VetOne in France with 60+ clinics and entered in Estonia, Latvia, Austria, Poland and Portugal during the financial year.

What we do is driven by our purpose and informed by our core values.

Our vision for IVC Evidensia is to be the best veterinary group in the world

We will achieve our vision by delivering our purpose, keeping our three promises, with all our actions and behaviour guided by our values.



Vision
Our vision is to be the best veterinary group in the world.

Purpose
Our purpose is healthy animals and happy owners.

Promises
Our People Promise is to be a great place to work.
Our Customer Promise is world-class veterinary care, delivered locally.
Our Sustainability Promise is to be a force for good.

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GROUP STRATEGY (continued)

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.

We believe that the veterinary services and broader pet care markets provide an attractive opportunity to develop a business for the benefit of animals, and their owners, employees and investors. The global veterinary services market has revenues of around £85 billion, and the broader pet care market has revenues of over £200 billion.

We have built a strong footprint of first opinion practices (FOP) for companion animals, supplemented with secondary and tertiary veterinary care provision, equine and farm activities, related businesses in crematoria, online pharmacy and digital services. We currently operate around 2,231 FOPs, 183 referral sites, 74 crematoria, a number of Out-Of-Hour sites, online pharmacy and e-commerce sites. We actively review our focus on different areas of veterinary services and the broader pet care market to ensure we offer the best range and quality of service to our customers.

Our focus is on delivering outstanding care to animals and outstanding service to customers, investing in our premises and our people, and welcoming new clinics, hospitals and colleagues to our business. Over the last five years, following a successful period of organic progress and acquisition, we have grown from being in 8 countries to 20 countries, and from around 950 sites to 2,488 locations globally. That growth accelerated over the last two years, in which the number of sites has increased by over 60%.

Excellent care, client satisfaction and staff fulfilment can only be delivered by successful and flourishing clinics. We view our employees as a critical asset in the delivery of our services to patients and clients. We employ over 10,800 vets and 14,400 vet nurses who treat over 7 million animals annually. Recruiting and retaining vets, vet nurses and other practice employees is a key priority, and there is an active focus on training, support, and management of our people. We aim to be the employer of choice in the areas where we operate.

Future developments

There is a strong demand from vets for practices and hospitals to be part of a larger corporate group due to the desire for further support addressing some positive macro trends. These include changes in owner beliefs and expectations, including, but not limited to, the increased humanisation of pets, increasing demands for more sophisticated and specialised care from owners who have a wider understanding of what is possible, enabling more expensive and complex treatment options to be covered.

There is a strong logic for clinics to join a larger group, including the central provision of time-consuming and increasingly complex administration, human resource management, finance, legal, marketing, procurement and IT activities that otherwise detract from the time clinics have to provide animal care; the availability of new services, solutions and technologies, that have been funded and developed centrally; support with the attraction and retention of talent, including through provision of better career pathways, development opportunities, better benefits and opportunities to work overseas within a diverse group with global reach; being actively kept up to date with the provision of the latest clinical solutions, approaches and thinking through our vet and vet nurse staffed clinical advisory boards; support for investment in improving location infrastructure and facilities, in line with the needs of each individual location, to enable the delivery of better care, and innovative technology that can improve care; and the ability to share diagnostic and treatment resources, particularly around night shift and out of hours support, across groups of locations, maximising clinic capabilities, and, use of resources, helping improve work-life balance and well-being for our people, and improving offerings to customers.

GROUP STRATEGY (continued)

In FY23 we will focus on the successful integration of the large number of recently acquired sites. We will continue to look for opportunities to invest further in the business at the practice level, be that in clinical equipment, physical infrastructure, staff capabilities and in other ways, in order to provide higher standards of customer care. For example, we developed a crematoria business in a number of countries that enables us to provide an appropriate customer experience at what is a difficult time for animal owners. In many countries, we have developed e-commerce pharmacy businesses and telemedicine offering higher standards of care.

OPERATIONS REVIEW

This has been a significant year for the Group in which we have not only grown as an organisation, organically and through acquisitions, but we have done all of this at a time when COVID-19 has continued to be a challenge. Less severe than the previous year but the pandemic continued to have an impact across all of our countries, at different times and to varying extents by country. It is testament to the hard work, dedication and passion of our teams right across our Group that we have continued to deliver and improve on our services to our patients and customers.

We are creating a welcoming, diverse and inclusive workplace, and aim to fully support our people's wellbeing and development so they can reach their full potential. We have invested heavily in our teams, both in the development of our existing talent and the recruitment of new talent, as well as the well-being and support of our teams. We have continued to develop strong foundations as a Group through significant investments in new clinics, administrative systems (including clinical resource scheduling, human resource management, migration of clinics onto the strategic Practice Management System of choice for each country), infrastructure and new clinical equipment. We have invested in areas such as information security, health & safety and risk management to ensure our Group is safer. The Group has made progress across all these areas in the year, and there is more to come during this next year. In addition, we have invested significantly in four new hospital sites and existing sites, creating and developing modern and well-equipped working environments. More new sites are planned in the next year.

Our culture of entrepreneurialism and clinical autonomy, supported by the Group, saw us enter six new countries during the year and increase our site numbers to 2,488 across 20 countries. This is underpinned by the development of local support structures, built on integration and operational capability developed within the Group over many years. In our most mature countries, we continue to develop our operational teams at all levels through team and leadership development programmes, collaboration and shared learnings across our countries, enhanced KPI management and business intelligence systems. As a consequence of the rapid growth over the last two years, there will be a focus on the successful integration of newly acquired sites over the next twelve to eighteen months.

Our ambition is to continually improve the standard of care for animals, and to ensure our clinicians can fulfil their medical vocation. Our financial strength means that we can invest in facilities, diagnostic equipment, tools and resources for our clinics and people. We have invested heavily in refurbishments and new clinical equipment in the past year across our portfolio of practices, enabling our team of expert clinicians to provide high standards of services to patients. Our commitment to innovation is also evident in the fact that we are the first in the UK to adopt artificial intelligence technology in radiology that is able to provide accurate and exceedingly rapid radiology reports, reducing diagnostic time from days to minutes. The importance of continued scientific research and innovation is incontestable from the benefits both pets and pet owners gain in terms of diagnostic accuracy and timeliness. In line with this, we have made it our mission to provide a high performing environment for research and innovation within the veterinary sector globally and our Group Veterinary Medical Board has awarded over 40 new research funding grants, with more planned in the future.

We continued to grow and develop all of our channels significantly during the year, whether that be small animal clinics, referral hospitals, farm and equine, specialist veterinary services, online, crematoriums and funeral services. In addition, our Pet Health Club continues to grow, providing valuable support with easy payment plans for our customers. The breadth of veterinary services we provide allows for a wide service offer to our customers and their animals, as well as opportunities for our teams to work across sites and functions, nationally and internationally.

OPERATIONS REVIEW (continued)

We take this opportunity to thank all of our colleagues for their hard work and dedication, wherever they work in the Group, and in making IVC Evidensia the prominent veterinary service provider it is today.

FINANCIAL REVIEW AND KEY PERFORMANCE INDICATORS

The results for the year which are set out in the Consolidated Income Statement show revenue of £2,844.0M (2021: £1,771.2M), driven by organic growth (like for like sales for operations active during the whole year of 6.2%) and £818.2M related to acquisitions made during the financial year and the full year impact of acquisitions made in the prior financial year. The growth in revenues was the key driver of the increase in operating profit to £228.0M (2021: £195.3M). The results show a loss before tax of £481.7M (2021: £23.7M), incurred mainly because of a goodwill impairment charge of £416.7M relating to operations in Canada, Spain and USA, and the level of interest charges to service the Group's lease liabilities of 596.2M (2021: £394.4M) and intercompany of £771.6M (2021: £641.0M) and external debt of £4,544.6M (2021: £2,032.5M), which are not fully covered by operating profits. More details of the impairment charge can be found in note 16.

Adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and other costs) is the main profit measure reviewed by management and increased to £529.5M (2021: £372.9M), driven by higher revenues (see note 35 for the reconciliation to statutory reported profit and page 57 for the accounting policy).

As at 30 September 2022, the Group had total assets less current liabilities of £7,818.3M (2021: £3,321.2M) and net assets of £1,690.6M (2021: £143.1M). The increase was driven by acquisitions in the year, which increased assets and liabilities generally, but in particular goodwill, which increased to £6,180.9m (2021: £2,397.8M).

A total of 284 acquisitions were completed in the financial year (FY21: 164), with the total number of sites at the year end being 2,488 (FY21: 1,844). Acquisitions were the key driver of headcount growth, with the average number of employees for the year reaching 36,605, up 55% vs FY21.

The results for the year were encouraging in an extremely challenging market dynamics, with good progress made on delivering the Group's strategy. The full-year results saw robust organic growth and benefitted from high M&A activity, including some key strategic acquisitions, but were below management expectations due to a combination of factors limiting clinical staff resources and the aforementioned challenging market dynamics.

Changes in equity include a gain of £293.4m in other comprehensive income (2021: loss of £19.4M). This relates almost entirely to movements in the translation reserve as a result of movements in foreign currency exchange rates, a gain of £292.3M (FY21: loss of £21.0M).

VetStrategy Merger-related arrangements

During the financial year, VetStrategy, Canada's leading veterinary services group with 360+ veterinary practices, merged into the Group on 2 November 2021. As consideration for the merger of VetStrategy, its shareholders received 17.4% of the shares of the combined group. The shares of minority interests in a number of VetStrategy subsidiaries had not been acquired by VetStrategy at 2 November 2021, and a liability is recognised in relation to the obligation to buy these shares. Under IFRS 3 'Business combinations', the Group was required to provide for the estimated fair value of this liability at the time of acquisition and is required to revalue the liability to the latest estimate of fair value at each subsequent period end. The liability recognised in the balance sheet at the date of acquisition was £72.6M. Subsequent re-measurements are reflected in the Consolidated Income Statement below operating profit. At the reporting date, the liability is valued at £62.5M.

SUSTAINABILITY REPORT

Environment, Sustainability and Governance ("ESG")

Our Positive Pawprint sustainability strategy supports our core objectives to protect the health and happiness of people and animals, while reducing our environmental impact to promote a cleaner and more sustainable environment. The strategy is based on three pillars: People, Planet and Patients, each underpinned by commitments, KPIs and performance targets. The strategy is led by our Sustainability & ESG Director and by our Positive Pawprint Steering Committee, with representatives from across our key business functions and countries. Our Chief Operating Officer has accountability for sustainability issues at Executive board level and the Non-executive director, Jarl Dahlfors has overall accountability for sustainability on the Group Board. We have developed policies for the key aspects of our sustainability programme, available at ivcevidensia.com/PositivePawprint. To guide and support the ongoing development of our sustainability strategy, we undertake regular materiality assessments to ensure that our strategy continues to focus on those environmental and social issues of most importance to our stakeholders, and which represent the most important risks and opportunities for the future of IVC Evidensia. A detailed report on our sustainability performance and approach is published in *IVC Evidensia's 2022 Positive Pawprint Report*.

We are working to integrate sustainability into our business culture and training provision. Specialist sustainability training modules are now included as part of our Graduate Academy and the Artemis Emerging Leaders programme. During summer 2022, we launched the first of a series of our Positive Pawprint webinars, each focusing on a specific aspect of the strategy. To help our clinics adopt good practice across the three pillars, we have developed the IVC Evidensia Positive Pawprint Toolkit, which provides clinic teams with simple guidance on the steps they can take to embed sustainability within their day-to-day operations.

People

We are here for animals, but people are the heart of our business. The health and wellbeing of our people is of paramount importance. Working with animals can sometimes be unpredictable and veterinary clinics can be highly pressured environments. Therefore, we are working to ensure that we have the right policies, processes and culture in place to keep up with daily demands, while committing to the well-being of our teams.

It is important to us that our employees are fully engaged with our business strategy and objectives and know that their views are heard and taken into account. To learn more about our employees' engagement and their experience of their workplace, we launched our first Global Employee Survey in March 2022. All employees across the Group were encouraged to participate, including all clinic and support staff, with the survey available in their own local language. Over 17,000 colleagues completed the survey across 16 countries (55% of employees).

We have an objective to have established wellbeing programmes in all our countries by 2023, and initiatives are already in place in a number of them.

As a business spread over 20 countries, we are passionate that diversity in all its forms is key to the strength of our business success. We are committed to creating a welcoming and inclusive workplace, and our first action is to ensure a diverse and representative leadership. As of 30 September 2022, 87% of our employees were female (87% in 2021) and 45% of senior roles were held by women (44% in 2021). It is our goal to have women in half of senior roles by 2025. During the year, we have piloted the IVC Evidensia Artemis Emerging Leaders Program, our first cross-company leadership program for clinical staff. The objectives are to meet our aspirations for gender balance in critical roles and to ensure a pipeline of future leaders. In 2022, we undertook a full review of family friendly policies in UK.

Individuals from a broad range of ethnic minority backgrounds are currently underrepresented in the veterinary professions (vets and vet nurses). Through our Ethnic Diversity Scholarship scheme, we are now supporting 13 first year undergraduates across the UK. Our out-of-hours business, Vets Now has also launched a scholarship scheme for veterinary nurses.

SUSTAINABILITY REPORT (continued)

Giving our people access to world-class education opportunities is a key priority for the Group and underpins our learning and development strategy. The IVC Evidensia Academy is the home of learning and development and was established to provide learning opportunities for all our employees and support career development at every stage. All our countries operate their own Academy structures or learning and development teams operating within their HR department.

Our online training is now hosted by a Learning Management System (LMS) which we piloted in Sweden early in 2022 and subsequently rolled out to the UK, Ireland, Norway, Spain, Portugal, Finland, France, Germany, Austria, Switzerland, Latvia and Estonia. Training courses on the LMS cover both clinical and non-clinical topics such as leadership, client care, Health & Safety and Data Security.

The IVC Evidensia Graduate Academy is a core part of our goal to deliver exceptional veterinary care by supporting new graduates as they join the profession. Graduates are offered a blended learning approach with content tailored to support diverse career paths with small animal, farm and equine streams. In June 2022, we welcomed 300 graduates in-person, and nearly 150 online, to our Graduate Academy Congress.

It is our priority that people working for us and within our supply chain are to be treated with respect, and their health, safety and basic human rights must be protected and promoted. Our Supplier Code of Conduct launched this year has gone to all key suppliers alongside our supplier assessment' with all suppliers expected to demonstrate their compliance with the Modern Slavery Act 2015 and outline their approach to tackling this issue.

Planet

We recognise that we have a legal, moral and ethical responsibility to reduce the environmental impact of our business and operations, and to improve our environmental performance as an integral part of our business strategy and operating methods.

A central part of our strategy is our commitment to net zero emissions. In September 2022, the Executive Committee agreed to a decarbonisation strategy which will support a science-based rate of decarbonisation aligned with a well-below 2°C target. Our proposed targets mentioned on page 11 below have been submitted to Science-Based Targets Initiative for validation.

In order to deliver our targeted reductions in our Scope 1 and 2 emissions, we are focusing on a number of key impact areas. Building energy efficiency is a priority, with a large-scale project currently being rolled out across our UK estate to cut lighting and heating emissions. We are developing strategies to move our vehicle fleet to lower carbon fuels, with electric vehicles now in place in Sweden and The Netherlands. Our clinical teams are being trained on new techniques for anaesthesia which have reduced GHG emissions. Research is also underway into new lower-carbon crematorium technologies.

We continue to review our energy supply contracts to move to lower carbon sources with 65% of our electricity now from renewable sources, including for some of our largest countries including UK, Netherlands, Finland and Sweden.

During the year, we have undertaken climate risk focussed risk workshops with key stakeholders, with representation from country and functional operational teams including finance and clinical specialists, to identify physical and transitional risks and opportunities. More information on our approach to understanding and responding to climate risk and transition plan to reach our targets is provided in the Positive Pawprint Report.

During the year, the Group began to implement 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 18.

Another key part of our environmental objectives is to reduce the amount of waste we produce and recycle as much as we can. We are undertaking waste management reviews in our largest countries to help us achieve this objective.

SUSTAINABILITY REPORT (continued)

Patients

We combine the passion and skills of our 41,000 colleagues to create a powerful collective driving force for good. Together, we are constantly improving standards of care for all of our patients, whether small animal, or farm and equine. This progress is being driven through a focus on areas such as governance, quality improvement, infection prevention and control (IPC), animal welfare, research and innovation.

In order to ensure we continue to provide good standards of care, our Group Quality Improvement (Q.I.) strategy is designed to help us learn from the cutting-edge work being performed in clinics. This is led by our Group Quality Improvement Director supported by dedicated Q.I. leads in a number of our countries.

The IVC Evidensia Care Fund provides critical support to pets, owners and our teams. We know that access to the fund has improved our teams' feeling of control and well-being when faced with these situations. During 2022, the Care Fund has supported life-saving treatment in over 2,700 animals. We were pleased to be able to use the Care Fund as part of our response to the Ukrainian war, enabling our vets across Europe to provide treatment to over 700 pets of Ukrainian refugees.

Infections caused by microorganisms are an important cause of morbidity and mortality in both animals and humans. Our Infection Prevention and Control (IPC) portal provides clinics with learning resources around microorganisms, infections, the basics of transmission, infection prevention and control, hand hygiene, clothing, personal protective equipment (PPE) and environmental hygiene. A separate course is available on the responsible use of antibiotics, forming the basis of our Antibiotic Stewardship Programme. To support this, we will appoint a dedicated Hygiene Ambassador to 75% of our practices by 2025. We also have a specific goal to reduce the total number of outpatient antibiotic prescriptions to 5% by 2030, and we are pleased to be making good progress.

Community

Our veterinary clinics, hospitals and crematoria form a central part of thousands of communities. In December 2021, we launched the IVC Evidensia Local Community Grants Fund through which each veterinary group, crematorium or central team can apply for a Local Community Grant each year to support a local cause they care about. During the year, we have been delighted to provide grants to 147 charities and non-profit organisations nominated by our teams across 11 countries.

Some of the most valuable support we can give to charities is through our veterinary skills. We work closely with animal rescue charities, providing free or heavily discounted treatment to animals in need and first aid treatment to wild or stray animals. In many cases, our clinic teams will even support with re- homing strays. In the UK we are in regular dialogue with the key animal welfare charities, such as the RSPCA, Blue Cross, Dogs Trust and Cats Protection, to ensure that we understand their priorities and where we can best provide support.

Streamlined Energy and Carbon Reporting (UK only)

For the year ended 30 September 2022, the Group consumed 0.3ktCO2e (FY21:4.6ktCO2e) in the UK resulting from the purchase of electricity for its own use. In FY21, we have accounted for the procurement of renewable energy and/or Energy Attribute Certificates.

During the same period, the Group consumed 3.4ktCO2e (FY21: 5.8ktCO2e) in the UK from the combustion of gas and 7.3ktCO2e from the combustion of heating oil.

Also in the same period, the Group consumed 2.7ktCO2e (FY21 1.5ktCO2e) in the UK from the consumption of fuel for the purposes of transport (Scope 1) and 1ktCO2e for emissions associated with business travel in rental or employee-owned vehicles where the company purchased the fuel.

The Group also generated 5ktCO2e (FY21:4.5kt) of CO2 emissions in the UK from fugitive emissions, from the use of anaesthetic gases.

SUSTAINABILITY REPORT (continued)

This meant the Group consumed 62,334,759 kWh (FY21:59,323,612 kWh) as a result of electricity, gas, heating oil and transport consumption in the United Kingdom as defined above. The above equates to 0.0164kgCO2e (FY21: 0.0151kgCO2e) emissions for every £1 of revenue that the Group earns. We have seen an increase in this intensity measure, due in part to improved data quality. We would expect this to reduce as we rollout energy efficiency measures over the coming years.

Note: *The company has followed the HM Government Environmental Reporting Guidelines (2019). Emissions factors have been sourced from DEFRA (2022) for fuel and vehicle travel, BJA (2015) for anaesthetic gases and RE-DISS Residual European Mix (2021) for electricity not covered by renewable energy contracts and/or Energy Attribute Certificates (EACs). The emissions only cover Scope 1 and 2 Emissions and business travel in rental or employee-owned vehicles (where the company purchased the fuel) for the United Kingdom. Where there are data gaps in electricity consumption, it has been extrapolated based on UK average kWh/FTE.*

Task Force on Climate-related Financial Disclosures statement

The table below reports our progress to date against each of the disclosure recommendations of the Taskforce for Climate-related Financial Disclosure (TCFD).

While the TCFD disclosures are not yet mandatory, we are working towards meeting the recommendations in full in future reporting years. Our disclosures are currently in line with BEIS requirements.

Pillar	Disclosure requirement	Description/progress
Governance	Describe the board's oversight of climate-related risks and opportunities.	The Group Board has ultimate responsibility for ensuring that our Positive Pawprint strategy is implemented and key environmental and climate risks are effectively managed. The Non-executive director, Jarl Dahlfors, has accountability for these issues on the Group Board. The Group Board reviews governance, performance against targets and risk management on a regular basis.
	Describe management's role in assessing and managing climate-related risks and opportunities.	The Non-executive director, Jarl Dahlfors, has responsibility for climate sustainability and environmental issues at Group Board level and is supported by Chief Operating Officer to ensure that environmental initiatives are implemented at Executive Committee level. Our Positive Pawprint strategy is one of our key business initiatives and climate impact is one of the principal commitments within this. The Positive Pawprint Steering Committee meets quarterly to oversee and direct progress in delivering the Group's environmental objectives. During the year, the Executive Committee approved key plans around climate strategy, for example the Group's GHG targets which were agreed in September 2022.

SUSTAINABILITY REPORT (continued)

Pillar	Disclosure requirement	Description/progress
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	We continue to undertake risk analysis to build our understanding of climate-related risks and opportunities. Analysis conducted to date has highlighted short-term risks which include localised short-term weather disruption risks, for example, linked to flooding or extreme heat. Conversely, in the short-term, we also identified a potential opportunity from the holistic management of the Group's property portfolio to maximise energy efficiency and reduce both GHG emissions and operating costs. Longer term risks identified relate to increased compliance complexity and more chronic business disruption issues including changing disease patterns and increased severity and frequency of weather-related events. Key opportunities have been identified in working with suppliers and manufacturers to develop greater resilience in supply chains and to respond to changing product needs and to reduce the carbon footprint of pharmaceutical and nutraceutical manufacture and support the sustainability of pet ownership.
	Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	Climate-related risks are a key part of the Group's sustainability strategy. In our 2022 materiality review, climate change was identified as one of the highest priority issues for both the stakeholders and the business. This has been an influencing factor in the development of the Group's carbon reduction strategy, as agreed by the Executive Committee in September 2022. This strategy is described on page 7 of our Positive Pawprint Report 2022. In developing this strategy, we have, where possible, considered the impact of the climate-related risks and opportunities on the Group's business, strategy and financial planning. At present, no changes were made to the Group's accounting policies, estimates or judgements, however this is something we will continue to review.

SUSTAINABILITY REPORT (continued)

Pillar	Disclosure requirement	Description/progress
Strategy	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Our Positive Pawprint strategy sets out our commitment to achieve the highest standards of sustainability in animal care. Initial scenario analysis assumed that our strategy would remain unchanged in the short term and considered plausible events including localised short-term weather disruption risks, for example, linked to flooding or extreme heat and longer-term risks relate to increased compliance complexity and more chronic business disruption issues including changing disease patterns and increased severity and frequency of weather-related events. Following this initial analysis of climate risk carried out this year, we intend to undertake more detailed investigation of risks and opportunities to understand their full impact on the business and to ensure that these are integrated into the core strategy. This will include scenario planning exercises to consider different levels of temperature increase. The Group's strategy for growth includes organic growth through capital investment in existing and new facilities, and growth through acquisitions. This gives us the ability to adapt and respond to climate change-related events, such as increasing flooding or rising sea levels or changing disease patterns. In September 2022, the Executive Committee agreed to a decarbonisation strategy which will support a science-based rate of decarbonisation. Our proposed targets are, by 2030, to reduce absolute Scope 1&2 emissions by 50% and Scope 3 emissions by 30% (from a 2021 base year). By 2050, we will seek to reduce Group emissions to Net Zero. These targets have been submitted to the Science-Based Targets Initiative for validation, but in the meantime, we have already started to develop the workstreams needed to deliver the goals. These initiatives include a focus on reducing the energy we use in our clinics, reducing emissions from clinical activities like anaesthesia, and a transition to lower carbon fleet and lower carbon crematorium technologies. We are working in partnership with our suppliers to deliver shared environmental objectives, notably linked to our Scope 3 carbon reduction objectives.

SUSTAINABILITY REPORT (continued)

Pillar	Disclosure requirement	Description/progress
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	We have undertaken climate risk focussed risk workshops with the key stakeholders, with representation from country and functional operational teams including finance and clinical specialists to identify physical and transitional risks and opportunities. In addition, we have reviewed all internal risk registers to ensure that climate risk and mitigations are adequately captured, and mitigations reflected in our operational view of risk. To guide and support the ongoing development of our sustainability strategy, we undertake materiality assessments every two years to ensure that our strategy continues to focus on those environmental and social issues which represent the most important risks and opportunities for the future of the Group. As part of this exercise, we consult both internal and external stakeholders. In our 2022 review, climate risk and GHG emissions were identified as the highest priority issues for both the stakeholders and the business.
	Describe the organization's processes for managing climate-related risks.	Climate related risks are considered within the context of our enterprise risk universe and discussed as part of regular risk review processes with country and functional leadership teams. Climate risks are also reviewed as part of our sustainability governance framework, which is led at Executive level by our Chief Operating Officer. In depth climate risk assessment is now underway as part of the wider risk programme to determine specific risk responses and mitigations.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Climate risk is considered as part of our enterprise risk universe and is considered in the context of risk to our strategy and both the impact of and impact on our operational activity. All country and functional risk registers are subject to regular review and reporting to the Group Board through Audit & Risk Committee. The impact and likelihood of climate risks identified are assessed using our Group risk methodology. In addition, climate focussed risk workshops have been undertaken to form the basis of a Group climate risk register which will be used to inform more detailed climate risk scenario analysis and in the continuous development of our sustainability strategy.

SUSTAINABILITY REPORT (continued)

Pillar	Disclosure requirement	Description/progress
Metrics & Targets	Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	As part of our assessment of climate risk, we map climate considerations into 3 broad categories: Transitional risk, Physical risk and Opportunities. For each category, we assess whether the impact is short, medium or long term. The risks are then scored as part of our standard risk approach.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Group Greenhouse gas emissions for 2021/22 Scope 1 34,887 tCO2e Scope 2 11,010 tCO2e Scope 3 1,387,310 tCO2e *Methodology* *The Group has calculated our Greenhouse Gas (GHG) emissions in line with the Greenhouse Gas Protocol. We report emissions where the Group has operational control and report emissions in tCO_2e.* *Scope 1 includes direct emissions from sources owned or controlled by the Group. It includes emissions associated with our managed locations including natural gas and kerosene and fuel utilised by our vehicle fleet. Data is collected from invoices, telematics, fuel cards and other documentation for UK, Netherlands, France, Sweden and Finland and logged in an Emissions Reporting Tool. DEFRA Greenhouse Gas Reporting: Conversion Factors 2022 are used to covert to CO_2e.* *Scope 2 includes indirect emissions associated with the purchase of electricity which is consumed at our locations. Data is collected from invoices and other documentation. Where data is not directly available, extrapolations are made based upon the average electricity consumption per Full Time Employee (FTE) and allocated (at a country or global level).* *Scope 3 includes indirect emissions associated with our value chain. IVC Evidensia utilises company data from several different sources to facilitate the calculation of Scope 3 emissions. Category 1 Purchased Goods and Services, Category 4 Upstream Transport and Distribution, Category 5 Waste Generated in Operations and Category 6 Business Travel are calculated using a spend-based approach and the associated Quantise emission factors. In some instances, Scope 3 data for the Canadian market has been extrapolated based on known European data.*

SUSTAINABILITY REPORT (continued)

Pillar	Disclosure requirement	Description/progress
Metrics & Targets	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	In September 2022, the Executive Committee agreed to a decarbonisation strategy which will support a science-based rate of decarbonisation with proposed targets as follows: • By 2030, reduce absolute Scope 1&2 emissions by 50% and Scope 3 emissions by 30% • By 2050, reduce Group emissions to Net-Zero *Note: Scope 1 and 2 targets are aligned with a 1.5°C science-based rate of decarbonisation and have been submitted to SBTi for validation. Targets measured from a 2022 base year.* We will report on progress against these targets from 2023 onwards. In addition, to support this strategy, the Group has a further target by December 2023 for 85% of electricity to be from renewable sources. As at 30 September 2022, 65% of electricity was from renewable sources.

Strategic Report for the Year Ended 30 September 2022 (continued)

SECTION 172(1) STATEMENT

We identified stakeholders by assessing which resources are relied upon to deliver our strategy (which is set out on pages 2 to 4). Stakeholders identified from this process comprise six categories. These are outlined below with an overview of their interests, their concerns, how the Group Board communicates with them and the ways in which the Group Board has acted regarding these groups when taking key decisions throughout the year.

Stakeholders	**Customers** Our customers are pet owners and their pets	**Employees** We employ approximately 41,000 colleagues	**Suppliers** Our suppliers include manufacturers of drugs and consumables and suppliers of indirect goods and services used to support our operations
Key issues for stakeholders	• Animal care & well-being • Emergency & critical care • Cost of care • Highest clinical standards • Preventative health care plans	• Health & safety • Mental health & wellbeing • Recruitment, development & retention • Reward • Equality, diversity & inclusion (EDI) • Culture & values • Work-life balance	• Supply chain security • Service level agreements and delivery of cost savings • Corporate responsibility, including modern slavery, anti-bribery and anti-corruption • Sustainability / waste reduction • Antimicrobial resistance & medicines management
Why we engage	The Group's purpose is to have healthy animals and happy owners by bringing people together to make animal care better.	We recognise that the skills, experience and commitment of our people is essential to meet our purpose.	We recognise that strategic partnerships with suppliers deliver more value to our business and our customers than short-term deals.
How we engage/ methods of engagement & feedback	• Clinics • 24-hour referral hospitals • Virtual consultations • Telephonic consultations • Websites • House visits • Surveys	• Virtual & physical team & townhall meetings • Hospital & clinic meetings for employees • Newsletters • Annual personal development reviews • Intranet • Speak Up ethics hotline • Global employee survey	• Supplier due diligence survey launched • Carried out Modern Slavery risk assessment • Work with suppliers to achieve sustainability standards • Regular business reviews with major supply partners

SECTION 172(1) STATEMENT (continued)

Stakeholders	Customers	Employees	Suppliers
Impact/value created/ Outcome	• Creation of species-specific waiting rooms • Launched Infection Prevention and Control modules into UK and Netherland • Planned Quality Improvement Strategy • Delivered a research platform through Group Veterinary Medical Board • Launched new digital platform in Sweden and UK, to book appointments through an app and website • Piloted 'pet experience programme' in the UK, France and Sweden • Announced roll out of SignalPET to support reviewing radiographs (x-rays). • IVC Evidensia Care Fund to support life saving treatment available. • Funding legalisation of around 700 Ukrainian pets.	• Global employee survey with index result on engagement, leadership, team efficiency, organisational and social work environment as well as custom made indices for wellbeing and diversity & inclusion • Equality, diversity & inclusion ('EDI') strategy in place • Awarded Ethnic Diversity Scholarship for vets and nurses • Launched cross-country Artemis Leaders programme to increase women in senior leadership positions • Held IVC Evidensia UK Leaders Forum • Training via IVC Evidensia Graduate Academy and IVC Evidensia Nurse Academy • Referral summit providing clinical and professional development opportunities • Launched UK Brilliant People Awards (received more than 600 nominations) • Donated £100,000 to support Vetlife's initiatives • Reviewed family friendly policies	• Strategic collaborative growth projects like internal laboratory optimisation and AI enhanced imaging for diagnostics • Key manufacturers identified for collaborative sustainability projects e.g., reducing packaging, co-op recycling initiatives, reduction in supply chain carbon footprint • Collated Scope 2 renewable certification and usage data to site • Scope 3 CO2 purchased goods and services project launch • Identified key clinical and business critical products to build greater supply chain security • Recognized central contract escalation opportunities • Launch of electronic supplier assessment process for all new suppliers going through the tender process

SECTION 172(1) STATEMENT (continued)

Stakeholders	Customers	Employees	Suppliers
Information flow to the Group Board	• Operational updates and presentations	• Health & safety reports • Employee survey results • Key management changes • Gender pay report • Recruitment & retention • Mental health & wellbeing	• Procurement updates • Modern Slavery Statement
Group Board engagement	• Site visits where possible • Review of customer feedback through social media, surveys and mails	• Review of measurements and KPIs • Site visits where possible • Connect meetings • Principal engagement is undertaken by operational management	Principal engagement is undertaken by the Group procurement and supply chain function
Measurements / Metrics	• Global customer Net Promoter Score surveys (Score 81) • Customer 'Onswitch' survey • Over 770,000 UK Pet Health Club members • 52% sites with species specific waiting room facilities	• Global employee survey results: Response rate: 55% Engagement index: 78/100 Wellbeing index: 72/100 Diversity & Inclusion index: 83/100 • 600 Wellbeing champions and mental health first aiders • Wellbeing programmes launched in 10 countries • 13 Ethnic diversity vet and nurse scholarships awarded • Gender diversity in the business: 87% women • Gender diversity in senior roles: 45% women	• 80% of Group suppliers (by spend) signed up to Supplier Code of Conduct • Strategic growth project value delivery • Supplier due diligence and risk register • On time deliveries achieved • Own label products recyclable packaging

SECTION 172(1) STATEMENT (continued)

Stakeholders	Investors	Government & Regulators	Environment & Community
	The Group is funded by a mixture of equity and loan finance so considers the interests of both the shareholders and the lenders.	The Group's clinical activity spans across UK and European countries with different regulators ranging from country specific bodies to provincial regulators	Our sustainability strategy, known as the Positive Pawprint strategy, is based on three pillars: People, Planet and Patients
Key issues for stakeholders	• Financial performance • Brand and reputation • Environmental, social and governance (ESG) performance • Business development	• Highest clinical standards • Development to offer modern veterinary healthcare	• Climate change and energy • Diversity, equality & inclusion • Animal welfare • Health, safety & wellbeing During 2022, we did a materiality assessment by engaging with certain employees, suppliers, investors through survey & interviews and identified above 4 priorities for our stakeholder groups.
Why we engage	Continued access to capital is vital to our long-term performance. We want our investors and lenders to have a strong understanding of our business, strategy and performance, and we want to understand their priorities.	To ensure we continue to deliver a standard of care, assess the impact of any regulations on us commercially, adhere to the regulation and potentially evolve it jointly.	We engage with our stakeholders to understand their priority areas and drive our actions accordingly.
How we engage/ methods of engagement	• Shareholder representation in Group Board • Correspondence with retail shareholders and lenders • Financial Statements • Positive Pawprint Report • Corporate website	Group Veterinary Medical Board and national clinical boards in each market communicate with respective regulators.	• Positive Pawprint clinic toolkit • Monthly video newsletters • Partnered with *VetSustain* to improve sustainability standards • Partnered with MWI Animal Health to reduce delivery frequency and cut GHG emissions • Energy audits • For more see Employees, Customers on pages 15-17 and Sustainability report on page 6.

Strategic Report for the Year Ended 30 September 2022 (continued)

SECTION 172(1) STATEMENT (continued)

Stakeholders	Investors	Government & Regulators	Environment & Community
Impact/value created/ Outcome	We aim to generate long-term sustainable, profitable growth to help deliver value for our investors.	• Development opportunity to offer comprehensive access to digital healthcare (For example: During the Covid pandemic, relaxation of regulatory positions on delivery of remote consultation offered development in telemedicine.) • Allowing UK vets to work in Sweden post Brexit.	• Positive Pawprint clinic toolkit trialled in UK, Finland and France • Renewable energy contracts in place in UK, Sweden, Norway, Netherlands, Finland • LED lighting and building management systems installed across UK practices • Non-accidental injury helpline created for use by IVC vets and the wider profession • Zero waste to landfill in Sweden and UK, and improved waste management in Netherlands & Canada • Sustainability included in performance objectives. • Electric vehicle fleet policy adopted in Sweden & Netherlands • Promoting biodiversity- 150 UK clinics are now bee-friendly • £100k donation to the International Red Cross to support response to Ukraine war
Information flow to the Group Board	• Financial performance reports • Approval of major credit facilities • M&A update	• Impact of changes in any key regulations	• Annual ESG update to Group Board
Group Board engagement	• The Group CEO and the Group CFO report at each Group Board meeting which includes investor representatives • Regular Group Board meetings consider strategy, strategic initiatives and performance	Group engagement through functional and local leadership teams.	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 the Non-executive director, Jarl Dahlfors has overall accountability for sustainability on the Group Board.
Measurements	• Valuation • Covenants compliance		Full set of Sustainability KPIs detailed in 2022 Positive Pawprint report. These include: GHG emissions (scope 1,2&3); Percent of Group's electricity from renewable sources; Percent of waste diverted from landfill; Number of antibiotic treatments and prescriptions as percent of total outpatient consultations.

SECTION 172(1) STATEMENT (continued)

Examples of Principal Decisions:
The Group Board considers 'Principal Decisions' to be those decisions which entail significant long-term implications and consequences for the Group and/or its stakeholders to distinguish these from the normal, ordinary course decision making processes that the Group Board engages in.

The following table sets out some key decisions taken by the Group Board during the year and how section 172 factors and engagement with stakeholders have been discussed and taken into consideration. The Group Board has a duty to act for the benefit of its members as a whole whilst having regard to the matters set out in section 172:

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

Group Board decision	s172 considerations
Merger with VetStrategy, Canada The Group Board approved the merger of VetStrategy in November 2021. **Links to s172**: a, b, c, d, f	Having discussed elements of the transaction and its fit with the Group and its ambitions and stakeholder interests, the Group Board approved the merger of VetStrategy. With 8,000+ employees of VetStrategy, the Group Board considered that the merger would facilitate large professional veterinary networks, with high-quality training and would diversify the business outside of Europe together with providing access to an attractive market.
Acquisition of VetOne, France The Group Board approved the acquisition of VetOne in January 2022 expanding our presence in France. **Links to s172**: a, b, c, d, f	The Group Board considered that VetOne, with around 60+ clinics would fit well and would facilitate sharing expertise and best practice for employees in France. The Group Board also considered that the acquisition would facilitate some procurement benefits.

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RISK MANAGEMENT

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

The 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 Group Board has overall responsibility for ensuring that the Enterprise Risk Framework is being embedded across the Group. The Audit & Risk Committee maintains oversight of the Group's risk profile and undertakes regular reviews of Principal Risks to monitor the progress of remediation actions and to ensure that risk is managed within acceptable levels of exposure.

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 the Company or the Group, including those risks that would threaten its business model, future performance, solvency or liquidity. Principal Risks are identified, reviewed and managed through the Audit & Risk Committee with each Principal Risk assigned an executive level owner and reviewed on a quarterly basis, including mitigation actions.

Principal Risk	How is the Risk Being Managed?
Shortage of Vets and Nurses to Meet Current and Future Demand The Group may be unable to recruit or retain veterinarians and clinical staffing in the face of a global shortage of qualified and trained veterinary specialists and competition for their services.	• A strategic programme to address clinical recruitment and retention is underway. • The Group is building closer relationships and partnerships with veterinary schools. • The Group's Veterinary and Nurse vacancy rates are tracked as key performance indicators and reported to the Executive Committee on a monthly basis. • The UK Home Office has also reinstated the role of veterinary surgeon on the UK Shortage Occupation List which is a positive step in helping to address the current UK shortage.
Delivery of Strategic Projects, Change and Transformation Failure to deliver key change and transformation projects effectively and efficiently could result in significantly increased project costs and impede our ability to execute our strategic plans.	• An annual strategic review is undertaken by the Executive Committee to review strategy and the positioning of key strategic programmes. • The review and approval of key, strategic projects by the Group Board is undertaken as appropriate with robust governance and detailed reporting of project KPIs and milestones. • A Project Management Office (PMO) has been established to ensure appropriate focus on monitoring, control of major strategic programmes, investments and capital expenditure projects.

IVC Acquisition Midco Limited

Strategic Report for the Year Ended 30 September 2022 (continued)

RISK MANAGEMENT (continued)

Principal Risk	How is the Risk Being Managed?
Cyber Security Breach Breach of the Group's IT Security could result in a loss of Information *availability, confidentiality, or integrity*. In addition to any real-time operational impact, this may result in substantial regulatory fines and/or reputational damage.	• We have a focussed cyber security programme which is embedding a range of cyber security technical controls to protect the business from a cyber-attack and to lessen the impacts of such an incident. • The programme is tracked on a regular basis by the Executive Committee and cyber security resilience and incident metrics are tracked at the Security Steering Committee monthly.
Economic Downturn Further downturn in the global economy and increased inflationary pressures could result in reduced consumer confidence, reduced spend on veterinary services, increased cost of product and adverse impact on margins.	• Veterinary care is an essential service, and the veterinary sector has remained resilient to previous periods of economic downturn. • The Group's broad spread of services and geographies means that it is not over-reliant on any one service line or territory. • The Group continues to see strong in-year growth in most of its businesses, while investments in enabling infrastructure (such as standardized practice management systems in each market and the rollout of a group-wide employee management system) support the Group's organic growth and efficiency programmes. • The Group monitors client treatment trends closely to enable it to respond in an agile way to any emerging trend shifts. • The Group also continues to closely monitor macro-economic trends including the impact of rising inflation and retains the ability to mitigate such impacts through its efficiency and value optimization programmes.
Data Privacy The Group is subject to the UK and EU Data Privacy regimes and has access to and controls large amounts of personal data, relating to both colleagues and to clients.	• The Group has adopted the Information Commissioner's Office Accountability Framework. The framework ensures compliance in the geographies in which we operate and is managed by a dedicated Data Protection Officer. • The Data Protection Steering Group monitors risks and issues and trends which are also reported to the Executive Committee and Audit & Risk Committee on a periodic basis.
Ability to Identify and Integrate Acquisitions Failure to attract, acquire and integrate acquisitions would result in reduced acquisition growth opportunities, operational disruption, and adverse performance against business case.	• We have a well-defined M&A strategy and process for considering acquiring and integrating acquisition opportunities. • A multi-disciplinary team are involved in all acquisitions and responsible for all integrations, with clearly defined plans for each market we operate in. • Post-acquisition performance is closely monitored.

RISK MANAGEMENT (continued)

Principal Risk	How is the Risk Being Managed?
Changing Veterinary Profession Regulatory Landscape We are subject to a range of clinical laws and regulations across the countries we operate in. Failure to adhere to these could result in sanction, financial penalty or reputational damage. Changes in the regulatory environment could adversely affect delivery of Group strategy.	• We engage closely with regulatory and legislative bodies in all countries in which we operate, to maintain awareness of proposed changes to the regulatory environment, promote best practice in veterinary care and lobby for change. • Policies and procedures are maintained in all areas to monitor compliance and assess the impact of regulatory change. • An experienced Director of Clinical Governance is responsible for ensuring that policies and procedures are in place and that appropriately high standards are maintained. Every practice employs an individual responsible for clinical governance.
Inability to Access Capital Markets Failure to comply with the terms of the existing facilities, or to refinance these facilities could result in a lack of availability of funding and/or increased borrowing costs and could ultimately have a material adverse impact on the Group.	• The Group maintains suitable bank facilities from a syndicate of leading banks with an appropriate term. • Committed facilities are maintained for a minimum future period comprising term debt, a revolving credit facility and an overdraft. • Cash flows, facility compliance and covenant headroom are reported to the Executive Committee and the Group Board monthly and regular meetings are held with the banking syndicate to appraise it of financial performance. • Quarterly forecasts are maintained for the balance of the financial year and a three-year business planning cycle is completed annually on completion of budget this identifies the medium-term funding requirements of the Group. • Treasury processes are in place to maximise operating cash flows and to free up cash for future investment.
IT System Stability and Reliability 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.	• Policies and procedures are in place to ensure stability and security of networks and the development of systems. • Recovery and DR policies and procedures are subject to regular review and test. • We continue to invest in the resilience of core enterprise systems and networks.

RISK MANAGEMENT (continued)

Principal Risk	How is the Risk Being Managed?
Business Continuity Planning and Management Short or long term disruption to operations could adversely impact the services we provide. Failure to effectively respond to such events in order to reduce their impact could damage our reputation and impact the quality of our operations.	• We operate a diverse global operational footprint, and it is critical that we maintain service continuity as a fundamental part of maintaining customer service levels. • We continue to review and refresh our business continuity management and planning frameworks and processes as we grow and are focusing on the continuous improvement of our resilience capabilities, which is aligned with our Enterprise risk framework and TCFD programs.
Internal Processes, Systems and Controls Failure to maintain appropriate processes, systems, and controls to prevent or detect inappropriate or unethical behaviour could result in operational disruption, sanction reputational damage or financial loss.	• The financial control framework has been updated across the Group and plans for future development of the control environment, its operation and assurance are in place.
Health and Safety Failure to comply with health and safety legislation in the countries we operate in could result in injury, sanction, loss of revenue or liability claim.	• A Group Health and Safety policy is monitored and maintained ensuring compliance with health and safety legislation. • A specialist Health and Safety team coordinates a programme of policy compliance, training, performance monitoring and Health and Safety Audits. • The team reports programme progress and key metrics to the Executive Committee monthly.
Corporate Regulation The Group is subject to regulatory compliance frameworks in the countries in which it operates including ABC, AML, Competition, Environment, Fraud and Modern Slavery. The Group's size also requires it to adhere to UK corporate reporting rules, including application of a corporate governance code and standards and any mandated standards for ESG. Failure to comply could result in sanctions, penalties or financial loss.	• We monitor regulatory developments in the UK and Europe and update internal policies and processes to ensure compliance with our obligations. • Mandatory compliance training is in place for all colleagues in support of Group policies and our Code of Ethics, which includes Anti-Bribery and Corruption, Anti Money Laundering, Competition, Modern Slavery, Fraud, Data Protection and Health and Safety. • We operate a confidential whistleblowing hotline. • We ask our suppliers to sign up to our Code of Ethics • The Group's Data Protection Officer and the Data Protection Steering Group monitors the Group's compliance with legal requirements relating to personal data, aligned with the Security Steering Committee which monitors data security. • Our sustainability programme, the Positive Pawprint drives our ESG commitments and compliances. See page 6.

RISK MANAGEMENT (continued)

Principal Risk	How is the Risk Being Managed?
Disruptive Business Models and Changing Consumer Trends With an increased level of digitisation, consumer expectations continue to change at pace. However, the veterinary industry has been slow to respond creating a gap between customer expectations and the available technology, to meet these expectations known as a technology debt. Failure to respond to the technology debt through investment and innovation could result in our competitors increasing their market share or new market entrants.	• The veterinary industry is responding to increased consumer demand for technology lead first response in animal health care. • Our digital strategy is designed to complement our clinical offering and is rooted in addressing real client and clinic pain points.

Approved by the board on 6th January 2023 and signed on its behalf by:

DocuSigned by:
Paul Kenyon
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P M Kenyon

Director

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IVC Acquisition Midco Limited

Corporate Governance

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENT

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 Board and senior management of the Group 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 Group 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).

The following section summarises how the Group has applied the principles over the past year.

Wates Principle 1 – Purpose and Leadership

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

The Group Board has set our purpose of healthy animals and happy owners. Our values to care, to share and to dare and our promises (see page 2 -3) are aligned to that purpose in focusing on exceptional veterinary services and customer satisfaction together with our commitment to being a great place to work. 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.

Members of the Group Board, in addition to the Company's Board and senior management, rigorously challenge strategy, operational activity and performance.

Our 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), Steve Clarke (Group CEO until 5 October 2022), and Paul Kenyon (Group CFO). Simon Smith joined the Group in January 2022 as Group Managing Director and acted as interim CEO in summer 2022, while Steve Clarke took a period of personal leave, taking on the role permanently on 5 October 2022. The Group Board includes representatives of key shareholders such as EQT and Nestlé, as well as non-executives and executive 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.

The Group, and its Group companies of which the Company is one, acknowledge the importance of our licence to operate, and the nature of the service that we provide means doing the right thing. During the last 18 months, a compliance programme has been implemented across the Group which has seen the global launch of our updated Code of Ethics alongside a number of other key corporate policies and appropriate e-learning modules. There has been targeted training for relevant roles on areas such as Modern Slavery and Competition Law, as well as Director's Duties.

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Corporate Governance (continued)

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENT (continued)

We are committed to implementing effective measures to prevent, monitor and eliminate bribery and to foster a culture of integrity to support our Code of Ethics principle of "Safeguarding our Reputation". We have a zero-tolerance approach towards bribery. We have implemented key elements of a governance framework including a Gifts and Hospitality Register, a Conflict-of-Interest Register and a Data Breach Register. There has been significant headway in our focus on supplier risks and our progress has included the rollout of a Supplier Code of Conduct and a Supplier Assessment which require our suppliers to sign up to our ethical standards. Our UK Modern Slavery Statement has been expanded to a comprehensive business relevant document in line with the Home Office statutory guidance.

Wates Principle 2 – Board Composition

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.

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 (FY21:2) and 10 non-executives (FY21:8) including investor directors and 4 female non-executive directors (FY21: 1). 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 four independent non-executive directors, 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 Board understands the importance of having a diverse membership and recognises that diversity encompasses not only gender but also background, ethnicity and experience. The Group Board was considered to have an appropriate mix of tenure, skills and experience and is fit for purpose.

The Group has 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 and investor directors.

The Group Board has 33% female representation. Overall, 87 % of the Group's workers are female of which 45% of senior roles are female. These include members of the Group Board, the Group Executive, Group Veterinary Medical Board, Country Managers and direct reports, Executive Committee direct reports and Clinical Directors. Senior female appointments in FY22 included the appointment of female Country Managers in France and Sweden. 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, whereof one is the international leadership programme Artemis. In order to work towards our objective, we ensure that Group-level committees all have female representation and our recruitment policy for senior roles is to have at least one woman among the final candidates. In Canada, VetStrategy introduced a Women's Leadership Group. This non-hierarchical mentorship programme aims to create opportunities for women to reach their full potential. In 2022, we undertook a full review of family friendly policies in UK. We launched enhanced maternity pay, shared parental pay and adoption pay, as well as a return-to-work bonus.

Corporate Governance (continued)

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENT (continued)

Individuals from a broad range of ethnic minority backgrounds are currently underrepresented in the veterinary professions (vets and nurses). We believe that we can make a positive difference in supporting greater inclusion, helping to remove some of the barriers into the profession, and pave the way for more positive change. In 2020, we launched our Ethnic Diversity Scholarship scheme. We supported 13 first year undergraduates across the UK starting in 2022 and will support another 13 starting in 2023. Vets Now, which is part of our Group, have also launched a scholarship scheme for veterinary nurses. We also provide additional support through our Ethnic Diversity Board with mentoring and support for student societies. Our objective is to have supported 50 vet and 15 nurse undergraduates in the UK over the next 5 years. We are also looking for opportunities to extend the scheme to other countries.

One of the ways we measure our progress is through the Diversity & Inclusion index within our global engagement survey. In the 2022 survey, we were encouraged to see a Diversity and Inclusion index of 83 (out of 100), giving us confidence that we are on the right path, but we know we are at the beginning of a journey and we continue to develop our strategies, initially focused on promoting gender and ethnic diversity. In the years ahead, we will also expand the scope of our work to look at other forms of diversity, such as social mobility. In 2023 we plan to introduce a Diversity & Inclusion working group to share best practice between countries and help coordinate initiatives.

Wates Principle 3 – Directors' Responsibilities

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.

In this section, you will find information about the responsibilities and focus of our Group Board directors and the Group Board committees.

Roles and Responsibilities

The roles of the Chair and the Group CEO are separate. The key roles and responsibilities of the directors of the Group Board are set out below:

Chair

The Chair's responsibilities are to establish, in conjunction with the Group CEO, the strategic objectives of the Group for approval by the Group Board and set the tone from the top in terms of Group purpose, values and strategy; to organise the business of the Group Board; and to create the conditions for overall Group Board effectiveness.

Group Chief Executive Officer

The Group CEO is responsible for establishing, in conjunction with the Chair, the strategic objectives of the Group, for approval by the Group Board; implementing the Group's business plan and annual budget; and the overall operational and financial performance of the Group.

Group Chief Financial Officer

The Group Chief Financial Officer ("the Group CFO") is responsible for the financial performance, capital allocation and financing of the Group and supporting the Group CEO in developing and implementing strategy.

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Corporate Governance (continued)

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENT (continued)

Non-Executive Directors

The non-executive directors are responsible for providing constructive challenge and for contributing to the Group Board's decision-making processes. Particularly they bring a wide range of skills and experience, (including independent judgment on issues of strategy, performance and risk management), scrutinise and challenge the performance of the Group's business, and assess risk and the integrity of the Group's financial information and controls.

Company Secretary

The role of Company Secretary at the Group Board is performed by the Group General Counsel. The Company Secretary is available to the Chair and all Group Board directors and is responsible for information flows to the Group Board and advising the Group Board on procedure and corporate governance matters. Directors may also take professional advice at the Company's expense.

Audit & Risk Committee

The Group Board makes use of an Audit & Risk Committee focusing on financial reporting and risk. The Committee comprises of Clare Bousfield (Chair), Kate Swann, Ali Farahani and Jarl Dahlfors as non-executive members. Executive directors and relevant senior finance managers are also invited to attend, together with external auditors. Representatives from the business attend meetings where required to advise and provide updates to the Committee on particular topics.

The Committee is responsible for:

- Monitoring the integrity of the financial statements, including the review of significant financial reporting issues and judgements alongside the findings of the external auditor
- Overseeing the relationship with the external auditor, external audit process, nature and scope of the external audit and the appointment, effectiveness, independence and fees of the external auditor
- Monitoring and reviewing the effectiveness of the Group internal audit function, ensuring coordination with the activities of the external auditor
- Reviewing the effectiveness of the Group's systems for internal financial control, financial reporting and risk management
- Reporting to the Group Board the outcome of the external audit and the integrity of financial reporting

During the year, the Committee reviewed the half-year and annual financial statements, significant financial reporting judgements and the basis for preparing the accounts on a going concern basis. The Committee also reviewed the external auditor's report on these financial statements. The Committee considered the risk profile of the Group, including the approval of the Company's Principal Risks. It approved the risk appetite for each principal risk and agreed mitigation plans to ensure that we are operating within our risk appetite. It undertook reviews of the company's Principal Risks and associated mitigation plans. The Committee reviewed the internal audit plan and its achievement.

The Committee oversees relations with the external auditor, including the proposed external audit plan and the approval of fees and the Committee assesses the independence and effectiveness of the external auditor. The Committee considers the re-appointment of the external auditor including the rotation of the audit partner. Deloitte was appointed as the Company's external auditor in 2018 and are deemed reappointed as auditor. FY22 is the fifth year during which Deloitte has been the Group's external auditor. 2022 saw Sukie Kooner take over responsibility for the audit from Andrew Wright as audit partner.

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STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENT (continued)

Induction and information

An induction programme is made available to all new Group Board directors. Our Group Board directors update their skills, knowledge and familiarity with the Group by meeting with senior management, and by presentations from the Executive Committee. All Directors have access to the advice and services of the Company Secretary. They may also take independent professional advice at the Company's expense.

The Chair and Company Secretary are responsible for ensuring that Group Board directors receive accurate, timely and clear information. To ensure that adequate time is available for board discussion and to enable informed decision making, briefing papers are prepared and circulated to Group Board directors in good time ahead of scheduled Group Board meetings.

Wates Principle 4 – Opportunity and Risk

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 Group, and new business opportunities of significance are discussed with the Group Board by members of the Company Board. The Group Board includes an Audit & Risk Committee which maintains oversight of the Group's risk and how it is managed. Please see page 29 for details on Audit & Risk Committee.

The Risk Management team maintains a Group risk register of principal risks, each of which are 'owned' by a member of the Executive Committee, and regularly reviewed. Any emerging risks faced by the Group are also considered and reviewed. Any notable risks are escalated to the Audit & Risk Committee on behalf of the Group Board.

Further details on the Company and Group's approach to risk can be found on page 21.

Wates Principle 5 – Remuneration

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. Pay reviews for Executive Committee members are set with reference to the reviews for all team members in that location. The Group continues to develop and evolve its remuneration structures, to ensure alignment and consistent reward outcomes.

Wates Principle 6 – Stakeholder relationships and engagement

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.

Details of how the Group Board directors have engaged with customers, employees, suppliers and other stakeholders and the principal decisions made can be found in the section 172(1) statement from page 15.

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IVC Acquisition Midco Limited

Directors' Report for the Year Ended 30 September 2022

The Company directors present their Annual Report together with the audited consolidated financial statements for IVC Acquisition Midco Limited ("the Company") and its subsidiaries ("the Group") for the year ended 30 September 2022.

There have been a number of acquisitions in the UK, Europe and Canada during the year creating a group of 2,488 practices as at 30 September 2022 (2021:1,844).

The results for the year ended 30 September 2022 show turnover of £2,844.0M (2021: £1,771.2M) and Group adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and exceptional costs) of £529.5M (2021: £372.9M) (see note 35). Loss before tax for the year ended 30 September 2022 was £481.7M (2021: £23.7M).

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

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. As disclosed in note 2 of page 51, the functional currency of the Company is pounds sterling.

Directors of the Company

The directors, who held office during the year and up to the date of this directors' report (except as noted) were as follows:

S M Clarke (resigned on 5.10.2022)
S M Smith (appointed on 5.10.2022)
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

During the year, the Group donated £100,000 to the International Red Cross to support their vital humanitarian work in Ukraine. The Group also donated £100,000 to support Vetlife's initiative of developing their online resources library. In the prior year, the Group donated £100,000 to Nowzad.

Our clinic and central teams also provide support for a wide range of charities, both at a national and a local level. To further support these charity partnerships, in December 2021, we launched the IVC Evidensia Local Community Grants Fund. Each veterinary group, crematorium or central team can apply for a Local Community Grant each year to support a local cause they care about. During the year, we have provided grants totalling £104,000 to 147 charities and non-profit organisations nominated by 107 different teams across eleven countries. The grants have been well received by our community partners, but have also been well received by our vets, who value the contribution to staff well-being from being supported to undertake this kind of community engagement.

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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 4. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 43 to 50. 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., an increase in cost base large enough to cause a breach of financial covenants. The increase in cost base required in the break case is so significant that it was considered that the chance of this occurring is extremely unlikely and it is therefore not a reasonably possible scenario. However, even in the event of such cost increase, the Group would still have sufficient cashflows to allow it to service its debt and settle trading liabilities within the going concern period of 15 months.

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.

Employee engagement

For detail on how the Group engages with employees, refer to the S172 (1) statement on pages 15 to 17 and People pillar in Sustainability report on page 6.

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 15 to 17.

Energy and carbon reporting

Total UK energy use

Please refer to the Sustainability report on page 6 and s172 (1) statement section of the Strategic Report for more information in this area.

Events after the reporting period
As part of the CMAs routine monitoring of transactions, it has decided to review a small number of our acquisitions in the UK to consider whether they have the potential to raise any competition concerns. The review relates to 8 acquisitions of 19 clinics between September 2021 and March 2022 - The clinics are Penrose Veterinary Group Limited, Kevin Castle (Pet Care) Ltd, Swayne & Partners Ltd, Treforest Veterinary Clinic Ltd (including Treforest and Tonypandy Veterinary Clinics), Mercer & Hughes Limited, Swaffham Veterinary Centre Limited, Anglesey Pet Clinic Ltd, Chiltern Equine Clinic (including Chiltern Veterinary Services Limited & Chiltern Bury Farm Limited). We're working closely with the CMA and engaging constructively with this review.

Acquisitions

Since the year ended 30 September 2022 up to date of signing, 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 22 sites. The aggregate enterprise value of these acquisitions totals £52.6M. There have been no acquisitions over £20M in this period.

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.

Credit risk, foreign currency risk, liquidity risk and interest rate 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.

Foreign currency risk

There is a risk that significant fluctuations in European and Canadian 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 and Canadian Dollars, so any weakening of the Euro or Canadian Dollar 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 meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements.

Interest rate risk

After the year end, the Group put in place interest rate hedges to protect against increases in interest rates. These hedge interest payable on 84.4% of the outstanding debt at the year end.

- 75% of EUR debt is now hedged with a mix of interest rate swaps and interest rates caps for a period of 24 months
- 100% of GBP debt has been hedged for 18-24 months with a mix of interest rate swaps and interest rate caps
- 77.1% of CAD debt has been hedged with a mix of interest rate swaps and interest rate caps for a period of 18 months

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

Future developments

For details on future developments see page 3 in the Strategic Report.

Information included in the Strategic Report

Information on Corporate Governance within the Group can be found in the Strategic Report.

IVC Acquisition Midco Limited

Directors' Report for the Year Ended 30 September 2022 (continued)

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 6th January 2023 and signed on its behalf by:

DocuSigned by:
Paul Kenyon
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P M Kenyon

Director

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

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IVC Acquisition Midco Limited

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

Report on the audit of the financial statements

Opinion
In our opinion:

- the financial statements of IVC Acquisition Midco 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 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework; and
- the financial statements 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 statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 36.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework.

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.

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.

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 framework 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; 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.

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

We identified a risk that the intangible assets recognised as part of the acquisition accounting of Vet Strategy have been incorrectly allocated between goodwill and intangibles. The increased risk is owing to the size of the acquisition, judgement involved and complexities in the valuation of the intangibles. The procedures performed to address the risk are as follows:

- With the assistance of internal valuation specialists, we challenged the key judgements and assumptions made in relation to the fair value and completeness of the intangible assets acquired;
- Assessed the arithmetic accuracy of models used to support the judgement and tested the key inputs into the calculation;
- Reviewed management's accounting treatment against the requirements of IFRS 3"Business Combinations";
- Reviewed key documents such as the Share purchase agreement (SPA) to determine that the accounting is in line with contractual agreements;
- Tested the accuracy of the acquired balance sheet and any key judgements and differences to IFRS;
- Challenged forecasts including assessing any sources of contradictory evidence;
- Recalculated the goodwill and enterprise value using audited balance sheets; and
- Reviewed the financial statement disclosures associated with the significant risk.

- Acquisition Accounting – Valuation of Vets Strategy Consideration

We identified a significant risk over the calculation of the fair value of the consideration transferred to the sellers of Vet Strategy, which involved management judgement and estimates. The procedures performed to address the risk are as follows:

- Assessed the arithmetic accuracy of the models used to support the judgement;
- Assessed the methodology used in determining the value of the IVC Group following the acquisition of Vet Strategy;
- Challenged the key inputs into the model, such as the pro-forma EBITDA, net debt and value adding acquisitions of the respective companies;
- Engaged with our valuation specialists, where appropriate, to validate the assessment and evaluate a range of third party evidence, including contradictory data; and
- Challenged any critical judgements used in the valuation.

- Contingent consideration – Sales and payroll growth rates

We identified a significant risk over the sales and payroll growth rates due to their significance in the calculation of the fair value of the contingent consideration payments. The procedures performed to address the risk are as follows:

- Challenged management's estimate of the valuation of contingent consideration by assessing budgets for FY23 and beyond, as well as other evidence;
- Inspected acquisition agreements to verify maximum earn-out targets;
- Evaluated the completeness of contingent consideration balances, with particular focus given to those acquisitions occurring near year end;
- Reconciled the opening and closing contingent consideration provision and tested underlying movements to evidence; and
- Reviewed the presentation and disclosures of contingent consideration in the financial statements.

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

- Impairment of Goodwill

We identified a significant risk over the carrying value of the goodwill balance as at the year end. The procedures performed to address the risk are as follows:

- Reconciled underlying data in the models to other areas of the audit or to third party support as necessary;
- Considered contradictory data;
- Assessed the mathematical accuracy of the VIU models (where appropriate);
- Challenged the multiples and costs to sell included in the FVLCTS models (where appropriate);
- Performed sensitivity analysis on key judgements; and
- Analysed post year end performance against budget to assess the accuracy of Management's budgeting process.

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.

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

- reviewed 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;
- performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquired of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- read minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

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 Midco 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.

DocuSigned by:
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Sukhbinder Kooner (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

6 January 2023

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IVC Acquisition Midco Limited

Consolidated Income Statement for the Year Ended 30 September 2022

	Note	2022 £M	2021 £M
Revenue	5	2,844.0	1,771.2
Cost of sales	6	(1,577.7)	(987.0)
Gross profit		1,266.3	784.2
Other operating income	7	22.7	9.7
Administrative expenses	6	(1,061.0)	(598.6)
Operating profit before impairment of goodwill		228.0	195.3
Impairment of goodwill	16	(416.7)	-
Operating (loss) / profit		(188.7)	195.3
Finance expense	11	(405.5)	(211.3)
Finance income	11	45.8	33.9
Revaluation of financial instruments	23	66.7	(41.6)
Loss before tax		(481.7)	(23.7)
Taxation	12	(58.4)	(25.6)
Loss for the year		(540.1)	(49.3)
Attributable to:			
Owners of the parent		(540.5)	(49.6)
Non-controlling interest		0.4	0.3
Loss for the year		(540.1)	(49.3)

The above results were derived from continuing operations.

The notes on pages 51 to 199 form part of these financial statements.

IVC Acquisition Midco Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 30 September 2022

	Note	2022 £M	2021 £M
Loss for the year		(540.1)	(49.3)
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss net of tax:			
Remeasurements of defined benefit pension schemes	28	1.1	1.7
Items that may be reclassified subsequently to profit or loss, net of tax:			
Exchange differences on translation of foreign operations (net of tax of £12.4M for 2022, net of tax credit of £1.4M for 2021)		292.3	(21.0)
Other comprehensive income/(loss) for the year, net of tax		293.4	(19.3)
Total comprehensive loss for the year		(246.7)	(68.6)
Total comprehensive (loss) / income for the year attributable to:			
Owners of the parent		(247.1)	(68.9)
Non-controlling interest		0.4	0.3
		(246.7)	(68.6)

The notes on pages 51 to 199 form part of these financial statements.

IVC Acquisition Midco Limited

(Company number: 10510862)
Consolidated Statement of Financial Position as at 30 September 2022

	Note	30 September 2022 £M	30 September 2021 £M
Non-current assets			
Property, plant and equipment	13	927.3	583.8
Goodwill	16	6,180.9	2,397.8
Other intangible assets	15	840.6	337.0
Trade and other receivables	19	142.1	52.6
Other investments	17	1.5	1.3
Total non-current assets		8,092.4	3,372.5
Current assets			
Inventories	18	96.1	54.9
Trade and other receivables	19	256.6	154.0
Income tax receivable		3.1	0.2
Cash and cash equivalents		231.1	186.5
Total current assets		586.9	395.6
Total assets		8,679.3	3,768.1
Current liabilities			
Trade and other payables	20	(446.2)	(347.7)
Lease liabilities	14	(77.2)	(46.5)
Employee benefit liabilities	22, 28	(21.4)	(8.6)
Financial liabilities at fair value	23	(300.6)	(44.1)
Loans and borrowings	21	(15.6)	-
Total current liabilities		(861.0)	(446.9)
Non-current liabilities			
Trade and other payables	20	(771.6)	(643.8)
Loans and borrowings	21	(4,529.0)	(2,032.5)
Lease liabilities	14	(519.0)	(347.9)
Deferred tax liability	24	(187.6)	(65.6)
Employee benefit liabilities	22, 28	(7.2)	(1.4)
Financial liabilities at fair value	23	(113.3)	(86.9)
Total non-current liabilities		(6,127.7)	(3,178.1)

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IVC Acquisition Midco Limited

(Company number: 10510862)
Consolidated Statement of Financial Position as at 30 September 2022 (continued)

	Note	30 September 2022 £M	30 September 2021 £M
Total liabilities		(6,988.7)	(3,625.0)
NET ASSETS		1,690.6	143.1
Equity			
Share capital	25	11.4	9.6
Share premium reserve	25, 26	2,480.1	645.6
Translation reserve	26	266.2	(26.1)
Accumulated deficit	26	(1,070.4)	(504.8)
Equity attributable to the owners of the parent		1,687.3	124.3
Non-controlling interests		3.3	18.8
TOTAL EQUITY		1,690.6	143.1

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

DocuSigned by:
Paul Kenyon
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P M Kenyon
Director

Date: 06-01-2023

The notes on pages 51 to 199 form part of these financial statements.

IVC Acquisition Midco Limited

(Company number: 10510862)
Company Statement of Financial Position as at 30 September 2022

	Note	30 September 2022 £M	30 September 2021 £M
Non-current assets			
Investments in subsidiaries	17	2,491.4	655.2
Trade and other receivables	19	697.8	574.6
Total non-current assets		3,189.2	1,229.8
Total assets		3,189.2	1,229.8
Liabilities			
Non-current liabilities			
Trade and other payables	20	(697.8)	(574.7)
Total non-current liabilities		(697.8)	(574.7)
Total liabilities		(697.8)	(574.7)
NET ASSETS		2,491.4	655.1
Equity			
Share capital	25	11.4	9.6
Share premium reserve	25,26	2,480.1	645.6
Accumulated deficit	26	(0.1)	(0.1)
TOTAL EQUITY		2,491.4	655.1

The Company has taken advantage of the exemption allowed under section 408 for the Companies Act 2006 and has not presented its own Income Statement or Statement of Comprehensive Income. The profit of the Company for the year was £0.02M (2021 – loss of £0.02M).

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

DocuSigned by:
Paul Kenyon
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P M Kenyon

Director
Date: 06-01-2023

The notes on pages 51 to 199 form part of these financial statements.

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IVC Acquisition Midco Limited

Consolidated Statement of Changes in Equity as at 30 September 2022

	Share capital £M	Share premium £M	Translation reserve £M	Accumulated deficit £M	Total attributable to equity holders of parent £M	Non-controlling interests £M	Total Equity £M
Balance at 1 October 2021	9.6	645.6	(26.1)	(504.8)	124.3	18.8	143.1
Comprehensive income/(loss) for the year							
(Loss) / income for the year	-	-	-	(540.5)	(540.5)	0.4	(540.1)
Other comprehensive income/(loss) for the year	-	-	292.3	1.1	293.4	-	293.4
Total comprehensive income/(loss) for the year	-	-	292.3	(539.4)	(247.1)	0.4	(246.7)
Business combinations (note 29)	-	-	-	-	-	0.5	0.5
Acquisition of non-controlling interest	-	-	-	(26.2)	(26.2)	(14.9)	(41.1)
Disposal of subsidiaries	-	-	-	-	-	(1.4)	(1.4)
Transactions with owners							
Issue of share capital (note 25)	1.8	1,834.5	-	-	1,836.3	-	1,836.3
Dividends paid	-	-	-	-	-	(0.1)	(0.1)
Total business combinations and transaction with owners	1.8	1,834.5	-	(26.2)	1,810.1	(15.9)	1,794.2
Balance at 30 September 2022	11.4	2,480.1	266.2	(1,070.4)	1,687.3	3.3	1,690.6

The movement in the accumulated deficit relating to acquisition of non-controlling interests represents the premium paid to acquire shares previously held by non-controlling shareholders.

The notes on pages 51 to 199 form part of these financial statements.

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IVC Acquisition Midco Limited

Consolidated Statement of Changes in Equity as at 30 September 2022 (continued)

	Share capital £M	Translation premium £M	Accumulated reserve £M	deficit £M	Total attributable to equity holders of parent £M	Non-controlling interests £M	Total Equity £M
Balance at 1 October 2020	9.6	645.6	(5.1)	(456.8)	193.3	(0.0)	193.3
Comprehensive income/(loss) for the year							
(Loss)/income for the year	-	-	-	(49.6)	(49.6)	0.3	(49.3)
Other comprehensive income/(loss) for the year	-	-	(21.0)	1.6	(19.4)	-	(19.4)
Total comprehensive income/(loss) for the year	-	-	(21.0)	(48.0)	(69.0)	0.3	(68.7)
Business combinations (note 29)	-	-	-	-	-	18.5	18.5
Balance at 30 September 2021	9.6	645.6	(26.1)	(504.8)	124.3	18.8	143.1

There were no transactions with current owners in the year.

The notes on pages 51 to 199 form part of these financial statements.

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IVC Acquisition Midco Limited

Company Statement of Changes in Equity as at 30 September 2022

	Share capital £M	Share premium £M	Accumulated deficit £M	Total equity £M
Balance at 1 October 2021	9.6	645.6	(0.1)	655.1
Comprehensive loss for the year				
Loss for the year	-	-	-	-
Total comprehensive loss for the year	-	-	-	-
Transactions with owners				
Issue of share capital (note 25)	1.8	1,834.5	-	1,836.3
Total transactions with owners	1.8	1,834.5	-	1,836.3
30 September 2022	11.4	2,480.1	(0.1)	2,491.4

	Share capital £M	Share premium £M	Accumulated deficit £M	Total equity £M
Balance at 1 October 2020	9.6	645.6	(0.1)	655.1
Comprehensive loss for the year				
Loss for the year	-	-	-	-
Total comprehensive loss for the year	-	-	-	-
30 September 2021	9.6	645.6	(0.1)	655.1

The notes on pages 51 to 199 form part of these financial statements.

IVC Acquisition Midco Limited

Consolidated Statement of Cash Flows for the Year Ended 30 September 2022

	Note	2022 £M	2021 £M
Cash flows from operating activities			
Operating (loss) / profit		(188.7)	195.3
Adjustments for:			
Depreciation of property, plant and equipment	13	88.3	51.4
Depreciation of right-of-use assets	13	87.2	60.0
Amortisation	15	79.6	40.4
Impairment of goodwill	16	416.7	-
Impairment losses on right-of-use assets	13	-	2.6
Gain on sale of property, plant and equipment		(1.2)	(0.2)
Gain on disposal of subsidiaries		(3.1)	-
Termination of leases	14	-	(1.9)
Effect of foreign exchange rate changes		(9.3)	(0.9)
Cash generated from operations before working capital		469.5	346.7
Increase in trade and other receivables	19	(46.4)	(21.1)
Increase in inventories	18	(15.8)	(11.6)
Decrease in trade and other payables	20	(72.3)	(33.1)
Increase/(decrease) in employee benefits liabilities	22	18.6	(8.8)
Cash generated from operations		353.6	272.1
Income tax paid		(42.3)	(22.8)
Net cash flows from operating activities		311.3	249.3
Investing activities			
Acquisition of subsidiary undertakings and trade and assets acquisitions, net of cash acquired	29	(1,452.8)	(421.0)
Acquisition of investments		-	(0.4)
Payment of contingent consideration	23	(39.5)	(62.2)
Purchases of property, plant and equipment	13	(121.4)	(73.6)
Proceeds on sale of property, plant and equipment		3.2	0.3
Interest received		0.7	0.2
Proceeds from sale of subsidiaries		3.2	-
Net cash used in investing activities		(1,606.6)	(556.7)

IVC Acquisition Midco Limited

Consolidated Statement of Cash Flows for the Year Ended 30 September 2022 (continued)

	Note	2022 £M	2021 £M
Financing activities			
Issue of ordinary shares	25	57.9	-
Dividends paid to non-controlling interests		(0.1)	-
Proceeds from bank and other loans		2,826.1	1,390.1
Debt issue costs paid		(25.2)	(7.6)
Repayment of bank and other loans		(1,207.5)	(698.0)
Repayment of intercompany loans		-	(251.1)
Principal paid on lease liabilities	14	(86.7)	(55.3)
Interest paid on lease liabilities	14	(32.4)	(21.1)
Interest paid on loans and borrowings		(193.9)	(78.6)
Net cash from financing activities		1,338.2	278.4
Net increase / (decrease) in cash and cash equivalents		42.9	(29.0)
Cash and cash equivalents at beginning of year		186.5	219.5
Effect of foreign exchange rate changes		1.7	(4.0)
Cash and cash equivalents at end of year		231.1	186.5

Please refer to note 34 for an explanation of the restatement of the comparative consolidated statement of cash flows.

The notes on pages 51 to 199 form part of these financial statements.

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022

1 General information

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

The principal activity of the Company and its subsidiaries ("the Group") is that of the provision of veterinary services in the United Kingdom, Europe and North America. 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 £0.1 million. This has been changed from thousands in last years' financial statements following the expansion of the Group and so comparatives are in a different format.

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").

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.

2 Accounting policies (continued)

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");
- The requirements of paragraphs 17 and 18A of IAS 24 *Related Party Disclosures* ("IAS 24");
- 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- and.
- The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135© to 135€ of IAS 36 Impairment of Assets.

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 2022. 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.

2 Accounting policies (continued)

Basis of consolidation (continued)

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

During the financial year ended 30 September 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). During the year ended 30 September 2022, the stake in Veternity was increased from 51% to 96%. 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 c47% 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.

VetStrategy (Canada)

The Group purchased 100% of the shares of VetStrategy Canada Top Holdings Inc on 3 November 2021 via a share for share exchange. VetStrategy consolidates a number of subsidiaries without ownership interest. It has control via practice management and administration agreements. This is because the Veterinarians Act and Veterinary Profession Act in Canada requires; that all or the majority of directors of a veterinarian professional corporation must be veterinarians. These agreements despite the lack of ownership gives VetStrategy the power to direct the relevant activities of these practices through these agreements and receive variable returns through distributions of net income, management fees and rights to appreciation in the value of the individual practices. In addition, the vet that sits on the Board of these companies acts as an agent for VetStrategy through these agreements, receives only fixed remuneration and can be removed by VetStrategy on written notice. A number of subsidiaries also have a minority interest. VetStrategy has a call option to purchase this minority interest and maintains control of these also through the above mechanism. Therefore, the Group can consolidate these entities under IFRS 10.

Austria - The group acquired a clinic in Austria during the year through a 100% held subsidiary Evidensia Österreich GmbH. The group owns 50% of the shares in the clinic indirectly. The group is able to control the day-to-day operations of the clinic as the group has the right to appoint the majority of the managing directors of the clinic. The group is entitled to 99.65% of the profits of the clinic and is therefore exposed to variable returns. Management can control distributions of dividends and as the group is able to appoint the majority of managing directors, the group is able to control the distribution of dividends. The group therefore has control over the clinic and must consolidate 100% line by line into its group consolidated financial statements.

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.

2 Accounting policies (continued)

Basis of consolidation (continued)
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 Income Statement 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.

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 Income Statement on the acquisition date.

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 5. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described on pages 42 to 49. 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.an increase in cost base large enough to cause a breach of financial covenants. The increase in cost base required in the break case is so significant that it was considered that the chance of this occurring is extremely unlikely and it is therefore not a reasonably possible scenario. However, even in the event of such cost increase, the Group would still have sufficient cashflows to allow it to service its debt and settle trading liabilities within the going concern period of 15 months.

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 Income Statement.

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

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 Income Statement 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.

2 Accounting policies (continued)

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 item 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 Income Statement over the expected useful life of the asset. The Group has not participated in any such asset schemes in the year ended 30 September 2022. Where there are associated conditions attached to a grant, recognition within the Consolidated Income Statement 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.

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 Income Statement in the period in which the R&D claim is submitted to the tax authorities, and in amount equal to the amount claimed.

Where more than one year of claim is submitted in a single financial year, the additional claims are recorded as exceptional income below Adjusted EBITDA.

Other operating income

Other operating income mainly comprises income from training courses led by the group and R&D tax credits and is recognised on an accrual basis in accordance with the substance of the relevant agreement.

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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 Income Statement.

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.

A summary of the key currencies and exchange rates used are below:

	30 September 2022 closing rate	Year ended 30 September 2022 average rate	30 September 2021 closing rate	Year ended 30 September 2021 average rate
GBP:EUR	1.136436	1.180504	1.161335	1.145146
GBP:CAD	1.529908	1.634389	1.710764	1.729946
GBP: SEK	12.39959	12.307694	11.816257	11.658347

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.

2 Accounting policies (continued)

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.

There was also a loan with a member of management and Browne Holding sarl, the owner of the ultimate parent undertaking that falls within the scope of IFRS 2. More information on this is within note 19 and represents £2.3M of the total £3.6M charged in the income statement. The remaining amount comes from other equity settled share-based payment schemes as described above.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, 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.

Current tax 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 provided on temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, 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 assets are recognised to the extent that it is probable that future taxable profit will be available against which the assets can be utilised.

Deferred tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

When there is uncertainty concerning the Group's filing position regarding the tax base 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.

2 Accounting policies (continued)

Taxation (continued)

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.

IFRIC 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 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	4 - 17 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.

During the year the group completed the material acquisition of VetStrategy. The acquisition resulted in customer list intangible assets being recognised for its clinic, pharmacies and 24-hour hospitals.

For crematoria operations, Management have identified 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.

2 Accounting policies (continued)

Intangible assets (continued)

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 no brand value is assigned. Management has determined that for other veterinary practices, no brand value is assigned because of this.

Vets Now and Tierkliniek Hofheim are specific exceptions to this. Vets Now, 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. The 'Hofheim' brand is an important value driver to the hospital referral revenue stream and enjoys recognition by vet practices throughout Germany. Hofheim is not only seen as the best hospital in the region, but the best in Germany and among the top clinics in Europe. Therefore, a brand intangible asset has been recognised for this acquisition in FY22. Other brands have been recognised for certain smaller acquisitions, but these are wholly immaterial.

A brand intangible asset has not been recognised upon acquisition of VetStrategy. In Canada, vet practices typically do not significantly market their brand name. VetStrategy's brand in itself has a record of attracting vets to join its group. Attracting more single site clinics has the benefit of creating further buying synergies, which are not allowed to be capitalised separately under IFRS 3 and therefore this perceived brand is held in goodwill.

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 Income Statement in the expense category that is consistent with the function of the intangible assets.

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 Income Statement.

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 3 years

Investments in subsidiaries

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

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2 Accounting policies (continued)

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. This involves an assessment of the carrying value of the asset against its recoverable amount. If the recoverable amount is deemed to be lower than the carrying value, an impairment on the asset is recognised. The recoverable amount is the higher of the value in use (based on discounted estimated future cashflows) and the fair value at which the underlying business could be sold less costs to sell. There are uncertainties associated with estimating the value in use amount, particularly in regards to future cash flow estimations and the determination of discount rates. Whilst these cash flow estimations are based on the Group's current best estimates of future performance, there may be changes in these assumptions when conducting impairment tests in subsequent years. There are also uncertainties associated with estimating the fair value less costs to sell. The value at which a business could be sold involves judgement, as does the determination of the costs to sell. Details of goodwill and intangible asset impairment assessments are in included in note 16.

For non-financial assets with definite useful economic lives, which are amortised or depreciated, the useful economic life and recoverable amounts are estimated based upon the expectation of the amount and time period during which an intangible asset will support future cashflows. Due to estimation uncertainties, the useful economic lives and associated amortisation rates have to be reviewed and revised where necessary. These non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may be higher than the recoverable amount. If this is the case, an impairment in the carrying value of the asset may be required.

Factors that could trigger an impairment review of intangible assets include the following:

- Significant underperformance compared to historical or budgeted operating results.
- Significant change in the use of the acquired assets or the strategy of the overall business.
- Significant negative market trends that suggest that the future performance of the business may decline.

The complexity of the estimation process and the assumptions, risks and uncertainties inherent in the calculation of the useful economic life of those non-financial assets with definite lives means that if business conditions materially change, it is likely that materially different amounts could be reported in the Group's financial statements.

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").

2 Accounting policies (continued)

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.

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 Income Statement. 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.

2 Accounting policies (continued)
Financial assets (continued)

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.

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

Financial liabilities includes loans and borrowings, contingent consideration, exchangeable share and put option liabilities which are initially recognised at fair value net of any transaction cost directly attributable to the issue of the instrument. Loans and borrowings are subsequently measured at amortised cost using the effective interest method, 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, exchangeable shares and put option liabilities are 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.

2 Accounting policies (continued)

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 Income Statement.

If the modification of a financial instrument measured at amortised cost 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.

Put and call options held by non-controlling interest shareholders

The Group has arrangements whereby certain non-controlling interest shareholders hold options to put (sell) their shares to the Group. The Group has a corresponding Call option to acquire the shares held by non-controlling interest shareholders.

The obligation to pay out to non-controlling interest shareholders when the put option is exercised is a derivative financial liability and is accounted for initially and subsequently at fair value.

At each reporting date the liability is remeasured to fair value with gains and losses being reported in profit or loss below operating profit.

The dividends on the shares held by non-controlling interest shareholders are linked to continuing employment. As such these distributions are accounted for as short term employee benefits in profit and loss.

Exchangeable shares

The Group has arrangements with ex VetStrategy owners to convert shares in VetStrategy into shares in the Group's ultimate parent company, Islay New Group Holding SA at a later date. As such, they are treated as financial liabilities under IFRS 9 and initially at fair value at the date the Group acquired VetStrategy. The exchangeable shares are subsequently measured at fair value at each reporting date. The remeasurement of the liability is recognised in profit or loss below operating profit.

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.

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2 Accounting policies (continued)

Financial guarantee contracts (continued)

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.

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.

2 Accounting policies (continued)

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.

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 2.6% to 21.8%. The large majority of the portfolio was within 4%-8%.

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.

2 Accounting policies (continued)

Leases (continued)

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

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

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

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, i.e. 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.

2 Accounting policies (continued)

Leases (continued)

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 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. 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. Due to the Group's size, there were no rent reliefs or rent concessions given as a result of the Covid-19 pandemic.

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 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

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.

Valuation of intangible assets acquired in business combinations

The attrition rates and discount rates used to value intangible assets acquired in business combinations are critical judgements as the rates selected have a material impact on the value assigned to intangible assets on the acquisition date.

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 VetStrategy and other material acquisitions (over £20m or strategic acquisitions e.g. Medivet)	**Range used for portfolio (all other acquisitions under £20m)**
Attrition rates applied	4% - 50%*	15% - 22%
Discount rates	6.6% - 14.5%	5.9% - 11%

* The vast majority of material acquisitions had a 20% or 25% attrition rate applied. The 4% and 50% attrition rates were for specific acquisitions of a specialist nature.

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

Management have concluded that there are no other 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

Contingent consideration

The Consolidated Statement of Financial Position includes remaining amounts payable for the acquisition of subsidiaries or businesses which are dependent on the future performance of the business acquired. They are 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 its trading performance. Determining these contingent consideration liabilities involves making certain assumptions requiring judgement. The assumptions utilised in the calculations are based on financial performance including projected revenue and/or Adjusted EBITDA and risk adjusted discount rates.

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. They are not classified as deferred consideration for the purposes of this assessment. For such contracts, where a waiver has been agreed to remove the condition of employment for the vendor to be entitled to the payment, then on a time basis, the associated employment cost is recognised as an expense up to the date the waiver is signed, and thereafter any remaining deferred consideration liability is estimated as outlined below.

Where payments are not or no longer dependent on an employment condition, which is the vast majority of cases, a provision for the expected payment is made (less any amount accrued as an employment cost as outlined above). In accordance with the group accounting policy, the amounts payable are estimated at each accounting reference date based on information and projections available at that date. Payments due after more than one year are discounted to a present value. The actual amounts payable may vary, depending on subsequent financial performance.

For potential payments related to financial performance, changes in the fair value of the contingent consideration are normally recognised in the Consolidated Income Statement. An exception to this is if the change is due to additional information of circumstances at the date of acquisition which is known within 12 months of the acquisition. In this case the change in fair value is booked to Goodwill in accordance with IFRS 3.

For acquisitions of more than £20m, and for all acquisitions made prior to six months before the accounting reference date, the default provision calculation method is to apply actual and future projected results to the terms of the agreement with the vendor that determine the amount payable. Management judgement may be applied to adjust the calculated provision, for example if the financial performance is projected to be marginally below the threshold for payment and it is likely that the business would step up to achieve the threshold.

For acquisitions below £20m within 6 months of the accounting reference date, the provision for contingent consideration is, by default, calculated based on historical payout percentages. Again, management judgement may be applied if warranted by exceptional circumstances to achieve a provision that is more considered to be more reflective of the expected outcome.

The amount recognised as a liability in respect of contingent consideration as at 30 September 2022 amounted to £168.5M. This is a present value after discounting cashflows due after more than one year at country specific WACC rates. The balance has increased year on year, in part reflecting the high levels of M&A activity in the year, including the acquisition of VetStrategy, which, although being a share for share deal, added a legacy portfolio of deferred consideration and which has made further acquisitions since joining the group.

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

Contingent consideration (continued)

The group provision represents 52% of the maximum (undiscounted) liability of £326M. This is a lower percentage provision than for FY21, reflecting the increase in WACC rates, plus a dampening of expected future financial performance, both resulting from changes in the global economy, which has seen interest rate increase and a reduction in spending in general.

For acquisitions made during FY22 (including those provisioned based on actual and projected financial performance), the contingent consideration provision recognised as at 30 September 2022 was £39.5M and the range of possible outcomes in respect of these payments was between zero and £97.9M.

The historical payment rates used were determined as follows:

Provisions based on historical payment rates

As per the table above, 25% (£41.4M) of the total group provision at 30 September 2022 was estimated based on historical payout percentages, up from 15% for FY21. For these provisions an average of 58% of the maximum amounts payable has been provided. This compares to 55% in FY21, with the high payout rates in Canada (83%) being a driver of the increase.

The historical payment rates (actual payments made as a percentage of maximum liability) are calculated as weighted average of the 3 years to the accounting reference date. The calculation gives greater weighting to more recent payments, as follows:

[FY22 payout rate * 1/2] + [FY21 payout rate * 1/3] + [FY20 payout rate * 1/6]

The three-year period is broadly reflective of the periods during which payouts are payable for an acquisition. Country specific historical payout percentages were calculated per the formula above, except as noted below where the rates were adjusted for the reasons stated:

- Norway – due to the limited number of acquisitions, and the most recent earn out payments being in FY20, the weighted average method was not appropriate for this country. Instead an unweighted life to date historical payout rate of 54.9% was used.
- Austria, Portugal, Spain – as relatively new operations to the group, these territories have a limited history of payouts. The European average percentage of payouts of 61.7% was used for these countries.
- Switzerland – due to the limited number of acquisitions, Switzerland had no significant recent history of payouts to form a basis on which to provide. Accordingly, the European average percentage of payouts, 61.7% was used for this country.
- Canada – FY20 payments were excluded from the calculation as these were made under different earnout structures so are not representative of payments that will be made in the future. Therefore, the historical payout rate of 95.7% was calculated as [FY22 payout rate * 3/5] + [FY21 payout rate * 2/5].

Provisions made based on actual and projected results

Of the total provision at 30 September 2022, 75% (£127.1M) was estimated based on actual and projected, down from 85% for FY21. For these provisions, an average of 50% of the maximum amounts payable has been provided. This compares to 72% in FY21, with lower payout rates in France and UK (51% versus 81% and 57% versus 72% respectively) being a key driver, with these countries making up 66% of the £127.1M provision.

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

Contingent consideration (continued)

Sensitivity analysis has been presented in note 23. The key unobservable inputs in the valuation of the contingent consideration are revenue growth rates and payroll. A sensitivity analysis relating to a change in revenue growth rates has been presented. No sensitivity for payroll is presented as the payroll cost is more controllable than revenue growth.

Put option liability

At acquisition, VetStrategy had put option liabilities valued at £67.0M by local management under Canadian GAAP. Historically, when VetStrategy has acquired clinics, it has left a stake in the business for the individual vet seller to keep (usually between 10-30% of the business). A put option is granted, giving the individual vet the right to sell its remaining stake in the business at a future date to VetStrategy. The price is based on the Adjusted EBITDA the clinic has at the time of redemption multiplied by a multiple agreed at the acquisition date. As such, it is considered a financial liability under IFRS and the liabilities have to be valued.

Due to the acquisitive growth of VetStrategy, there are minimal instances of put options being exercised. Judgements have been made taking into account management's experience with the vendors and their expectations of when they might exercise their options. The main assumptions used are as follows:

Assumption	30 Sep 2022	2 Nov 2021
Discount rate	8.5%	5.9%
Expected time to redemption	7 years	8 years
Adjusted EBITDA Growth rate	8.9%	15.6%
Long term growth rate	3.0%	3.0%

Based on the above assumptions, the liability at the acquisition date of 2 November 2021 was £72.6M (£5.6M higher than the Canadian GAAP amount) and this has been adjusted in the opening balance sheet. As at year end the assumptions have been revised to reflect changes in the incremental borrowing rate and a revision to budgeted Adjusted EBITDA growth. The expected time to redemption has reduced by one year reflecting the passage of time since the acquisition date.

VetStrategy have guaranteed a floor exercise price for the put options. At the acquisition date this had no impact on the value of the liability as the exercise price exceeded the floor price at that date. However, the value of the put options have declined between the acquisition date and year end. As a result, the expected exercise price for three clinics fell below the guaranteed floor price. As such the valuation at year end for these three clinics reflects the guaranteed floor price.

The fair value of the put options has declined to £62.5M by 30 September 2022 due to the decline in expected EBITDA growth and an increase in the discount rate.

Key inputs to the valuation are the Adjusted EBITDA growth rate and the discount rate. The expected time to redemption does not have a significant impact beyond five years due to the impact of discounting. The long-term growth rate also does not have a significant impact as it only impacts the last two years before expected redemption.

A 1% increase or decrease in the Adjusted EBITDA growth rate will increase or decrease the put option liability by £2.8M. A 1% increase or decrease in the discount rate will increase or decrease the put option liability by £4.0M.

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

Impairment of goodwill

The Consolidated Income Statement includes amounts in relation to the impairment of goodwill in Canada, Spain and USA. The impairment charge is based on the difference between the carrying value of the goodwill on the Consolidated Statement of Financial Position and its recoverable amount. The lower the recoverable amount, the higher the impairment charge will be. The value of the recoverable amount is dependent on a number of inputs which involve estimation and uncertainty. For inputs such as the expected cash flows of these businesses, management's estimate at year end may be higher or lower than the actual cash flows received in future years. The estimation of the discount rate also has a significant impact on the final amount of impairment. For more details on the specific impairments and the key sensitivities, refer to note 16 and the impairment of non-financial assets accounting policy above.

Exchangeable shares

The Group, via a share for share exchange in its ultimate parent company, Islay New Group Holding (Islay) acquired 100% of the share capital of VetStrategy. Changes in the fair value of exchangeable shares liability arises when the value of the underlying shares change and also when shares are exchanged. The exchangeable shares were valued at £184.8M at the acquisition date of 2 November 2021. At 30 September 2022 the exchangeable shares were remeasured to fair value of £182.9M. The value was determined with reference a multiple of the 18 month proforma EBITDA.

The key unobservable inputs to the valuation are the 18 month proforma EBITDA and the multiple. The impact of a 1% increase or decrease in the 18 month proforma EBITDA on the valuation at 30 September 2022 is an increase or decrease of £2.6M. An increase or decrease of 1x in the multiple at 30 September 2022 has the impact of increasing or decreasing the value by £12.3M.

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

	2022 £M	2021 £M
Sale of goods	126.3	102.6
Rendering of services	2,596.8	1,569.1
Pet Health Club	120.9	99.5
	2,844.0	1,771.2

Timing of transfer of goods and services

	2022 £M	2021 £M
Point in time – sale of goods	126.3	102.6
Point in time – rendering of services	2,630.7	1,593.0
Over time – rendering of services (all relates to Pet Health Club)	87.0	75.6
	2,844.0	1,771.2

Revenue alternative performance measures have been presented in note 35.

6 Expenses by nature

	2022 £M	2021 £M
Cost of sales		
Cost of inventories recognised as expense	506.8	291.7
Write-down of inventory to net realisable value	7.1	1.8
Reversal of write-down of inventory to net realisable value	(11.5)	(7.9)
Employee benefit costs (note 9)	972.4	642.0
Grants	-	(0.5)
Lab costs and other direct costs	102.9	59.9
	1,577.7	987.0
Administrative expenses		
Advertising	21.5	11.1
Amortisation of intangibles (note 15)	84.1	40.4
Amortisation of other assets	(4.5)	-
Auditors' remuneration (note 8)	5.0	6.1
Costs of entering significant new markets	26.4	5.1
Depreciation of property plant and equipment (note 13)	88.3	51.4
Depreciation of Right-of-use assets (note 13)	87.2	60.0
Employee benefit costs (note 9)	444.7	215.0
Exceptional items (note 35)	29.1	20.7
Gain on disposal of property, plant and equipment	(1.2)	(0.2)
Gain on disposal of subsidiaries	(3.1)	-
Grants	-	(0.4)
Impairment of Right-of-use assets (note 13)	-	2.6
Loss allowance on trade receivables (note 19)	2.4	1.9
Other admin costs	141.6	93.6
Property related costs	52.5	37.8
Repairs and maintenance	21.9	15.1
Staff travel and training	25.9	15.2
Technology costs	39.2	23.2
	1,061.0	598.6

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 Income Statement.

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

	2022 £M	2021 £M
Sundry income	7.1	2.9
Out of hours/Licence fees	0.3	0.1
Donations received	-	0.9
Rent received – Sub Leases	0.7	1.5
R&D tax credit	14.1	3.6
Grants	0.5	0.7
	22.7	9.7

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

Of the £14.1M (2021: £3.6M) R&D tax credit, £6.0M (2021: £0.0M) was excluded from adjusted EBITDA. Where more than one year of claim is submitted in a single financial year, it is group policy to record the additional claims as exceptional income below adjusted EBITDA.

8 Auditors' remuneration

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

	2022 £M	2021 £M
Fees payable to the Company's auditor and their associates for:		
The audit of the Company's financial statements	2.8	2.3
The audit of the Company's subsidiaries financial statements	1.7	1.3
Total audit fees	4.5	3.6
Other assurance services*	0.5	2.5
Total non-audit fees	0.5	2.5

*Relates to reporting accountant assurance services as performed by the auditor as they were considered to be best placed.

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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:

	2022 No.	2021 No.
Vets	9,736	6,829
Nurses	12,866	8,794
Support staff	14,003	8,059
	36,605	23,682

There are no employees employed by the Company (2021 - Nil).

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

	2022 £M	2021 £M
Wages and salaries	1,250.9	744.0
Social security costs	127.0	80.7
Expenses of defined contribution pension scheme	38.6	31.2
Expenses of defined benefits pension scheme	0.6	0.5
Grants	-	(0.4)
Share based payments	3.6	7.8
	1,420.7	863.8

Directors' remuneration and key management personnel

The directors' remuneration for the year was as follows:

	2022 £M	2021 £M
Remuneration (including benefits in kind)	1.2	4.7

During the year 1 director accrued benefits under money purchase schemes (2021 - 1).

In respect of the highest paid director:

	2022 £M	2021 £M
Remuneration (including benefits in kind)	0.8	1.9
	0.8	1.9

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:

	2022 £M	2021 £M
Wages and salaries	4.3	4.9
Expenses of defined contribution pension scheme	0.0	0.0
	4.3	4.9

10 Geographical analysis

The Group has three regions, United Kingdom, Europe and North America. The Europe region consists of the Group's operations in Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Latvia, the Netherlands, Norway, Poland, Portugal, the Republic of Ireland, Spain, Sweden, Switzerland. North America consists of USA and Canada.

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 2022	**UK £M**	**Europe £M**	**North America £M**	**Total £M**
Total revenue	1,200.4	1,054.6	589.0	2,844.0
Total revenue from external customers	1,200.4	1,054.6	589.0	2,844.0
Group revenue per Consolidated Income Statement				2,844.0
30 September 2021				
Total revenue	1,068.6	701.6	1.0	1,771.2
Total revenue from external customers	1,068.6	701.6	1.0	1,771.2
Group revenue per Consolidated Income Statement				1,771.2

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10 Geographical analysis (continued)

	2022 £M	2021 £M
External revenue by location of customers		
United Kingdom	1,200.4	1,068.6
Canada	585.3	-
Netherlands	235.1	198.8
France	234.4	87.1
Other	588.8	416.7
	2,844.0	1,771.2

11 Finance income and expense

Recognised in profit or loss	2022 £M	2021 £M
Finance income		
Interest income	0.7	0.2
Other interest income	16.2	-
Foreign exchange gains on loans and borrowings	-	33.7
Foreign exchange gains on intercompany balances*	28.9	-
Total finance income	45.8	33.9
Finance expense		
Interest expense on lease liabilities	(32.4)	(21.5)
Interest expense on bank borrowings	(227.3)	(83.1)
Other loan interest	(14.2)	(2.9)
Group loan interest	(66.9)	(71.7)
Foreign exchange losses on loans and borrowings	(62.0)	-
Foreign exchange losses on intercompany balances*	-	(30.0)
Other financing costs	(2.7)	(2.1)
Total finance expense	(405.5)	(211.3)

*Intercompany balances which do not eliminate on consolidation.

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:

	2022 £M	2021 £M
Total interest income on financial assets	45.8	33.9
Total interest expense on financial liabilities	(405.5)	(211.3)
	(359.7)	(177.4)

12 Taxation

	2022 £M	2021 £M
Current tax:		
UK current tax	10.0	11.1
UK current tax in respect of prior years	10.6	1.0
Overseas current tax	19.6	12.6
Overseas current tax in respect of prior years	2.1	0.4
Total current tax	42.3	25.1
Deferred tax		
Origination and reversal of timing differences	(2.8)	(1.9)
Effect of changes in tax rates	0.3	7.6
Adjustments in respect of prior years	7.4	(1.8)
Recognition of previously unrecognised deferred tax assets	11.2	(3.4)
Total deferred tax (note 24)	16.1	0.5
Total taxation	58.4	25.6

12 Taxation (continued)

The tax on the Group's profits before tax differs from the amounts that would arise using the average UK corporation tax rate of 19.0 per cent (2021: 19.0 per cent) as follows:

	2022 £M	2021 £M
Loss before tax	(481.7)	(23.7)
Tax at the UK corporation tax rate of 19% (2021 - 19%)	(91.5)	(4.5)
Non-deductible expenses	99.7	22.2
Non-taxable income	(2.8)	-
Current tax- Adjustment to tax charge in respect of prior years	12.7	(0.1)
Deferred tax- adjustments to tax charge in respect of prior years	7.4	-
Group relief surrendered/(claimed)	12.7	(0.9)
Differences in effective tax rates on overseas earnings	(0.1)	(2.4)
Unrecognised deferred tax movement	18.7	0.6
Other items	1.3	3.1
Remeasurement of deferred tax balances arising from change in tax rates	0.3	7.6
Total tax charge	**58.4**	**25.6**

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 £1.3M (FY21 – £3.1M) has been made.

In addition to the amount charged to the income statement, £12.4M foreign exchange loss (2021: £1.4M credit) relating to tax on intangible assets has been recognised in other comprehensive income.

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. In September 2022 the Chancellor's "mini-budget" proposed to repeal the enacted 25.0 per cent rate and maintain the rate at 19.0 per cent. This was never enacted and the proposal reversed in the Chancellor's November 2022 Autumn Statement.

12 Taxation (continued)

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.

Netherlands

The Dutch corporate income tax rate increased from 25.0 per cent to 25.8 per cent with effect from 1 January 2022.

13 Property, plant and equipment

Group	Land and buildings £M	Fixtures and surgery equipment £M	Motor vehicles £M	Computer equipment £M	Right-of-use assets £M	Total £M
Cost						
At 1 October 2020	80.1	135.9	5.9	57.3	437.2	716.4
Additions	11.7	34.2	0.5	27.2	68.3	141.9
Acquired through business combinations	23.1	37.4	0.8	4.0	46.7	112.0
Disposals	(0.1)	(0.2)	(0.7)	(0.6)	-	(1.6)
Remeasured and modified leases	-	-	-	-	2.4	2.4
Termination of leases	-	-	-	-	(11.0)	(11.0)
Exchange differences	12.4	(25.8)	2.0	0.2	(30.8)	(42.0)
At 30 September 2021	127.2	181.5	8.5	88.1	512.8	918.1
Additions	19.3	43.3	0.6	58.2	90.6	212.0
Acquired through business combinations	59.3	45.7	1.5	6.1	178.7	291.3
Disposals	(1.1)	(0.9)	(1.0)	(0.1)	(14.2)	(17.3)
Reclassification	3.2	-	(3.2)	-	-	-
Remeasured and modified leases	-	-	-	-	9.0	9.0
Termination of leases	-	-	-	-	(0.5)	(0.5)
Exchange differences	5.8	9.0	0.2	0.7	3.0	18.7
At 30 September 2022	213.7	278.6	6.6	153.0	779.4	1,431.3

Total property, plant and equipment additions presented in the Consolidated Statement of Cash Flows amounts to £121.4M (2021 - £73.6M), being the total additions above excluding additions of Right-of-use assets.

13 Property, plant and equipment (continued)

Group	Land and buildings £M	Fixtures and surgery equipment £M	Motor vehicles £M	Computer equipment £M	Right-of-use assets £M	Total £M
Accumulated depreciation and impairment						
At 1 October 2020	26.2	77.3	4.8	31.5	112.0	251.8
Charge for the year	8.1	29.0	0.9	13.4	60.0	111.4
Disposals	(0.1)	(0.1)	(0.7)	(0.6)	-	(1.5)
Impairment	-	-	-	-	2.6	2.6
Termination of leases	-	-	-	-	(11.0)	(11.0)
Exchange differences	4.7	(5.9)	0.4	2.0	(20.2)	(19.0)
At 30 September 2021	38.9	100.3	5.4	46.3	143.4	334.3
Charge for the year	16.8	43.7	1.2	26.6	87.2	175.5
Disposals	(0.1)	(0.2)	(0.7)	(0.0)	(13.7)	(14.7)
Termination of leases	-	-	-	-	(0.5)	(0.5)
Exchange differences	2.6	3.8	0.1	0.4	2.5	9.4
At 30 September 2022	58.2	147.6	6.0	73.3	218.9	504.0
Net book value						
At 30 September 2022	155.5	131.0	0.6	79.7	560.5	927.3
At 30 September 2021	88.3	81.2	3.1	41.8	369.4	583.8
At 30 September 2020	53.9	58.6	1.1	25.8	325.2	464.6

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
	£M	£M	£M	£M	£M
Cost					
At 1 October 2020	408.6	19.1	8.3	1.2	437.2
Additions	67.1	0.9	0.3	-	68.3
Acquired through business combinations	42.4	0.5	3.6	0.2	46.7
Remeasured and modified leases	2.4	-	-	-	2.4
Terminations	(9.0)	(0.7)	(1.1)	(0.2)	(11.0)
Exchange differences	(10.4)	(14.9)	(5.0)	(0.5)	(30.8)
At 30 September 2021	501.1	4.9	6.1	0.7	512.8
Additions	70.5	9.2	10.9	-	90.6
Disposals	(9.2)	(2.4)	(2.1)	(0.5)	(14.2)
Acquired through business combinations	175.1	3.5	0.1	-	178.7
Remeasured and modified leases	9.0	-	-	-	9.0
Terminations	(0.5)	-	-	-	(0.5)
Exchange differences	2.9	-	0.1	-	3.0
At 30 September 2022	748.9	15.2	15.1	0.2	779.4
Accumulated depreciation and impairment					
At 1 October 2020	91.6	14.5	5.1	0.8	112.0
Charge for the year	57.6	0.9	1.3	0.2	60.0
Impairment	2.6	-	-	-	2.6
Terminations	(9.0)	(0.7)	(1.1)	(0.2)	(11.0)
Exchange differences	(4.4)	(12.0)	(3.4)	(0.4)	(20.2)
At 30 September 2021	138.4	2.7	1.9	0.4	143.4
Charge for the year	75.4	5.0	6.6	0.2	87.2
Disposals	(9.2)	(2.4)	(2.1)	-	(13.7)
Terminations	(0.5)	-	-	-	(0.5)
Exchange differences	2.3	0.5	0.2	(0.5)	2.5
At 30 September 2022	206.4	5.8	6.6	0.1	218.9
Net book value					
At 30 September 2022	542.5	9.4	8.5	0.1	560.5
At 30 September 2021	362.7	2.2	4.2	0.3	369.4
At 30 September 2020	317.0	4.6	3.2	0.4	325.2

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 2022 is £42.7M (30 September 2021 - £5.7M) in respect of freehold land and buildings and £89.1M (30 September 2021 - £55.9M) in respect of short leasehold improvements. Of this amount at 30 September 2022, £8.4M relates to freehold land which is not depreciated (30 September 2021 - £2.8M).

At 30 September 2022, property, plant and equipment pledged as security for liabilities or where there is restricted title amounted to £0.4M (30 September 2021 - £14M).

At 30 September 2022, contractual commitments for the acquisition of property, plant and equipment at amounted to £0.8M (30 September 2021 - £1.8M).

In the year ended 30 September 2022, an impairment charge of £Nil (30 September 2021 - £2.6M) 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 2022 and 30 September 2021, 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 £193.4M (30 September 2021 - £118.2M) are potentially avoidable were the Group to exercise break clauses at the earliest opportunity.

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14 Leases (continued)

Lease liabilities

Group	Land and buildings £M	Fixtures and surgical equipment £M	Motor vehicles £M	Computer equipment £M	Total £M
At 1 October 2020	(330.8)	(7.4)	(3.1)	(0.3)	(341.6)
Additions	(101.8)	(8.7)	(4.3)	(0.2)	(115.0)
Disposals	1.9	-	0.0	-	1.9
Lease modifications	(2.4)	-	-	-	(2.4)
Interest expense	(20.1)	(0.8)	(0.2)	(0.0)	(21.1)
Lease payments	69.3	5.4	1.5	0.2	76.4
Exchange differences	0.3	5.6	1.5	0.0	7.4
At 30 September 2021	(383.6)	(5.9)	(4.6)	(0.3)	(394.4)
Additions	(254.0)	(10.3)	(11.0)	(0.1)	(275.4)
Disposals	0.5	-	-	-	0.5
Lease modifications	(9.0)	-	-	-	(9.0)
Interest expense	(30.0)	(1.1)	(0.9)	-	(32.0)
Lease payments	103.7	7.4	7.8	0.2	119.1
Exchange differences	(4.6)	(0.2)	(0.2)	-	(5.0)
At 30 September 2022	(577.0)	(10.1)	(8.9)	(0.2)	(596.2)

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

Group	30 September 2022 £M	30 September 2021 £M
Short-term lease expense	0.8	0.8
Low value lease expense	0.1	0.1
Aggregate undiscounted commitments for short-term leases	0.4	0.6

The total cash outflow of leases during the reporting period was £119.1M (2021 - £75.0M).

14 Leases (continued)

The maturity of lease liabilities are as follows:

Group	Within 1 year £M	Between 1 and 5 years £M	Over 5 years £M	Total £M
30 September 2022				
Lease liabilities	(77.2)	(248.0)	(271.0)	(596.2)
30 September 2021				
Lease liabilities	(46.5)	(130.5)	(217.4)	(394.4)

The total undiscounted commitments for leases are as follows:

	Within 1 year £M	Between 1 and 5 years £M	Over 5 years £M	Total £M
30 September 2022				
Lease liabilities	(107.4)	(330.2)	(339.8)	(777.4)
30 September 2021				
Lease liabilities	(60.8)	(193.8)	(235.4)	(490.0)

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

Company

The Company has no leases.

15 Other intangible assets

Group

	Customer Relationships £M	Brands £M	Total Other intangible assets £M
Cost			
At 1 October 2020	317.9	5.5	323.4
Acquired through business combinations	111.8	0.4	112.2
Foreign exchange differences	(7.8)	0.1	(7.7)
At 30 September 2021	421.9	6.0	427.9
Acquired through business combinations	562.7	2.3	565.0
Foreign exchange differences	35.6	0.1	35.7
At 30 September 2022	1,020.2	8.4	1,028.6
Amortisation and impairment			
At 1 October 2020	(50.9)	(0.4)	(51.3)
Amortisation charge for the year	(40.1)	(0.3)	(40.4)
Foreign exchange differences	0.8	-	0.8
At 30 September 2021	(90.2)	(0.7)	(90.9)
Amortisation charge for the year	(83.4)	(0.7)	(84.1)
Foreign exchange differences	(13.1)	0.1	(13.0)
At 30 September 2022	(186.7)	(1.3)	(188.0)
Carrying amount			
At 30 September 2022	833.5	7.1	840.6
At 30 September 2021	331.7	5.3	337.0
At 30 September 2020	267.0	5.1	272.1

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 2022 £M	30 September 2021 £M
Increase in discount rate	(3.7)	(3.1)
Decrease in discount rate	3.8	4.4
Increase in attrition rate	(23.0)	(19.3)
Decrease in attrition rate	23.6	21.3

There are no contractual commitments for the acquisition of intangibles as at 30 September 2022 (30 September 2021 - £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 £M
Cost	
At 1 October 2020	2,110.5
Acquired through business combinations	411.2
Foreign exchange differences	(36.6)
At 30 September 2021	2,485.1
Acquired through business combinations	3,849.5
Foreign exchange differences	347.6
At 30 September 2022	6,682.2
Impairment	
At 1 October 2020	(90.2)
Foreign exchange differences	2.9
At 30 September 2021	(87.3)
Foreign exchange differences	2.7
Impairment charge	(416.7)
At 30 September 2022	(501.3)
Carrying amount	
At 30 September 2022	6,180.9
At 30 September 2021	2,397.8
At 30 September 2020	2,020.3

16 Goodwill and Impairment (continued)

The Group is required to test whether goodwill has suffered any impairment on an annual basis or more frequently if there are indications that goodwill might be impaired. For the years ended 30 September 2022 and 30 September 2021, value in use (VIU) represented the recoverable amount used in the impairment tests, with the exception of VetStrategy (Canada) which was acquired during the current year and Spain where the Group's operations are still in its early stages of development. For VetStrategy and Spain, the fair value less costs to sell represents the recoverable amount used in the impairment test, as this is higher than the VIU. Given the significant scale and complexity of the Canadian business and the consequent extended timeline for implementing the Group's management system, the Group believes that it is appropriate to adopt the fair value less cost of disposal basis for the current financial year. Once appropriate changes have been made to the Canadian business to bring in Group processes, a value in use calculation will be performed in future. For Spain, once there has been further development in the country and Group systems and processes are embedded, a value in use calculation will also be performed here.

Group management have determined that all the operations in a country expected to benefit from the synergies of an acquisition in the that same country, as a result of shared central resources and supply chain leverage. Accordingly, it has allocated goodwill on a country by country basis. The carrying amount of goodwill is allocated as follows:

	30 September 2022 £M	30 September 2021 £M
UK	1,687.7	1,557.8
Canada	2,825.6	-
Netherlands	300.3	224.6
Sweden	167.3	158.9
France	548.1	180.4
Other	651.9	276.1
	6,180.9	2,397.8

The number of countries included in other is 14 (2021 - 9).

The impairment is allocated as follows:

	30 September 2022 £M	30 September 2021 £M
UK	-	-
Canada	(393.7)	-
Netherlands	-	-
Sweden	(61.8)	(64.8)
France	-	-
Other	(45.8)	(22.5)
	(501.3)	(87.3)

Impairment

The Group has recognised an impairment charge of £416.7M in the year which is represented as follows:

16 Goodwill and Impairment (continued)

	30 September 2022 £M	30 September 2021 £M
Canada (VetStrategy)	(393.7)	-
Spain	(14.5)	-
USA	(8.5)	-
	(416.7)	-

VetStrategy

During the current financial year, an impairment of £393.7M has been recognised in relation to the Canadian business. On 3 November 2021, the Group acquired 100% of the shares of VetStrategy Canada Top Holdings Inc via a share for share exchange. The value of the consideration at acquisition was based on a share of the fair value of the Group at the time of the acquisition. This was calculated by taking the EBITDA for VetStrategy and the rest of the Group combined and then multiplied by a multiple that was management's best estimate at the time of the acquisition.

Since acquisition, a number of vet practices in Canada have been acquired by the Group, which increased the amount of goodwill on the balance sheet. Management have re-assessed the recoverable value including these new practices using a fair value less costs of disposal approach. This was deemed to be a level 3 fair value calculation as per IFRS 13. This approach took the current / 18 month trailing EBITDA of the VetStrategy business and applied a different multiple than what was used as part of the share for share exchange based on updated market conditions. The new valuation produced a recoverable value of £3,360.3M compared to the carrying value of £3,754.0M and so an impairment has occurred. The impairment is driven by a combination of the premium attached to market-leading businesses of scale in the industry plus the impact of 62 further deals at the high multiples typical of the Canadian market. This is also compounded by the relatively high level of WACC at c13%.

The fair value estimate is based on assumptions which have estimation uncertainty and small movements in these assumptions could lead to further impairment. Management have performed sensitivity analysis on the key assumptions for the fair value less costs of disposal approach and the following changes to the assumptions would have the following impact on the impairment charge:

Assumption	Increase / decrease in assumption	Effect on the value in use calculation
Multiple used	+/-1	+/-£162.5m

Spain

There has been an impairment in the Spain business of £14.5M during the year. Using a fair value less costs to sell, it has been determined that the recoverable value of 125.0M was less than the carrying value of £139.5M. The recoverable value was deemed to be a level 3 fair value calculation as per IFRS 13. This approach took the current trailing EBITDA and applied a multiple based on the Vet One acquisition in France, which is considered a similar size to the Spain business. The impairment represents the high premium multiple that the Group had to pay for acquisitions to gain a foothold in the market.

16 Goodwill and Impairment (continued)

Given the Group is still in its early stages of development in this country, an impairment is considered appropriate. Management have performed sensitivity analysis on the key assumptions for the fair value less costs of disposal approach and the following changes to the assumptions would have the following impact on the impairment charge:

Assumption	Increase / decrease in assumption	Effect on the value in use calculation
Multiple used	+/-1	+/-£6.9m

USA

There has also been an impairment in relation to the goodwill in USA. This amounted to £8.5M. The USA business consists of crematoria acquired as part of the Veternity acquisition. The Group is currently reviewing its strategic options with regard to this non-core asset. As such, an impairment has been recorded following a review of the future cashflows of the business since the change in strategy and the increase in discount rate as described below. The recoverable value of the USA business was £3.9M compared to the carrying amount of £12.4M and so therefore an impairment has been recognised for the difference. The discount rate applied to the value in use calculation was 9.3% compared to 6.6% in the prior year.No reasonable change in the assumptions and estimations behind the recoverable value would have a material difference on the amount of the impairment.

Value in use

The recoverable amounts for the year ended 30 September 2022 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 2022			
UK	16.3%	11.7%	3%
Netherlands	11.6%	12.6%	3%
Sweden	21.0%	11.9%	3%
France	17.0%	12.7%	3%
Other	11.5% - 27.6%	10.4% - 14.3%	3%

* 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.

16 Goodwill and Impairment (continued)

Value in use (continued)

The long-term growth rate assumptions apply to the period beyond the four year budgeted period with the value in use calculation based on an extrapolation of the estimated cash flows for year four. Long-term growth rates beyond the first four years are based on economic data pertaining to developed economies and the industry concerned.

For years one to four, the 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. Management has taken into account the current economic headwinds and cost-of-living crisis when setting the like-for-like (LFL) sales growth rate in the budget. The business is also facing levels of inflation across all markets that are unprecedented in recent times (ranging from 8% to 15%+) which further impacts EBITDA growth in FY23.

Discount rates for each country are based on the Group's weighted average cost of capital ("WACC") adjusted to reflect management's assessment of specific risks related to each country. The discount rate is independent of the group's capital structure and the way the group financed the purchase of the asset. The WACC has been determined with reference to country specific risk free rates adjusted for country specific equity risk premiums and the cost of debt associated with investment grade corporate bonds. The capital structure used in determining the WACC rate is based on the capital structure of a blend of comparable companies.

On assessing the asset impairment of the France business, the recoverable value on a VIU basis was initially lower than the asset carrying value.

With regards to France, there were two material acquisitions in the year, being the acquisitions of SAS Vet One Holding and Groupe Animedis. These larger businesses tend to attract larger premiums to purchase due to their market position and a competitive tender process, which increased the carrying value of the goodwill in France considerably, as shown in note 29. France is still a relatively new market for the Group. With the number of sites approximately trebling during the financial year, significant investment in systems and people is needed to improve margins, the benefit of which will only become apparent in the long term. Therefore, management believe it is appropriate to take a longer term view of France's recoverable value rather than the four year budget method described above. Using margins similar to those in more mature, consolidated markets such as Netherlands in a longer term assessment based VIU calculation, there is significant headroom in the French business and so no impairment has been recognised.

Sensitivity analysis

Management has performed a sensitivity analysis on the key assumptions mentioned above. For the vast majority of countries, management have 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 significantly.

16 Goodwill and Impairment (continued)

Value in use (continued)

However for the countries cited below, a reasonably possible change in key assumptions could lead to the carrying value of a number of countries' goodwill carrying value exceeding its recoverable amount significantly. The table below shows how a reasonably possible change in a key assumption would make the recoverable value lower than the carrying value.

	Deficit between recoverable value and carrying value under new assumption	
Country	**-200bps on gross margin**	**+200bps on pre-tax discount rate**
Germany	-	£11.9m (3.3% of carrying value)

17 Investments

Group	Other investments £M
Cost	
At 1 October 2020	0.2
Additions	1.1
Revaluation	-
Foreign exchange	-
At 30 September 2021	1.3
Additions	0.7
Revaluation	(0.1)
Disposals	(0.5)
Foreign exchange	0.1
At 30 September 2022	1.5
Carrying amount	
At 30 September 2022	1.5
At 30 September 2021	1.3
At 30 September 2020	0.2

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.

	Shares in Group undertakings £M
Company	
Cost	
At 1 October 2020	655.2
Additions	-
At 30 September 2021	655.2
Additions	1,836.2
At 30 September 2022	2,491.4
Impairment	
At 1 October 2020	-
At 30 September 2021	-
At 30 September 2022	-
Carrying amount	
At 30 September 2022	2,491.4
At 30 September 2021	655.2
At 30 September 2020	655.2

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.

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 ("VetStrategy") 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 VetStrategy to its immediate subsidiary undertaking, IVC Acquisition Ltd in exchange for new shares in IVC Acquisition Ltd on the same day. The consideration was £1,774,888,000.

On 24 May 2022, £57,867,000 of cash was received from IVC Acquisition Pikco Ltd in exchange for new shares and this was transferred to IVC Acquisition Ltd on the same day, also in exchange for shares. This created a further investment of £57,867,000 in IVC Acquisition Ltd.

17 Investments (continued)

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 2022 £M	30 September 2021 £M
Finished goods and consumables	96.1	54.9

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 2022 £M	30 September 2021 £M
Trade receivables at amortised cost	121.2	81.2
Less: expected credit loss provision	(24.1)	(18.8)
Trade receivables at amortised cost - net	97.1	62.4
Other receivables	121.6	62.8
Contract assets	9.0	7.0
Prepayments	28.9	21.8
Total current trade and other receivables	256.6	154.0

Other receivables include rebate receivables of £52.3M (30 September 2021 - £19.8M).

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19 Trade and other receivables (continued)

Group Non-Current	30 September 2022 £M	30 September 2021 £M
Amounts owed by parent companies	130.4	52.6
Long term employee loan	11.7	-
Total non - current trade and other receivables	142.1	52.6

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.

The long term employee loan of £11.7M relates to an outstanding receivable to various members of VetStrategy management so that these members could purchase shares in VetStrategy. These loans were initiated on 31 July 2020 before the acquisition of VetStrategy. Following the completion of the VetStrategy acquisition, the shares were converted into exchangeable shares. These are interest free loans and are repayable in full on 31 July 2030. The loan is secured against the value of the shares. There is no expected credit loss provision against these debtors or any expense in relation to bad debt.

As part of the acquisition of VetStrategy, there was also a loan made to a member of VetStrategy management by the parent of the Group's ultimate parent company, Browne Holding Sarl in Luxembourg. This was so the key member of management could purchase exchangeable shares in the Group. This loan amounted to £15.6M and was interest free and is repayable in full on 12 November 2031. The loan is secured against the value of the shares. This is not in the Consolidated Balance Sheet of the Group as Browne Holding Sarl is a company above the Group structure.

The loan mentioned above with a VetStrategy employee falls within the scope of IFRS 2 share based payments. This is because the loan is with recourse only to the shares and the proceeds of selling the shares would be used to pay off the loan. The number of shares granted and therefore immediately vested and exercised during the period was 244,907 exchangeable shares and 244,907 class D ordinary shares. There was no weighted average exercise price. None of these options have forfeited or expired during the period. There were no options outstanding or exercisable at the end of the financial year. The fair value of these options stated above was determined by the valuation of exchangeable shares as explained in note 23.

The total expense recognised for the period which was recognised immediately was £2.3M. There were no share based payment liabilities remaining at the end of the financial year.

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.

19 Trade and other receivables (continued)

Group	30 September 2022 £M	30 September 2021 £M
Opening provision for impairment of trade receivables	18.8	16.9
Increase during the year	5.3	1.9
Closing provision for impairment of trade receivables	24.1	18.8

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

Group	Current £M	More than 30 days past due £M	More than 60 days past due £M	More than 120 days past due £M	Total £M
30 September 2022					
Expected loss rate	2.04%	11.77%	30.36%	59.81%	
Gross carrying amount	68.5	13.8	7.3	31.6	121.2
Loss provision	1.4	1.6	2.2	18.9	24.1
30 September 2021					
Expected loss rate	0.00%	0.00%	45.45%	82.47%	
Gross carrying amount	46.4	9.5	5.5	19.8	81.2
Loss provision	-	-	2.5	16.3	18.8

No loss provision has provided for balances less than 60 days past due in the prior 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 Non-Current	30 September 2022 £M	30 September 2021 £M
Amounts owed by other group undertakings	603.3	543.6
Amounts owed by parent company	94.5	31.0
Total non-current trade and other receivables	697.8	574.6

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 Current	30 September 2022 £M	30 September 2021 £M
Trade payables	106.8	100.2
Accruals	197.4	118.5
Contract liability	0.8	0.6
Other payables	79.3	40.8
Other taxation and social security	61.9	87.6
Total current trade and other payables	446.2	347.7
Non-current		
Amounts owed to parent companies	771.6	641.0
Accruals	-	2.8
Total non-current trade and other payables	771.6	643.8

20 Trade and other payables (continued)

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 £M	Due after five years £M	Total £M
30 September 2022			
Amounts owed to parent companies	-	771.6	771.6
30 September 2021			
Amounts owed to parent companies	-	641.0	641.0
Accruals	2.8	-	2.8

Company Non-current	30 September 2022 £M	30 September 2021 £M
Amounts owed to other group undertakings	94.5	31.0
Amounts owed to parent company	603.3	543.7
Total non-current trade and other payables	697.8	574.7

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

20 Trade and other payables (continued)

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

Company	Due within one and five years £M	Due after five years £M	Total £M
30 September 2022			
Amounts owed to other group undertakings	94.5	-	94.5
Amounts owed to parent company	-	603.3	603.3
	94.5	603.3	697.8
30 September 2021			
Amounts owed to other group undertakings	-	31.0	31.0
Amounts owed to parent company	-	543.7	543.7
		574.7	574.7

21 Loans and borrowings

Group	30 September 2022 £M	30 September 2021 £M
Current		
Bank loans	15.6	-
Non-current		
Bank loans	4,529.0	2,032.5

Total Loans and Borrowings

Total bank loans outstanding of £4,544.6M (30 September 2021 - £2,032.5M) are stated after deducting £53.1M (30 September 2021 - £20.2M) of costs associated with the raising of this finance, which are being charged to the Consolidated Income Statement over the term of the debt which is an average of 5 years (i.e. total bank debt was £4,597.7M at 30 September 2022 (£2,052.7M at 30 September 2021) 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 SONIA/IBOR/CDOR as the case may be (between 3.25% and 11.5%). Interest is paid in instalments chosen by the Group typically quarterly, subject to the Group's compliance with banking covenants.

Bank borrowings

	30 September 2022 £M	30 September 2021 £M
Bank loans		
Bank Loans	4,597.7	2,052.7
Less unamortised deferred debt costs	(53.1)	(20.2)
Total bank loans	4,544.6	2,032.5

21 Loans and borrowings (continued)

Long term bank borrowings (continued)

Split Per Facility	£M	Repayment dates	Repayment	Rate of interest
30 September 2022				
B3 Facility (GBP)	821.0	13/02/2026	Bullet	SONIA 5 NCCR LAG + CAS + 4.5%
B4 Facility (EUR)	760.3	13/02/2026	Bullet	EURIBOR + 3.75%
B5 Facility (EUR)	677.6	13/02/2026	Bullet	EURIBOR + 4%
B6 Facility (EUR)	422.4	13/02/2026	Bullet	EURIBOR + 4.75%
2nd LIEN Facility (GBP)	238.0	13/02/2027	Bullet	SONIA 5 NCCR LAG + CAS + 7.5%
2nd LIEN Facility (CAD)	138.6	13/02/2027	Bullet	ICE LIBOR + 7%
RCF (GBP)	504.5	13/08/2025	Revolving	SONIA 5 NCCR LAG +CAS + 3.5%
RCF (SEK)	27.0	13/08/2025	Revolving	STIBOR + 3.5%
RCF (NOK)	27.0	13/08/2025	Revolving	NIBOR + 3.5%
Delayed Draw Tern Loan 1	51.4	31/07/2027	Quarterly	8%
Delayed Draw Tern Loan 2	51.4	31/07/2027	Quarterly	8%
Delayed Draw Tern Loan 3	128.9	31/07/2027	Quarterly	8%
Delayed Draw Tern Loan 4	226.8	31/07/2027	Quarterly	6.75%
Delayed Draw Tern Loan 5	162.2	31/07/2027	Quarterly	6.75%
Subordinated Loan	78.7	02/03/2031	Accrued Interest	11.5%
Closing Date Term Loan	275.4	31/07/2027	Quarterly	8%
Revolving Credit Facility	6.5	Current	-	7.95%
	4,597.7			
30 September 2021				
B3 Facility (GBP)	821.0	13/02/2026	Bullet	SONIA+4.25%
B4 Facility (EUR)	744.0	13/02/2026	Bullet	EURIBOR+3.5%
2nd LIEN Facility (GBP)	238.0	13/02/2027	Bullet	SONIA+7.5%
RCF (GBP)	50.0	13/08/2025	Revolving	SONIA+3.25%
RCF (EUR)	94.7	13/08/2025	Revolving	EURIBOR+3.25%
RCF (SEK)	90.6	13/08/2025	Revolving	STIBOR+3.25%
RCF (NOK)	14.4	13/08/2025	Revolving	NIBOR+3.25%
	2,052.7			

21 Loans and borrowings (continued)

Bank borrowings (continued)

In November 2021, the group drew down additional Borrowing on a new B5 Facility (EUR) this amounted to £652M, this was used to repay the existing revolving credit facility.

In March 2022, the group drew down additional Borrowing on a new B6 Facility (EUR) and a new Second Lien Facility (CAN) that amounted to £406M and £126M respectively. This was used to repay the existing revolving credit facility.

In May 2022, the commitment for the existing revolving credit facility was increased to £617M.

The First Lien Senior facilities bears interest of SONIA plus a margin of 4.5% on the B3 facilities, EURIBOR plus a margin of 3.75% on the B4 facilities, EURIBOR plus a margin of 4% on the B5 facilities, EURIBOR plus a margin of 4.75% on the B6 facilities, all having a maturity date of 13 February 2026. The RCF facility bears interest at a rate of GBP loans SONIA plus a margin of 3.5%, NOK loans NIBOR plus a margin of 3.5%, SEK loans STIBOR plus a margin of 3.5% and has a maturity date of 13 August 2025. The Second Lien GBP facility bears interest of SONIA plus a margin of 7.5% and has a maturity date of 13 February 2027.The Second Lien CAN facility bears interest of ICE LIBOR plus a margin of 7% and has a maturity date of 13 February 2027.

The terms of the closing date term loan and delayed draw term loans require that the Group repay to the administrative agent, on the last business day of each March, June, September and December prior to the term loan maturity date, in each case in an amount equal to 0.25%([2021: 0.25%) of the original principal amount of the respective loan. On the maturity date, the Group shall repay in an amount equal to the remainder of the principal amount of the term loan balance outstanding, together with accrued and unpaid interest on the principal amount. The amount of any interest set forth above shall be adjusted to account for the addition of any incremental term loans, extended term loans or refinancing term loans that result in an increase or decrease to the aggregate principal amount.

The Group shall pay to the administrative agent a ticking fee that will accrue at 1% (2021: 1%) per annum of the aggregate unfunded delayed draw term loan commitments and subordinate debt on the one-year anniversary of the closing date, and 2% (2021: 2%) per annum on or after the one year anniversary of the closing date. Any accrued and unpaid amounts of the ticking fee shall be due and payable on the first business day of each of March, June, September and December, commencing with the first such date to occur following the closing date. In addition, the Group shall pay to the administrative agent a closing payment equal to 1.5% (2021: 1.5%) of the principal amount of delayed draw term loans funded by the term lenders on each delayed draw borrowing date.

The B3 to B6 Facilities as well as the 2nd Lien Facilities 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.

Under all facilities the Group can select an interest payment schedule of every one, three or six months or and other period agreed between the parent and the Agent. To ensure effectiveness in our hedging strategy, we have chosen interest periods of between 3 and 6 months in line with our executed hedges which are now in place.

The Closing Date Term Loan, the Delayed Drawdown Term Loans and the Subordinated Loan are secured by the following:

- All of the properties held by the VetStrategy Group;
- All debt securities, intercompany note, and any other debt securities now owned or acquired in the future by the VetStrategy Group;
- All other property that may be delivered to and held by the administrative agent;
- All payments of principal or interest, dividends, cash, instruments, and other property from time to time received related to the equity, debt, and property outlined above; and

21 Loans and borrowings (continued)

Long term bank borrowings (continued)

- All rights and privileges with respect to the property outlined above. 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 only financial covenant associated with the Senior Facilities (B3 to B6 and 2nd Lien) 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.

Solely with respect to the VetStrategy Group Initial Revolving Credit Facility, commencing with the first full quarter after the Closing Date, the Borrower will not permit the Secured Net Leverage Ratio as of the last day of any Test Period ending during any Compliance Period to be greater than 9.75:1.00.

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 year £M	Due within one and five years £M	Due after five years £M	Total £M
30 September 2022				
Loans and borrowings	15.6	4,450.3	78.7	4,544.6
30 September 2021				
Loans and borrowings	-	1,794.5	238.0	2,032.5

Company
The Company has no bank loans.

22 Employee benefit liabilities

	30 September 2022 £M	30 September 2021 £M
Group		
Current		
Accrual for annual leave	21.4	8.6
Non-current		
Defined benefit schemes (note 28)	0.8	1.4
Other loan term employee benefits	6.4	-
	7.2	1.4

Company
The Company has no employee benefit liabilities.

23 Financial liabilities at fair value

Group

The Group has a number of different financial liabilities at both the current and prior year end.

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 actual revenues or earnings before interest, tax, depreciation and amortisation to be achieved by the acquiree and the earn outs are usually 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 at that time. 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 significant inputs included are projected revenue and payroll cost. 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 2022.

23 Financial liabilities at fair value (continued)

The following table provides a roll-forward of the fair value of financial liabilities for the years ended 30 September 2022, 2021 and 2020:

Group	Contingent consideration	Exchangeable shares	Put option liability	Total
	£M	£M	£M	£M
At 30 September 2020	81.5	-	-	81.5
Issuance in connection with acquisition	72.0	-	-	72.0
Change in fair value	41.6	-	-	41.6
Payments	(62.2)	-	-	(62.2)
Foreign exchange differences	(1.9)	-	-	(1.9)
At 30 September 2021	131.0	-	-	131.0
Issuance in connection with acquisition	97.9	185.1	72.6	355.6
Change in fair value	(30.9)	(24.2)	(11.6)	(66.7)
Share based payments	-	2.3	-	2.3
Payments	(39.5)	-	(0.5)	(40.0)
Interest	6.7	-	(9.0)	(2.3)
Foreign exchange differences	3.3	19.7	11.0	34.0
At 30 September 2022	168.5	182.9	62.5	413.9

The total amount recognised in the Consolidated Income Statement in each year is:

	30 September 2022	30 September 2021
	£M	£M
Revaluation of financial instruments	(66.7)	41.6

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 2022.

The significant unobservable input is forecast revenue growth rates. For the reporting period ended 30 September 2022 these were (3%) - 13% (30 September 2021: 5% - 12%).

The estimated fair value would increase/(decrease) if the revenue growth rate was higher/(lower). If projected revenues increased or decreased by 5%, then the amount payable would increase by £13.0M or decrease by £57.6M respectively.

23 Financial liabilities at fair value (continued)

Put option liabilities

The Group carries liabilities for put options held by non-controlling interest shareholders. The liabilities arose from the acquisitions of VetStrategy and VetOne, which have a number of put option arrangements with their non-controlling shareholders.

The liability is measured at fair value, being the present value of the expected redemption amount to be paid to the non-controlling interest shareholder when the option is exercised. The redemption amount contractually set at a multiple of EBITDA and multiples vary depending on the clinic acquired.

The expected payment is determined separately in respect of each individual option agreement taking into consideration the forecast EBITDA of each acquisition and is discounted using the incremental borrowing rate of VetStrategy.

The liability is calculated with reference to the contractual multiple and the forecast EBITDA for the relevant clinic and discounted.

The significant unobservable input for the put option liability is the Adjusted EBITDA growth rate and the discount rate. For the reporting period ended 30 September 2022 these were 8.9% and 8.5%.

A 1% increase or decrease in the EBITDA growth rate would increase or decrease the put option liability at 30 September 2022 by £2.8M. A 1% increase or decrease in the discount rate would increase or decrease the put option liability at 30 September 2022 by £4.8M.

Exchangeable shares

The Group, via a share for share exchange in its ultimate parent company, Islay New Group Holding (Islay) acquired 100% of the share capital of VetStrategy. Changes in the fair value of exchangeable shares liability arises when the value of the underlying shares change and also when shares are exchanged.

The significant unobservable inputs to the valuation are the 18 month proforma EBITDA and the multiple. The impact of a 1% increase or decrease in the 18 month proforma EBITDA on the valuation at 30 September 2022 is an increase or decrease of £2.6M. An increase or decrease of 1x in the multiple at 30 September 2022 has the impact of increasing or decreasing the value by £12.3M.

The maturity profile of the group's financial liabilities is as follows:

Group	Due within one year £M	Due after more than one year £M	Total £M
30 September 2022			
Contingent consideration	55.2	113.3	168.5
Exchangeable shares	182.9	-	182.9
Put option liability	62.5	-	62.5
	300.6	113.3	413.9
30 September 2021			
Contingent consideration	44.1	86.9	131.0

Company

The Company had no financial liabilities at the current or prior year ends.

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 £M	Other temporary differences £M	Tax losses £M	Leases £M	Business combinations £M	Total £M
At 30 September 2020	2.7	(1.9)	9.8	1.5	(58.8)	(46.7)
On acquisition	-	-	-	-	(19.8)	(19.8)
Credit/(charge) to other comprehensive income	0.1	-	-	-	1.3	1.4
Credit/(charge) to income statement	0.6	0.4	0.7	4.2	(6.4)	(0.5)
At 30 September 2021	3.4	(1.5)	10.5	5.7	(83.7)	(65.6)
On acquisition	(4.8)	0.4	2.4	0.2	(91.7)	(93.5)
Credit/(charge) to other comprehensive income	-	-	-	-	(12.4)	(12.4)
Credit/(charge) to income statement	(0.6)	(16.4)	(5.6)	(9.0)	15.5	(16.1)
At 30 September 2022	(2.0)	(17.5)	7.3	(3.3.1)	(172.3)	(187.6)

Deferred tax assets have not been recognised on 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 2022 £M	30 September 2021 £M
Unused tax losses	62.7	27.6
Temporary differences	-	3.5
Employee benefits	-	1.7
	62.7	32.8

Included in unrecognised tax losses are £0.4M which should be used by 2027 and £0.5M which should be used by 2030 (2021: nil). The remaining £61.8M (2021: £27.6M) have no time expiry.

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 2022 £M	30 September 2021 £M
Group		
Deferred tax asset	7.3	22.1
Deferred tax liability	(194.9)	(87.7)
Net deferred tax	(187.6)	(65.6)

Company

The Company had no deferred tax asset or liability.

25 Share capital

	30 September 2022 Number (M)	30 September 2021 Number (M)
Authorised, issued and fully paid:		
Ordinary shares of £0.01 each	427.0	359.4
Ordinary shares of £1 each	7.1	6.0
	434.1	365.4
	£M	**£M**
Authorised, issued and fully paid:		
Ordinary shares of £0.01 each	4.3	3.6
Ordinary shares of £1 each	7.1	6.0
	11.4	9.6

	30 September 2022 Number (M)	30 September 2022 £M	30 September 2021 Number (M)	30 September 2021 £M
Ordinary shares of £0.01 each				
At 1 October	359.4	3.6	359.4	3.6
Issues of shares	67.6	0.7	-	-
At 30 September	427.0	4.3	359.4	3.6

25 Share capital (continued)

	30 September 2022 Number (M)	30 September 2022 £M	30 September 2021 Number (M)	30 September 2021 £M
Ordinary shares of £1 each				
At 1 October	6.0	6.0	6.0	6.0
Issue of shares	1.1	1.1		
At 30 September	7.1	7.1	6.0	6.0

Share premium	30 September 2022 £M	30 September 2021 £M
Ordinary shares of £1 each		
At 1 October	645.6	645.6
Issue of shares	1,834.5	-
At 30 September	2,480.1	645.6

New shares allotted

New shares were allotted by the Company during the financial year ended 30 September 2022. 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 ("VetStrategy") 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 value of the shares issued in the shares for share transaction was £1,776.6M. This was a non-cash transaction.

A further share issue of 1,854,042 Ordinary £0.01 shares and 30,814 Ordinary £1 shares were issued for a cash consideration of £57.9M.

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 2022 £M**	**30 September 2021 £M**
Financial assets		
Amortised cost		
Other investments	1.5	1.3
Cash and cash equivalents	231.1	186.5
Trade receivables (note 19)	97.1	62.4
Other receivables (note 19)	121.6	69.8
Amounts owed by parent companies (note 19)	130.4	52.6
Total financial assets held at amortised cost	581.7	372.6
Financial liabilities		
Amortised cost		
Trade payables (note 20)	106.8	100.2
Accruals (note 20)	197.4	121.3
Other payables (note 20)	79.3	41.4
Amounts owed to parent companies (note 20)	771.6	641.0
Loans and borrowings (note 21)	4,544.6	2,032.5
Employee benefit liabilities (note 22)	27.8	8.6
Total financial liabilities held at amortised cost	5,727.5	2,945.0

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 2022 and 2021 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, contingent consideration, exchangeable shares and put option liabilities:

	30 September 2022 £M	30 September 2021 £M
Financial liabilities measured at fair value		
Contingent consideration (note 23)	168.5	131.0
Exchangeable shares	182.9	-
Non-controlling interest put options	62.5	-
	413.9	131.0
Financial liabilities measured at amortised cost		
Amounts owed to parent companies (note 20)	771.6	641.0
Fair values (Level 3): significant unobservable inputs		
Contingent consideration (note 23)	168.5	131.0
Exchangeable shares	182.9	-
Non-controlling interest put options	62.5	-
Amounts owed to parent companies (note 20)	771.6	998.0
	1,185.5	1,129.0

There have been no transfers between levels during the year.

27 Financial Instruments (continued)

Fair values of financial instruments (continued)

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

Areas	Valuation Technique
Contingent consideration	Refer to note 23.
Exchangeable shares	Refer to note 23.
Put option liabilities	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.

27 Financial Instruments (continued)

Credit risk (continued)

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

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

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

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

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 2022 £M	30 September 2021 £M
Trade receivables (note 19)	97.1	62.4
Amounts owed by parent companies (note 19)	130.4	52.6
Other receivables (note 19)	121.6	69.8
Cash and cash equivalents	231.1	186.5

27 Financial Instruments (continued)

Market risk

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

(i) Interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. The Group analyses the interest rate exposure. The Group has a policy to hedge between 60 & 85% of its interest rate risk in line with the treasury policy. Note terms of the interest rates for the Group is provided in note 21 and details of interest rate hedges entered into after the reporting date is given in note 32.

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 2022 £M	30 September 2021 £M
Variable rate instruments		
Financial liabilities	4,597.7	2,032.5
Total financial liabilities	4,597.7	2,032.5

Sensitivity analysis

A change of 200 basis points in interest rates at the period end, being management's assessment of a reasonably possible change in interest rate, 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. In the prior year, the analysis was performed using 50 basis points, being a reasonably possible change in interest rates at the time.

Group Profit or loss and Equity	30 September 2022 £M	30 September 2021 £M
Increase	92.0	10.3
Decrease	(92.0)	(10.3)

(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 2022	Euro £M	SEK £M	CHF £M	DKK £M	USD £M	PLN £M	CZK £M	CAD £M	AUD £M	NOK £M	Total £M
Trade and other receivables	59.5	12.4	0.2	0.2	0.5	0.1	-	64.8	-	2.4	140.1
Cash and cash equivalents	107.5	20.3	5.2	2.4	0.2	0.4	0.1	13.2	-	3.1	152.4
Trade and other payables	(228.8)	(26.0)	(7.1)	(0.8)	(0.2)	(0.4)	(0.1)	(408.6)	-	(4.7)	(676.7)
Loans and borrowings	(1,860.2)	(26.9)	-	-	-	-	-	(1,101.4)	-	(27.0)	(3,015.5)

30 September 2021	Euro £M	SEK £M	CHF £M	DKK £M	USD £M	PLN £M	CZK £M	CAD £M	AUD £M	NOK £M	Total £M
Trade and other receivables	30.0	7.1	1.1	0.2	0.3	0.0	(0.0)	0.0	-	1.4	40.1
Cash and cash equivalents	82.5	15.0	2.5	1.5	0.2	-	0.0	0.3	-	3.1	105.1
Trade and other payables	(83.3)	(22.7)	(5.5)	(1.7)	(9.8)	(3.2)	(0.0)	(6.2)	-	(5.1)	(137.5)
Loans and borrowings	(838.7)	(90.6)	-	-	-	-	-	-	-	(14.4)	(943.7)

27 Financial Instruments (continued)

(ii) Foreign currency risk (continued)

Sensitivity analysis

A 10% 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 10% 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 2022	**Euro**	**SEK**	**CHF**	**DKK**	**USD**	**PLN**	**CZK**	**CAD**	**NOK**	**Total**
Profit or loss and Equity	**£M**	**£M**	**£M**	**£M**	**£M**	**£M**	**£M**	**£M**	**£M**	**£M**
Increase	(192.2)	(2.0)	(0.2)	0.2	0.1	-	-	(143.2)	(2.7)	(340.0)
Decrease	192.2	2.0	0.2	(0.2)	(0.1)	-	-	143.2	2.7	340.0

30 September 2021	**Euro**	**SEK**	**CHF**	**DKK**	**USD**	**PLN**	**CZK**	**CAD**	**NOK**	**Total**
Profit or loss and Equity	**£M**	**£M**	**£M**	**£M**	**£M**	**£M**	**£M**	**£M**	**£M**	**£M**
Increase	(40.4)	(4.6)	(0.1)	(0.0)	(0.5)	(0.2)	0.0	(0.2)	(0.8)	(46.8)
Decrease	40.4	4.6	0.1	0.0	0.5	0.2	(0.0)	0.2	0.8	46.8

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 meet 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 £M	Due within one and five years £M	Due after five years £M	Total £M
2022				
Loans and borrowings	267.0	5,188.5	100.7	5,556.2
Amounts owed to parent companies	-	-	771.6	771.6
Trade payables	106.8	-	-	106.8
Other payables	79.3	-	-	79.3
Accruals	197.4	-	-	197.4
Employee benefit liabilities	21.4	-	6.4	27.8
Deferred consideration	168.5	-	-	168.5
Exchangeable shares	182.9	-	-	182.9
Non-controlling interest put options	62.5	-	-	62.5

	Due within one year £M	Due within one and five years £M	Due after five years £M	Total £M
2021				
Loans and borrowings	87.4	2,116.4	244.6	2,448.4
Amounts owed to parent companies	-	641.0	-	641.0
Trade payables	100.2	-	-	100.2
Other payables	41.5	-	-	41.5
Accruals	118.5	2.7	-	121.2
Employee benefit liabilities	8.6	-	-	8.6

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 £35.4M (30 September 2021 - £31.5M). Contributions totalling £3.5M (30 September 2021 - £3.3M) 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 2023, the Group expects to contribute £0.5M into its defined benefit plans.

Group

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

	30 September 2022 £M	30 September 2021 £M
Movement in defined benefit obligation		
At 1 October	15.3	13.7
Current service cost	0.6	0.5
Interest cost	0.1	0.0
Included in profit or loss	0.7	0.5
Actuarial (gains) / losses from:		
- Financial assumptions	(3.4)	(0.3)
- Adjustments (experience)	(0.2)	0.2
Included in other comprehensive income	(3.6)	(0.1)
Contributions by plan participants	0.6	0.4
Business combinations	2.6	2.5
Exchange rate adjustment (gains)/losses	2.4	(0.8)
Benefits paid	-	(0.9)
Other Movements	5.6	1.2
At 30 September	18.0	15.3

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 2022 £M**	**30 September 2021 £M**
At 1 October	13.9	10.7
Interest income	0.1	0.0
Included in profit or loss	0.1	0.0
Return on plan assets (excluding interest)	(2.4)	1.5
Included in other comprehensive income	(2.4)	1.5
Contributions by the employer	0.6	0.4
Contributions by plan participants	0.6	0.4
Business combinations	2.3	2.4
Exchange rate adjustment (losses)/gains	2.2	(0.6)
Benefits paid	-	(0.9)
Other Movements	5.7	1.7
At 30 September	17.3	13.9

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 2022 £M**	**30 September 2021 £M**
Present value of funded obligation	18.0	15.3
Fair value of plan assets	(17.3)	(13.9)
Amount not recognised as an asset	0.2	-
Net liability	0.9	1.4

Consolidated Statement of Financial Position reconciliation	**30 September 2022 £M**	**30 September 2021 £M**
At 1 October	1.4	3.0
Pension expenses recognised in profit or loss	0.6	0.5
Amounts recognised in other comprehensive income	(1.0)	(1.7)
Employer contributions	(0.6)	(0.4)
Net transfer in/(out) including the effect of any business combinations/divestiture	0.3	0.1
Exchange rate adjustment (gains)/losses	0.1	(0.1)
At 30 September	0.8	1.4

Expense recognised in profit or loss	**30 September 2022 £M**	**30 September 2021 £M**
Current serve cost	0.6	0.5
Net interest cost	-	-
	0.6	0.5

(iii) Estimate of contributions in subsequent period

	30 September 2022 £M	**30 September 2021 £M**
Best estimate of expected contribution by the employer during the next financial period	0.5	0.4
Best estimate of expected contribution by plan participants during the next financial period	0.5	0.4

28 Retirement benefit schemes (continued)

Defined benefit plans (continued)

Group

(iv) Principal actuarial assumptions used

	30 September 2022	30 September 2021
Discount rate (beginning of period)	0.40%	0.20%
Discount rate (end of period)	2.30%	0.35%
Expected return on plan assets (in period)	0.40%	0.20%
Interest on savings account	2.30%	0.50%
Salary increase rate	1.50%	1.00%
Pension increase rate	0.00%	0.00%
Lump-sum withdrawal rate	30.00%	30.00%
Mortality table	BVG 2020 GT	BVG 2020 GT
Disability table	BVG 2020	BVG 2020
Turnover table	BVG 2020	BVG 2020
Treatment of contributions from employees	IAS19.939b)	IAS19.93(b)

(v) Sensitivity (change in defined benefit obligation)

	30 September 2022 £M	30 September 2021 £M
Discount rate		
+0.50%	(1.1)	(1.1)
- 0.50%	1.3	1.2
Interest on savings-accounts		
+0.50%	0.4	0.3
- 0.50%	(0.4)	(0.3)
Pension increase rate		
+0.50%	0.7	0.7
- 0.50%	(0.6)	(0.7)
Salary increase rate		
+0.50%	0.2	0.2
- 0.50%	(0.2)	(0.2)
Life expectancy		
- 1 year	(0.3)	(0.3)
+ 1 year	0.3	0.4
Duration defined benefit obligation (years)	11 to 15	14 to 18

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 2022 £M	30 September 2021 £M
Active members	15.0	11.5
Pensioners	3.0	3.8
	18.0	15.3

(vii) Allocation of plan assets at end of period

	30 September 2022 £M	30 September 2021 £M
With quoted market price		
Cash and cash equivalents	0.5	0.4
Equity instruments	5.6	4.2
Debt instruments	4.8	4.8
Real estate	4.6	3.3
Other	1.8	1.2
	17.3	13.9
Without quoted market price		
Other	-	-
	-	-
Total	17.3	13.9

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 2022 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 provisional 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)

VetStrategy Canada Top Holdings Inc

On 3 November 2021 the Group acquired 100% of the voting equity instruments of VetStrategy Canada Top Holdings Inc and its subsidiaries in Canada via a share for share exchange. The principal activity of VetStrategy Canada Top Holdings Inc and its subsidiaries is veterinary services.

The business combination is a strategic acquisition which diversifies the group onto two continents. The consideration substantially exceeds the fair value of the identifiable net assets resulting in a significant goodwill balance being recognised. The goodwill represents the synergies expected to arise from the acquisition as well as the assembled workforce in VetStrategy.

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 £M
Assets and liabilities acquired	
Investments	0.2
Intangible assets	322.0
Property, plant and equipment	62.0
Right-of-use assets	73.6
Inventories	12.1
Trade and other receivables	50.5
Cash and cash equivalents	55.9
Payables	(987.5)
Current tax liability	1.2
Deferred tax liability	(55.3)
Total fair value of identifiable net assets upon acquisition	**(465.3)**
Non-controlling interests	-
Fair value of identifiable net assets upon acquisition	**(465.3)**
Fair value of consideration paid	
Initial share for share exchange	1,766.6
Cash	8.3
Exchangeable shares	184.8
Total consideration	1,959.7
Goodwill (see note 16)	**2,425.0**
Cash flow analysis:	
Cash consideration	8.3
Less: cash and cash equivalent balances acquired	(55.9)
Net cash outflow on acquisition	**(47.6)**

29 Business combinations during the period (continued)

VetStrategy Canada Top Holdings Inc (continued)

Acquisition costs of £4.9M arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Income Statement.

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.

VetStrategy Canada Top Holdings Inc has contributed £584.3M to Group revenues and £16.6M of profit to Group loss between the date of acquisition and 30 September 2022.

29 Business combinations during the period (continued)

SAS Vet One Holding

On 6 January 2022 the Group acquired 100% of the voting equity instruments of SAS VetOne Holding and its subsidiaries in France. The principal activity of SAS VetOne Holding and its subsidiaries is veterinary services.

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

	Provisional fair value on acquisition £M
Assets and liabilities acquired	
Intangible assets	24.9
Property, plant and equipment	10.3
Right-of-use assets	11.1
Inventories	1.4
Trade and other receivables	3.2
Cash and cash equivalents	4.1
Payables	(32.1)
Deferred tax liability	(6.3)
Total fair value of identifiable net assets upon acquisition	**16.6**
Non-controlling interests	(0.4)
Fair value of identifiable net assets upon acquisition	**16.2**
Fair value of consideration paid	
Cash consideration	171.2
Total consideration	171.2
Goodwill (see note 16)	**155.0**
Cash flow analysis:	
Cash consideration	171.2
Less: cash and cash equivalent balances acquired	(4.1)
Net cash outflow on acquisition	**167.1**

29 Business combinations during the period (continued)

SAS VetOne Holding (continued)

Non-controlling interest was measured at £0.6M representing the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Acquisition costs of £1.7M arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Income Statement.

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.

SAS VetOne Holding has contributed £36.9M to Group revenues and £2.8M of profit to Group loss between the date of acquisition and 30 September 2022.

29 Business combinations during the period (continued)

Tierklinik Kalbach

On 1 March 2022 the Group acquired the trade and certain assets of Tierklinik Kalbach in Germany. The principal activity of Tierklinik Klabach is veterinary services.

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

	Provisional fair value on acquisition £M
Assets and liabilities acquired	
Intangible assets	4.8
Property, plant and equipment	1.1
Right-of-use assets	1.3
Inventories	0.2
Payables	(1.3)
Deferred tax liability	(1.4)
Total fair value of identifiable net assets upon acquisition	**4.7**
Non-controlling interests	-
Fair value of identifiable net assets upon acquisition	**4.7**
Fair value of consideration paid	
Cash consideration	35.9
Contingent consideration	0.5
Total consideration	36.4
Goodwill (see note 16)	**31.7**
Cash flow analysis:	
Cash consideration	35.9
Less: cash and cash equivalent balances acquired	-
Net cash outflow on acquisition	**35.9**

29 Business combinations during the period (continued)

Tierklinik Kalbach (continued)

Acquisition costs of £0.1M arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Income Statement.

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.

Tierklinik Kalbach has contributed £4.0M to Group revenues and £0.3M of profit to Group loss between the date of acquisition and 30 September 2022.

29 Business combinations during the period (continued)

Swayne & Partners Topco Limited

On 22 October 2021 the Group acquired 100% of the voting equity instruments of Swayne & Partners Topco Limited and its subsidiaries in the United Kingdom. The principal activity of Swayne & Partners Topco Limited and its subsidiaries is veterinary services.

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

	Provisional fair value on acquisition £M
Assets and liabilities acquired	
Intangible assets	4.1
Property, plant and equipment	0.2
Right-of-use assets	1.1
Inventories	0.1
Trade and other receivables	1.3
Cash and cash equivalents	0.5
Payables	(3.1)
Corporation tax liability	(0.3)
Deferred tax liability	(1.2)
Total fair value of identifiable net assets upon acquisition	**2.7**
Non-controlling interests	-
Fair value of identifiable net assets upon acquisition	**2.7**
Fair value of consideration paid	
Cash consideration	23.9
Contingent consideration	1.4
Total consideration	25.3
Goodwill (see note 16)	**22.6**
Cash flow analysis:	
Cash consideration	23.9
Less: cash and cash equivalent balances acquired	(0.5)
Net cash outflow on acquisition	**23.4**

29 Business combinations during the period (continued)

Swayne & Partners Topco Limited (continued)

Acquisition costs of £3M arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Income Statement.

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.

Swayne & Partners Topco Limited and its subsidiaries has contributed £7.7M to Group revenues and £0.8M of profit to Group loss between the date of acquisition and 30 September 2022.

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29 Business combinations during the period (continued)

Groupe Animedis

On 4 February 2022 the Group acquired 100% of the voting equity instruments of Groupe Animedis. The principal activity of Groupe Animedis is veterinary services.

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

	Provisional fair value on acquisition £M
Assets and liabilities acquired	
Intangible assets	4.3
Property, plant and equipment	0.6
Right-of-use assets	1.0
Trade and other receivables	0.2
Cash and cash equivalents	0.4
Payables	(3.0)
Corporation tax liability	(0.1)
Deferred tax liability	(0.5)
Total fair value of identifiable net assets upon acquisition	**2.9**
Non-controlling interests	-
Fair value of identifiable net assets upon acquisition	**2.9**
Fair value of consideration paid	
Cash consideration	23.5
Contingent consideration	4.1
Total consideration	27.6
Goodwill (see note 16)	**24.7**
Cash flow analysis:	
Cash consideration	23.5
Less: cash and cash equivalent balances acquired	(0.4)
Net cash outflow on acquisition	**23.1**

29 Business combinations during the period (continued)

Groupe Animedis (continued)

Acquisition costs of £0.2M arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Income Statement.

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 Groupe Animedis based on the revenue growth and payroll expenses of Groupe Animedis over a six-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 £5.9M. The fair value of the contingent consideration recognised on the acquisition date of 4 February 2022 of £4.1M 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.

Groupe Animedis has contributed £1.9M to Group revenues and £0.3M of loss to Group loss since the acquisition date to 30 September 2022.

29 Business combinations during the period (continued)

Tierklinink Hofheim

On 1 August 2022 the Group acquired 100% of the voting equity instruments of Tierklinik Hofheim. The principal activity of Tierklinik Hofheim is veterinary services.

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

	Provisional fair value on acquisition £M
Assets and liabilities acquired	
Intangible assets	27.8
Property, plant and equipment	1.3
Right-of-use assets	9.4
Inventories	0.3
Payables	(9.7)
Deferred tax liability	(8.4)
Total fair value of identifiable net assets upon acquisition	**20.7**
Non-controlling interests	-
Fair value of identifiable net assets upon acquisition	**20.7**
Fair value of consideration paid	
Cash consideration	125.7
Contingent consideration	5.2
Total consideration	130.9
Goodwill (see note 16)	**110.2**
Cash flow analysis:	
Cash consideration	125.7
Less: cash and cash equivalent balances acquired	-
Net cash outflow on acquisition	**125.7**

29 Business combinations during the period (continued)

Tierklinik Hofheim (continued)

Acquisition costs of £0.2M arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Income Statement.

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 Groupe Animedis based on the revenue growth and payroll expenses of Groupe Animedis over a six-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 £5.9M. The fair value of the contingent consideration recognised on the acquisition date of 4 February 2022 of £4.1M 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.

Tierklinik Hofheim has contributed £3.2M to Group revenues and £0.3M of loss to Group loss since the acquisition date to 30 September 2022.

29 Business combinations during the period (continued)

Hospital vet. Pierre-Boucher

On 1 March 2022 the Group acquired 100% of the voting equity instruments of Hospital vet. Pierre-Boucher. The principal activity of Hospital vet. Pierre-Boucher is veterinary services.

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

	Provisional fair value on acquisition £M
Assets and liabilities acquired	
Intangible assets	0.8
Property, plant and equipment	0.4
Right-of-use asset	1.0
Inventories	0.4
Cash and cash equivalents	0.1
Payables	(1.9)
Current tax asset	0.1
Deferred tax liability	(0.2)
Total fair value of identifiable net assets upon acquisition	**0.7**
Non-controlling interests	-
Fair value of net assets upon acquisition	**0.7**
Fair value of consideration paid	
Cash	37.6
Total consideration transferred	37.6
Goodwill (see note 16)	**36.9**
Cash flow analysis:	
Cash consideration	37.6
Less: cash and cash equivalent balances acquired	(0.1)
Net cash outflow on acquisition	**37.5**

29 Business combinations during the period (continued)

Hospital vet. Pierre-Boucher (continued)

Acquisition costs of £0.1M arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Income Statement.

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.

Hospital vet. Pierre-Boucher have contributed £4.9M to Group revenues and £0.8M of profit to Group loss since the acquisition date to 30 September 2022.

29 Business combinations during the period (continued)

Lintjeshof Holding B.V.

On 4th March 2022 the Group acquired 100% of the voting equity instruments of Lintjeshof Holding B.V. The principal activity of Lintjeshof Holding B.V. 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 £M
Assets and liabilities acquired	
Intangible assets	21.1
Trade and other receivables	7.0
Inventories	2.3
Cash and cash equivalents	2.3
Payables	(16.2)
Deferred tax liability	(5.4)
Total fair value of identifiable net assets upon acquisition	**11.1**
Non-controlling interests	-
Fair value of net assets upon acquisition	**11.1**
Fair value of consideration paid	
Cash	36.1
Contingent consideration	4.5
Total consideration transferred	40.6
Goodwill (see note 16)	**29.5**
Cash flow analysis:	
Cash consideration	36.1
Less: cash and cash equivalent balances acquired	(2.3)
Net cash outflow on acquisition	**33.8**

29 Business combinations during the period (continued)

Lintjeshof Holding B.V. (continued)

Acquisition costs of £0.3M arose as a result of the transaction. These have been recognised as part of administrative expenses in the Consolidated Income Statement.

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.

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 Lintjeshof Holding B.V. based on the revenue growth and payroll expenses of Lintjeshof Holding B.V. over a six-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 £8,262,000 The fair value of the contingent consideration recognised on the acquisition date of 4 March 2022 of £4,507,000 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.

Lintjeshof Holding B.V. have contributed £13.3M to Group revenues and £1.6M of profit to Group loss since the acquisition date to 30 September 2022.

29 Business combinations during the period (continued)

Other acquisitions - 2022

The Group acquired 286 other subsidiaries during the year which individually were not material (below £20M consideration) 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). The below table also includes fair value adjustments to acquired amounts in previous years:

	Provisional fair value on acquisition £M
Assets and liabilities acquired	
Intangible assets	155.2
Property, plant and equipment	36.7
Right-of-use asset	80.4
Inventories	5.3
Trade and other receivables	(2.9)
Cash and cash equivalents	17.5
Payables	(103.0)
Current tax liability	(2.7)
Deferred tax liability	(13.8)
Total fair value of identifiable net assets upon acquisition	**172.7**
Non-controlling interests	(0.0)
Fair value of net assets upon acquisition	**172.7**
Fair value of consideration paid	
Cash	1,065.8
Contingent consideration	82.2
Total consideration transferred	1,148.0
Goodwill (see note 16)	**975.3**
Cash flow analysis:	
Cash consideration	1,065.8
Less: cash and cash equivalent balances acquired	(17.5)
Net cash outflow on acquisition	**1,048.3**

29 Business combinations during the period (continued)

Other acquisitions – 2022 (continued)

Acquisition costs of £20.0M arose as a result of these transactions. These have been recognised as part of administrative expenses in the Consolidated Income Statement.

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 £162.0M to Group revenues and £32.8M of profit/loss to Group loss since the acquisition date to 30 September 2022.

Trade and other receivables for all acquisitions reflect the best estimate of fair value at the acquisition date and represents the gross contractual amounts outstanding. The amounts not expected to be recoverable are not considered material.

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 and IVC Acquisition Pikco Limited. 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 2022 £M	30 September 2021 £M	30 September 2022 £M	30 September 2021 £M
Other related parties	Purchase of goods	5.2	8.7	0.5	0.4

Transactions with related parties were at arm's length and on 30-day payment terms (30 September 2021 - 30 days).

30 Related party transactions (continued)

Purchase of goods transactions were as follows:

Related party relationship	Type of transaction	Transactions 30 September 2022 £M	30 September 2021 £M	Outstanding balance 30 September 2022 £M	30 September 2021 £M
Subsidiaries of a minority shareholder of the Group which is deemed to have significant influence over the Group	Purchase of goods	5.1	8.4	0.5	0.4
Companies in which directors have significant influence	Provision of services/Purchase of goods	0.1	0.3	0.0	0.0

On 30 September 2022, IVC Acquisition Ltd, a subsidiary of the Company, loaned £1.5M to a Company Director on IVC Acquisition Topco Ltd's behalf. This was used to purchase shares in Islay New Group Holding S.A., which is the ultimate parent entity of the Group. 3,556 class B ordinary shares and 201,124 class B preference shares were purchased. IVC Acquisition Topco Ltd is an intermediate parent company, but outside the Group and so the amount was settled via an intercompany loan. The interest on the loan is at an arms length market based rate. The loan is due on 31 July 2028 or earlier on sale of the Group. The loan will be repaid on proceeds of any share sale and any deficit will be waived by IVC Acquisition Topco Ltd.

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 2022 is £3,616.4M (30 September 2021 - £2,052.7M) and is secured by a debenture over the assets and undertakings of certain companies in the Group.

Certain non-controlling interest shareholders have put options giving them the right, but not the obligation to sell their shares to the Group. The minimum exercise price is guaranteed in certain cases. The Group has also guaranteed loans held by non-controlling interest shareholders taken in order to acquire their minority shares. The total amount of the loans guaranteed by the Group and the minimum value guaranteed at 30 September 2022 is £10.4M (2021 - £0.0M).

Other contingent liabilities in the year consist of £0.9M relating to employee related contingencies. The employee related contingencies relate to legal disputes and claims made by employees. The outcome has been estimated internally, however the amount and timing of settlement remains uncertain as at year end.

Share based payment arrangements were entered into by employees of the Group during the year ended 30 September 2022. 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 £3.7M could crystallise upon a future exit event.

32 Events after the reporting date

Interest rate hedging

Following the Board-approved proposal to hedge in October 2022, the group has executed Interest rate hedges to cover its exposure to rising interest rates for EUR, GBP and CAD.

- 75% of EUR debt is now hedged with a mix of Interest rate swaps and Interest rates caps for a period of 24 months. The Interest rate Swaps executed for a notional amount of €1,057m have resulted in an average fixed interest rate of 3.1061% plus our margin. The interest rate caps have been executed with a strike rate – or maximum interest rate of 3.25% spread over 24 months.
- 100% of GBP debt has been hedged for 18-24 months with a mix of Interest rate swaps and Interest rate caps. The Interest rate swaps executed for a notional of £821m resulting in fixed rate of 4.8559% plus our margin. The group's RCF GBP debt and 2nd Lien debt has been hedged with interest rate caps with a strike of 5.25%
- 100% of IVCE's CAD debt and 29% of VetStrategy's debt has been hedged with interest rate swaps and Interest rate caps for a period of 18 months. Interest rate swaps executed for a notional of C$212m resulting in a fixed rate 4.628% plus our margin. $400m of VetStrategy's term debt has been hedged using an interest rate cap with a strike rate – or maximum interest rate of 4.75%.

Acquisitions

Since the year ended 30 September 2022 up to the date of signing, 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 22 sites. The aggregate enterprise value of these acquisitions totals £52.6M. There have been no acquisitions over £20M in this period.

33 Immediate and ultimate parent company and controlling party

The company is 100% owned and controlled by IVC Acquisition Pikco, incorporated in England and Wales. The ultimate parent undertaking is Islay New Group Holding SA, a company registered in Luxembourg.

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 2022 £M	30 September 2021 £M
Cash at bank and on demand	231.1	186.5

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.

	Non-current loans and borrowings £M	Current loans and borrowings £M	Group loans £M	Lease liabilities £M	Total £M
At 1 October 2020	(1,374.5)	-	(726.0)	(341.6)	(2,442.1)
Cash flows	(684.5)	-	251.1	76.4	(357.0)
Non cash flows					
Acquired with subsidiary	-	-	-	(46.7)	(46.7)
New leases	-	-	-	(68.3)	(68.3)
Foreign exchange	33.3	-	-	7.3	40.6
Other movement	(6.8)	-	(113.5)	(21.5)	(141.8)
At 30 September 2021	(2,032.5)	-	(588.4)	(394.4)	(3,015.3)
Cash flows	(1,593.4)	-	-	119.1	(1,474.3)
Non cash flows					
Acquired with subsidiary	(827.5)	(15.6)	-	(178.7)	(1,021.8)
New leases	-	-	-	(96.7)	(96.7)
Foreign exchange	(62.0)	-	-	(5.0)	(67.0)
Amortisation of debt issue costs	(13.6)	-	-	-	(13.6)
Other movement	-	-	(52.8)	(40.5)	(93.3)
At 30 September 2022	(4,529.0)	(15.6)	(641.2)	(596.2)	(5,782.0)

Correction of prior year in the statement of cashflows

The correction relates to unrealised exchange difference on intercompany loans and external borrowing as well as foreign currency translation difference on leases and borrowings with a net value of £40.5M. This adjustment represents non-cash items erroneously included in the financing activities, thereby creating a corresponding erroneous value in operating activities of the statement of cashflows in FY2021. To correct the error, the exchange differences have been reversed from "financing activities" and "operating activities" of the statement of cashflows. There are no changes to net assets and loss in FY2021 as a result of this adjustment. The prior year ended 30 September 2021 has been restated to reflect the above.

34 Notes supporting the cash flow (continued)

	As originally presented at 30 September 2021 £M	Adjustment £M	As restated at 30 September 2022 £M
Exchange gains/losses – operating	39.6	(40.5)	(0.9)
Repayment of group loans	(281.0)	29.9	(251.1)
Exchange gains/losses – financing	(10.5)	10.5	-

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 significant individual items or significant 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 of their significant size and separating helps the reader understand the underlying performance of the business.

Exceptional Items, including: post-merger integration costs and transformation programmes; costs arising from corporate reconstruction; 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 these exceptional initiatives. Costs associated with multi-year projects, such as Project Simplify (the simplification of Shared Service Centre finance systems), will be included in exceptional costs for more than a single financial year. These are large one-off projects, however the implementation of these projects will span more than one year and the associated costs will therefore be presented as exceptional in multiple years.

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 VetStrategy, acquired in November 2021 (see note 29). It should be noted that other specified items excluded from our Adjusted results, such as fair value adjustments relating to financial instruments 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:

	2022 £M	2021 £M
Revenue	2,844.0	1,771.2
Loss for the year	(540.1)	(49.3)
Depreciation	175.5	111.4
Amortisation	79.6	40.4
Impairment	416.7	-
Interest expense on lease liabilities, bank borrowings and other interest (note 11)	343.5	181.3
Interest income (note 11)	(16.9)	(0.2)
Taxation	58.4	25.6
EBITDA	516.7	309.2
Exceptional items	23.1	20.7
Costs of entering significant new markets	26.4	5.1
Gain on disposal of subsidiaries	(3.1)	-
Loss / (Gain)/on foreign exchange	33.1	(3.7)
Fair value of contingent consideration	(66.7)	41.6
Adjusted EBITDA	529.5	372.9
Margin	18.62%	21.06%
Growth	42.00%	69.11%

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:

	2022 £M	2021 £M
Merger and integration costs of IVC and Evidensia	-	0.8
Corporate restructure including sale of minority interest and refinancing the Group	28.1	28.4
COVID-19 holiday pay accrual	(3.4)	(3.9)
Rental costs from prior years not previously adjusted according to IFRS 16	-	(14.5)
R&D tax Credit (see note 7)	(6.0)	-
Acquisition related employment costs	4.4	9.9
	23.1	20.7

Included within the corporate restructuring costs are accruals for legal costs in relation to ongoing cases, including the CMA investigation and other matters.

35 Adjusted EBITDA (continued)

Tax impact on exceptional items

Year ended 30 September 2022
The tax credit in respect of exceptional items is £15.1M. This represents a tax impact lower than the standard rate of tax for the Group

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.

Revenue alternative performance measures

	2022	2021
Revenue Growth	61%	35%
LFL Revenue Growth*	6%	15.3%

*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 2021, revenue is included from April 2022 in the like for like calculations for FY22. 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	2022 Shares held %	2021 Shares held %
Evidensia Österreich GmbH	Austria	Wiener Gasse 122, 2380 Perchtoldsdorf, Austria	Ordinary	100%	-
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%
Dieu Services BV**	Belgium	Rue de Huy 100, 4280 Hannut	Ordinary	-	99%
SHU Services BV**	Belgium	Chaussée de Mons 282A, 7800 Ath	Ordinary	-	99%
CVA Services BV**	Belgium	Chaussée de Louvain 485, 5004 Namur	Ordinary	-	99%
UV Services BV**	Belgium	Chaussée de Marche 588, 5100 Namur	Ordinary	-	99%
Champ du Roi Services BV**	Belgium	Rue Champ du Roi 145 1040 Brussels	Ordinary	-	99%
Hulsterheide Services BV**	Belgium	Fabrieksstraat 3/2, 3980 Tessenderlo	Ordinary	-	99%
Aan De Heikant BV**	Belgium	Beauvoislaan (Heide) 58, 2920 Kalmthout	Ordinary	-	99%
Nieuwe Dijk Services BV**	Belgium	Kerkhovensesteenweg 296, 3920 Lommel	Ordinary	-	99%
Nutridei SA	Belgium	Rue du Crucifix 2, 4210 Burdinne, Belgium	Ordinary	99%	99%
AC Services BV**	Belgium	Sint-Truidersteenweg 360, 3500 Hasselt	Ordinary	-	99%
Gouden Poort Services BV**	Belgium	Goudenpoortstraat 1, 8900 Ieper	Ordinary	-	99%
Clos Fleuri Services BV	Belgium	Strandlaan 202, 8670 Koksijde, Belgium	Ordinary	99%	99%
Assist Services BV**	Belgium	Luttelmeeuwen 51, 3670 Oudsbergen	Ordinary	-	99%
Heide Ooms Services BV**	Belgium	Koningin Astridlaan 15b, 2560 Nijlen	Ordinary	-	99%
Alpha Services BV**	Belgium	Fraikinstraat 43, 2200 Herentals	Ordinary	-	99%
Bosberg Services BV**	Belgium	Testeltsesteenweg 86a 3201 Langdorp	Ordinary	-	99%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Animalis Services BV**	Belgium	Gentse Steenweg 239, 9620 Zottegem	Ordinary	-	99%
Malcourant New Vet Co	Belgium	Chaussée de Charleroi 46A 5030 Gembloux	Ordinary	99%	99%
Clinique Veterinaire du Mont-Falise SPRL	Belgium	Chaussée de Waremme 139, 5200 Hoei ; Huy	Ordinary	99%	99%
Van Kop tot Staart BVBA	Belgium	Predikherenstraat 48, 8000 Brugge	Ordinary	99%	99%
ANIMAVET SPRL	Belgium	Rue de Frameries 503 7033 Cuesmes	Ordinary	99%	99%
Vanhaelen SPRL	Belgium	Avenue de Jette, 337 1083 Ganshoren	Ordinary	99%	99%
Prinsenhof BV	Belgium	Nieuwstraat 143 3511 Kuringen	Ordinary	99%	99%
Veternity Belgium Srl***	Belgium	Drève des Shetlands, 5/2 - 1150 Bruxelles	Ordinary	48%	25%
Creo-Line Sprl***	Belgium	Chemin Corbisier 2, 7060, Soignies, Belgium	Ordinary	48%	25%
Somnia Scr***	Belgium	Verhelststraat, 3, 8460 OUDENBURG	Ordinary	48%	25%
Dierenarts Anne Kuhweide BVBA	Belgium	Bruggestraat 163 A 8820 Torhout	Ordinary	99%	99%
DAC Van Puyvelde-D'Hondt VOF	Belgium	Zillebeek(BEV) 90 9120 Beveren	Ordinary	99%	99%
Dierenarts Van Campen Frank BVBA	Belgium	Gentsesteenweg, 52, 9230, Wetteren	Ordinary	99%	99%
DAC Vets & Co	Belgium	Bruggestraat 163 A 8820 Torhout	Ordinary	99%	99%
Vétérinaire Frenay	Belgium	Zillebeek(BEV) 90 9120 Beveren	Ordinary	99%	99%
Dierenartsenpraktijk Imschoot & François BVBA	Belgium	Bruggestraat 163 A 8820 Torhout	Ordinary	99%	99%
DAP Vetricure BVBA	Belgium	Oostendesteenweg(FICH) 225, 8480 Ichtegem	Ordinary	99%	-
A'bel VOF	Belgium	Kempenlaan 28, 2300 Turnhout	Ordinary	99%	-
Algemene Dierenartsenpraktijk De Aak CV	Belgium	Koerselsesteenweg 208, 3582 Beringen	Ordinary	99%	-
De Wal Dierenartsen CVBA	Belgium	Walstraat 28, 3900 Overpelt	Ordinary	99%	-
DAP De Konijnenberg BVBA	Belgium	Bergakker 11, 2350 Vosselaar	Ordinary	99%	-
Dierenartsencentrum'T Derde Oor CVBA	Belgium	Veldstraat 1, 2250 Olen	Ordinary	99%	-

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
DAP Pottie Joke BVBA	Belgium	Brugse baan 40, 8470 Gistel	Ordinary	99%	-
Lintjeshof Dierenartsenpraktijk BVBA	Belgium	Koning Albertlaan 46A, box 2, 3680 Maaseik	Ordinary	99%	-
Dierenartsenpraktijk De Poort BVBA	Belgium	Drie Eikenstraat 30, 3620 Lanaken	Ordinary	99%	-
CV des Templiers	Belgium	Rue des Templiers(FOR) 6, 6464 Chimay	Ordinary	99%	-
Evidensia Dyrehospital A/S	Denmark	Enggardsvej 2, 4700 Naestved	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%
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%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
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	England &	See note i) below	Ordinary	100%	100%

IVC Acquisition Midco Limited

(Burch Tree Vets)**** Wales

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
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 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	2022 Shares held %	2021 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%
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%
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%
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%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
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%
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%
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%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
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%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
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%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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 & Eales	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%
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%

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
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%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
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****	gland & Wales	See note i) below	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
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%

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AlphaPet Management Services Limited****	England & Wales	See note i) below	Ordinary	100%	100%

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
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%

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Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
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%	100%
Copeland Veterinary Practice Ltd ****	England & Wales	See note i) below	Ordinary	100%	100%
The Equine Vet Clinic Limited ****	England & Wales	See note i) below	Ordinary	100%	100%
Blue House Veterinary Centre Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Donnington Grove Veterinary Group Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Yorkshire Vets Ltd	England & Wales	See note i) below	Ordinary	100%	100%
The Oak Veterinary Group Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Isle Veterinary Group Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Cherry Tree Veterinary Practice Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Hamilton Specialist Referrals Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Chelvets Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Walton Lodge Veterinary Group Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Penson Rayley Ltd	England & Wales	See note i) below	Ordinary	100%	100%
T&K Veterinary Services Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Pawz Ltd	England & Wales	See note i) below	Ordinary	100%	100%

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Sunninghill Veterinary Centre Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Lime Trees Vets Ltd	England & Wales	See note i) below	Ordinary	100%	100%
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%

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Asbank Holdings Limited	England & Wales	See note i) below	Ordinary	100%	100%
Chestnut Vets Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Kenwyn Veterinary Centre Ltd ****	England & Wales	See note i) below	Ordinary	100%	100%
Heathside Veterinary Practice Ltd ****	England & Wales	See note i) below	Ordinary	100%	100%
Norwood Road Veterinary Practice Ltd ****	England & Wales	See note i) below	Ordinary	100%	100%
Axe Valley Veterinary Practice Ltd ****	England & Wales	See note i) below	Ordinary	100%	100%
At Home Veterinary Services Ltd ****	England & Wales	See note i) below	Ordinary	100%	100%
Wheelhouse Veterinary Centre Limited ****	England & Wales	See note i) below	Ordinary	100%	100%
Cliffe Veterinary Group Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Otter Vets Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Kevin Castle (Pet Care) Ltd	England & Wales	See note i) below	Ordinary	100%	100%
West Midlands Vets Limited ****	England & Wales	See note i) below	Ordinary	100%	100%
Penrose Veterinary Group Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Petair Ltd	England & Wales	See note i) below	Ordinary	100%	100%
Easy Direct Debits Ltd	England & Wales	See note i) below	Ordinary	100%	-
Galemire Vets Limited	England & Wales	See note i) below	Ordinary	100%	-
eVetDrug Limited	England & Wales	See note i) below	Ordinary	100%	-
Chiltern Bury Farm Limited	England & Wales	See note i) below	Ordinary	100%	-
Chiltern Veterinary Services Limited	England & Wales	See note i) below	Ordinary	100%	-
Swayne & Partners Limited	England & Wales	See note i) below	Ordinary	100%	-
Swayne & Partners Holdings Limited	England & Wales	See note i) below	Ordinary	100%	-
Swayne & Partners Topco Limited	England & Wales	See note i) below	Ordinary	100%	-
Amical Veterinary Centre Limited	England & Wales	See note i) below	Ordinary	100%	-

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Amical Holdings Limited	England & Wales	See note i) below	Ordinary	100%	-
Haven Vets Limited	England & Wales	See note i) below	Ordinary	100%	-
Swaffham Veterinary Centre Limited	England & Wales	See note i) below	Ordinary	100%	-
Peaceful Paws Pet Crematorium Limited	England & Wales	See note i) below	Ordinary	100%	-
Mercer and Hughes Limited	England & Wales	See note i) below	Ordinary	100%	-
Chipping Norton Veterinary Hospital	England & Wales	See note i) below	Ordinary	100%	-
Blaircourt Equine Veterinary Clinic Limited	England & Wales	See note i) below	Ordinary	100%	-
Amivet Limited	England & Wales	See note i) below	Ordinary	100%	-
Sussex Equine Topco Limited	England & Wales	See note i) below	Ordinary	100%	-
Anglesey Pet Clinic Limited	England & Wales	See note i) below	Ordinary	100%	-
White Cliffs Pet Care Limited	England & Wales	See note i) below	Ordinary	100%	-
Treforest Vets (Holdings) Limited	England & Wales	See note i) below	Ordinary	100%	-
Treforest Veterinary Clinic Limited	England & Wales	See note i) below	Ordinary	100%	-
Loomade Kiirabikliinik OÜ	Estonia	Harju maakond, Tallinn, Kristiine linnaosa, Mustamäe tee 44, 10621	Ordinary	100%	-
VetMinds Invest OU	Estonia	Mustamäe tee 44a, 10621 Kristiine linnaosa, Tallinn, Harju maakond, Estonia	Ordinary	100%	-
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%
Univet Kalanti OY**	Finland	Yrittäjäntie 1, 23600 Kalanti, Finland	Ordinary	-	51%
Animagi Hevosklinikat Oy**	Finland	Valimotie 27, 01510 Vantaa	Ordinary	-	100%

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Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
E-Laakctukku 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	-	-
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%
SELARL des Barbes d'Or**	France	Z.A Les Barbes d'Or 1 Les Claudots 10260 Saint-Parres-les-Vaudes	Ordinary	-	49%
Evolia	France	43 Avenue du Chemin Vert 95290 L'Isle-Adam	Ordinary	49%	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%	49%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Selarl Du Docteur Veterinaire Gilles Hagege	France	159 GR CHARLES DE GAULLE 94130 NOGENT-SUR-MARNE	Ordinary	49%	49%
Selarl Nsz	France	Avenue Marechal Foch 34500 Beziers	Ordinary	49%	49%
Scp De Couliboeuf Marchaison Cvet	France	67 B Av De Fontainebleau 77310 Saint-Fargeau-Ponthierry France	Ordinary	49%	49%
SELARL De Veterinaires Ferlier	France	118 Boulevard De Plymouth 29200 Brest	Ordinary	49%	49%
Clinique Vétérinaire de la Tremblade	France	72 Bd Du Marechal Joffre 17390 La Tremblade	Ordinary	49%	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%
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%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%	49%
SELARL Clinique Vétérinaire Des Revols	France	15 Che Des Meannes 26540 Mours-Saint-Eusebe	Ordinary	49%	49%
Clinique Vétérinaire d'Ille-Sur-Têt	France	7 Rue Louison Bobet 5 Et 66130 Ille-Sur-Tet	Ordinary	49%	49%
Clinique Vétérinaire Ledonia	France	Boulevard Jules Ferry 39000 Lons-Le-Saunier	Ordinary	49%	49%
Clinique Vétérinaire Les Sablons	France	112 Rue Claude Chappe 78370 Plaisir	Ordinary	49%	49%
Cliniques Vétérinaires Judlin Et Wonner	France	Parc D'activités 7 R Manfred Behr, 68250 Rouffach	Ordinary	49%	49%
Sas Vetiroise	France	Vetiroise 20 Rue Du Docteur Pouliquen 29800 Landerneau	Ordinary	49%	49%
Alliance Vet	France	2 Avenue DU MARECHAL MORTIER 94510 LA QUEUE-EN-BRIE	Ordinary	49%	49%
Clinique vétérinaire Saint-Max	France	117 Av Carnot 54130 Saint – Max	Ordinary	49%	49%
SELARL de vétérinaires L2GH	France	2 rue Daumesnil, Vincennes, Ile de France, 94300	Ordinary	49%	49%
SELARL de vétérinaires Hagège Goldgran Benhamo	France	159 Gr Charles De Gaulle 94130 Nogent-Sur-Marne	Ordinary	49%	49%
Clinique Vétérinaires des 4 Chemins	France	44 avenue de la Libération 95540 Méry sur Oise, Hauts de France, 95540	Ordinary	49%	49%
Clinique Vétérinaire Saint-Hubert	France	85, Route de Palavas – 34970 Lattes	Ordinary	49%	49%
Clinique Vétérinaire de la Vaucouleurs	France	6 Rue Marcel Sembat 78711 Mantes-la-Ville	Ordinary	49%	49%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Garbe Follet	France	4 Rue des Droits de l'Homme, Dunkerque, Hauts de France, 59430	Ordinary	49%	49%
Clinique Vétérinaire Foch	France	104, Avenue du Maréchal Foch 77100 MEAUX	Ordinary	49%	49%
Clinique Vétérinaire du Moulin	France	23 route de Montfermeil 77500 Chelles	Ordinary	49%	49%
SASU Clinique Vétérinaire Domitia	France	44 rue Laurens Ravanel 34500 Béziers	Ordinary	49%	49%
SELARL DES FAUVETTES	France	33 avenue du Lycée 95330 Domont	Ordinary	49%	49%
Société Vétérinaire du Moline	France	89 RUE DU MOLINEL 59700 MARCQ-EN-BAROEUL	Ordinary	49%	49%
Clinique Vétérinaire du Morin	France	52 rue de Paris 77860 Saint-Germain-sur-Morin	Ordinary	49%	49%
Clinique Vétérinaire de Combs-la-Ville	France	19 bis Avenue de la Republique 77380 COMBS-LA-VILLE	Ordinary	49%	49%
Clinique Vétérinaire des Forges	France	Route de Bourges ZAC Pole Echange 18100 VIERZON	Ordinary	49%	49%
Pezenas Vet	France	47 avenue de Verdun 34120 PEZENAS	Ordinary	49%	49%
Cliniques Vétérinaires Verrières Chauvigny	France	1 rue de Provence 86410 Verrières	Ordinary	49%	49%
VETSFORTHEM	France	170, 172 Route de Toulouse, 33130 BEGLES	Ordinary	49%	49%
SAS Vétérinaire des Hutins	France	7 avenue Napoléon III F-74160 St Julien en Genevois	Ordinary	49%	49%
Sas De Vétérinaires Deloche Et Rousselle	France	28 Avenue de Royan, 17130 Montendre	Ordinary	49%	49%
Eden Vet SAS	France	43 Avenue Aristide Briand, Arcueil, France, 94110	Ordinary	49%	49%
VETUP	France	12 Che Des Prairies N 3 83550 Vidauban	Ordinary	49%	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	48%	25%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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'ASCQ 59650	Ordinary	48%	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%
Clinique Vétérinaire de la Haute Source	France	RD3, route de Verdun, Sainte-Menehould	Ordinary	49%	-
Clinique Vétérinaire de la Corniche	France	11bis rue Boulevard Joliot Curie, Sète	Ordinary	49%	-
Clinique Vétérinaire Jean Jaurès	France	55 Boulevard Jean Jaurès, Corbeil-Essonnes	Ordinary	49%	-
Clinique Vétérinaire Ligeria	France	31 allée du Grand Coquille, Saint-Jean-de-Braye	Ordinary	49%	-
Clinique Vétérinaire de la Prairie	France	ZA Grande Prairie, Baudemont	Ordinary	49%	-
Cliniques Vétérinaires Monot-Taugourdeau	France	12 bis Rue Maurice Gledel, Nogent-le-Roi	Ordinary	49%	-
Clinique Vétérinaire des Alouettes	France	Route de Cholet, Le May-sur-Èvre	Ordinary	49%	-
Clinique Vétérinaire des Aviots	France	1 Rue De Godonecourt, Saint-Mihiel	Ordinary	49%	-
Clinique des Drs Lelong Noah et Rihal	France	58 Rue de Paris, Palaiseau	Ordinary	49%	-
Clinique Vétérinaire Inova 3000	France	13 Route d'Oncourt, Thaon-les-Vosges	Ordinary	49%	-
Alliavet	France	12 rue Lavoisier, Fitz James	Ordinary	49%	-
Clinique Vétérinaire des Drs Brey & Klein	France	116 Avenue Jean Monnet, Vitrolles	Ordinary	49%	-

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Clinique Vétérinaire de l'Arche 28	France	Rue du 19 Mars 1962, Maintenon	Ordinary	49%	-
Clinique Vétérinaire de Livron	France	129 Avenue Joseph Combier, Livron-sur-Drome	Ordinary	49%	-
Clinique Vétérinaire les Cabrieres	France	1233 Avenue du Marechal Juin, Mougins	Ordinary	49%	-
Vetoteam & Veterstein	France	154 Route du Polygone, Strasbourg	Ordinary	49%	-
Clinique Vétérinaire de la Seille	France	9 Quai Benoit, Nomeny	Ordinary	49%	-
Clinique Vétérinaire des Drs Hayot et Vergnangeal	France	17 Rue Berlioz, Nice	Ordinary	49%	-
Clinique Vétérinaire de l'Arche	France	1 Rue de la Justice, Blainville-sur-L'eau	Ordinary	49%	-
Vet'Bassin	France	32 Avenue de Cesaree, Gujan-Mestras	Ordinary	49%	-
Clinique Vétérinaire des Capucines	France	56 Boulevard Commandant Mouchotte, Brest	Ordinary	49%	-
Clinique de la Liberté	France	12 Boulevard de la Liberte, Arras	Ordinary	49%	-
Clinique Vétérinaire du Saint-Quentin	France	1 Avenue du General de Gaulle, Le ban Saint-Martin	Ordinary	49%	-
Clinique Vétérinaire Saint-Roch	France	1 Avenue Francois Mitterrand, Gap	Ordinary	49%	-
Pôle Santé Chanturgue	France	52 Boulevard Maurice Pourchon, Clermont-Ferrand	Ordinary	49%	-
Clinique Vétérinaire OC VET 34	France	12 Avenue de la Roseraie, Florensac	Ordinary	49%	-
Clinique Vétérinaire de la Sarre	France	8 Route de Luneville, Sarrebourg	Ordinary	49%	-
Clinique Vétérinaire Tivoli	France	1 Quai Francois Maillol Sete	Ordinary	49%	-
Clinique Vétérinaire de l'Abbatiale	France	14 Bis Rue Thibault Montier-en-der La Porte du der	Ordinary	49%	-
Clinique Vétérinaire de Persan	France	238 Avenue J.Vogt, Persan	Ordinary	49%	-
Clinique Vétérinaire Saint-Usage	France	Zone Artisanale de L'echelotte, Saint-Usage	Ordinary	49%	-

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Clinique Vétérinaire du Centre	France	29 Rue Georges Gagnepain, Villefranche-Sur-Saone	Ordinary	49%	-
Clinique Vétérinaire du Bas Bugey	France	Zac de L'ousson 01300 Belley	Ordinary	49%	-
Clinique Vétérinaire des Cerisiers	France	122 Rue de Claye, Thorigny Sur Marne	Ordinary	49%	-
Clinique Vétérinaire de Perpezac	France	19410 Perpezac-le-Noir	Ordinary	49%	-
Florivet	France	1 Rue du Verdun, Guebwiller	Ordinary	49%	-
Clinique vétérinaire des Plaines	France	315 Route de Dijon, Branges	Ordinary	49%	-
Clinique du Dr Beguin	France	Les Coinchettes 36100 Issoudun	Ordinary	49%	-
Clinique Vétérinaire Vetalbigeois	France	59 Route de taur, Villefranche-D'albigeois	Ordinary	49%	-
Clinique vétérinaire du Grand Fief	France	49 Avenue Georges Clemenceau, Chantonnay	Ordinary	49%	-
Clinique Vétérinaire du Lion d'Or	France	113 Boulevard Maxime Gorki, Villejuif	Ordinary	49%	-
Clinique Vétérinaire les Vétos du Centre	France	22 Avenue de la Republique, Maisons-Alfort	Ordinary	49%	-
Clinique Vétérinaire Saint François	France	5 Rue de la Liberation, Gaillard	Ordinary	49%	-
Cliniques Vétérinaire des Clapiers	France	1830 Boulevard de la Liberte, Clapiers	Ordinary	49%	-
Clinique vétérinaire Cas'Animalia	France	Residence du cap bat D, 20200 Ville-di-Pietrabugno	Ordinary	49%	-
Clinique vétérinaire de Baleone	France	Lieu-dit Baleone, 20167 AFA	Ordinary	49%	-
Clinique Vétérinaire des Bertranges	France	Rue de Bourgogne, La Charite-Sur-Loire	Ordinary	49%	-
Clinique vétérinaire du Fescau	France	1 Lotissement le Fescau, Montferrier-sur-Lez	Ordinary	49%	-
Clinique Vétérinaire des Meulières	France	9 Rue de Chanzy, La Ferte-Sous-Jouarre	Ordinary	49%	-
Clinique Vétérinaire de la Poterie	France	Za de la Poterie, Ferney-Voltaire	Ordinary	49%	-

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Animedis	France	425/433 Boulevard Romain Rolland	Ordinary	49%	-

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Clinique Vétovalis	France	Quarter Saint-Joseph, Route Nationale 196, Propriano	Ordinary	49%	-
Clinique Vétérinaire Anovet	France	91 Rue D'alencon, Conde-Sur-Sarthe	Ordinary	49%	-
Clinique vétérinaire des Cévennes	France	429 Avenue des Cévennes, Saint-Gely-du-Fesc	Ordinary	49%	-
Clinique Vétérinaire du Parc	France	5 Avenue de Saintonge, Saintes	Ordinary	49%	-
Clinique Vétérinaire Vetora	France	9 Avenue de la Garenne, Tonnay-Boutonne	Ordinary	49%	-
Clinique de Beaufeu	France	Za de la Bodiniere, Roeze-Sur-Sarthe	Ordinary	49%	-
Clinique Vétérinaire de la Licorne	France	4 Place du Marché, Grimaud	Ordinary	49%	-
Clinique vétérinaire de l'Ourcq	France	31 rue Ambroise Rendu, Mitry Mory	Ordinary	49%	-
Cliniques Vétérinaires des 4 Pays	France	25 Maison Dieu 23600 Boussac-Bourg	Ordinary	49%	-
Clinique vétérinaire du Grand Large	France	202 Route de Gencay 86280 Saint-Benoit	Ordinary	49%	-
Vetklinika 24 Emergency Hospital	Latvia	Dzelzavas iela 15, Vidzemes priekšpilsēta, Rīga, LV-1084	Ordinary	100%	-
GPSI – Green Packaging Solutions Innovation, Unipessoal, LDA***	Portugal	Av. Primeiro de Dezembro, 41, Pêro Pinheiro, F 2715-109	Ordinary	48%	25%
Hospital Veterinario Da Povoa, Lda	Portugal	Rua da Junqueira,0 4490-519 PÓVOA DE VARZIM, Portugal	Ordinary	100%	-
WeVet, Lda.	Portugal	Avenida 25 de Abril, 3600-126 Castro Daire, Portugal	Ordinary	100%	-
Alcabideche Vet	Portugal	Rua dos Freixos, 2750-007 Cascais, Portugal	Ordinary	100%	-
Simius- Sinergia Veterinaria LDA	Portugal	Rua do Carvalhal, 4700-310 BRAGA, Portugal	Ordinary	100%	-

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Animares-Serviços Veterinários, LDA.	Portugal	RUA DE CINTURA, 4720-342 AMARES, Portugal	Ordinary	100%	-

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Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Animares & Duarte – Serviços Veterinários, Lda	Portugal	Largo do Bom Retiro, 4730-729 Vila Verde, Portugal	Ordinary	100%	-
Vetoeiras – Serviços Veterinários, LDA	Portugal	Estrada de Oeiras,18-20 - Oeiras, 2780-114 OEIRAS, Portugal	Ordinary	100%	-
LCV Canada Inc***	Canada	625, avenue du Président-Kennedy, Bureau 1111, Montréal, QC H3A 1K2, Canada	Ordinary	48%	25%
9220-3124 QUEBEC INC. ***	Canada	23 chemin Henri-Petit, Rigaud, QC, J0P 1P0, Canada	Ordinary	48%	25%
LCV Canada Immobilier Inc***	Canada	625, avenue du Président-Kennedy, Bureau 1111, Montréal, QC H3A 1K2, Canada	Ordinary	48%	25%
Resting Paws Cemetery & Crematorium Inc***	Canada	23, Chemin, Henri-Petit Rigaud, J0P1P0	Ordinary	48%	25%
VetStrategy Canada Holdings Inc.	Canada	1055 West Georgia Street 1500 Royal Centre, P.O. Box 1117 Vancouver, BC V6E 4N7	Ordinary	100%	-
VetStrategy Canada Intermediate Holdings Inc.	Canada	1055 West Georgia Street 1500 Royal Centre, P.O. Box 1117 Vancouver, BC V6E 4N7	Ordinary	100%	
VetStrategy Canada Holdings Inc.	Canada	1055 West Georgia Street 1500 Royal Centre, P.O. Box 1117 Vancouver, BC V6E 4N7	Ordinary	100%	
GlobalVet Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	100%	-
VetStrategy Manitoba Veterinary Corporation	Canada	30th Floor 360 Main Street Winnipeg, MB R3C 4G1	Ordinary	100%	-

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Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
St. Vital Veterinary Corporation	Canada	30th Floor 360 Main Street Winnipeg, MB R3C 4G1	Ordinary	95%	-
Vet Group of Manitoba Veterinary Corporation	Canada	30th Floor 360 Main Street Winnipeg, MB R3C 4G1	Ordinary	65%	-
Centennial Animal Hospital (2007) Ltd.	Canada	30th Floor 360 Main Street Winnipeg, MB R3C 4G1	Ordinary	75%	-
Stoneacres Veterinary Corporation	Canada	30th Floor 360 Main Street Winnipeg, MB R3C 4G1	Ordinary	75%	-
St. Norbert Animal Veterinary Corporation	Canada	30th Floor 360 Main Street Winnipeg, MB R3C 4G1	Ordinary	100%	-
2585856 Ontario Inc.	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	100%	-
Chiron Compounding Pharmacy Inc.	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	100%	-
Dr. Michelle Cutler Veterinary Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	100%	-
Springer Anima l Hospital Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	75%	-
Dundas West Animal Hospital Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	64%	-
Pembroke Animal Hospital Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	94%	-
Airport Animal Hospital Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	70%	-

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Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Kawartha Veterinary Emergency Clinic Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	85%	-
Elgin Talbot Veterinary Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	100%	-
Ritson Veterinary Clinic Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	100%	-
Kingston Veterinary Clinic Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	100%	-
Cutler and De Haan and Stephenson Veterinary Medicine Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	90%	-
Beechwood Animal Hospital Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	80%	-
Cutler Caudle Veterinary Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	87%	-
Wilson Veterinary Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	100%	-
Sudbury Veterinary Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	67%	-
Westbridge Veterinary Hospital Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	90%	-
Dr. Weiner Professional Corp	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	60%	-
Sekhon Veterinary Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	90%	-

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Sermer Veterinary Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	70%	-

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Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Dr. Michelle R. Cutler Veterinary Medicine Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	60%	-
Headon Forest Animal Hospital Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	95%	-
Als Kinch Streib Veterinary Medicine Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	100%	-
Cornell Animal Hospital Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	80%	-
Dr. M. Cutler Veterinary Medicine Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	90%	-
Carling Animal Hospital Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	100%	-
East Oshawa Animal Hospital Professional Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	100%	-
672199 N.B. Ltd.	Canada	Suite 1000, Brunswick House 44 Chipman Hill Saint John, N.B. E2L 2A9	Ordinary	100%	-
Fredericton Animal Hospital Ltd	Canada	Suite 1000, Brunswick House 44 Chipman Hill Saint John, N.B. E2L 2A9	Ordinary	100%	-
Cumberland Veterinary Clinic Professional Corporation	Canada	1500 Hill Centre I 1874 Scarth Street Regina, SK S4P 4E9	Ordinary	100%	-
Vet Alliance Inc.	Canada	175 Bloor Street East, South Tower 303, Toronto, ON M4W 3R8	Ordinary	100%	-

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Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Vetstrategy Alberta Inc.	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	100%	-
Carstairs Veterinary Services Inc.	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	80%	-
Bregliano Veterinary Services Inc.	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	70%	-
Dog & Cat Hospital Ltd	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	70%	-
Animal Medical Centre South 2017 Inc.	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	85%	-
Cranston Veterinary Hospital Ltd.	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	85%	-
Rimbey Veterinary Clinic (1991) Ltd.	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	85%	-
2187378 Alberta Ltd.	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	100%	-
Fish Creek Veterinary Services Ltd.	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	87%	-
Little Creek Veterinary Services Ltd.	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	83%	-
Didsbury Veterinary Services Inc.	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	80%	-
Britannia Kingsland Veterinary Clinic Ltd.	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	70%	-
Langdon Veterinary Clinic Ltd.	Canada	2500-10220 103 Ave NW, Edmonton, AB T5J 0K4	Ordinary	80%	-
Vetstrategy Newfoundland Inc	Canada	Suite 1100, Cabot Place 100 New Gower St. St. John's, N.L. A1C 6K3	Ordinary	100%	-

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Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
VS VSCNL INC	Canada	Suite 1100, Cabot Place 100 New Gower St. St. John's, N.L. A1C 6K3	Ordinary	100%	-
0980040 B.C. Ltd.	Canada	1055 West Georgia Street 1500 Royal Centre, P.O. Box 1117 Vancouver, BC V6E 4N7	Ordinary	100%	-
Maarhuis Holdings Inc	Canada	1055 West Georgia Street 1500 Royal Centre, P.O. Box 1117 Vancouver, BC V6E 4N7	Ordinary	100%	-
Aldergrove Animal Hospital (2016) Ltd.	Canada	1055 West Georgia Street 1500 Royal Centre, P.O. Box 1117 Vancouver, BC V6E 4N7	Ordinary	75%	-
0963376 B.C. Ltd.	Canada	1055 West Georgia Street 1500 Royal Centre, P.O. Box 1117 Vancouver, BC V6E 4N7	Ordinary	80%	-
Westcoast Animal Veterinary Emergency Clinic Ltd	Canada	1055 West Georgia Street 1500 Royal Centre, P.O. Box 1117 Vancouver, BC V6E 4N7		85%	
Chase River Veterinary Hospital Ltd.	Canada	1055 West Georgia Street 1500 Royal Centre, P.O. Box 1117 Vancouver, BC V6E 4N7	Ordinary	90%	-

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Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Dr. M.A. Steinebach Inc.	Canada	1055 West Georgia Street 1500 Royal Centre, P.O. Box 1117 Vancouver, BC V6E 4N7	Ordinary	75%	-
Tranquille Road Animal Hospital Ltd	Canada	1055 West Georgia Street 1500 Royal Centre, P.O. Box 1117 Vancouver, BC V6E 4N7	Ordinary	80%	-
Group Veterinaire Daubigny Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	100%	-
Groupe Vétérinaire Anima Plus Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	100%	-
Groupe Vétérinaire Mauricie Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	90%	-
Accès Vet Blainville Hôpital Vétérinaire Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	60%	-
Hôpital Vétérinaire des Prairies Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	100%	-
Clinique Vétérinaire Plateau Mont Royal Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	75%	-
Les Immeubles EAE Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	100%	-
Clinique Veterinaire de l'Estuaire Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	80%	-
Summit Veterinary Pharmacy GP Inc.	Canada	181 Bay Street, 4260, Toronto, ON M5JH2T3	Ordinary	100%	-

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Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Bureau Vétérinaire Saint Amable Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	67%	-
Groupe Vétérinaire Vetcom Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	88%	-
Groupe Vétérinaire Évolution Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	90%	-
Clinique Vétérinaire Beaubien Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	100%	-
Hôpital Vétérinaire Carcajou Inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	70%	-
9444 2373 Québec inc.	Canada	730 rue Cambronne, Administration - 2e étage Québec G1E7H4	Ordinary	77%	-
3309125 Nova Scotia Limited	Canada	Queen's Marque 600-1741 Lower Water Street Halifax, N.S. B3J 0J2	Ordinary	100%	-
Pet Focus Veterinary Group Inc.	Canada	Queen's Marque 600-1741 Lower Water Street Halifax, N.S. B3J 0J2	Ordinary	90%	-
Richardson Holdings Limited	Canada	Queen's Marque 600-1741 Lower Water Street Halifax, N.S. B3J 0J2	Ordinary	76%	-
VS Realty Inc.	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8	Ordinary	100%	-
Companion Healthcare Corporation	Corporation	Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8		
G. Kilburn Veterinary Medicine Professional		Canada	7000 Pine Valley Dr Suite 201, Woodbridge, ON L4L 4Y8		

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Ordinary	100%	-	
Ordinary	100%	-	

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Summit Veterinary Pharmacy L.P.	Canada	181 Bay Street, 4260, Toronto, ON M5JH2T3	Ordinary	100%	-
Summit Veterinary Pharmacy Ltd.	Canada	181 Bay Street, 4260, Toronto, ON M5JH2T3	Ordinary	100%	-
LCV Holding LLC***	United States	2915 Oggletown Rd, #3646,NEWARK , DE, New Castle 19713	Ordinary	48%	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	48%	25%
Paws. Whiskers & Wag NC. LLC***	United States	1315 East Boulevard, Unit #423, Charlotte, NC 28203, USA	Ordinary	48%	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	48%	25%
2804 ponce De Leon LLC***	United States	2915 Oggletown Rd, #3646,NEWARK , DE, New Castle 19713	Ordinary	48%	25%
2511 South Tryon LLC***	United States	2915 Oggletown Rd, #3646,NEWARK , DE, New Castle 19713	Ordinary	48%	25%
1315 East Boulevard LLC***	United States	2915 Oggletown Rd, #3646,NEWARK , DE, New Castle 19713	Ordinary	48%	25%
INCINERIS SP Z O O***	Poland	Adama Branickiego 15, Warsaw, 02-972, POLAND	Ordinary	48%	25%
IVC Evidensia Poland	Poland	ALEJE UJAZDOWSKIE 41, 00-540 WARSZAWA, Poland	Ordinary	100%	-
Klinika Weterynaryjana Arka	Poland	KRECHOWIECKA 33, 05-230 KOBYLKA, Poland	Ordinary	100%	-
Evidensia Vet-Zentrum Rosenheim GmbH	Germany	Lackermannweg 4, 83071 Stephanskirchen	Ordinary	100%	100%

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
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%

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36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 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%
Tierarzlliche Klinik Reichenberg Evidensia GmbH	Germany	Steige 9, 97234 Reichenberg	Ordinary	100%	100%
Tierarztliche Gemeinschafispraxis Seligenstadt GmbH	Germany	Peterstraße 1, 63500 Seligenstadt am Main	Ordinary	100%	100%
Kleintierzentrum AM Kurpark Numbrecht GmbH	Germany	Höhenstrasse 51, 51588 Nümbrecht	Ordinary	100%	100%
Tierarztpraxis Eiserfeld Evidensia GmbH	Germany	Eiserfelder Strasse 411, 57080 Siegen	Ordinary	100%	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%
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%

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%	100%
LCV Germany Gmbh***	Germany	An der Lackfabrik 8, Wesel, 46485	Ordinary	48%	25%
Cremare Tierkrematorien GmbH***	Germany	An der Lackfabrik 8, 46485 Wesel	Ordinary	48%	25%
TKG Tierkrematorium Im Grünenthal GmbH***	Germany	Grünenthal 2, D-51647 Gummersbach	Ordinary	48%	-
Tiermedizinisches Zentrum Stuttgart Vaihingen	Germany	Industriestraße 3, 70565 Stuttgart-Vaihingen	Ordinary	100%	100%
Tierärzte Gettorf IVC Evidensia GmbH	Germany	Eichkoppel 8, 24214 Gettorf, Germany	Ordinary	100%	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%

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Tierarztapotheke Lintjeshof GmbH	Germany	Johann-Giesberts-Platz, Hans-Tenhaeff-Straße 1/1, 47638 Straelen	Ordinary	100%	-
Kleintierzentrum Merkurpark	Germany	Merkurring 50, 22143 Hamburg	Ordinary	100%	-
Tierkrematorium Oberschleißheim GmbH**	Germany	Bruckmannring 36, 85764 Oberschleißheim	Ordinary	100%	-
Independent Vetcare Ireland Limited	Ireland	See ii) below	Ordinary	100%	100%
Anicare Veterinary Facilities Limited	Ireland	See ii) below	Ordinary	100%	100%
Athlone Veterinary Centre Limited	Ireland	See ii) below	Ordinary	100%	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%	100%
O'Shea Bramley & Breen Ltd	Ireland	See ii) below	Ordinary	100%	100%
Ark Vet Ltd	Ireland	See ii) below	Ordinary	100%	100%
PJ Walmac Holdings Ltd					
Ashrock Veterinary Support Ltd	Ireland	See ii) below	Ordinary	100%	100%
Kilcoole Vets Ltd	Ireland	See ii) below	Ordinary	100%	100%
Chimedale Limited t/a Crescent Veterinary Clinic	Ireland	See ii) below	Ordinary	100%	100%
Companion Care Limited t/a Beechwood Vets	Ireland	See ii) below	Ordinary	100%	100%
Misneach Veterinary Ltd	Ireland	See ii) below	Ordinary	100%	100%
Maher Doona Spillane Limited t/a Vetcare	Ireland	See ii) below	Ordinary	100%	-

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Gorey Veterinary Hospital Limited	Ireland	See ii) below	Ordinary	100%	-
Auburn Veterinary Hospital Limited	Ireland	See ii) below	Ordinary	100%	-
Coolflugh Veterinary Limited	Ireland	See ii) below	Ordinary	100%	-
Grey Lake Springs Limited	Ireland	See ii) below	Ordinary	100%	-
IVIS Limited t/a Fido	Ireland	See ii) below	Ordinary	100%	-
Southview Veterinary Hospital	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%
Dierenuitvaartzorg Nederland B.V.	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	100%	100%
Evidensia Dierenklinieken B.V.	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	100%	100%
Evidensia NL Dierenklinieken B.V.**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	Ordinary	-	100%
Evidensia P B.V.**	Netherlands	Wilhelminalaan 6, 3451 HJ Vleuten, the Netherlands	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%
Dierenklinieksmeets maastricht B.V.**	Netherlands	Amby erstraat Noord 56 6225 EG Maastricht	Ordinary	-	100%
Dierenkliniek Leeuwendael B.V.**	Netherlands	Oranjelaan 72, 2281 GH, Rijswijk, Zuid-Holland	Ordinary	-	100%
Dierenartsen Heerenveen B.V.**	Netherlands	Roerdomplaan 1 8446 JP Heerenveen	Ordinary	-	100%
Dierenartsenpraktijk Texel BV**	Netherlands	Keesomlaan 11, 1791 DA, Den Burg	Ordinary	-	100%
Fako Onroerend Goed B.V.**	Netherlands	Kadoelenweg, 221-C, Amsterdam, 1035 NH	Ordinary	-	100%
Dierenklinieken Heerde Epe **	Netherlands	Vosbergerweg 6, 8181 JH, Heerde	Ordinary	-	100%

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Huisdierencrematorium Oost Nederland B.V.**	Netherlands	Kamilleveld 35, 3124 CE Schiedam	Ordinary	-	100%
Dierenkliniek Spaland B.V.**	Netherlands	Kamilleveld 35, 3124 CE Schiedam	Ordinary	-	100%
Pets Health Muiderberg BV**	Netherlands	Naardervaart 1a, 1399 PH Muiderberg	Ordinary	-	100%
Joocle BV**	Netherlands	ooiweg 4 , 3927 EB Renswoude	Ordinary	-	100%
Pets Health Midden Nederland BV**	Netherlands	chrepelpad 6, 2491 EE Den Haag	Ordinary	-	100%
Dierenkliniek Heusden & Altena	Netherlands	Heesbeenseweg 1, 5158NK Heesbeen, Netherlands	Ordinary	100%	-
Petlook B.V.	Netherlands	Wilhelminalaan 6, 3451HJ Vleuten, Netherlands	Ordinary	100%	-
Dreamline B.V. (t/a De Verwijskliniek)	Netherlands	Laan van Hildernisse-Noord 8, 4617AE Bergen op Zoom, Netherlands	Ordinary	100%	-
Dierenkliniek Meerkerk	Netherlands	Bazeldijk 18, 4231ZD Meerkerk, Netherlands	Ordinary	100%	-
De Band Dierenkliniek	Netherlands	Den Hoekstraat 3, 6171VX Stein, Netherlands	Ordinary	100%	-
Duintop Dierenkliniek Goes B.V.	Netherlands	's-Gravenpolderseweg 92, 4462CH Goes, Netherlands	Ordinary	100%	-
Duintop Dierenkliniek Middelburg B.V.	Netherlands	Fazantenhof 22, 4332XT Middelburg, Netherlands	Ordinary	100%	-
Lintjeshof Holding B.V.	Netherlands	Pannenweg 200, 6031RK Nederweert, Netherlands	Ordinary	100%	-
Petsfit Dierenartsen	Netherlands	Mercuriuslaan 1 C, 5632EE Eindhoven, Netherlands	Ordinary	100%	-
DierenDokters Breda	Netherlands	Dr. Struyckenstraat 98 A1, 4812BH Breda, Netherlands	Ordinary	100%	-
Glenshane Veterinary Clinics Limited****	Northern Ireland	See iv) below	Ordinary	100%	100%
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%

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%	100%
Son Dyreklinikk AS**	Norway	Slettaveien 2, 1555 Son	Ordinary	-	100%
Moss Dyreklinikk AS**	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%
Mandal Smadyrklinikk	Norway	Langgata 15D, 4515 MANDAL, Norway	Ordinary	100%	-
Dyrenes Venn Sinsen	Norway	Trondheimsveien 184, 0570 OSLO, Norway	Ordinary	100%	-
Dyrenes Venn Bærum	Norway	Sandviksveien 36, 1363 HØVIK, Norway	Ordinary	100%	-
Dyrenes Venn Eiker	Norway	Flisveien 3, 3055 KROKSTADELVA, Norway	Ordinary	100%	-
Dyrenes Venn Lambertseter	Norway	Langbølgen 9, 1150 OSLO, Norway	Ordinary	100%	-
Dyrenes Venn Lillestrøm	Norway	Voldgata 7, 2000 LILLESTRØM, Norway	Ordinary	100%	-

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Dyrenes Venn Sarpsborg	Norway	Amfi Borg, Klokkergårdveien 31, 1711 SARPSBORG, Norway	Ordinary	100%	-
Dyrenes Venn Strømsø	Norway	Hans Kiærs gate 6, 3041 DRAMMEN, Norway	Ordinary	100%	-
Dyrenes Venn Tveita	Norway	Hans Nielsen Hauges gate 50, 0481 OSLO, 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%
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%

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
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 Limitcd****	Scotland	See v) below	Ordinary	100%	100%
Glenbrae Veterinary Clinic Limited****	Scotland	See v) below	Ordinary	100%	100%

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
IVC Evidensia España SLU	Spain	Calle Velazquez, 10 4º Derecha. 28001, Madrid	Ordinary	100%	100%
IVC Evidensia Assets SLU	Spain	Calle Algepser 22-1 Parque Empresarial Táctica 46980 Paterna Valencia	Ordinary	100%	100%
Suveterinario S.L.P.	Spain	Avenida De Ronda 14, 28981, Parla, Madrid	Ordinary	100%	100%
Hospital Veterinario El Bosque S.L.	Spain	C/ Bidasoa, 1 Centro Comercial EL, Bosque, Villaviciosa De Odon, Madrid, 28670	Ordinary	100%	100%
Hospital Veterinario Castellon del Mar	Spain	Calle José María Guinot Galán, 5 12003 Castellón De La Plana	Ordinary	100%	100%
Auna Especialidades Veterinarias	Spain	Calle Algepser 22-1 Parque Empresarial Táctica 46980 Paterna Valencia	Ordinary	100%	100%
Grupo Veterinario Penagrande	Spain	CARRETERA DE ZAMORA, KM 5,5, LEÓN	Ordinary	100%	-
Veterinaria del Mar, S.L.	Spain	CL MARINA NUM.69, 8005 BARCELONA	Ordinary	100%	-
Hospital Veterinario Villalba, S.L.	Spain	C/ NERVION 7, 28280 ESCORIAL, EL	Ordinary	100%	-
Clivicalvet, S.L.P.	Spain	C/ DEHESA DE VICALVARO 13 LOCAL, MADRID	Ordinary	100%	-
Clínica Mediterráneo, S.L.P.	Spain	Av. del Mediterráneo, 14, 28007 Madrid	Ordinary	100%	-
Aula Mediterráneo Formación, S.L.	Spain	C. Pío Baroja, 14, 04006 Almería	Ordinary	100%	-
The Little Shop, S.L.	Spain	AVENIDA DEL MEDITERRANEO 14 LOCAL, MADRID	Ordinary	100%	-
Pets Barajuan Clinica Veterinaria, S.L.	Spain	C/ BEATO TOMAS DE ZUMARRAGA 34 BAJO, VITORIA-GASTEIZ	Ordinary	100%	-
Hospital Veterinario Cruz Piedra	Spain	Avd. Lora y Tamayo, Edf. Tres Coronas,plata baja 2, SAN CRISTOBAL DE LA LAGUNA,	Ordinary	100%	-
Hospital Veterinario Al Sur, S.L.	Spain	Calle Jose Luis Perez Pujadas, s/n., 18006 GRANADA, Spain	Ordinary	100%	-

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
Castro & Añaterve, S.L.	Spain	AVDA DE VENEZUELA 126, 38500 GUIMAR	Ordinary	100%	-
Consorci Veterinari S.L.	Spain	CALLE B,NAVE 27,POLIG.IND.MOLI DELS FRARES, SANT VICENA DELS HORTS, Spain	Ordinary	100%	-
Hospital Veterinari Molins	Spain	Carrer B, 27, 08620 Sant Vicenç dels Horts, Barcelona	Ordinary	100%	-
Hospital Veterinario Ciudad Real, S.L.P.	Spain	C/ CARMEN 17 - LOCAL, CIUDAD REAL	Ordinary	100%	-
Clinica Veterinaria San Anton Vigo,S.L.	Spain	AVENIDA DE PIZARRO,57, VIGO	Ordinary	100%	-
Clínica San Antón, S.L.	Spain	AVDA AVD, QUINTO CENTENERIO EDF. ANCOR Ptl.1-LOCAL 1, 38800 SAN SEBASTIAN DE LA GOMERA	Ordinary	100%	-
Fenix Hospital Veterinario SLP	Spain	C/ JOSE LUIS NAVARRO CAMPELLO 1, 3202 ELCHE/ELX	Ordinary	100%	-
Clinica Veterinaria Vall Dels Alcalans, S.L.	Spain	C/ JAIME I 10, REAL	Ordinary	100%	-
Clínica Canis, S.L.	Spain	C/ CAN PAU BIROL, 38-POLIGON MAS XIRGU, 17005 GIRONA	Ordinary	100%	-
Centro Clínico Veterinário de Teruel SLU	Spain	C/ LOS OLIVOS, 8-BAJO, TERUEL	Ordinary	100%	-
Centro de Endoscopia Veterinaria Torrent, SL	Spain	C/ PADRE MENDEZ 134 BAJO, TORRENT	Ordinary	100%	-
La Botica de La Mascota, S.L.	Spain	AVDA DEL MEDITERRANEO 14 - LOCAL, MADRID	Ordinary	100%	-
Llull Vets, S.L.	Spain	PASEO FERROCARRIL 100, 7500 MANACOR	Ordinary	100%	-
Veterinarios Arcar, S.L.	Spain	calle Archiduque Carlos, 48, Valencia, Spain	Ordinary	100%	-
Parejalgalia S.L.	Spain	C/ PINZAN 8, 29001 MALAGA	Ordinary	100%	-
Evidensia Holding AB *	Sweden	Östhammarsgatan 74 4TR, 115 28 Stockholm, Sweden	Ordinary	100%	100%

IVC Acquisition Midco Limited

Notes to the Financial Statements for the Year Ended 30 September 2022 (continued)

36 List of companies (continued)

Subsidiary undertakings	Country of incorporation	Registered Office	Class	2022 Shares held %	2021 Shares held %
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%
Lekebergs Smådjurskremering AB	Sweden	ÄGELSTA GÅRD 3, 716 91 Fjugesta, Sweden	Ordinary	100%	100%
Mittnorrlands Djursjukvård AB	Sweden	Jämtlands län, Östersund kommun, Sweden	Ordinary	100%	-
Stockholms Djurklinik AB	Sweden	Stockholms län, Stockholm kommun, Sweden	Ordinary	100%	-
Viskadalens Djurklinik AB	Sweden	Hallands län, Varberg kommun, Sweden	Ordinary	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%
IVC Evidensia Schweiz AG	Switzerland	Eichwatt 3, 8105 Regensdorf, Schweiz	Ordinary	100%	100%
Tierarztpraxis DuoVet AG**	Switzerland	Heidmoosweg 19, 3049 Säriswil	Ordinary	-	100%
Vet Conseils SA	Switzerland	Route des Plaines-du-Loup 38, 1018 Lausanne	Ordinary	100%	100%
Kleintierpraxis Animal House AG	Switzerland	Oberwilerstrasse 40b, 4106 Therwil	Ordinary	100%	100%

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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 (Vétérinaires Dieu et Collaborateurs SPRL or Hulsterheide BVBA or Sanimalia Services BV if Belgium, Loomade Kiirabikliinik OÜ if Estonia, Evidensia Eläinlääkäripalvelut OY if Finland, Tierärzte IVC Evidensia GmbH if Germany, Evidensia Dierenklinieken BV or Dierenuitvaartzorg Nederland B.V if Netherlands, Evidensia Smådyr AS if Norway, Evidensia Smådjur AB if Sweden, IVC Evidensia Scheiz AG if Switzerland,) –2022 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.

***** Entity has been disposed of during the financial year and no longer in Veternity Group.

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 Earlswood Veterinary Hospital, 193 Belmont Road, Belfast, Northern Ireland, BT4 2AE.

v) The registered office for all companies registered in Scotland is Penguin House, Castle Riggs, Dunfermline, Fife, Scotland, KY11 8SG.

The only direct holding relating to the Company is IVC Acquisition Limited.

The following subsidiary companies are claiming exemption from audit under section 479a of the Companies Act 2006 for the year ending 30 September 2022:

Company name	**Company number**
IVC (TB) Limited	10695292
Otter Vets Ltd	11562510
The Oak Veterinary Group Limited	09252164
Chiltern Veterinary Services Ltd	04940249
Treforest Vets (Holdings) Limited	11785168
Peaceful Paws Pet Crematorium Limited	NI638062