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**CIVVALS**

Chartered Accountants  
Registered Auditors  
Independent Financial Advisers

**MEDIVET GROUP LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**COMPANY NO: 3481736**  
**FOR THE YEAR ENDED**  
**30 APRIL 2003**



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**MEDIVET GROUP LIMITED**

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FOR THE YEAR ENDED 30 APRIL 2003**

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**MEDIVET GROUP LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 30 APRIL 2003**

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**DIRECTORS:**

A S Levy  
A Teper  
R M Leonard  
J E Gladstone  
G Carter  
J Smithers

**SECRETARY:**

A S Levy

**REGISTERED OFFICE:**

5th Floor  
Marble Arch House  
66 - 68 Seymour Street  
London  
W1H 5AF

**REGISTERED NUMBER:**

3481736 (England and Wales)

**AUDITORS:**

Civvals  
Chartered Accountants and  
Registered Auditors  
Marble Arch House  
66-68 Seymour Street  
London  
W1H 5AF

## MEDIVET GROUP LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 APRIL 2003

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The directors present their report with the financial statements of the company for the year ended 30 April 2003.

#### PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of administrative, labour and buying services for veterinary practices.

#### REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

#### DIVIDENDS

No dividends will be distributed for the year ended 30 April 2003.

#### DIRECTORS

The directors during the year under review were:

A S Levy  
A Teper  
R M Leonard  
J E Gladstone  
G Carter  
J Smithers

The beneficial interests of the directors holding office on 30 April 2003 in the issued share capital of the company were as follows:

	30.4.03	1.5.02
<b>Ordinary 1 shares</b>		
A S Levy	1,624	2,125
A Teper	1,624	2,125
R M Leonard	1,550	2,125
J E Gladstone	1,402	2,125
G Carter	657	900
J Smithers	437	600

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**MEDIVET GROUP LIMITED**

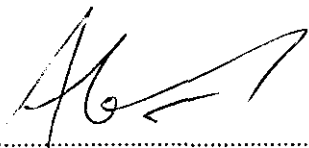
**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 APRIL 2003**

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**AUDITORS**

The auditors, Civvals, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

**ON BEHALF OF THE BOARD:**



.....  
A/S Levy - Secretary

Date: 23/2/04.....

**REPORT OF THE INDEPENDENT AUDITORS TO  
MEDIVET GROUP LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts on pages five to seventeen, together with the full financial statements of the company for the year ended 30 April 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

*In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to seventeen are properly prepared in accordance with that provision.*

Civvals  
Chartered Accountants and  
Registered Auditors  
Marble Arch House  
66-68 Seymour Street  
London  
W1H 5AF

Date: 23/2/04

**MEDIVET GROUP LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 APRIL 2003**

		Year ended 30.4.03 £	Period 1.6.01 to 30.4.02 £
	Notes		
<b>GROSS PROFIT</b>		<b>8,061,351</b>	<b>6,726,118</b>
Administrative expenses		<u>7,428,181</u>	<u>6,161,745</u>
<b>OPERATING PROFIT</b>	3	<b>633,170</b>	<b>564,373</b>
Interest receivable and similar income		<u>5,917</u>	<u>399</u>
		<b>639,087</b>	<b>564,772</b>
Interest payable and similar charges	4	<u>5,405</u>	<u>4,873</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>633,682</b>	<b>559,899</b>
Tax on profit on ordinary activities	5	<u>186,918</u>	<u>136,277</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		<b>446,764</b>	<b>423,622</b>
Retained profit brought forward		<u>1,067,518</u>	<u>643,896</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u><b>£1,514,282</b></u>	<u><b>£1,067,518</b></u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous period.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous period.

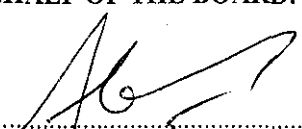
**MEDIVET GROUP LIMITED**

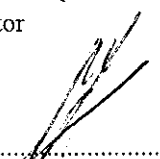
**ABBREVIATED BALANCE SHEET**  
**30 APRIL 2003**

		2003		2002	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	6		466,260		229,645
Investments	7		<u>1,100</u>		<u>1,100</u>
			467,360		230,745
<b>CURRENT ASSETS:</b>					
Stocks	8	256,326		117,259	
Debtors	9	1,804,390		1,403,773	
Cash at bank		<u>82,309</u>		<u>40,095</u>	
		2,143,025		1,561,127	
<b>CREDITORS:</b> Amounts falling due within one year	10	<u>1,086,103</u>		<u>714,354</u>	
<b>NET CURRENT ASSETS:</b>			<u>1,056,922</u>		<u>846,773</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>£1,524,282</u>		<u>£1,077,518</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	13		10,000		10,000
Profit and loss account			<u>1,514,282</u>		<u>1,067,518</u>
<b>SHAREHOLDERS' FUNDS:</b>	14		<u>£1,524,282</u>		<u>£1,077,518</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

**ON BEHALF OF THE BOARD:**

  
.....  
A S Levy - Director

  
.....  
A Teper - Director

Approved by the Board on 23/4/04.....



**MEDIVET GROUP LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2003**

		Year ended 30.4.03 £	Period 1.6.01 to 30.4.02 £
	Notes		
Net cash inflow from operating activities	1	220,492	145,797
Returns on investments and servicing of finance	2	512	(4,474)
Taxation		(123,760)	(77,000)
Capital expenditure	2	(319,086)	(143,414)
Decrease in cash in the period		<u>£(221,842)</u>	<u>£(79,091)</u>
Reconciliation of net cash flow to movement in net funds	3		
Decrease in cash in the period		<u>(221,842)</u>	<u>(79,091)</u>
Change in net funds resulting from cash flows		<u>(221,842)</u>	<u>(79,091)</u>
Movement in net funds in the period		(221,842)	(79,091)
Net funds at 1 May		<u>17,527</u>	<u>96,618</u>
Net (debt)/funds at 30 April		<u>£(204,315)</u>	<u>£17,527</u>

The notes form part of these financial statements

**MEDIVET GROUP LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2003**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	Year ended 30.4.03 £	Period 1.6.01 to 30.4.02 £
Operating profit	633,170	564,373
Depreciation charges	82,470	40,777
(Increase)/Decrease in stocks	(139,067)	32,595
Increase in debtors	(400,617)	(520,706)
Increase in creditors	<u>44,536</u>	<u>28,758</u>
<b>Net cash inflow from operating activities</b>	<u><b>220,492</b></u>	<u><b>145,797</b></u>

**2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	Year ended 30.4.03 £	Period 1.6.01 to 30.4.02 £
<b>Returns on investments and servicing of finance</b>		
Interest received	5,917	399
Interest paid	<u>(5,405)</u>	<u>(4,873)</u>
<b>Net cash inflow/(outflow) for returns on investments and servicing of finance</b>	<u><b>512</b></u>	<u><b>(4,474)</b></u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	<u>(319,086)</u>	<u>(143,414)</u>
<b>Net cash outflow for capital expenditure</b>	<u><b>(319,086)</b></u>	<u><b>(143,414)</b></u>

**MEDIVET GROUP LIMITED**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2003**

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.5.02 £	Cash flow £	At 30.4.03 £
Net cash:			
Cash at bank	40,095	42,214	82,309
Bank overdrafts	<u>(22,568)</u>	<u>(264,056)</u>	<u>(286,624)</u>
	<u>17,527</u>	<u>(221,842)</u>	<u>(204,315)</u>
 Total	 <u>17,527</u>	 <u>(221,842)</u>	 <u>(204,315)</u>
 Analysed in Balance Sheet			
Cash at bank	40,095		82,309
Bank overdrafts	<u>(22,568)</u>		<u>(286,624)</u>
	<u>17,527</u>		<u>(204,315)</u>

## MEDIVET GROUP LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2003

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#### 1. ACCOUNTING POLICIES

##### Accounting convention

The financial statements have been prepared under the historical cost convention.

##### Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

##### Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance

##### Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

##### Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

##### Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

##### Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value. Those held as current assets are stated at the lower of cost and net realisable value.

Dividends are accounted in for the profit and loss account received.

#### 2. STAFF COSTS

	Year ended 30.4.03 £	Period 1.6.01 to 30.4.02 £
Wages and salaries	3,924,833	2,740,444
Social security costs	295,174	253,276
Other pension costs	3,748	4,701
	<u>4,223,755</u>	<u>2,998,421</u>

**MEDIVET GROUP LIMITED****NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2003**

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**2. STAFF COSTS - continued**

The average monthly number of employees during the year was as follows:

	Year ended 30.4.03	Period 1.6.01 to 30.4.02
Administration	46	31
Veterinary staff	<u>178</u>	<u>166</u>
	<u>224</u>	<u>197</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	Year ended 30.4.03 £	Period 1.6.01 to 30.4.02 £
Hire of plant and machinery	38,946	75,294
Depreciation - owned assets	82,470	40,777
Auditors' remuneration	<u>8,400</u>	<u>8,000</u>
Directors' emoluments	<u>-</u>	<u>-</u>

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 30.4.03 £	Period 1.6.01 to 30.4.02 £
Bank interest	<u>5,405</u>	<u>4,873</u>

# MEDIVET GROUP LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 APRIL 2003

### 5. TAXATION

#### Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Year ended 30.4.03 £	Period 1.6.01 to 30.4.02 £
Current tax:		
UK corporation tax	169,535	136,277
Prior year adjustments	17,383	-
Total current tax	<u>186,918</u>	<u>136,277</u>
Tax on profit on ordinary activities	<u>186,918</u>	<u>136,277</u>

UK corporation tax has been charged at 30%

#### Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year ended 30.4.03 £	Period 1.6.01 to 30.4.02 £
Profit on ordinary activities before tax	<u>633,682</u>	<u>559,899</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	190,105	167,970
Effects of:		
Expenses not deductible for tax purposes	3,885	-
Capital allowances in excess of depreciation	(24,455)	(10,258)
Adjustment to tax charge in respect of previous periods	<u>17,383</u>	<u>(21,435)</u>
Current tax charge	<u>186,918</u>	<u>136,277</u>

**MEDIVET GROUP LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2003**

**6. TANGIBLE FIXED ASSETS**

	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Totals</u>
	£	£	£
<b>COST:</b>			
At 1 May 2002	338,008	3,800	341,808
Additions	<u>319,086</u>	<u>-</u>	<u>319,086</u>
At 30 April 2003	<u>657,094</u>	<u>3,800</u>	<u>660,894</u>
<b>DEPRECIATION:</b>			
At 1 May 2002	109,967	2,197	112,164
Charge for year	<u>82,069</u>	<u>401</u>	<u>82,470</u>
At 30 April 2003	<u>192,036</u>	<u>2,598</u>	<u>194,634</u>
<b>NET BOOK VALUE:</b>			
At 30 April 2003	<u>465,058</u>	<u>1,202</u>	<u>466,260</u>
At 30 April 2002	<u>228,042</u>	<u>1,603</u>	<u>229,645</u>

**7. FIXED ASSET INVESTMENTS**

		£
<b>COST:</b>		
At 1 May 2002		
and 30 April 2003		<u>1,100</u>
<b>NET BOOK VALUE:</b>		
At 30 April 2003		<u><u>1,100</u></u>
At 30 April 2002		<u><u>1,100</u></u>
	2003	2002
	£	£
Unlisted investments	<u>1,100</u>	<u>1,100</u>

**MEDIVET GROUP LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2003**

**7. FIXED ASSET INVESTMENTS - continued**

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

**Pet Health Education Services Limited**

Nature of business: training for veterinary nurses.

Class of shares:	%
Ordinary shares	holding 100.00

	<b>2003</b>	<b>2002</b>
	£	£
Aggregate capital and reserves	(14,769)	(17,565)
Profit/(Loss) for the year/period	<u>2,796</u>	<u>(1,391)</u>

The directors do not consider there to be any permanent diminution in the value of this investment.

**Lab Services Limited**

Nature of business: veterinary laboratory

Class of shares:	%
Ordinary	holding 50.00

	<b>2003</b>	<b>2002</b>
	£	£
Aggregate capital and reserves	(968)	(9,842)
Profit/(Loss) for the year/period	<u>8,874</u>	<u>(18,976)</u>

**8. STOCKS**

	<b>2003</b>	<b>2002</b>
	£	£
Stock	<u>256,326</u>	<u>117,259</u>

The stock is made up of drugs and food.

**9. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	<b>2003</b>	<b>2002</b>
	£	£
Trade debtors	1,092,140	1,126,803
Other debtors	480,749	8,672
Prepayments and accrued income	227,794	266,091
Amounts owed by group undertakings	<u>3,707</u>	<u>2,207</u>
	<u>1,804,390</u>	<u>1,403,773</u>



**MEDIVET GROUP LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2003**

**10. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	2003 £	2002 £
Bank loans and overdrafts (see note 11)	286,624	22,568
Trade creditors	459,784	322,286
Other creditors	900	-
Amounts owed to group undertakings	1,100	1,100
Other taxes and social security costs	88,625	180,556
Corporation tax	225,964	162,806
Accrued expenses	23,106	25,038
	<u>1,086,103</u>	<u>714,354</u>

**11. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>286,624</u>	<u>22,568</u>

**12. OBLIGATIONS UNDER LEASING AGREEMENTS**

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2003 £	2002 £	2003 £	2002 £
Expiring:				
Between one and five years	-	-	38,900	75,200
In more than five years	<u>202,200</u>	<u>174,000</u>	-	-
	<u>202,200</u>	<u>174,000</u>	<u>38,900</u>	<u>75,200</u>

**MEDIVET GROUP LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 30 APRIL 2003**

**13. CALLED UP SHARE CAPITAL**

Authorised: Number:	Class:	Nominal value:	2003 £	2002 £
1,000,000	Ordinary	1	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2003 £	2002 £
10,000	Ordinary	1	<u>10,000</u>	<u>10,000</u>

**14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2003 £	2002 £
Profit for the financial year	<u>446,764</u>	<u>423,622</u>
Net addition to shareholders' funds	446,764	423,622
Opening shareholders' funds	<u>1,077,518</u>	<u>653,896</u>
Closing shareholders' funds	<u>1,524,282</u>	<u>1,077,518</u>
Equity interests	<u>1,524,282</u>	<u>1,077,518</u>