

hh CIVVALS

Chartered Accountants
Registered Auditors
Independent Financial Advisers

MEDIVET GROUP LIMITED
ABBREVIATED FINANCIAL STATEMENTS
COMPANY NO: 3481736

FOR THE PERIOD
1 JUNE 2001 TO 30 APRIL 2002



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MEDIVET GROUP LTD

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FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002**

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MEDIVET GROUP LTD

**COMPANY INFORMATION
FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002**

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 LTD

REPORT OF THE DIRECTORS FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002

The directors present their report with the financial statements of the company for the period 1 June 2001 to 30 April 2002.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

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

DIVIDENDS

No dividends will be distributed for the period ended 30 April 2002.

DIRECTORS

The directors during the period 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 2002 in the issued share capital of the company were as follows:

| | 30.4.02 | 1.6.01 |
|--------------------------|---------|--------|
| Ordinary 1 shares | | |
| A S Levy | 2,125 | 2,500 |
| A Teper | 2,125 | 2,500 |
| R M Leonard | 2,125 | 2,500 |
| J E Gladstone | 2,125 | 2,500 |
| G Carter | 900 | - |
| J Smithers | 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 LTD

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002**

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 handwritten signature in black ink, appearing to be 'A S Levy', written in a cursive style.

A S Levy - SECRETARY

Dated: 28 January 2003

MEDIVET GROUP LTD

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

We have examined the abbreviated financial statements on pages five to fifteen, together with the full financial statements of the company for the period ended 30 April 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

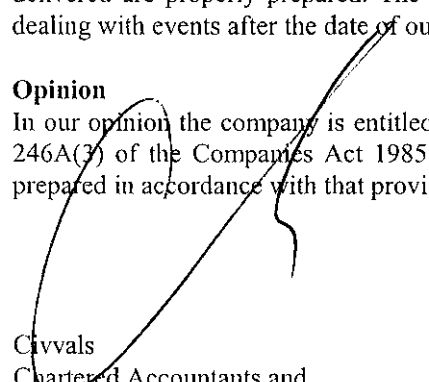
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements 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 financial statements and that the abbreviated financial statements 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 financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to fifteen are properly prepared in accordance with that provision.



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

Dated: 28 January 2003

MEDIVET GROUP LTD

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002**

| | Notes | Period 1.6.01 to 30.4.02 £ | Year ended 31.5.01 £ |
|---|----------|--|----------------------------|
| GROSS PROFIT | | 6,726,118 | 5,496,021 |
| Administrative expenses | | 6,161,745 | 5,088,955 |
| OPERATING PROFIT | 3 | 564,373 | 407,066 |
| Interest receivable and similar income | | 399 | 746 |
| | | 564,772 | 407,812 |
| Interest payable and similar charges | 4 | 4,873 | 387 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 559,899 | 407,425 |
| Tax on profit on ordinary activities | 5 | 136,277 | 114,017 |
| PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION | | 423,622 | 293,408 |
| Retained profit brought forward | | 643,896 | 350,488 |
| RETAINED PROFIT CARRIED FORWARD | | £1,067,518 | £643,896 |

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

MEDIVET GROUP LTD

ABBREVIATED BALANCE SHEET
30 APRIL 2002

| | Notes | 2002 £ | 2001 £ |
|---|-------|--------------------------|------------------------|
| FIXED ASSETS: | | | |
| Tangible assets | 6 | 229,645 | 127,008 |
| Investments | 7 | 1,100 | 1,100 |
| | | <u>230,745</u> | <u>128,108</u> |
| CURRENT ASSETS: | | | |
| Stocks | 8 | 117,259 | 149,854 |
| Debtors | 9 | 1,403,773 | 883,067 |
| Cash at bank | | 40,095 | 96,618 |
| | | <u>1,561,127</u> | <u>1,129,539</u> |
| CREDITORS: Amounts falling due within one year | 10 | 714,354 | 603,751 |
| NET CURRENT ASSETS: | | <u>846,773</u> | <u>525,788</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES: | | <u><u>£1,077,518</u></u> | <u><u>£653,896</u></u> |
| CAPITAL AND RESERVES: | | | |
| Called up share capital | 13 | 10,000 | 10,000 |
| Profit and loss account | | 1,067,518 | 643,896 |
| SHAREHOLDERS' FUNDS: | 14 | <u><u>£1,077,518</u></u> | <u><u>£653,896</u></u> |

These abbreviated financial statements 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

R. LEONARD

Approved by the Board on 28 January 2003

MEDIVET GROUP LTD

**CASH FLOW STATEMENT
FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002**

| | | Period 1.6.01 to 30.4.02 £ | Year ended 31.5.01 £ |
|---|-------|--|----------------------------|
| | Notes | | |
| Net cash inflow from operating activities | 1 | 145,797 | 247,752 |
| Returns on investments and servicing of finance | 2 | (4,474) | 359 |
| Taxation | | (77,000) | (77,001) |
| Capital expenditure and financial investment | 2 | (143,414) | (46,338) |
| (Decrease)/Increase in cash in the period | | <u>£(79,091)</u> | <u>£124,772</u> |
| Reconciliation of net cash flow to movement in net funds | 3 | | |
| (Decrease)/Increase in cash in the period | | <u>(79,091)</u> | <u>124,772</u> |
| Change in net funds resulting from cash flows | | <u>(79,091)</u> | <u>124,772</u> |
| Movement in net funds in the period | | <u>(79,091)</u> | <u>124,772</u> |
| Net funds/(debt) at 1 June | | <u>96,618</u> | <u>(28,154)</u> |
| Net funds at 30 April | | <u>£17,527</u> | <u>£96,618</u> |

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002

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

| | Period 1.6.01 to 30.4.02 £ | Year ended 31.5.01 £ |
|--|--|----------------------------|
| Operating profit | 564,373 | 407,066 |
| Depreciation charges | 40,777 | 22,749 |
| Decrease/(Increase) in stocks | 32,595 | (36,380) |
| Increase in debtors | (520,706) | (333,229) |
| Increase in creditors | 28,758 | 187,546 |
| Net cash inflow from operating activities | 145,797 | 247,752 |

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

| | Period 1.6.01 to 30.4.02 £ | Year ended 31.5.01 £ |
|--|--|----------------------------|
| Returns on investments and servicing of finance | | |
| Interest received | 399 | 746 |
| Interest paid | (4,873) | (387) |
| Net cash (outflow)/inflow for returns on investments and servicing of finance | (4,474) | 359 |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (143,414) | (46,438) |
| Cash receipts - investmt sales | - | 100 |
| Net cash outflow for capital expenditure | (143,414) | (46,338) |

MEDIVET GROUP LTD

**NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002**

3. ANALYSIS OF CHANGES IN NET FUNDS

| | At 1.6.01 £ | Cash flow £ | At 30.4.02 £ |
|----------------------------------|----------------|-----------------|-----------------|
| Net cash: | | | |
| Cash at bank | 96,618 | (56,523) | 40,095 |
| Bank overdraft | - | (22,568) | (22,568) |
| | <u>96,618</u> | <u>(79,091)</u> | <u>17,527</u> |
| Total | <u>96,618</u> | <u>(79,091)</u> | <u>17,527</u> |
| Analysed in Balance Sheet | | | |
| Cash at bank | 96,618 | | 40,095 |
| Bank overdraft | - | | (22,568) |
| | <u>96,618</u> | | <u>17,527</u> |

The notes form part of these financial statements

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002

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 period 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

| | Period 1.6.01 to 30.4.02 £ | Year ended 31.5.01 £ |
|-----------------------|--|----------------------------|
| Wages and salaries | 2,740,444 | 2,254,694 |
| Social security costs | 253,276 | 195,035 |
| Other pension costs | 4,701 | 627 |
| | <u>2,998,421</u> | <u>2,450,356</u> |

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002

2. STAFF COSTS - continued

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

| | Period 1.6.01 to 30.4.02 | Year ended 31.5.01 |
|------------------|-----------------------------------|-----------------------|
| Administration | 31 | 36 |
| Veterinary staff | 166 | 130 |
| | <u>197</u> | <u>166</u> |

3. OPERATING PROFIT

The operating profit is stated after charging:

| | Period 1.6.01 to 30.4.02 £ | Year ended 31.5.01 £ |
|-----------------------------|--|----------------------------|
| Hire of plant and machinery | 75,294 | 34,674 |
| Depreciation - owned assets | 40,777 | 22,749 |
| Auditors' remuneration | 8,000 | 6,000 |
| | <u>-</u> | <u>-</u> |
| Directors' emoluments | - | - |

4. INTEREST PAYABLE AND SIMILAR CHARGES

| | Period 1.6.01 to 30.4.02 £ | Year ended 31.5.01 £ |
|---------------|--|----------------------------|
| Bank interest | 4,873 | 387 |

5. TAXATION

Analysis of the tax charge

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

| | Period 1.6.01 to 30.4.02 £ | Year ended 31.5.01 £ |
|--------------------------------------|--|----------------------------|
| Current tax: | | |
| UK corporation tax | 136,277 | 114,017 |
| Tax on profit on ordinary activities | <u>136,277</u> | <u>114,017</u> |

MEDIVET GROUP LTD

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002**

6. TANGIBLE FIXED ASSETS

| | Fixtures and fittings | Motor vehicles | Totals |
|------------------------|-----------------------------|-------------------|---------|
| | £ | £ | £ |
| COST: | | | |
| At 1 June 2001 | 194,595 | 3,800 | 198,395 |
| Additions | 143,414 | - | 143,414 |
| At 30 April 2002 | 338,009 | 3,800 | 341,809 |
| DEPRECIATION: | | | |
| At 1 June 2001 | 69,724 | 1,663 | 71,387 |
| Charge for period | 40,243 | 534 | 40,777 |
| At 30 April 2002 | 109,967 | 2,197 | 112,164 |
| NET BOOK VALUE: | | | |
| At 30 April 2002 | 228,042 | 1,603 | 229,645 |
| At 31 May 2001 | 124,871 | 2,137 | 127,008 |

7. FIXED ASSET INVESTMENTS

| | | |
|------------------------|--------------|--------------|
| | | £ |
| COST: | | |
| At 1 June 2001 | | |
| and 30 April 2002 | | <u>1,100</u> |
| NET BOOK VALUE: | | |
| At 30 April 2002 | | <u>1,100</u> |
| | | |
| At 31 May 2001 | | <u>1,100</u> |
| | | |
| | 2002 | 2001 |
| | £ | £ |
| Unlisted investments | <u>1,100</u> | <u>1,100</u> |

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002

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: | % holding |
| Ordinary shares | 100.00 |

| | 2002 | 2001 |
|--------------------------------|----------|----------|
| | £ | £ |
| Aggregate capital and reserves | (17,258) | (16,174) |
| Loss for the period/year | (1,084) | (2,074) |

Lab Services Limited

Nature of business: veterinary laboratory

| | |
|------------------|--------------|
| Class of shares: | % holding |
| Ordinary | 50.00 |

| | 2002 | 2001 |
|-----------------------------------|----------|--------|
| | £ | £ |
| Aggregate capital and reserves | (13,484) | 9,134 |
| (Loss)/Profit for the period/year | (21,823) | 19,084 |

8. **STOCKS**

| | 2002 | 2001 |
|-------|---------|---------|
| | £ | £ |
| Stock | 117,259 | 149,854 |

The stock is made up of drugs and food.

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

| | 2002 | 2001 |
|---|-----------|---------|
| | £ | £ |
| Trade debtors | 1,126,803 | 732,514 |
| Other debtors | 8,672 | 8,172 |
| Prepayments and accrued income | 266,091 | 139,076 |
| Amount owed by Pet Health Education Services Limited | 2,207 | 3,305 |
| | 1,403,773 | 883,067 |

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002

10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

| | 2002 £ | 2001 £ |
|--|----------------|----------------|
| Bank loans and overdrafts (see note 11) | 22,568 | - |
| Trade creditors | 322,286 | 294,278 |
| Amount due to Complete Animal Care Ltd | 1,000 | 1,000 |
| Amount due to Lab Services Ltd | 100 | 100 |
| Value added tax | 154,197 | 183,710 |
| Other taxes and social security costs | 26,359 | 8,856 |
| Corporation tax | 162,806 | 103,529 |
| Accrued expenses | 25,038 | 12,278 |
| | <u>714,354</u> | <u>603,751</u> |

11. LOANS AND OVERDRAFTS

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

| | 2002 £ | 2001 £ |
|---|---------------|-----------|
| Amounts falling due within one year or on demand: | | |
| Bank overdrafts | <u>22,568</u> | <u>-</u> |

12. OBLIGATIONS UNDER LEASING AGREEMENTS

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

| | Operating leases | | | |
|----------------------------|-----------------------|----------------|----------------|----------------|
| | Land and buildings | | Other | |
| | 2002 £ | 2001 £ | 2002 £ | 2001 £ |
| Expiring: | | | | |
| Between one and five years | - | - | 110,400 | 174,940 |
| In more than five years | 412,800 | 391,554 | - | - |
| | <u>412,800</u> | <u>391,554</u> | <u>110,400</u> | <u>174,940</u> |

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JUNE 2001 TO 30 APRIL 2002

13. CALLED UP SHARE CAPITAL

| Authorised: | | Nominal value: | 2002 | 2001 |
|-------------|----------|-------------------|------------------|------------------|
| Number: | Class: | | £ | £ |
| 1,000,000 | Ordinary | 1 | <u>1,000,000</u> | <u>1,000,000</u> |

| Allotted, issued and fully paid: | | Nominal value: | 2002 | 2001 |
|----------------------------------|----------|-------------------|---------------|---------------|
| Number: | Class: | | £ | £ |
| 10,000 | Ordinary | 1 | <u>10,000</u> | <u>10,000</u> |

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2002 | 2001 |
|--|-------------------------|-----------------------|
| | £ | £ |
| Profit for the financial period | <u>423,622</u> | <u>293,408</u> |
| Net addition to shareholders' funds | 423,622 | 293,408 |
| Opening shareholders' funds | <u>653,896</u> | <u>360,488</u> |
| Closing shareholders' funds | <u>1,077,518</u> | <u>653,896</u> |
| Equity interests | <u>1,077,518</u> | <u>653,896</u> |