Registration number: 08537314

MILL HOUSE VETS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD FROM 17 MAY 2016 TO 30 SEPTEMBER 2016

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Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

MILL HOUSE VETS LIMITED

(REGISTRATION NUMBER: 08537314)
BALANCE SHEET AS AT 30 SEPTEMBER 2016

	Note	30 September 2016 £	Unaudited 16 May 2016 £
Fixed assets			
Intangible assets	5	639,110	684,761
Tangible assets	6	94,789	103,961
		733,899	788,722
Current assets			
Stocks	7	23,269	25,155
Debtors	8	105,242	92,453
Cash at bank and in hand		315,750	202,130
		444,261	319,738
Creditors: Amounts falling due within one year	9	(675,203)	(684,061)
Net current liabilities		(230,942)	(364,323)
Total assets less current liabilities		502,957	424,399
Creditors: Amounts falling due after more than one year	9	(1,294)	-
Provisions for liabilities	4	(6,904)	(16,504)
Net assets		494,759	407,895
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		494,659	407,795
Total equity		494,759	407,895

Approved and authorised by the Board on 6/12/16 and signed on its behalf by:

AD

....
A J Davis
Director

The notes on pages 2 to 10 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital, incorporated and domiciled in Northern Ireland.

The address of its registered office is:
Station House East
Ashley Avenue
Bath
BA1 3DS

These financial statements are presented in Pounds Sterling.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' effective January 2016.

Basis of preparation
These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

Name of parent of group
These financial statements up to the 30 September 2016 are consolidated in the financial statements of IVC Midco Limited.

The financial statements of IVC Midco Limited may be obtained from Companies House.

Disclosure of long or short period
The financial statements cover a period of 137 days. The accounting period has been shortened to bring the year end in line with that of its parent company, Independent Vetcare Limited.

Going concern
After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2 Accounting policies (continued)

Judgements
No significant judgements have been made by management in preparing these financial statements.

Key sources of estimation uncertainty
No key sources of uncertainty have been made by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition
Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets
Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation
Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

Asset class	**Depreciation method and rate**
Fixtures and surgery equipment	Straight line over 5 years
Computer equipment	Straight line over 3 years

2 Accounting policies (continued)

Intangible assets
Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Amortisation
Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 5 years

This is the period over which the directors expect to derive economic benefit from the acquisition.

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

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All debtors are repayable within one year and are hence included at the undiscounted amount of the cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

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

Trade creditors
Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

2 Accounting policies (continued)

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

Dividends
Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

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

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

2 Accounting policies (continued)

Financial instruments

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

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

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

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

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

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

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

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

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

MILL HOUSE VETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 17 MAY 2016 TO 30 SEPTEMBER 2016

3 Staff numbers

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

	17 May 2016 to 30 September 2016 No.	1 January 2016 to 16 May 2016 No.
Assistant vets and nurses	30	25
Support staff	10	11
	40	36

4 Provisions for liabilities

Deferred tax

Deferred tax assets and liabilities

30 September 2016	**Liability £**
Difference between accumulated depreciation and amortisation and capital allowances	6,904

16 May 2016	**Liability £**
Difference between accumulated depreciation and amortisation and capital allowances	16,504

5 Intangible assets

	Goodwill £
Cost	
At 17 May 2016 and at 30 September 2016	799,690
Amortisation	
At 17 May 2016	114,929
Amortisation charge	45,651
At 30 September 2016	160,580
Carrying amount	
At 30 September 2016	639,110
At 16 May 2016	684,761

6 Tangible assets

	Fixtures and surgery equipment £	Computer equipment £	Total £
Cost			
At 17 May 2016	115,149	2,436	117,585
Additions	474	-	474
At 30 September 2016	115,623	2,436	118,059
Depreciation			
At 17 May 2016	13,316	308	13,624
Charge for the period	9,257	389	9,646
At 30 September 2016	22,573	697	23,270
Carrying amount			
At 30 September 2016	93,050	1,739	94,789
At 16 May 2016	103,961	-	103,961

7 Stocks

	30 September 2016 £	16 May 2016 £
Other inventories	23,269	25,155

The cost of stocks recognised as an expense in the period amounted to £145,067 (16 May 2016 - £142,581).

8 Debtors

	30 September 2016 £	16 May 2016 £
Trade debtors	67,040	65,097
Other debtors	16,035	13,403
Prepayments	22,167	13,953
Total current trade and other debtors	105,242	92,453

9 Creditors

	Note	30 September 2016 £	16 May 2016 £
Due within one year			
Loans and borrowings	10	-	459,026
Trade creditors		89,462	47,669
Social security and other taxes		81,403	34,096
Other creditors		452,952	4,105
Accrued expenses		24,514	58,925
Income tax liability	4	26,872	80,240
		675,203	684,061
Due after one year			
Amounts owed to group undertakings		1,294	-

10 Loans and borrowings

	30 September 2016 £	16 May 2016 £
Current loans and borrowings		
Other borrowings	-	459,026

11 Share capital

Allotted, called up and fully paid shares

	30 September 2016 No.	£	16 May 2016 No.	£
Ordinary Shares of £1 each	100	100	100	100

12 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	30 September 2016	16 May 2016
	£	£
Not later than one year	53,048	52,744
Later than one year and not later than five years	207,618	207,241
Later than five years	491,546	510,000
	752,212	769,985

The amount of non-cancellable operating lease payments recognised as an expense during the period was £20,407 (16 May 2016 - £2,881).

13 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £2,861 (16 May 2016 - £13,333).

14 Parent and ultimate parent undertaking

The company is controlled by its immediate parent company, Independent Vetcare Limited, a company registered in England and Wales. The ultimate parent company is IVC Lux Holdings 1 Sarl, a company registered in Luxembourg, which is controlled by funds managed by Summit Partners Europe Private Equity Fund LP.

15 Transition to FRS 102

There are no transitional adjustments as a result of adopting FRS 102 for the first time.

16 Disclosure under Section 444(5B) CA 2006 relating to the independent Auditor's Report

As permitted by Section 444 CA 2006, these accounts do not contain a copy of the company's profit and loss account for the year or a copy of the directors' report. Accordingly, the independent auditors' report has also been omitted.

The independent auditors' report for the year was unqualified.

The auditor was Hazlewoods LLP and Andrew Brookes signed the auditor's report as senior statutory auditor.