

ORBY VETS LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 5 SEPTEMBER 2020 TO 30 SEPTEMBER 2021

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Financial Statements	<u>3</u> to <u>11</u>

Orby Vets Ltd

Company Information

Directors	D L Chapman M A Gillings
Registered office	The Chocolate Factory Keynsham Bristol BS31 2AU
Bankers	HSBC Bank PLC Second Floor HSBC Building Mitchell Way Southampton SO18 2XU
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

Orby Vets Ltd**(Registration number: 05334778)****Balance Sheet as at 30 September 2021**

	Note	30 September 2021 £	Unaudited 4 September 2020 £
Fixed assets			
Intangible assets	4	-	7,604
Tangible assets	5	-	43,740
		-	51,344
Current assets			
Stocks	6	-	22,332
Debtors: Amounts falling due within one year	7	-	28,874
Debtors: Amounts falling due after more than one year	7	100	-
Cash at bank and in hand		-	470,284
		100	521,490
Creditors: Amounts falling due within one year	8	-	(139,952)
Net current assets		100	381,538
Total assets less current liabilities		100	432,882
Deferred tax liabilities		-	(2,380)
Net assets		100	430,502
Capital and reserves			
Called up share capital		100	100
Profit and loss account		-	430,402
Total equity		100	430,502

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 25 January 2022 and signed on its behalf by:

D L Chapman
Director

Notes to the Financial Statements for the Period from 5 September 2020 to 30 September 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

The Chocolate Factory
Keynsham
Bristol
BS31 2AU

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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Name of parent of group

These financial statements are consolidated in the financial statements of IVC Acquisition Midco Ltd.

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

Disclosure of long or short period

The financial statements cover a period of 391 days. The accounting period has been lengthened to bring the year end in line with that of its parent undertaking, Independent Vetcare Limited.

Going concern

After reviewing the company's forecasts and projections, together with the facilities available to the company, 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.

Judgements and estimation uncertainty

These financial statements do not contain any significant judgements or estimation uncertainty.

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.

Notes to the Financial Statements for the Period from 5 September 2020 to 30 September 2021

Government grants

Government 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 revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

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 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 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 balance sheet 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
Short leasehold property	Over the term of the lease
Fixtures and surgery equipment	Straight line over 5 years
Office equipment	Straight line over 3 years

Following the acquisition of the company on 4 September 2020, the company adopted group policies from the date of acquisition.

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

Following the acquisition of the company on 4 September 2020, the company adopted group policies from the date of acquisition.

Notes to the Financial Statements for the Period from 5 September 2020 to 30 September 2021

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 trade debtors are repayable within one year and hence are included at the undiscounted cost of 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 debtors.

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.

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 all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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.

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.

Notes to the Financial Statements for the Period from 5 September 2020 to 30 September 2021

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.

Notes to the Financial Statements for the Period from 5 September 2020 to 30 September 2021

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 asset 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.

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.

3 Staff numbers

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

Notes to the Financial Statements for the Period from 5 September 2020 to 30 September 2021

	5 September 2020 to 30 September 2021 No.	Unaudited 1 January 2020 to 4 September 2020 No.
Average number of employees	<u>11</u>	<u>13</u>

4 Intangible assets

	Goodwill £
Cost	
At 5 September 2020	57,500
Transferred to group undertaking	<u>(57,500)</u>
At 30 September 2021	<u>-</u>
Amortisation	
At 5 September 2020	49,896
Amortisation charge	760
Transferred to group undertaking	<u>(50,656)</u>
At 30 September 2021	<u>-</u>
Carrying amount	
At 30 September 2021	<u>-</u>
At 4 September 2020	<u>7,604</u>

5 Tangible assets

	Short leasehold property £	Fixtures and surgery equipment £	Office equipment £	Total £
Cost				
At 5 September 2020	27,245	73,513	-	100,758
Additions	3,000	453	344	3,797
Transfers between asset classes	-	(6,013)	6,013	-
Transferred to group undertaking	<u>(30,245)</u>	<u>(67,953)</u>	<u>(6,357)</u>	<u>(104,555)</u>
At 30 September 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation				
At 5 September 2020	2,837	54,181	-	57,018
Charge for the period	1,595	4,735	1,412	7,742
Transfers between asset classes	-	(2,529)	2,529	-
Transferred to group undertaking	<u>(4,432)</u>	<u>(56,387)</u>	<u>(3,941)</u>	<u>(64,760)</u>
At 30 September 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount				
At 30 September 2021	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 4 September 2020	<u>24,408</u>	<u>19,332</u>	<u>-</u>	<u>43,740</u>

Notes to the Financial Statements for the Period from 5 September 2020 to 30 September 2021

On 31 March 2021, all of the fixed assets were transferred to Independent Vetcare Limited as part of a hive up of the company's trade and net assets carried out.

6 Stocks

	30 September 2021 £	Unaudited 4 September 2020 £
Finished goods and consumables	-	22,332

7 Debtors

	30 September 2021 £	Unaudited 4 September 2020 £
Trade debtors	-	23,569
Other debtors	-	499
Prepayments	-	4,806
Amounts owed by group undertakings	100	-
	100	28,874
Less non-current portion	(100)	-
Total current trade and other debtors	-	28,874

Details of non-current trade and other debtors

£100 (2020 - £Nil) of amounts owed by group undertakings is classified as non-current.

8 Creditors

	30 September 2021 £	Unaudited 4 September 2020 £
Due within one year		
Loans and borrowings	-	7,371
Trade creditors	-	23,399
Social security and other taxes	-	84,461
Outstanding defined contribution pension costs	-	926
Other creditors	-	79
Accrued expenses	-	23,716
	-	139,952

Notes to the Financial Statements for the Period from 5 September 2020 to 30 September 2021

9 Loans and borrowings

	30 September 2021 £	Unaudited 4 September 2020 £
Current loans and borrowings		
Directors current accounts	-	7,371

10 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 £3,358 (2020 - £2,333).

Contributions totalling £Nil (2020 - £926) were payable to the scheme at the end of the period and are included in creditors.

Notes to the Financial Statements for the Period from 5 September 2020 to 30 September 2021

11 Financial commitments

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £Nil (2020 - £10,051).

12 Parent and ultimate parent undertaking

The company's immediate parent undertaking is Independent Vetcare Limited, incorporated in England and Wales.

Up to 25 May 2021, the ultimate parent undertaking was IVC New TopHolding S.A., a company incorporated in Luxembourg.

Since 25 May 2021, the ultimate parent undertaking is Islay New Group Holding SA, a company registered in Luxembourg.

13 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 or a copy of the Directors' Report. Accordingly, the Independent Auditors' Report has also been omitted.

The Independent Auditor's Report was unqualified. The corresponding figures for the period from 1 January 2020 to 4 September 2020 shown in the financial statements are derived from the financial statements prepared for that period that were not audited. The name of the Senior Statutory Auditor who signed the audit report on 25 January 2022 was Simon Worsley, who signed for and on behalf of Hazlewoods LLP.