

VN HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2020

VN HOLDINGS LIMITED

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VN HOLDINGS LIMITED

Company Information

Directors	A K Boag D L Chapman M A Gillings M Ross
Registered office	Pinsent Masons LLP 13 Queens Road Aberdeen AB15 4YL
Bankers	HSBC Bank PLC Second Floor HSBC Building Mitchell Way Southampton SO18 2XU
Auditors	Hazlewoods LLP Windsor House Bayshill Road Cheltenham GL50 3AT

VN HOLDINGS LIMITED

Directors' Report for the Year Ended 30 September 2020

The directors present their report and the financial statements for the year ended 30 September 2020.

Directors of the company

The directors who held office during the year were as follows:

A K Boag

D L Chapman (appointed 19 June 2020)

M A Gillings

M Ross

D R G Hillier (resigned 2 March 2020)

P M Kenyon (appointed 24 January 2020 and resigned 19 June 2020)

J M Wallace (resigned 31 October 2020)

Principal activity

The principal activity of the company is as a holding company.

Engagement with suppliers, customers and other

For more detail on how the Group engages with its suppliers and customers, refer to the Section 172 (1) statement on page 3.

Future developments

The group to which the company belongs, plans to continue with its strategy of acquiring high quality veterinary practices. The group has funding facilities in place to fund the planned acquisitions. The group is strongly cash generating before investing in additional acquisitions. The Board have considered the impact of Brexit and concluded that they have an appropriate mitigation plan in place. The veterinary sector has historically been resilient to economic downturns and the group is well placed to deal with this.

Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 17 December 2020 and signed on its behalf by:

.....
D L Chapman
Director

VN HOLDINGS LIMITED

Strategic Report for the Year Ended 30 September 2020

The directors present their strategic report for the year ended 30 September 2020. The comparative period is from 1 April 2018 to 30 September 2019.

Strategy & Progress

The group's strategy is to build the highest quality veterinary services group in the UK by the acquisition of high quality groups and practices and continuing to grow existing practices organically. The practices are locally branded and led by clinically focused staff benefiting from enhanced buying power, marketing, training and back office support.

The group is cash generating from operating activities and has a policy of paying all creditors within terms.

Fair review of the business

The results for the year, which are set out in the profit and loss account, show an operating loss of £nil (2019 - £980). At 30 September 2020, the company had net assets of £11,018 (2019 - £10,928). The directors consider the performance for the year and the financial position at the year end to be satisfactory.

Given the nature of the business, the company's directors are of the opinion that key performance indicators are important. The company uses a number of indicators to monitor and improve the position of the business. Indicators are reviewed and altered to meet changes both in the internal and external environments. The directors do not consider the inclusion of an analysis using key performance indicators to be necessary to assist users of the financial statements in their understanding of the financial performance or position of the company.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from both national and local providers of veterinary services and the general state of the veterinary industry.

Financial instruments

Objectives and policies

The board constantly monitors the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

Price risk, credit risk, liquidity risk and cash flow risk

The group to which the company belongs is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures. However, most of the sales are paid in cash or by credit or debit card and are subject to little risk.

Section 172 (1) statement

The directors of the Company are required to act in accordance with the duties detailed in section 172 of the Companies Act 2006, which are summarised as follows:

A director of a company must act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) The likely consequences of any decision in the long term;
- b) The interest 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.

The statement below sets out how the Directors have acted in accordance with these duties.

Financial Position and Prospects Procedures ("FPPP") and Ethical Statement

The directors have established procedures that enable them to be informed on a regular basis as to:

- the financial position of its Group, including assets and liabilities, profits and losses;
- projected profitability, cash flows and funding requirements;
- the financial procedures in place for all Group companies; and
- the controls in place for all Group companies.

These procedures provide the basis on which the board can make decisions and take action, steps underpinned by the IVC Evidensia Ethical Statement, which outlines the values and responsibilities of the Company. This entails behaving ethically in all aspects of business and caring for the environment. We set good examples in the way we act towards each other as employees and business partners, always respecting laws and regulations in the countries we do business. The Ethical Statement has been adopted by the Board and responsibility for compliance rests with the whole Group. The statement is the foundation of the trust that is established with all our stakeholders.

The Board identified its stakeholders by assessing which resources are relied upon to deliver the Company's strategy (which is set out on page 3). Stakeholders that the Directors identified from this process comprise seven categories. These are outlined below with an overview of their interests, their concerns, how the Board communicates with them and the ways in which the Board has acted with regard to these Groups when taking key decisions throughout the year.

Customers

The Company through its national network of Out-of-Hours (OOH) clinics and three 24-hour referral hospitals provides the very best in emergency and critical care (ECC) to pet owners and their pets, at the time they need it most, adhering to all relevant national legislation. Customers expect the highest clinical standards and care to be observed. A suite of Standard Operating Procedures has been created by the Board to ensure hygiene safety in the clinics and hospitals is maintained at consistently high levels.

To ensure clinical excellence, the Company operates a Clinical Board which reviews clinical procedures and ensures clinical guidance reflects best practice. This forum also guides the organisation on matters of ethics or professional standards, making recommendations on matters such as laboratory quality, education, hygiene, anti-microbial resistance and professional conduct, as well as promoting an exchange of ideas across the Group.

During the year, the Board communicates with its customers by receiving updates on key customer issues at its regular board meetings and members of the Board attend site visits so they can hear first-hand about customer concerns. The Board also reviews customer feedback through social media channels, surveys and mail. Based on these communications, the Board takes appropriate actions to make sure its customers are in its highest regard such as the nutrition programme based on consumer feedback mentioned below.

During the pandemic, the Company did not close any clinics due to the essential nature of the ECC services it provides but strict social distancing policies were introduced and additional protective personal equipment was sourced and provided to all clinics to ensure the safety of our people and clients. (see Other Stakeholders section below for more detail).

The Company operates a Care Fund, to assist customers who could not otherwise afford lifesaving treatment for their animal. This not only protects animal welfare it also protects the well-being of our staff by providing support to an often challenging and immensely stressful decision-making process.

Employees

The ethical statement commits the Company to provide a safe, happy and secure work environment where we treat all our people with care, respect, empathy and kindness.

Vets joining the Company gain access to regular training, clinical guidance and are supported in health and safety, human resources, finance and marketing activities. This enables them to focus on the clinical aspects of their work, and for many this is a key motivation in joining the Company. The Board takes their interests into account by undertaking regular engagement surveys and by providing a moderated clinical discussion forum.

The Board had employees' and customers' safety interests as its highest priority during the Covid 19 pandemic. Safety equipment was quickly put in place, clinical operating procedures were changed, and support provided so that office staff could work from home. The Company complies with the local statutory guidance on managing the risk of Covid-19 and carried out a Covid-19 risk assessment. Cleaning, handwashing and hygiene procedures are all performed in line with that guidance and the Board has taken all reasonable steps to help people work from home and maintain social distancing in the office or practice workplaces. The Board acted swiftly by furloughing staff where required to protect their roles for the future during periods of reduced activity.

The Board, through the Group, also showed its commitment to the mental wellbeing of staff by developing a mental health strategy in conjunction with Mental Health First Aid England. A Wellbeing week held in November 2019 was highly successful with mass staff participation at the IVC Evidensia support centre in Keynsham, UK. Support for the LGBT+ community within the Group is provided through wellbeing champions, and the Company also makes a counselling service available to all employees.

The Board communicates key messages and the Company's performance with its staff through regular District and company-level meetings where questions are asked by employees. Based on these communications, the Board changes staff policy appropriately.

Suppliers

The Board is committed to the fair treatment of suppliers and is committed to paying within agreed terms of credit. Operations teams build strong relationships with our suppliers to develop mutually beneficial and lasting partnerships, engaging through regular interactions and formal reviews.

The Board recognises that relationships with suppliers are important to the Company's long-term success. It communicates with them by being briefed on supplier feedback and issues on a regular basis. Based on these communications, the Board adjusts certain practices with suppliers in order to improve its supply chain. Our ethical statement prohibits engagement with corruption or bribery, and a zero-tolerance policy towards suppliers is taken with this.

Community

The Board takes the interests of the community and its social responsibility very seriously. This is illustrated to a global extent when the Group provided a quick response to the Australian bushfires in January 2020, taking a decision to fully fund teams of our own vets and nurses to work in Australia to aid wildlife recovery.

Nearer to home, the Company considers the social impact its business has on local communities and puts in policies and strategies in relation to this. For example, we support local initiatives via Street Vet and children's charities near to the Dunfermline Support Office.

Environment

The ethical statement commits the board to act and implement procedures that minimise the impact our business has on the environment and to develop relationships with suppliers who share this ideal.

The Company participates in the Group’s “Green Team” which looks at initiatives to reduce the Group’s carbon footprint and improve the environment. Examples of initiatives introduced include encouraging staff to join community litter picking activities and the sharing of vegan recipes to help staff reduce their carbon footprint through their diet.

Investors

The Group is funded by a mixture of equity and loan finance, meaning the Board has to consider the interests of both shareholders and lenders. The Board is committed to providing its stakeholders with sustainable, profitable growth over the longer term. This is underpinned by the Group’s highly acquisitive strategy. During the year the Board took the decision to refresh the groups Revolving Credit Facility, thereby providing funding for future acquisitions whilst maintaining liquidity for protection of the business through the pandemic, ensuring the Group had sufficient cash and working capital.

Encouraging practices to join the Group’s network increases its purchasing power and economies of scale, allowing investment into existing and new surgeries. The Group can then offer customers access to a greater range of treatments. In addition, this creates increased shareholder returns

The Group has an open dialogue with shareholders and lenders through email communication, individual and Group meetings. Discussions cover a wide range of topics including financial performance, strategy, outlook, governance and ethical practices.

Government and regulators

The Company, through the Group, regularly interacts with local governments and regulators in each market to ensure animal safety is maintained in the Group’s practices.

The Company, through the Group, regularly communicates with the respective regulators in a variety of ways through its Group Veterinary Medical Board and national Clinical Boards in each market. The Company liaises with these various Boards via its own dedicated Director of Professional Standards, who Chairs the Company’s own dedicated Clinical Board.

Approved by the Board on 17 December 2020 and signed on its behalf by:

.....
D L Chapman
Director

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

UK company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under UK 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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.

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.

Independent Auditor's Report to the Members of VN Holdings Limited

Opinion

We have audited the financial statements of VN Holdings Limited (the 'company') for the year ended 30 September 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, it is difficult to evaluate all of the potential implications of the current COVID-19 outbreak on the company's trade, employees, customers, suppliers and the wider economy.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent Auditor's Report to the Members of VN Holdings Limited

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page [7](#), 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 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 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of VN Holdings Limited

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.

.....
Simon Worsley (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

17 December 2020

VN HOLDINGS LIMITED**Profit and Loss Account for the Year Ended 30 September 2020**

	Year ended 30 September 2020 £	1 April 2018 to 30 September 2019 £
Turnover	-	-
Administrative expenses	-	(980)
Loss before tax	-	(980)
Taxation	90	(9)
Profit/(loss) for the financial year	90	(989)

The above results were derived from continuing operations.

The company has no other comprehensive income for the year.

VN HOLDINGS LIMITED**(Registration number: SC339529)****Balance Sheet as at 30 September 2020**

		30 September 2020 £	30 September 2019 £
	Note		
Fixed assets			
Investments	7	<u>100</u>	<u>100</u>
Current assets			
Debtors	8	1,405,995	1,405,995
Creditors: Amounts falling due within one year	9	<u>(1,395,077)</u>	<u>(1,395,167)</u>
Net current assets		<u>10,918</u>	<u>10,828</u>
Net assets		<u><u>11,018</u></u>	<u><u>10,928</u></u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account		<u>10,918</u>	<u>10,828</u>
Total equity		<u><u>11,018</u></u>	<u><u>10,928</u></u>

Approved and authorised by the Board on 17 December 2020 and signed on its behalf by:

.....

D L Chapman
Director

VN HOLDINGS LIMITED**Statement of Changes in Equity for the Year Ended 30 September 2020**

	Share capital £	Profit and loss account £	Total £
At 1 October 2019	100	10,828	10,928
Profit for the year	-	90	90
	<hr/>	<hr/>	<hr/>
At 30 September 2020	100	10,918	11,018

	Share capital £	Profit and loss account £	Total £
At 1 April 2018	100	11,817	11,917
Loss for the period	-	(989)	(989)
	<hr/>	<hr/>	<hr/>
At 30 September 2019	100	10,828	10,928

1 General information

The company is a private company limited by share capital, incorporated in Scotland.

The address of its registered office is:

Pinsent Masons LLP
13 Queens Road
Aberdeen
AB15 4YL

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 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Summary of disclosure exemptions

The company has not presented a cash flow statement on the grounds that the company is a wholly owned subsidiary and a group cash flow statement is included in the financial statements of the ultimate parent company..

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.

Group accounts not prepared

The financial statements contain information about VN Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, IVC Acquisition Midco Ltd, a company incorporated in England and Wales.

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. This statement is made subject to all of the potential implications of the current COVID-19 outbreak on the company's trade, employees, customers, suppliers and the wider economy, as these are difficult to evaluate. Actual results may differ from these estimates.

Judgements and estimation uncertainty

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

Notes to the Financial Statements for the Year Ended 30 September 2020

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 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.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

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.

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.

Notes to the Financial Statements for the Year Ended 30 September 2020

Financial instruments (continued)

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 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	30 September 2020 £	30 September 2019 £
Gain (loss) from disposals of investments	-	(980)

4 Staff costs

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

	Year ended 30 September 2020 No.	1 April 2018 to 30 September 2019 No.
Directors	4	6

VN HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 30 September 2020

5 Auditors' remuneration

	30 September 2020 £	30 September 2019 £
Audit of the financial statements	-	3,685

Audit fees for the current year have been borne by a fellow group undertaking.

6 Taxation

Tax charged/(credited) in the profit and loss account

	Year ended 30 September 2020 £	1 April 2018 to 30 September 2019 £
Current taxation		
UK corporation tax	-	90
UK corporation tax adjustment to prior periods	(90)	-
	(90)	90
Deferred taxation		
Arising from origination and reversal of timing differences	-	(81)
Tax (receipt)/expense in the income statement	(90)	9

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - higher than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	30 September 2020 £	30 September 2019 £
Loss before tax	-	(980)
Corporation tax at standard rate	-	(186)
Effect of expense not deductible in determining taxable profit (tax loss)	-	105
Decrease in UK and foreign current tax from adjustment for prior periods	(90)	-
Tax increase arising from group relief	-	90
Total tax (credit)/charge	(90)	9

Deferred tax

Deferred tax assets and liabilities

	Asset £
30 September 2020	
Accelerated tax depreciation	81

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Notes to the Financial Statements for the Year Ended 30 September 2020

30 September 2019	Asset £
Accelerated tax depreciation	81
	<hr/> <hr/>

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Notes to the Financial Statements for the Year Ended 30 September 2020

7 Investments in subsidiaries, joint ventures and associates

	30 September 2020 £	30 September 2019 £
Investments in subsidiaries	100	100

Subsidiaries

£

Cost and carrying amount

At 1 October 2019 and at 30 September 2020

100

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2020	2019
Subsidiary undertakings				
Vets Now Emergency Limited		Ordinary	100%	100%
	Scotland			

The principal activity of Vets Now Emergency Limited is the provision of veterinary services.

8 Debtors

	30 September 2020 £	30 September 2019 £
Amounts owed by group undertakings	1,405,809	1,405,809
Other debtors	105	105
Deferred tax assets	81	81
	1,405,995	1,405,995

9 Creditors

	30 September 2020 £	30 September 2019 £
Due within one year		
Amounts due to group undertakings	1,394,652	1,394,652
Other creditors	425	425
Corporation tax liability	-	90
	1,395,077	1,395,167

10 Share capital

Allotted, called up and fully paid shares

VN HOLDINGS LIMITED

Notes to the Financial Statements for the Year Ended 30 September 2020

	30 September 2020		30 September 2019	
	No.	£	No.	£
Ordinary shares of £1 each	100	100	100	100

11 Parent and ultimate parent undertaking

The immediate parent company is Vets Now Limited, incorporated in Scotland.

The ultimate parent undertaking is IVC New TopHolding S.A., a company registered in Luxembourg.

The parent of the largest group in which these financial statements are consolidated is IVC Acquisition Pikco Ltd, incorporated in England and Wales.

The address of IVC Acquisition Pikco Ltd is:
The Chocolate Factory
Keynsham
Bristol
BS31 2AU

The parent of the smallest group in which these financial statements are consolidated is IVC Acquisition Midco Ltd, incorporated in England and Wales.

The address of IVC Acquisition Midco Ltd is:
The Chocolate Factory
Keynsham
Bristol
BS31 2AU