Company number: 13671403

Hecate Holdco Limited
Annual report and financial statements

for the year ended on 30 April 2024

Contents

Company information

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Strategic report
for the year ended on 30 April 2024

The directors present the strategic report, together with the audited financial statements, of Hecate Holdco Limited ("the Company") and its subsidiaries (together "the Group" or "Medivet") for the year ended on 30 April 2024 ("the year"). The comparative results cover the year ended on 30 April 2023. This report should be read in conjunction with the directors' report immediately below.

Strategy and business model

The Company is the ultimate parent and controlling party in the United Kingdom of the Medivet group. Medivet is majority owned by CVC Capital Partners. Its principal activity is providing veterinary services under the "Medivet" brand. The Company acts as a holding company for the Group.

Founded in Watford in 1987, Medivet is a leading European veterinary group with strong local roots, operating small animal veterinary practices across the United Kingdom, Spain, France and Germany. It provides the very highest standards of pet care and customer service, and prides itself on its clinical excellence and breadth of care, offering routine and advanced care across a network of practices. The practices operate under a "hub-and-spoke" model, whereby smaller first-opinion practices encircle larger state-of-the-art hospitals that are open all day, every day. It has been built on its unique "branch partnership" model, whereby vets can become equity partners with Medivet in their own practice(s), operating with clinical freedom, whilst enjoying support from the wider Medivet network (for more information, see note 4.1 to the consolidated financial statements.)

Medivet's mission is simple: to deliver exceptional care to customers and their pets, whenever they need it. Its employees work hard to deliver the best possible experience for their patients, while making things simple, understandable and convenient for their customers. They are focussed on giving their patients every opportunity to live happy and healthy lives.

Medivet offers its veterinary professionals sector-leading rewards, and the right infrastructure and equipment to enable them to practise the very highest standards of clinical care, whilst being part of a community that provides access to lifelong learning and development.

Medivet is a community of like-minded colleagues who share knowledge and experience, and inspire each other in a functional, comfortable and safe working environment. It supports fully the identity and clinical independence of its vets, while its central support and shared services free up vets to focus both on their professional and personal lives, resulting in a better work-life balance, with ample career opportunities to grow within a large international network.

The directors have translated Medivet's mission into tangible, strategic five-year targets, which they use to assess its performance. These include having (amongst other things):

- At least 1,000 veterinary practices across Europe;
- Like-for-like revenue growth of at least 4.0% to 6.0% *per annum*;
- At least 10.0% of revenue to come from the Medivet Healthcare Plan (for more information, see note 3.1);
- A pre-IFRS 16 EBITDA (earnings before interest, tax, depreciation, amortisation, impairment, other gains and losses, and non-underlying items) margin of at least 20.0%; and
- Customer satisfaction levels of at least 80.0 Net Promoter Score.

Strategic report
for the year ended on 30 April 2024 (continued)

Market overview

Following an increase brought about by COVID-19, the number of pets across the markets in which the Group operates continues to grow, albeit at a slower and more normalised rate. This, coupled with the ongoing humanisation of pets and continuous advances in veterinary care, increases the Group's prospective customer base and service offerings, which, in turn, help to drive revenue and EBITDA growth. However, the current, challenging economic climate, particularly in the United Kingdom, as well as the ongoing negative publicity from the Competition & Markets Authority, provide a headwind to the veterinary industry as customers opt to delay more advanced clinical procedures, or not to undertake them at all.

There is a shortage of veterinary professionals across the markets in which the Group operates. For more information on the effects of this shortage, as well as the measures taken to counteract it, see the principal risks section.

On 7 September 2023, the Competition & Markets Authority launched a review into the sector which followed investigations into specific acquisitions made in the last few years by several veterinary groups, including Medivet. On 23 May 2024, the Competition & Markets Authority then announced it would be launching a formal market investigation. For more information on the investigation, see the principal risks section.

The wider European market remains highly fragmented, with nascent corporate operations. The Group believes there is a significant opportunity to replicate its successful model elsewhere in Europe. For more information, see the principal risks section.

Business review

Key performance indicators

	2024	2023	**Movement**	**%**
Number of veterinary practices at end of year	**468**	471	**(3)**	**(0.6)**
Revenue	**£408.7m**	£388.6m	**£20.1m**	**5.2**
Like-for-like revenue growth	**2.5%**	4.9%	**(2.4pps)**	**(49.0)**
EBITDA*	**£76.5m**	£72.9m	**£3.6m**	**4.9**
EBITDA* margin	**18.7%**	18.8%	**(0.1pps)**	**(0.5)**
Loss before tax	**(£881.9m)**	(£167.0m)	**(£714.9m)**	**428.1**
External net debt†	**(£821.0m)**	(£834.7m)	**£13.7m**	**(1.6)**
Pets on Medivet Healthcare Plan at end of year	**258,000**	205,000	**53,000**	**25.9**
Number of vets at end of year	**1,231**	1,273	**(42)**	**(3.3)**
Number of nurses at end of year	**1,767**	1,644	**123**	**7.5**

**Earnings before interest, tax, depreciation, amortisation, impairment, other gains and losses, and non-underlying items*

†Net debt less loans from parents

Business review (continued)

Key developments

During the year, the Group advanced several strategic initiatives, including, but not limited to:

- Implementing a new target operating model;
- Rebranding and refurbishing its estate in the United Kingdom;
- Rebranding KITICAN in Spain, Okivet in France and SMARTVET in Germany as Medivet España, Medivet France and Medivet Deutschland respectively;
- Obtaining accreditation from the International School of Veterinary Postgraduate Studies for its Graduate Development Programme (for more information, see the principal risks section);
- Entering into a sponsorship agreement with the University of Central Lancashire's new School of Veterinary Medicine to include more students from under-represented groups in veterinary education (for more information, see the principal risks section); and
- Implementing a new enterprise resource planning system.

At 30 April 2024, the Group operated 468 veterinary practices (2023: 471) across the United Kingdom, Spain, France and Germany.

During the year, the Group acquired 32 veterinary practices (2023: 39) in the United Kingdom, Spain and France for consideration of £13.8m (2023: £65.9m). Included within this is the acquisition of Okivet SAS ("Okivet") for £12.6m. Okivet is a leading veterinary chain in France, operating 31 practices, and this marks Medivet's entry into France. These acquisitions continue the Group's strategy of expansion in the United Kingdom and Europe.

On 19 September 2023, the Competition & Markets Authority closed its investigation into several business combinations undertaken by the Group as a result of the Group's proposal to dispose of 17 veterinary practices. These practices were sold on 2 and 3 October 2023 for consideration of £7.5m. For more information on the investigation, see note 36 to the consolidated financial statements. For more information on the disposals, see note 15.

On 9 June 2023, the Group raised an additional £120.7m of capital from new and existing investors. This was followed by another £25.1m on 22 November 2023.

On 21 November 2023, the Group increased its shareholdings in its German business from 51.0% to 100.0% for consideration of £10.4m, and in its Spanish business from 82.0% to 93.4% for £4.8m.

Financial review

Income statement

The Group recorded revenue of £408.7m (2023: £388.6m) (an increase of 5.2%), EBITDA (earnings before interest, tax, depreciation, amortisation, impairment, other gains and losses, and non-underlying items) of £76.5m (2023: £72.9m) (an increase of 4.9%) and a loss before tax of £881.9m (2023: £167.0m) for the year. Like-for-like revenue growth was 2.5% (2023: 4.9%), driven by limited price increases rather than volume growth.

The Group's EBITDA margin remained stable (18.7% versus 18.8% in 2023), demonstrating good cost control, despite the challenges with revenue and inflation, and revenue was underpinned by a 25.9% increase in pets on the Medivet Healthcare Plan at end of year, to 258,000.

Business review (continued)

Financial review (continued)

Income statement (continued)

Non-underlying items totalled £23.5m (2023: £25.5m) for the year, including restructuring costs of £11.4m (2023: £3.7m), earn-out costs of £3.8m (2023: £7.0m), and costs relating to the Competition & Markets Authority's investigation of £2.4m (2023: £2.0m). For a full breakdown of the balances, see note 11.

The loss before tax was driven primarily by the impairment charge on goodwill, the amortisation charge on other intangible assets, the loss on disposal of businesses, non-underlying items, and the interest expense on borrowings. The Group recognised an impairment charge on goodwill of £659.6m (2023: £12.0m) in relation to its British, Spanish, German and French businesses, largely caused by the increase in the pre-tax rates used to discount the forecasted operating cash flows, resulting from increases in inflation and base interest rates. For explanations of the drivers, and details of the calculations, see note 16 to the consolidated financial statements.

As mentioned above, on 2 and 3 October 2023, the Group sold 17 veterinary practices that had been the subject of an investigation by the Competition & Markets Authority. This resulted in a loss on disposal of £21.9m. For more information on the investigation, see note 36. For more information on the disposals, see note 15.

The above items notwithstanding, the results were behind the Group's expectations, beginning around the time the Competition & Markets Authority announced its review into the veterinary sector. This was exacerbated by the challenging economic climate, particularly in the United Kingdom, and the Group has tempered its short-term expectations for growth as a result.

Balance sheet

At 30 April 2024, the Group had goodwill and other intangible assets with a total carrying amount of £855.0m (2023: £1,566.3m), largely arising from the acquisition of Medivet Group Holdings Limited in 2021 (for more information, see notes 16 and 17.) The Group also had deferred tax liabilities of £52.7m (2023: £75.0m), largely associated with the intangible assets recognised on the acquisition of Medivet Group Holdings Limited (for more information, see note 13.)

The Group leases the premises for its veterinary practices, and, at 30 April 2024, had right-of-use assets with a carrying amount of £85.4m (2023: £88.8m), and lease liabilities of £94.1m (2023: £94.6m) (for more information, see notes 19 and 28.)

At 30 April 2024, the Group had external net debt (net debt less loans from parents) of £821.0m (2023: £834.7m), and access to undrawn borrowing facilities of £154.0m (2023: £175.0m). None of the Group's central facilities is repayable before 2028, and in 2022, the Group purchased an interest rate cap, which caps the interest payable on £508.5m of Facility B at 8.8% *per annum* when SONIA increases above 3.0%. For more information on the cap, see note 24. For a full breakdown of net debt, see note 29.

The Group is highly levered, which is part of its strategy, but the directors believe it is at a manageable level. The Group has no further short-term funding requirements. For full breakdowns of the Group's borrowings and capital, see notes 27 and 35.

Business review (continued)

Financial review (continued)

Statement of cash flows

Cash generated from operations before changes in working capital was £54.4m (2023: £46.8m), in line with EBITDA (earnings before interest, tax, depreciation, amortisation, impairment, other gains and losses, and non-underlying items) before adding back non-underlying items, and there was a working capital outflow of £9.0m (2023: £6.0m) as a result of elevated inventories, the payment of earn-outs contingent on the continued employment of the seller(s) (for more information, see note 3.3), and the early payment of a portion of payables prior to the Group's move to a new enterprise resource planning system.

The net cash outflow from business combinations was £34.6m (2023: £94.7m) (for a detailed breakdown, see note 14.) This is significantly lower than in the prior year as the Group paused its acquisition activities while the Competition & Markets Authority concluded its investigation of Medivet Group Limited.

The Group spent £19.1m (2023: £18.8m) purchasing intangible assets and property, plant and equipment, as it continues investing in its estate and support functions.

The net cash inflow from borrowings was £84.7m (2023: £75.2m), driven by net new issues of £167.6m (2023: £135.7m), offset partially by interest paid of £82.9m (2023: £60.5m).

The Group also spent £15.2m purchasing non-controlling interests in Spain and Germany (2023: £nil).

The net cash inflow for the year was £55.5m (2023: £14.4m outflow), with closing cash and cash equivalents of £63.2m (2023: £7.9m).

Outlook

The Group anticipates continued growth for the year ending on 30 April 2025 and beyond, albeit potentially at a lower rate than previously given the challenging economic climate, and continues to target expansion in Europe through the acquisition of successful, established veterinary practices which meet its strict criteria. On 1 July 2024, the Group raised £80.0m from existing investors.

Principal risks and uncertainties

Inability to recruit and retain veterinary professionals

There is a shortage of veterinary professionals across the markets in which the Group operates, and Brexit has made it more difficult to attract prospective employees to the United Kingdom from the European Union. HM Government's recent decision to increase the minimum salaries for immigrants (including qualified vets) will add further pressure. British universities do not educate enough vets to satisfy domestic demand. The Group's failure to attract and/or retain its employees may have a detrimental effect on its operations.

Principal risks and uncertainties (continued)

Inability to recruit and retain veterinary professionals (continued)

To mitigate this risk, the Group aims to become the employer of choice for vets. It offers competitive salaries and benefits, and endeavours to make Medivet a desirable place to work. It also employs a highly-skilled recruitment team, and maintains close relationships with veterinary schools in the United Kingdom and abroad. The Group views its expanding learning and development proposition as a differentiating factor in the sector.

During the year, Medivet entered into a multi-year sponsorship agreement with the University of Central Lancashire's new School of Veterinary Medicine to include more students from under-represented groups in veterinary education. These students will have access to a range of financial and training support from Medivet.

Also during the year, Medivet's award-winning Graduate Development Programme was accredited by the International School of Veterinary Postgraduate Studies, and Medivet is now an approved training provider. Accreditation serves as a seal of quality assurance, ensuring graduates benefit from the programme itself, and are also recognised by others, both within Medivet and in the wider veterinary profession. This programme is being made available to all graduate vets across the Group, not just those in the United Kingdom.

After the reporting date, Medivet began rolling out an enhanced people deal which provides enhanced benefits and transparency to all current and potential employees. This will also aid recruitment and retention.

Inability to grow revenue

The current, challenging economic climate, particularly in the United Kingdom, provides a headwind to the veterinary industry as customers may opt to delay more advanced clinical procedures, or not to undertake them at all, notwithstanding the clinical benefits to the animals of the procedures.

These factors are largely outside the control of the Group, but, in an effort to mitigate them as far as possible, it is investing heavily in its estate, infrastructure and operating model to improve the customer experience, which it believes will ensure customers continue using its services.

The Group also relies on its talented vets to recommend the most appropriate range of treatments for each pet and its owner ("contextualised care") to ensure animals are getting the best care available to them, which is the Group's primary goal. Tools are in place, such as the Medivet Health Plan, to help customers manage the cost of owning a pet.

Inability to penetrate the European market

Whilst the market in the United Kingdom is accustomed to corporate veterinary operators, the wider European market remains highly fragmented, with nascent corporate service. The Group believes there is a significant opportunity to replicate its successful model elsewhere in Europe.

Competitors are also active in certain European markets, and the availability of attractive veterinary practices at fair valuations is uncertain. The Group mitigates the risk of misallocation of capital in Europe by undertaking thorough due diligence on all prospective acquisitions, ensuring it acquires only businesses with high-quality portfolios and leadership teams, and which fit its strategic goals.

Principal risks and uncertainties (continued)

Cybersecurity risk

The threat of the Group being targeted by cybercriminals is increasing as the Group grows and cyberattacks become more frequent and more sophisticated. A cyberattack could do the Group operational and reputational damage, and could also result in financial penalties.

To mitigate this risk, the Group continues to invest in its technological infrastructure, unifying and upgrading its systems, as well as focussing on improving its processes and its employees' understanding of the risk.

In the event the Group does suffer a cyberattack, cyber-incident and disaster-recovery plans are in place.

Competition & Markets Authority

On 7 September 2023, the Competition & Markets Authority launched a review into the veterinary sector which followed investigations into specific acquisitions made in the last few years by several veterinary groups, including Medivet. On 23 May 2024, the Competition & Markets Authority then announced it would be launching a formal market investigation.

The Competition & Markets Authority is looking specifically at whether or not:

- Consumers are getting the information they need, at the right time, to make informed decisions;
- A limited choice of vet businesses in some local areas is affecting pet owners;
- Profits earned are consistent with the levels expected in a competitive market;
- Vet businesses have the incentive and ability to limit consumer choice when providing treatments or recommending related services, particularly when they are part of large integrated groups; and
- The regulatory framework is preventing the market from functioning as well as it could.

In its response to the Competition & Markets Authority's consultation on its proposed investigation, Medivet explained that the veterinary sector in the United Kingdom is highly competitive and functioning well. It also explained that a market investigation is not an appropriate or effective tool for addressing the Competition & Markets Authority's concerns, and may have serious unintended consequences.

The above notwithstanding, Medivet will continue to engage positively and constructively with the Competition & Markets Authority.

At this stage, it remains unclear what (if any) remedies will be enforced by the Competition & Markets Authority (or when), and so it is not possible to quantify their effect on the Group. However, a single, national brand and limited vertical integration will likely mitigate any adverse effects.

Financial risks

Information on the Group's exposure to financial risks, and its approach to managing those risks is contained in note 31 to the consolidated financial statements.

Section 172(1) statement

The following explains how the directors have fulfilled their obligations under Section 172(1) of the Companies Act 2006. Section 172(1) states:

“A director of a company must act in the way he 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 interests 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.”

Corporate governance arrangements

Despite not applying a corporate governance code, the Group does have a robust governance framework. It has a board of directors whose role is to promote the purpose of Medivet. The Board comprises directors that have appropriate and complementary skills and experience. The Board meets on a regular basis to consider the Group’s opportunities, and to identify and mitigate the risks it faces. Decisions are made with all stakeholders in mind, and with a focus on the long term.

Through the Audit Committee, the Board monitors the integrity of the Group’s financial statements, and the robustness of its internal controls, and oversees the external audit process.

Through the Remuneration Committee, the Board manages the compensation packages of the Group’s employees, with an aim to recruit, train and retain the most appropriate individuals.

The Board has delegated operational responsibility of the Group to the Chief Executive Officer. The Chief Executive Officer leads the Executive Committee, which comprises experienced managers in their respective fields. The Executive Committee meets no less than once a month.

The Chief Executive Officer has further delegated powers within a very strict framework in Medivet’s “Rules of Engagement”. He meets with all divisions formally on a monthly basis, and there are significant additional interactions in between these meetings.

Employees

As stated above, the Group aims to become the employer of choice for veterinary professionals. It is a “people business”. Exceptional employees are its foundation, and it invests heavily in their training and well-being. The Group views its expanding learning and development proposition as a differentiating factor in the sector. The Group offers competitive salaries and benefits, and endeavours to make Medivet a desirable place to work, reviewing ongoing feedback from employees, and holding regular engagement sessions across all levels of the organisation.

Section 172(1) statement (continued)

Employees (continued)

The Chief Executive Officer presents to the Senior Leadership Team on a monthly basis. He provides an update on the status of the Group, including its financial and operational performance, risks and opportunities, and major projects. This information is then disseminated throughout the organisation by the Senior Leadership Team. Employees are encouraged to contribute and ask questions in these sessions. There are also regular and irregular meetings, conferences, "away days" and informal gatherings within smaller teams, where information is shared, and questions can be asked and feedback shared.

As mentioned above, during the year, Medivet's award-winning Graduate Development Programme was accredited by the International School of Veterinary Postgraduate Studies, and Medivet is now an approved training provider. Accreditation serves as a seal of quality assurance, ensuring graduates benefit from the programme itself, and are also recognised by others, both within Medivet and in the wider veterinary profession. This programme is being made available to all graduate vets across the Group, not just those in the United Kingdom.

As also mentioned above, after the reporting date, the Group began rolling out an enhanced people deal which provides enhanced benefits and transparency to all current and potential employees. This will also aid recruitment and retention.

The Group operates a transparent bonus scheme for selected members of staff. The incentive programme is designed to reward collective performance as well as that of individuals.

Gender diversity

			2024			2023
	Male number	**Female number**	**Total number**	Male number	Female number	Total number
Directors	**4**	**-**	**4**	4	-	4
Senior managers*	**4**	**2**	**6**	4	2	6
Other employees	**730**	**4,058**	**4,788**	764	4,205	4,969
Total personnel at end of year	**738**	**4,060**	**4,798**	772	4,207	4,979

**Senior managers are those members of the Group's Executive Committee who are not appointed as statutory directors.*

The breakdown of the Group's male and female employees is in line with that across the veterinary industry, and the female bias is likely to persist as women continue to make up the majority of those entering the profession.

Suppliers and customers

Medivet's mission is simple: to deliver exceptional care to customers and their pets, whenever they need it. This is only possible by building strong longstanding relationships with both customers *and* suppliers.

Section 172(1) statement (continued)

Suppliers and customers (continued)

The Group's procurement team comprises experienced veterinary professionals. It works with reputable suppliers, and clinical performance is one of its criteria when selecting suppliers. The Group continues to invest in automation to enhance its purchase-to-pay process, reducing the cost of operations for itself and its suppliers.

The Group's employees work hard to deliver the best possible experience for their patients, while making things simple, understandable and convenient for their customers, who often see their pets as being members of the family. They are focussed on giving their patients every opportunity to live happy and healthy lives.

Community and environment

The Group is committed to giving back to the communities in which it operates. It contributes to local economies through creating jobs and supporting charities.

In the United Kingdom, Medivet offers discounted services to animals for Cats Protection, the Dogs Trust and Guide Dogs, and aids them in their efforts to improve animal welfare. It also supports the RSPCA, pdsa and Vet Compass.

For many years, Medivet has supported the Wilderness Foundation Africa through its Saving the Rhino campaign. So far, it has raised over £650,000 for the Foundation, and, each year, employees travel to South Africa as volunteers to see first hand the important work performed by the Foundation in conserving black and white rhinos in the wild. This includes training detection dogs, rescuing and rehabilitating injured and orphaned rhinos, and running public education and awareness campaigns.

During the year, Medivet entered into a multi-year sponsorship agreement with the University of Central Lancashire's new School of Veterinary Medicine to include more students from under-represented groups in veterinary education. These students will have access to a range of financial and training support from Medivet.

The Group is focussed on improving its operational efficiency and reducing waste, and is in the midst of a programme of investment across its estate, part of which is aimed at improving energy efficiency. In the United Kingdom, all practices use 100% renewable energy, and smart metres are being installed in all practices to better track energy usage. Medivet stopped using plastic bags several years ago, and uses alternatives made from sugar cane.

Section 172(1) statement (continued)

Community and environment (continued)

Streamlined Energy and Carbon Reporting

The only company within the Group required to report on its energy consumption and carbon emissions under Streamlined Energy and Carbon Reporting is Medivet Group Limited. The following disclosures cover the years ended on 30 April 2023 and 30 April 2024:

	2024	2023	**Movement**	
Medivet Group Limited	**MWh**	MWh	**MWh**	**%**
Scope 1: Fuel and natural gas consumed	**11,333**	11,905	**(572)**	**(4.8)**
Scope 2: Purchased electricity consumed	**8,237**	8,718	**(481)**	**(5.5)**
Scope 3: Fuel consumed by grey fleet	**1,348**	1,731	**(383)**	**(22.1)**
Total energy consumed	**20,918**	22,354	**(1,436)**	**(6.4)**

	2024	2023	**Movement**	
Medivet Group Limited	**tCO_2e**	tCO_2e	**tCO_2e**	**%**
Scope 1: Emissions from fuel and natural gas	**2,265**	2,417	**(152)**	**(6.3)**
Scope 2: Emissions from purchased electricity	**1,706**	1,686	**20**	**1.2**
Scope 3: Emissions from grey fleet	**303**	399	**(96)**	**(24.1)**
Total emissions	**4,274**	4,502	**(228)**	**(5.1)**
Emissions per veterinary practice	**11.6**	9.9	**1.7**	**17.2**

The Group has used HM Government's "Environmental Reporting Guidelines" and "Greenhouse Gas Conversion Factors for Company Reporting", and the "Greenhouse Gas Protocol" in compiling the above figures.

This report was approved by the directors and was signed on their behalf by:

DocuSigned by:
Bart Borms
AC441D8B201849C...

Bart Borms
Director
Hecate Holdco Limited

Date: 19 August 2024

Directors' report
for the year ended on 30 April 2024

The directors present their report, together with the audited financial statements of Hecate Holdco Limited ("the Company") and its subsidiaries (together "the Group") for the year ended on 30 April 2024 ("the year"). The comparative results cover the year ended on 30 April 2023. This report should be read in conjunction with the strategic report immediately above.

Directors

The directors who served during the year and up to the date of signing of these financial statements were as follows:

- Bart Borms Chief Financial Officer
- Thomas Bryan Director at CVC Capital Partners
- Christiaan Cools Chief Executive Officer
- Philip Robinson Senior Managing Director at CVC Capital Partners

Dividends

The directors have not recommended any dividends be paid for the year (2023: £nil).

Charitable donations

During the year, the Group supported its nominated charity, the Wilderness Foundation Africa, as well as offering discounted services to various animal-related charities throughout the United Kingdom.

Financial instruments

Information on the Group's exposure to financial risks, and its approach to managing those risks is contained in note 31 to the consolidated financial statements.

Post-balance sheet events

Information on the post-balance sheet events affecting the Group is contained in note 40 to the consolidated financial statements.

Future developments

Information on the Group's likely future developments is contained in the strategic report.

Disabled employees

The Group considers fully and fairly all applications for employment made by disabled people, taking into account the aptitudes and abilities of each applicant. Where existing employees become disabled, the Group makes every effort to ensure they are able to continue their employment within the Group, and arranges appropriate training. The Group has policies in place to ensure that the training, career development and promotion of disabled employees are, as far as possible, identical to those of other employees.

Engagement with employees

Information on how the Group engages with its employees is contained in the strategic report.

Engagement with suppliers, customers and others in a business relationship with the Group

Information on how the directors have taken into consideration the need to foster the Group's business relationships with suppliers, customers and others is contained in the strategic report.

Corporate governance arrangements

Information on the Group's corporate governance arrangements is contained in the strategic report.

Streamlined Energy and Carbon Reporting

The information required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 is contained in the strategic report.

Statement of directors' responsibilities

The directors are responsible for preparing this annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the consolidated financial statements in accordance with UK-adopted international accounting standards, and the separate financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101") and applicable law).

Under 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 the Group and of the profit or loss of the Company and the Group for the period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies, and then apply them consistently;
- State whether or not applicable UK-adopted international accounting standards have been followed in the consolidated financial statements, and FRS 101 in the separate financial statements, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business.

Statement of directors' responsibilities (continued)

The directors are responsible for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions, and disclose with reasonable accuracy at any time the financial position of the Company and the Group, and enable them to ensure that the financial statements comply with the Companies Act 2006.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this annual report and financial statements confirms that:

- As far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- They have taken all the steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

Guidelines for Disclosure and Transparency in Private Equity

The directors believe that this annual report complies with the Guidelines for Disclosure and Transparency in Private Equity.

This report was approved by the directors and was signed on their behalf by:

DocuSigned by:
Bart Borms
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Bart Borms
Director
Hecate Holdco Limited

Date: 19 August 2024

Independent auditors' report
to the members of Hecate Holdco Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- Hecate Holdco Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 30 April 2024 and of the group's loss and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated balance sheet and the Separate balance sheet as at 30 April 2024; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity, the Consolidated statement of cash flows and the Separate statement of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- We performed full scope audit of significant components and gave specific consideration to large balances across other components

Key audit matters

- Goodwill Impairment (group)

Report on the audit of the financial statements (continued)

Our audit approach (continued)

Overview (continued)

Materiality

- Overall group materiality: £3.6m (2023: £3.5m) based on 5% of total adjusted EBITDA.
- Overall company materiality: £11.9m (2023: £9.6m) based on 1% of total assets.
- Performance materiality: £2.7m (2023: £2.6m) (group) and £8.9m (2023: £7.2m) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Report on the audit of the financial statements (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Goodwill Impairment (group) The Group has goodwill of £508.7m as at 30 April 2024. Refer to note 16 of the financial statements. Judgement is required in assessing the valuation of goodwill. This is enhanced as there is uncertainty regarding the forecasted cash flows which inherently involve significant estimation. The directors have concluded that impairment indicators exist and have performed an assessment of the recoverability of the goodwill balance. The goodwill valuation was determined using a value-in-use approach. The value in use of each group of CGUs is calculated by discounting forecasted operating cash flows which involves significant estimation including the discount rate, terminal growth rate and EBITDA annual growth rate. Based on this assessment, the directors determined that impairment of the UK CGU of £598.8m, impairment of the Spanish CGU of £34.1m, impairment of the German CGU of £3.7m and impairment of the French CGU of £25.3m was required as at 30 April 2024. The impairments are material and any changes to the significant judgements and estimates could have a material impact on the group financial statements, and so we consider this to be a key audit matter.	We have reviewed, assessed and challenged management's conclusions in terms of both CGU identification and how goodwill is allocated to each CGU or group of CGU's. We further assessed management's goodwill impairment model for compliance with IAS 36 'Impairment of assets' and tested the mathematical accuracy of the model. We challenged estimates and assumptions included in the goodwill impairment model. We also assessed the historical accuracy of management's forecasts by reviewing actual results to previous forecasts. We agreed forecast cash flows to latest board approved budgets. We engaged PwC valuation experts to assist our audit of the key inputs including the discount rate and long term growth rate. We also performed sensitivity analysis and benchmarked key inputs to external market data where possible. Given the significant impairment, we further engaged PwC valuation experts to perform a trading multiples analysis of Medivet's listed comparable companies and concluded that Medivet's implied multiples are within the minimum and maximum range of the trading multiples. We concluded the impairment recorded was appropriate and has been appropriately recorded and disclosed within the financial statements.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

Report on the audit of the financial statements (continued)

Our audit approach (continued)

How we tailored the audit scope (continued)

We scoped in the main trading entity Medivet Group Limited along with the parent company Hecate Holdco Limited and also Hecate Bidco Limited. This gave significant coverage over the trading activities and assets of the group.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	**Financial statements - company**
Overall materiality	£3.6m (2023: £3.5m).	£11.9m (2023: £9.6m).
How we determined it	5% of total adjusted EBITDA	1% of total assets
Rationale for benchmark applied	EBITDA is the primary measure used by the shareholders in assessing the performance of the Group.	Given the nature of the company, total assets is the primary measure used by the shareholders in assessing the performance of the Company.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £2.8m to £3.4m. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £2.7m (2023: £2.6m) for the group financial statements and £8.9m (2023: £7.2m) for the company financial statements.

Report on the audit of the financial statements (continued)

Our audit approach (continued)

Materiality (continued)

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £180k (group audit) (2023: £173k) and £595k (company audit) (2023: £481k) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Receiving general business updates on post-year end performance and evaluating the results for the post-year end period to the signing date.
- Obtaining Management's assessment of the use of the going concern basis in the preparation of the financial statements and challenging the assumptions and inputs to the model.
- Obtaining and reviewing Management's forecasts and assessing the mathematical accuracy of the model in general.
- Reviewing loan agreements and any subsequent amendments to understand if there are any debt covenants in place.
- Reviewing Management's severe but plausible scenario, and considering the plausibility of this scenario in the wider context of the business, and
- Considering Management's disclosures of its assessment of going concern in the Annual Report

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Report on the audit of the financial statements (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

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 year ended 30 April 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Report on the audit of the financial statements (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with employment law, the Consumer Protection Act 1987 and veterinary-related regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as compliance with United Kingdom tax law and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries to increase revenue or EBITDA and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and directors, including consideration of known and suspected instances of non-compliance with laws and regulations and fraud
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations
- Reviewing minutes of meetings with those charged with governance
- Reviewing financial statement disclosures made by management in their significant accounting estimates, as included in Note 4 of the financial statements, and
- As required by ISA 240, incorporating an element of unpredictability into our audit testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

Report on the audit of the financial statements (continued)

Responsibilities for the financial statements and the audit (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report. In our engagement letter, we also agreed to describe our audit approach, including communicating key audit matters.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

David Beer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford

Date: 19 August 2024

Consolidated income statement
for the year ended on 30 April 2024

	Note	**2024 £m**	2023 £m
Revenue	6	**408.7**	388.6
Cost of sales	8	**(242.4)**	(239.6)
Gross profit		**166.3**	149.0
Other income	7	**1.5**	1.3
Administrative expenses	8	**(869.9)**	(180.4)
Operating loss		**(702.1)**	(30.1)
Finance income	12	**27.3**	25.8
Finance costs	12	**(207.1)**	(162.7)
Loss before tax		**(881.9)**	(167.0)
Income tax credit	13	**21.8**	19.1
Loss for the year		**(860.1)**	(147.9)
Attributable to:			
Owner of Hecate Holdco Limited		**(857.6)**	(148.5)
Non-controlling interests		**(2.5)**	0.6
		(860.1)	(147.9)

The notes on pages 30 to 73 form part of these consolidated financial statements.

EBITDA (earnings before interest, tax, depreciation, amortisation, impairment, other gains and losses, and non-underlying items)

	Note	**2024 £m**	2023 £m
Operating loss		**(702.1)**	(30.1)
Add back:			
Impairment charge on goodwill	16	**659.6**	12.0
Amortisation charge on other intangible assets	17	**48.9**	48.1
Impairment charge on other intangible assets	17	**0.1**	-
Depreciation charge on property, plant and equipment	18	**5.8**	3.9
Impairment charge on property, plant and equipment	18	**1.1**	1.5
Depreciation charge on right-of-use assets	19	**12.8**	12.6
Impairment charge on right-of-use assets	19	**3.5**	3.9
Reversal of impairment charge on right-of-use assets	19	**(2.1)**	(3.6)
Loss on disposal of businesses	15	**24.9**	-
Gain on leases	8	**(0.3)**	(0.5)
Loss/(gain) on disposal of other assets/liabilities	8	**0.8**	(0.4)
Non-underlying items	11	**23.5**	25.5
EBITDA		**76.5**	72.9

EBITDA is not defined under International Financial Reporting Standards ("IFRS"), but the Group believes it provides additional useful information about the underlying performance of the business. It is used to manage performance internally, and aids comparability with competitors. It is not intended to be a substitute for measurements of profit defined under IFRS.

Consolidated statement of comprehensive income

for the year ended on 30 April 2024

	Note	2024 £m	2023 £m
Loss for the year		**(860.1)**	(147.9)
Other comprehensive income			
Items that may be reclassified to income statement in subsequent years			
Gain on foreign exchange on translation of foreign subsidiaries		**0.8**	0.2
Reclassification of gain on foreign exchange on translation on disposal of foreign subsidiaries	15	**(0.2)**	-
Other comprehensive income for the year		**0.6**	0.2
Total comprehensive expense for the year		**(859.5)**	(147.7)
Attributable to:			
Owner of Hecate Holdco Limited		**(857.0)**	(148.3)
Non-controlling interests	34	**(2.5)**	0.6
		(859.5)	(147.7)

The notes on pages 34 to 77 form part of these consolidated financial statements.

Consolidated balance sheet
at 30 April 2024

	Note	**2024 £m**	2023 £m
Assets			
Non-current assets			
Goodwill	16	**508.7**	1,176.6
Other intangible assets	17	**346.3**	389.7
Property, plant and equipment	18	**28.2**	21.8
Right-of-use assets	19	**85.4**	88.8
Loans receivable	21	**3.4**	1.1
Trade and other receivables	22	**1.0**	0.6
Derivative assets	24	**7.1**	12.9
		980.1	1,691.5
Current assets			
Inventories	20	**11.1**	7.5
Loans receivable	21	**-**	4.4
Trade and other receivables	22	**32.7**	30.9
Income tax receivable	13	**5.4**	7.3
Cash and cash equivalents	23	**63.2**	7.9
Derivative assets	24	**9.5**	8.8
		121.9	66.8
Total assets		**1,102.0**	1,758.3
Liabilities			
Current liabilities			
Trade and other payables	25	**(115.2)**	(128.6)
Income tax payable	13	**-**	(0.4)
Provisions	26	**(0.8)**	(0.4)
Borrowings	27	**(0.2)**	(0.3)
Lease liabilities	28	**(9.6)**	(8.7)
Contingent liabilities	36	**(2.2)**	(2.2)
		(128.0)	(140.6)
Net current liabilities		**(6.1)**	(73.8)
Non-current liabilities			
Trade and other payables	25	**(21.1)**	(42.2)
Provisions	26	**(11.3)**	(9.1)
Borrowings	27	**(1,936.8)**	(1,653.5)
Lease liabilities	28	**(84.5)**	(85.9)
Deferred tax liabilities	13	**(52.7)**	(75.0)
		(2,106.4)	(1,865.7)
Total liabilities		**(2,234.4)**	(2,006.3)
Net liabilities		**(1,132.4)**	(248.0)

Consolidated balance sheet
at 30 April 2024 (continued)

	Note	**2024 £m**	2023 £m
Equity			
Share capital	32	**7.4**	4.7
Share premium	32	**4.1**	4.1
Branch partner reserve	33	**6.7**	6.7
Translation reserve	33	**(1.0)**	(1.6)
Retained losses		**(1,148.4)**	(263.5)
Deficit attributable to owner of Hecate Holdco Limited		**(1,131.2)**	(249.6)
Non-controlling interests	34	**(1.2)**	1.6
Total deficit		**(1,132.4)**	(248.0)

These consolidated financial statements were authorised for issue by the directors and were signed on their behalf by:

DocuSigned by:

Bart Borms

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Bart Borms
Director
Hecate Holdco Limited

Date: 19 August 2024

The notes on pages 34 to 77 form part of these consolidated financial statements.

Consolidated statement of changes in equity
for the year ended on 30 April 2024

		Deficit attributable to owner of Hecate Holdco Limited							
	Note	Share capital £m	Share premium £m	Branch partner reserve £m	Translation reserve £m	Retained losses £m	Total £m	Non-controlling interests £m	Total deficit £m
At 1 May 2023		4.7	4.1	6.7	(1.6)	(263.5)	(249.6)	1.6	(248.0)
Total comprehensive income									
Loss for the year		**-**	**-**	**-**	**-**	**(857.6)**	**(857.6)**	**(2.5)**	**(860.1)**
Gain on foreign exchange on translation of foreign subsidiaries		**-**	**-**	**-**	**0.8**	**-**	**0.8**	**-**	**0.8**
Reclassification of gain on foreign exchange on translation on disposal of foreign subsidiaries	15	**-**	**-**	**-**	**(0.2)**	**-**	**(0.2)**	**-**	**(0.2)**
Total comprehensive income/(expense) for the year		**-**	**-**	**-**	**0.6**	**(857.6)**	**(857.0)**	**(2.5)**	**(859.5)**
Transactions with owner									
Issue of ordinary shares	32	**2.7**	**-**	**-**	**-**	**-**	**2.7**	**-**	**2.7**
Dividends paid to non-controlling interests	34	**-**	**-**	**-**	**-**	**-**	**-**	**(0.3)**	**(0.3)**
Total transactions with owner		**2.7**	**-**	**-**	**-**	**-**	**2.7**	**(0.3)**	**2.4**
Changes in ownership									
Capital contributions made by branch partners		**-**	**-**	**0.3**	**-**	**-**	**0.3**	**-**	**0.3**
Repayment of capital to branch partners		**-**	**-**	**(0.3)**	**-**	**(11.7)**	**(12.0)**	**-**	**(12.0)**
Business combinations	14	**-**	**-**	**-**	**-**	**-**	**-**	**(0.5)**	**(0.5)**
Transactions with non-controlling interests*		**-**	**-**	**-**	**-**	**(15.6)**	**(15.6)**	**0.5**	**(15.1)**
Total changes in ownership		**-**	**-**	**-**	**-**	**(27.3)**	**(27.3)**	**-**	**(27.3)**
At 30 April 2024		**7.4**	**4.1**	**6.7**	**(1.0)**	**(1,148.4)**	**(1,131.2)**	**(1.2)**	**(1,132.4)**

**On 21 November 2023, the Group increased its shareholdings in Medivet Tierarztpraxen Verwaltungs GmbH, Medivet Tierarztpraxen GmbH & Co. KG and Medivet Holdings (Poland) Sp. z o.o. from 51.0% to 100.0% for consideration of £10.4m, and in Clinicas Medivet Iberia S.L. from 82.0% to 93.4% for £4.8m.*

The notes on pages 34 to 77 form part of these consolidated financial statements.

Consolidated statement of changes in equity
for the year ended on 30 April 2023

		Deficit attributable to owner of Hecate Holdco Limited							
	Note	Share capital £m	Share premium £m	Branch partner reserve £m	Translation reserve £m	Retained losses £m	Total £m	Non-controlling interests £m	Total deficit £m
At 1 May 2022		-	4.1	2.2	(1.8)	(113.1)	(108.6)	0.6	(108.0)
Total comprehensive income									
(Loss)/profit for the year		-	-	-	-	(148.5)	(148.5)	0.6	(147.9)
Gain on foreign exchange on translation of foreign subsidiaries		-	-	-	0.2	-	0.2	-	0.2
Total comprehensive income/(expense) for the year		-	-	-	0.2	(148.5)	(148.3)	0.6	(147.7)
Transactions with owner									
Issue of ordinary shares	32	4.7	-	-	-	-	4.7	-	4.7
Dividends paid to non-controlling interests	34	-	-	-	-	-	-	(0.1)	(0.1)
Total transactions with owner		4.7	-	-	-	-	4.7	(0.1)	4.6
Changes in ownership									
Capital contributions made by branch partners		-	-	2.3	-	-	2.3	-	2.3
Repayment of capital to branch partners		-	-	2.2	-	(1.9)	0.3	-	0.3
Business combinations	14	-	-	-	-	-	-	0.5	0.5
Total changes in ownership		-	-	4.5	-	(1.9)	2.6	0.5	3.1
At 30 April 2023		4.7	4.1	6.7	(1.6)	(263.5)	(249.6)	1.6	(248.0)

The notes on pages 34 to 77 form part of these consolidated financial statements.

Consolidated statement of cash flows
for the year ended on 30 April 2024

	Note	2024 £m	2023 £m
Cash flows from operating activities			
Operating loss		**(702.1)**	(30.1)
Adjustments for:			
Impairment charge on goodwill	16	**659.6**	12.0
Amortisation charge on other intangible assets	17	**48.9**	48.1
Impairment charge on other intangible assets	17	**0.1**	-
Depreciation charge on property, plant and equipment	18	**5.8**	3.9
Impairment charge on property, plant and equipment	18	**1.1**	1.5
Depreciation charge on right-of-use assets	19	**12.8**	12.6
Impairment charge on right-of-use assets	19	**3.5**	3.9
Reversal of impairment charge on right-of-use assets	19	**(2.1)**	(3.6)
Loss on disposal of businesses	15	**24.9**	-
Gain on leases	8	**(0.3)**	(0.5)
Loss/(gain) on disposal of other assets/liabilities	8	**0.8**	(0.4)
Increase/(decrease) in provisions		**1.4**	(0.6)
Cash generated from operations before changes in working capital		**54.4**	46.8
Changes in working capital:			
(Increase)/decrease in inventories		**(3.1)**	1.8
Increase in trade and other receivables		**(0.1)**	(5.5)
Decrease in trade and other payables		**(5.8)**	(2.3)
Cash generated from operations		**45.4**	40.8
Income tax received		**1.4**	-
Income tax paid		**(0.6)**	(4.1)
Net cash flow from operating activities		**46.2**	36.7
Cash flows from investing activities			
Purchase of businesses, net of cash acquired	14	**(34.6)**	(94.7)
Proceeds from disposal of businesses, net of cash sold	15	**5.2**	-
Purchase of other intangible assets	17	**(6.3)**	(5.0)
Purchase of property, plant and equipment	18	**(12.8)**	(13.8)
Proceeds from disposal of property, plant and equipment		**0.2**	-
Loans receivable made		**(4.6)**	(5.5)
Interest received		**3.4**	-
Net cash flow used in investing activities		**(49.5)**	(119.0)

Consolidated statement of cash flows
for the year ended on 30 April 2024 (continued)

	Note	2024 £m	2023 £m
Cash flows from financing activities			
Proceeds from issue of borrowings		**168.1**	179.4
Repayment of borrowings		**(0.2)**	(41.2)
Payment of transaction costs on issue of borrowings		**(0.3)**	(2.5)
Payment of principal element of lease liabilities		**(9.8)**	(9.0)
Interest paid		**(90.1)**	(67.7)
Proceeds from capital contributions made by branch partners		**3.1**	6.4
Repayment of capital to branch partners		**(9.7)**	(3.4)
Receipts from derivative assets		**10.5**	1.3
Proceeds from issue of ordinary shares	32	**2.7**	4.7
Dividends paid to non-controlling interests	34	**(0.3)**	(0.1)
Purchase of non-controlling interests*		**(15.2)**	-
Net cash flow from financing activities		**58.8**	67.9
Net cash inflow/(outflow) for the year		**55.5**	(14.4)
Cash and cash equivalents at beginning/end of year			
Cash and cash equivalents at beginning of year		**7.9**	22.0
Net cash inflow/(outflow) for the year		**55.5**	(14.4)
Effect of movements in foreign exchange rates		**(0.2)**	0.3
Cash and cash equivalents at end of year	23	**63.2**	7.9

**On 21 November 2023, the Group increased its shareholdings in Medivet Tierarztpraxen Verwaltungs GmbH, Medivet Tierarztpraxen GmbH & Co. KG and Medivet Holdings (Poland) Sp. z o.o. from 51.0% to 100.0% for consideration of £10.4m, and in Clinicas Medivet Iberia S.L. from 82.0% to 93.4% for £4.8m.*

The notes on pages 34 to 77 form part of these consolidated financial statements.

Notes to the consolidated financial statements
for the year ended on 30 April 2024

1. General information

Hecate Holdco Limited ("the Company") is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006 (company number: 13671403). The address of its registered office is First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ. These consolidated financial statements comprise the results of the Company and its subsidiaries ("the Group") (a full list of the subsidiaries is contained in note 38) for the year ended on 30 April 2024 ("the year"). The comparative results cover the year ended on 30 April 2023. The Group's principal activity is providing veterinary services under the "Medivet" brand.

2. Basis of preparation and consolidation

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards, and those parts of the Companies Act 2006 that are applicable to companies that prepare financial statements in accordance with IFRS.

The Group has adopted all required standards, amendments to and interpretations of existing standards, as well as new standards, amendments to and interpretations of existing standards which have been published but which it is only required to adopt for its reporting periods beginning on or after 1 January 2024 and 1 January 2025.

These consolidated financial statements are presented in sterling, rounded to the nearest hundred thousand (unless stated otherwise), and have been prepared on the historical cost basis, modified by the revaluation of certain financial instruments which are held at fair value.

The directors consider it appropriate to adopt a going concern basis of accounting in preparing these consolidated financial statements (for more information, see note 5.)

2.2 Basis of consolidation

The Group's consolidated financial statements comprise the Company's separate financial statements, and those of all the entities it controls.

The separate financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Company obtains control over them, and excluded when it loses control. Control is achieved when the Company has power over an entity, exposure or rights to variable returns from it, and the ability to use its power to affect these returns. This ability enables the Company to affect the amount of economic benefit generated from the entity's activities. This ability exists for all of the Group's subsidiaries listed in note 38.

Clínica Veterinaria Juan de Herrera S.L. has a reporting date of 31 December, and has prepared additional financial information for the year ended on 30 April 2024 to enable consolidation. All other subsidiaries have a reporting date of 30 April 2024.

All intercompany balances and transactions, including recognised gains and losses arising from intra-Group transactions, have been eliminated in full. Unrealised losses are eliminated in the same manner as recognised gains, except to the extent that they provide evidence of impairment.

2. Basis of preparation and consolidation (continued)

2.2 Basis of consolidation (continued)

The income statements of subsidiaries which report in foreign currencies are translated into sterling at the average exchange rates over the period. Their balance sheets are translated at the spot rate at the reporting date. The resulting gains or losses on foreign exchange are recognised in the consolidated statement of other comprehensive income, with the cumulative gain or loss forming the translation reserve.

The Group allocates the total comprehensive income or expense of subsidiaries to the owner of the Company and non-controlling interests, based on their respective ownership interests.

3. Summary of material accounting policies

3.1 Revenue

For all contracts that fall within the scope of IFRS 15: Revenue from Contracts with Customers, the Group determines whether or not enforceable rights and obligations have been created with the customer, and recognises revenue based on the total transaction price as estimated at the beginning of the contract, being the amount to which the Group expects to be entitled, and over which it has present, enforceable rights under the contract. Revenue is allocated proportionately across the contractual performance obligations, and is recognised either over time or at a point in time as appropriate.

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds twelve months. As a consequence, the Group does not adjust any of the transaction prices for the time value of money, or recognise any contract assets or liabilities.

Revenue is recorded net of value added taxes, discounts and refunds.

Sale of goods

Revenue from the sale of goods relates to the sale of veterinary products, and is recognised in full on delivery of the products to the customer.

Provision of services

Revenue from the provision of services relates to the sale of veterinary and laboratory diagnostic services, and is recognised in full on completion of the veterinary consultation or procedure, or laboratory test.

Medivet Healthcare Plan

The Group operates the Medivet Healthcare Plan, under which customers pay a monthly fee for preventative consultations and treatments over a twelve-month period. The timing of the fees received reflects materially the profile of the revenue that should be recognised under IFRS 15, and so revenue is recognised evenly over the twelve-month period.

3. Summary of material accounting policies (continued)

3.2 Rental income

The Group earns rental income from sub-letting some of its properties. All these sub-leases are operating leases, and so rental income is recognised within other income on a straight-line basis over the terms of the leases.

3.3 Employment costs

Pension costs

The Group contributes to the defined contribution pension plans of its employees. Contributions are recognised as an expense in the periods the relevant employees render the services entitling them to the contributions.

Earn-out costs

As part of business combinations, the Group often agrees to pay amounts to the seller(s) which are contingent (amongst other things) on the continued employment of the seller(s) within the Group. These amounts are recognised within employment costs in accordance with IFRS 3: Business Combinations, and accrued for over the period of the arrangements.

3.4 Non-underlying items

The Group discloses separately certain items of income and expenditure which might otherwise skew its disclosed operating profit or loss. This aids the users of the consolidated financial statements in understanding the underlying performance of the Group, and in comparing its results with those of other businesses.

Non-underlying items include both items that are non-recurring, and items that are material by virtue of their size or nature. The directors determine which items to disclose as non-underlying each reporting period, and these include items such as earn-out costs, some transaction costs on business combinations, the profit or loss on disposal of assets, litigation costs, and the costs of restructurings.

3.5 Interest income and interest expenses

Interest income from a financial asset is recognised when the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income and expenses are recognised within finance income and finance costs respectively using the accrual basis of accounting, by applying the effective interest rate.

3.6 Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency of an entity are translated into its functional currency at the spot exchange rate. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate at the reporting date.

The resulting gains or losses on foreign exchange are recognised within finance income or finance costs.

3. Summary of material accounting policies (continued)

3.7 Income tax

The tax charge or credit in the consolidated income statement comprises current and deferred tax.

Current tax

Current tax is payable on the taxable profit for the period. Taxable profit differs from profit before tax in the consolidated income statement because of items of income or expense that are taxable or deductible in different periods, and items that will never be taxable or deductible. Current tax is calculated using tax rates enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities on the consolidated balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are also generally recognised for all deductible temporary differences, but only to the extent that it is probable that taxable profits will be available against which to utilise those deductible temporary differences.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the asset is realised or the liability settled, based on tax legislation that has been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax effects resulting from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Income tax charge or credit

Tax charges or credits are recognised in the consolidated income statement, except when they relate to items that are recognised in the consolidated statement of other comprehensive income or directly in equity, in which case, they are also recognised in the consolidated statement of other comprehensive income or directly in equity respectively. Where current or deferred tax charges or credits arise from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.8 Business combinations

The Group uses the acquisition method to account for business combinations. The consideration transferred for the acquisition of a business is the sum of the fair value of the assets transferred and any equity instruments issued by the Group. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the date of the acquisition. Transaction costs are recognised as an expense within administrative expenses in the periods in which they are incurred.

3. Summary of material accounting policies (continued)

3.8 Business combinations (continued)

The Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets. The Group does not recognise non-controlling interests in relation to interests over which the non-controlling interests have put options which grant them the right (but not the obligation) to sell their interests to the Group.

The excess of the fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the fair value of the consideration is less than the net assets acquired, the gain from the bargain purchase is recognised immediately within administrative expenses.

3.9 Goodwill

Goodwill acquired as part of business combinations is held at cost, less any accumulated impairment. Goodwill is allocated to the groups of cash-generating units ("CGUs") expected to benefit from the synergies of the relevant business combinations (for more information, see note 4.2.)

On disposal of a CGU or group of CGUs, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.10 Other intangible assets

Acquired intangible assets

Customer relationships and brands acquired as part of business combinations are recognised at fair value at the dates of the combinations, and held subsequently at cost, less accumulated amortisation and any accumulated impairment.

Customer relationships and brands are amortised on a straight-line basis over ten years.

Internally-generated intangible assets

The Group recognises expenditure on research activities as an expense within administrative expenses in the period in which it is incurred.

An internally-generated intangible asset arising from development is recognised only if all of the following have been demonstrated:

1. The technical feasibility of completing the asset so that it will be available for use or sale;
2. The intention to complete the asset, and use or sell it;
3. The ability to use or sell the asset;
4. How the asset will generate probable future economic benefits;
5. The availability of adequate technical, financial and other resources to complete the development, and to use or sell the asset; and
6. The ability to measure reliably the expenditure attributable to the asset during its development.

3. Summary of material accounting policies (continued)

3.10 Other intangible assets (continued)

Internally-generated intangible assets (continued)

The cost of internally-generated intangible assets recognised initially is the sum of the expenditure incurred from the date when the intangible asset first meets the above recognition criteria. Where the recognition criteria are not met, the Group recognises expenditure on development as an expense within administrative expenses in the period in which it is incurred.

Internally-generated intangible assets are held subsequently at cost, less accumulated amortisation and any accumulated impairment.

Internally-generated intangible assets are amortised on a straight-line basis over five years.

Amortisation charges are recognised within administrative expenses.

3.11 Property, plant and equipment

Items of property, plant and equipment are held at cost, less accumulated depreciation and any accumulated impairment.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Property, plant and equipment is depreciated on a straight-line basis over the following periods:

Buildings	**25 years**
Property improvements	**Period of underlying lease**
Other fixtures, fittings, plant and machinery	**Five to ten years**
Motor vehicles	**Five years**

Depreciation charges are recognised within administrative expenses. Gains or losses on the disposal of assets are also recognised within administrative expenses.

3.12 Leases

The Group leases properties, as well as items of veterinary and computer equipment, and motor vehicles. The terms of leases are negotiated on an individual basis, and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants upon the Group.

At the beginning of a lease, the Company recognises a lease liability and dilapidations provision, and a corresponding right-of-use asset.

3. Summary of material accounting policies (continued)

3.12 Leases (continued)

The lease liability is calculated as the total of all fixed payments agreed under the lease, discounted using the interest rate implicit in the lease if it can be readily determined, or the incremental borrowing rate if not. The dilapidations provision is calculated as the amount estimated to be required to return the underlying asset to the lessor in the condition specified by the lease agreement, discounted at the same rate as the lease liability. The right-of-use asset is recognised initially at the same amount as the sum of the lease liability and dilapidations provision, plus any payments made before the beginning of the lease and any direct costs incurred, less any incentives received.

A right-of-use asset is depreciated on a straight-line basis over the life of the lease. Lease payments reduce the lease liability, and interest is charged to unwind the discounting, such that the liability is derecognised at the end of the lease. Interest is also charged to unwind the discounting on the dilapidations provision.

The Group has elected to account for short-term leases and leases of low-value items using practical expedients. Instead of recognising a lease liability and right-of-use asset, the payments relating to these leases are recognised as an expense within administrative expenses on a straight-line basis over the lease terms.

3.13 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other intangible assets, property, plant and equipment, and right-of-use assets) to determine whether or not there is any indication that any of those assets have suffered an impairment charge. If such an indication exists, the recoverable amount of the relevant asset is estimated in order to measure any impairment charge. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the cash flows have not been adjusted.

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment charge is recognised immediately within administrative expenses.

Recognised impairment charges are reversed only if the reasons for the impairment have ceased to apply. Where an impairment charge is subsequently reversed, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have applied had no impairment charge been recognised for the asset or CGU in the first place. The reversal of an impairment charge is recognised immediately within administrative expenses.

The Group also assesses goodwill for impairment at each annual reporting date, irrespective of whether or not there is any indication that it is impaired. Recognised impairment charges on goodwill are never reversed.

3. Summary of material accounting policies (continued)

3.14 Inventories

Inventories are held at the lower of cost (measured using the first-in, first-out basis) and net realisable value (the estimated selling price, less all estimated selling costs). At each reporting date, inventories are assessed for impairment. If inventories are impaired, their carrying amount is reduced to their net realisable value. An impairment charge is recognised immediately within cost of sales.

3.15 Financial instruments

Financial instruments are recognised on the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

3.16 Loans receivable

Loans receivable are recognised initially at their fair values, plus any direct costs incurred, and held subsequently at amortised cost using the effective-interest method, with interest income recognised within finance income. Loans receivable are classified as non-current assets unless the Company expects them to be settled within twelve months of the reporting date.

3.17 Trade and other receivables

Trade and other receivables are recognised initially at their transaction price, and held subsequently at amortised cost, less any expected credit loss allowance. The expected credit loss allowance is calculated using historic payment profiles, while taking into account current and future macro-economic trends. Movements in the allowance are recognised within administrative expenses.

3.18 Cash and cash equivalents

Cash comprises cash at bank and in hand, and deposits with financial institutions with a maturity of three months or less at the date of acquisition. Cash equivalents comprise investments in money market funds.

3.19 Derivative assets

Derivative assets are recognised initially at their fair values, plus any direct costs incurred, and held subsequently at fair value through profit or loss, with the gain or loss on revaluation recognised within finance income or finance costs respectively.

3.20 Restructuring provision

The restructuring provision relates to future costs to be incurred in relation to veterinary practices which the Group has decided to close. It is held at the best estimate of the expenditure required to settle the obligation. Changes in estimate are recognised within administrative expenses.

3.21 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

3. Summary of material accounting policies (continued)

3.21 Financial liabilities and equity (continued)

Financial liabilities are obligations to pay cash or other financial assets. They are recognised initially at their fair values, less any direct costs incurred, and held subsequently at amortised cost using the effective-interest method, with interest expenses recognised within finance costs. The exceptions to this are contingent consideration payable and put options over non-controlling interests recognised as part of business combinations, which are held subsequently at fair value through profit or loss, with the gain or loss on revaluation recognised within finance income or finance costs respectively. A financial liability is derecognised only when the obligation is extinguished.

An equity instrument is any contract that gives a residual interest in the assets of the Group after deducting all of its liabilities.

3.22 Borrowings

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for more than twelve months from the reporting date.

3.23 Share capital and share premium

Ordinary shares issued by the Group are recognised as the proceeds received, net of any direct issue costs. The nominal value of the issued shares is recognised within share capital, with the remainder recognised as share premium.

3.24 Contingent liabilities

Contingent liabilities acquired as part of business combinations are recognised at fair value at the dates of the combinations, and held subsequently at the best estimate of the expenditure required to settle the possible obligation. Changes in estimate are recognised within the relevant line in the consolidated income statement.

4. Significant judgements, estimates and assumptions

4.1 Treatment of branch partnerships

The Group’s business is driven by a “branch partnership” model, whereby a vet can become a branch partner in a practice by contributing cash and/or other assets to the practice in exchange for a share of its profits.

The relationships between the Group and its branch partners are complex, and not addressed specifically by any International Financial Reporting Standards. Therefore, the directors have had to consider the substance of these relationships, as well as their legal form.

4. Significant judgements, estimates and assumptions (continued)

4.1 Treatment of branch partnerships (continued)

The directors have concluded that it is not appropriate to treat the partnerships as separate entities for accounting purposes for two key reasons:

1. The partnership agreements always ensure that the Group has more votes than the branch partner, ensuring that all partnerships are controlled by the Group;
2. The reserved matters in the partnership agreements result in the partnerships having no substantive legal personality or governance function.

Accordingly, when a branch partner contributes cash to a practice initially, depending on the terms of the partnership agreement, the Group either recognises the receipt as a liability held at amortised cost or as a contribution to the branch partner reserve. Where a branch partner is granted a put option (i.e. they have the right (but not the obligation) to sell their interest back to the Group), the Group recognises a liability. Where no put option is granted, and the only way a branch partner will be able to exit the partnership is to sell their interest to another vet, the Group recognises a contribution to the branch partner reserve. This is consistent with the principles of IAS 32: Financial Instruments: Presentation.

The Group recognises all the income and expenses of the partnerships within the relevant lines in the consolidated income statement. It then recognises an expense within administrative expenses to reflect the profits payable to the branch partners.

When a branch partner exercises their put option, the Group repays them their initial contribution. Depending on the length of the partnership and the profitability of the partnership in the periods preceding the exercise of the option, the branch partner might also be entitled to an additional payment. The Group recognises any difference between the amount paid and the amount contributed initially immediately within administrative expenses.

A branch partner without a put option selling their interest to another vet has no effect on the Group’s consolidated financial statements, since any gain or loss on disposal is borne by the seller. In some instances, the Group may repurchase a branch partner’s interest in a partnership even if the partner does not have a put option. When this happens, the Group derecognises the initial contribution to the branch partner reserve, with any difference between the amount paid and the amount contributed initially recognised directly within retained earnings.

4.2 Impairment of non-financial assets

As defined in IAS 36: Impairment of Assets, a cash-generating unit (“CGU”) is “the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.” The Group has determined that each veterinary practice is a CGU.

For the purposes of assessing impairment, the Group is required to allocate goodwill acquired as part of business combinations to the CGUs or groups of CGUs expected to benefit from the synergies of the combinations. The CGUs or groups of CGUs to which goodwill is allocated must represent the lowest level at which the goodwill is monitored for internal management purposes, and not be larger than an operating segment.

The directors monitor goodwill at the country level, and so the Group allocates goodwill to groups of CGUs representing the United Kingdom, Spain, France and Germany.

4. Significant judgements, estimates and assumptions (continued)

4.2 Impairment of non-financial assets (continued)

Goodwill is assessed for impairment at 30 April each year using a value-in-use approach. The value in use of each group of CGUs is calculated by discounting forecasted operating cash flows. The directors' estimates have a direct effect on the values in use calculated for each group of CGUs, and as such, on whether or not impairment charges are recognised, and the amount of those potential charges.

Information on the inputs to the value-in-use calculations is contained in note 16.

4.3 Contingent consideration payable

The Group often satisfies a portion of the consideration for business combinations through contingent consideration arrangements in the form of earn-outs. The level of growth (amongst other things) of an acquired business determines how much (if any) contingent consideration is paid.

Given that the Group holds contingent consideration at fair value, the directors' estimates as to how much consideration will be paid, as well as the discount rate used in the valuations, have a direct effect on the carrying amount of the liabilities and the gain or loss on revaluation recognised within finance income or finance costs.

At 30 April 2024, the maximum amount of consideration the Group might have to pay was £27.1m (2023: £60.2m), while the minimum amount was £nil (2023: £5.1m). The directors have estimated the amount likely to be paid to be £8.8m (2023: £40.8m), which has been discounted to a present value of £8.6m (2023: £38.4m), of which £4.5m (2023: £29.0m) has been recognised as current, and £4.1m (2023: £9.4m) as non-current.

An increase in the discount rate of 1.0pp would result in a reduction of the liability of £0.1m (2023: £0.2m), while a decrease of 1.0pp would result in an increase of £0.1m (2023: £0.2m).

A reconciliation of the closing balance of contingent consideration payable with the opening balance is contained in note 30.

4.4 Put options over non-controlling interests

Some of the Group's non-controlling interests have put options which grant them the right (but not the obligation) to sell their interests in the Group's subsidiaries to the Group. These options are exercisable between 2024 and 2039, and the exercise prices are based on the relevant subsidiaries' future performance and financial positions.

Put options over non-controlling interests are not addressed specifically by any International Financial Reporting Standards. The Group has elected to hold the option liabilities at fair value through profit or loss, and has concluded it would not be appropriate to recognise non-controlling interests in relation to the interests to which the put options relate.

Given that the Group holds the options at fair value, the directors' estimates of the exercise prices and dates, as well as the discount rate used in the valuations, have a direct effect on the carrying amount of the liabilities and the gain or loss on revaluation recognised within finance income or finance costs.

At 30 April 2024, the directors have estimated the amount likely to be paid (should the options be exercised) to be £2.8m (2023: £20.2m), which has been discounted to a present value of £2.7m (2023: £18.0m).

4. Significant judgements, estimates and assumptions (continued)

4.4 Put options over non-controlling interests (continued)

An increase in the exercise price of 10.0% would result in an increase of the liability of £0.3m (2023: £12.0m), while a decrease of 10.0% would result in a decrease of £0.3m (2023: £10.4m). An increase in the discount rate of 1.0pp would result in a reduction of the liability of £nil (2023: £0.2m), while a decrease of 1.0pp would result in an increase of £nil (2023: £0.2m).

A reconciliation of the closing balance of the put option liabilities with the opening balance is contained in note 30.

4.5 Derivative assets

In 2022, the Group purchased an interest rate cap, which caps the interest payable on £508.5m of Facility B at 8.8% *per annum* when SONIA increases above 3.0%.

Given that the Group holds derivative instruments at fair value, the directors' estimates of future interest rates have a direct effect on the carrying amount of the cap and the gain or loss on revaluation recognised within finance income or finance costs.

At 30 April 2024, the directors have valued the cap at £16.6m (2023: £21.7m) based on the price the Group would have to pay to purchase an equivalent instrument at that date, of which £7.1m (2023: £12.9m) has been recognised as non-current, and £9.5m (2023: £8.8m) as current.

5. Going concern

The Group has access to considerable financial resources. This funding, together with well-established relationships with many customers and suppliers across different geographies and industries, leaves the Group well placed to manage its business risk successfully.

At 30 April 2024, the Group had cash and cash equivalents of £63.2m, and undrawn borrowing facilities of £154.0m (for more information, see note 27.) None of the Group's central facilities is repayable until 2028.

After reviewing profit and cash-flow forecasts, and considering the wider business risks faced by the Group, the directors have concluded that, at the time of approving these consolidated financial statements, the Group has adequate resources to continue in operational existence for the foreseeable future (and at least the next year). Accordingly, the Group has prepared these consolidated financial statements on a going concern basis.

6. Revenue

	2024 £m	2023 £m
United Kingdom	**361.1**	351.6
Spain	**27.9**	26.2
Germany	**11.2**	10.8
France	**8.5**	-
Revenue	**408.7**	388.6

Notes to the consolidated financial statements
for the year ended on 30 April 2024 (continued)

7. Other income

	2024 £m	2023 £m
Rental income	**0.8**	0.7
Other other income	**0.7**	0.6
Other income	**1.5**	1.3

8. Operating expenses

Cost of sales and administrative expenses include:	Note	**2024 £m**	2023 £m
Cost of inventories recognised as an expense		**58.6**	60.3
Employment costs	9	**178.6**	175.3
Auditor's remuneration	10	**0.5**	0.5
Transaction costs on business combinations	14	**0.8**	2.4
Impairment charge on goodwill	16	**659.6**	12.0
Amortisation charge on other intangible assets	17	**48.9**	48.1
Impairment charge on other intangible assets	17	**0.1**	-
Depreciation charge on property, plant and equipment	18	**5.8**	3.9
Impairment charge on property, plant and equipment	18	**1.1**	1.5
Depreciation charge on right-of-use assets	19	**12.8**	12.6
Impairment charge on right-of-use assets	19	**3.5**	3.9
Reversal of impairment charge on right-of-use assets	19	**(2.1)**	(3.6)
Loss on disposal of businesses	15	**24.9**	-
Gain on leases		**(0.3)**	(0.5)
Loss/(gain) on disposal of other assets/liabilities		**0.8**	(0.4)
Rental expense on short-term leases and leases of low-value items		**2.1**	1.7
Increase in expected credit loss allowance	31	**0.7**	0.1

9. Employment costs

	Note	**2024 £m**	2023 £m
Wages and salaries		**148.9**	144.4
Social security costs		**19.7**	18.0
Pension costs		**6.2**	5.9
Earn-out costs	14	**3.8**	7.0
Employment costs		**178.6**	175.3

9. Employment costs (continued)

	2024 number	2023 number
Veterinary employees	**4,582**	4,620
Administrative employees	**465**	461
Average monthly number of employees	**5,047**	5,081

	2024 £000	2023 £000
Short-term employee benefits	**1,085**	707
Post-employment benefits	**3**	2
Compensation of directors	**1,088**	709

During the year, retirement benefits were accruing to two directors (2023: two) in respect of defined contribution pension plans.

	2024 £000	2023 £000
Short-term employee benefits	**639**	402
Post-employment benefits	**1**	1
Compensation of highest-paid director	**640**	403

10. Auditor’s remuneration

	2024 £000	2023 £000
Fees payable to the Company’s auditor for the audit of the Company’s annual financial statements	**35**	38
Fees payable to the Company’s auditor for the audit of the Company’s subsidiaries	**476**	490
Auditor’s remuneration	**511**	528

11. Non-underlying items

	Note	2024 £m	2023 £m
Earn-out costs	14	**3.8**	7.0
Restructuring costs		**-**	0.9
Other non-underlying cost of sales		**0.4**	4.5
Included within cost of sales		**4.2**	12.4
Restructuring costs		**11.4**	2.8
Costs relating to Competition & Markets Authority investigation		**2.4**	2.0
Transaction costs on business combinations		**0.9**	1.8
Other legal and professional fees		**2.0**	4.3
Other non-underlying administrative expenses		**2.6**	2.2
Included within administrative expenses		**19.3**	13.1
Non-underlying items		**23.5**	25.5

Earn-out costs

As part of business combinations, the Group often agrees to pay amounts to the seller(s) which are contingent (amongst other things) on the continued employment of the seller(s) within the Group. These amounts are recognised within employment costs in accordance with IFRS 3: Business Combinations, and accrued for over the period of the arrangements.

Restructuring costs

Restructuring costs include costs in relation to veterinary practices which the Group has decided to close, as well as costs in relation to ongoing improvements to systems and processes.

Other non-underlying cost of sales

In the prior year, other non-underlying cost of sales include one-off costs in relation to COVID-19 and a change in policy for stocktakes.

12. Finance income and finance costs

	2024 £m	2023 £m
Interest income on loans receivable	**0.2**	-
Interest income on cash and cash equivalents	**3.7**	-
Gain on foreign exchange	**-**	2.8
Gain on revaluation of derivative assets	**5.3**	23.0
Gain on revaluation of contingent consideration payable	**3.1**	-
Gain on revaluation of put options over non-controlling interests	**15.0**	-
Finance income	**27.3**	25.8
Interest expense on provisions	**(0.8)**	(0.7)
Interest expense on borrowings	**(194.3)**	(149.7)
Interest expense on lease liabilities	**(7.4)**	(7.2)
Loss on foreign exchange	**(2.6)**	-
Loss on revaluation of branch partner payables	**(2.0)**	-
Loss on revaluation of contingent consideration payable	**-**	(3.3)
Loss on revaluation of put options over non-controlling interests	**-**	(1.8)
Finance costs	**(207.1)**	(162.7)
Net finance cost	**(179.8)**	(136.9)

13. Income tax

Consolidated income statement

	2024 £m	2023 £m
United Kingdom Corporation Tax on loss for the year	**0.4**	0.3
Overseas current tax on loss for the year	**0.1**	0.2
Adjustments in respect of prior years	**0.1**	1.2
Current tax charge	**0.6**	1.7
Origination and reversal of temporary differences	**(26.3)**	(22.0)
Effect of changes in tax rates	**-**	(0.4)
Adjustments in respect of prior years	**3.9**	1.6
Deferred tax credit	**(22.4)**	(20.8)
Income tax credit	**(21.8)**	(19.1)

13. Income tax (continued)

Consolidated income statement (continued)

	2024 £m	2023 £m
Loss before tax	**(881.9)**	(167.0)
Loss before tax multiplied by main rate of Corporation Tax in United Kingdom of 25.0% (2023: 25.0%)	**(220.5)**	(41.7)
Adjustments for:		
Non-taxable income	**(2.7)**	-
Expenses not deductible for tax purposes	**203.7**	25.2
Effect of changes in tax rates	**-**	(0.2)
Adjustments in respect of prior years	**4.0**	2.8
Deferred tax not recognised	**(6.3)**	(5.2)
Income tax credit	**(21.8)**	(19.1)

In April 2023, the main rate of Corporation Tax in the United Kingdom increased from 19.0% to 25.0%, and has remained at 25.0% throughout the year.

Consolidated balance sheet

Current tax

	2024 £m	2023 £m
Income tax receivable	**5.4**	7.3
Income tax payable	**-**	(0.4)
Net income tax receivable	**5.4**	6.9

Deferred tax

Deferred tax (liabilities)/assets	**Acquired intangible assets £m**	**Accelerated capital allowances £m**	**Tax losses £m**	**Other temporary differences £m**	**Total £m**
At 1 May 2022	(105.4)	6.3	2.6	0.8	(95.7)
Credit/(charge) recognised in income statement	11.1	(0.3)	10.3	(0.3)	20.8
Other changes	(0.1)	(0.2)	0.2	-	(0.1)
At 30 April 2023	(94.4)	5.8	13.1	0.5	(75.0)
Credit/(charge) recognised in income statement	**11.2**	**(5.0)**	**16.7**	**(0.5)**	**22.4**
Other changes	**-**	**-**	**(0.1)**	**-**	**(0.1)**
At 30 April 2024	**(83.2)**	**0.8**	**29.7**	**-**	**(52.7)**

13. Income tax (continued)

Consolidated balance sheet (continued)

At 30 April 2024, the Group had £52.5m of unutilised tax losses (2023: £8.1m), and £98.8m of unutilised interest deductions (2023: £46.4m) available to offset future profits. Deferred tax assets of £29.6m (2023: £13.1m) have been recognised on £25.9m of the losses (2023: £8.1m) and £92.6m of the deductions (2023: £44.4m), the recovery of which is supported by the expected level of future profits.

At 30 April 2024, there were no unrecognised deferred tax liabilities in relation to temporary differences associated with investments in subsidiaries (2023: nil).

14. Business combinations

Current year

Okivet

On 7 September 2023, Hecate French Bidco SAS (86.4%-owned by the Group) acquired 90.0% of the economic rights and 50.0% of the voting rights in Okivet SAS (“Okivet”). Okivet is a leading veterinary chain in France operating 31 practices. This marks the Group’s entry into France, and is a continuation of its strategy of expansion in Europe.

Business combinations in the United Kingdom

On 1 November 2023, the Group acquired one business (comprising limited companies and unincorporated businesses) in the United Kingdom, operating one veterinary practice. This is a continuation of the Group’s strategy of expansion in the United Kingdom through the acquisition of successful, established veterinary practices which meet its strict criteria.

	Okivet £m	United Kingdom £m	Total £m
Fair value of consideration paid/payable			
Cash consideration paid	8.1	0.9	9.0
Contingent consideration payable	-	0.2	0.2
Deferred consideration payable	-	0.1	0.1
Consideration settled by conversion of loan	4.5	-	4.5
Fair value of consideration paid/payable	**12.6**	**1.2**	**13.8**

Notes to the consolidated financial statements
for the year ended on 30 April 2024 (continued)

14. Business combinations (continued)

Current year (continued)

	Okivet £m	United Kingdom £m	Total £m
Fair value of identifiable assets and liabilities acquired			
Assets			
Non-current assets			
Property, plant and equipment	1.1	-	1.1
Right-of-use assets	4.8	0.3	5.1
Trade and other receivables	0.1	-	0.1
	6.0	0.3	6.3
Current assets			
Inventories	0.8	-	0.8
Trade and other receivables	1.9	-	1.9
Cash and cash equivalents	1.6	0.1	1.7
	4.3	0.1	4.4
Total assets	10.3	0.4	10.7
Liabilities			
Current liabilities			
Trade and other payables	(3.6)	(0.2)	(3.8)
Lease liabilities	(0.5)	-	(0.5)
	(4.1)	(0.2)	(4.3)
Net current assets/(liabilities)	0.2	(0.1)	0.1
Non-current liabilities			
Borrowings	(13.9)	-	(13.9)
Lease liabilities	(4.2)	(0.3)	(4.5)
	(18.1)	(0.3)	(18.4)
Total liabilities	(22.2)	(0.5)	(22.7)
Net liabilities	(11.9)	(0.1)	(12.0)
Goodwill recognised on business combinations			
Fair value of consideration paid/payable	12.6	1.2	13.8
Add: Fair value of identifiable net liabilities acquired	11.9	0.1	12.0
Less: Non-controlling interests	(0.5)	-	(0.5)
Goodwill recognised on business combinations	24.0	1.3	25.3
Cash flows from business combinations			
Cash consideration paid	8.1	0.9	9.0
Less: Cash and cash equivalents acquired	(1.6)	(0.1)	(1.7)
Add: Contingent consideration paid	-	25.3	25.3
Add: Deferred consideration paid	-	2.0	2.0
Purchase of businesses, net of cash acquired	6.5	28.1	34.6

Notes to the consolidated financial statements
for the year ended on 30 April 2024 (continued)

14. Business combinations (continued)

Current year (continued)

	Okivet £m	United Kingdom £m	Total £m
Separately-recognised transactions			
Transaction costs on business combinations	**0.1**	**0.7**	**0.8**
Earn-out costs	**-**	**3.8**	**3.8**
Contribution to consolidated income statement during year			
Revenue	**8.4**	**0.4**	**8.8**
EBITDA*	**(1.0)**	**0.1**	**(0.9)**
Consolidated income statement had businesses been acquired on 1 May 2023			
Revenue			**417.6**
EBITDA*			**73.2**

**Earnings before interest, tax, depreciation, amortisation, impairment, other gains and losses, and non-underlying items*

The goodwill recognised is not deductible for tax purposes. It relates to the skill and expertise of employees, the reputation and location of veterinary practices, and synergies.

Prior year

Business combinations in the United Kingdom

During the prior year, the Group acquired 18 businesses (comprising limited companies and unincorporated businesses) in the United Kingdom, operating 27 individual veterinary practices. This is a continuation of the Group's strategy of expansion in the United Kingdom through the acquisition of successful, established practices which meet its strict criteria. Due to the number of individual combinations and their commercial sensitivity, the disclosures in this area have been aggregated.

Business combinations in Spain

During the prior year, the Group acquired 11 businesses (comprising limited companies and unincorporated businesses) in Spain, operating 12 individual veterinary practices. This is a continuation of the Group's strategy of expansion in Europe through the acquisition of successful, established practices which meet its strict criteria. Due to the number of individual combinations and their commercial sensitivity, the disclosures in this area have been aggregated.

Fair value of consideration paid/payable	United Kingdom £m	Spain £m	Total £m
Cash consideration paid	51.6	9.3	60.9
Contingent consideration payable	1.5	2.1	3.6
Deferred consideration payable	1.1	0.3	1.4
Fair value of consideration paid/payable	54.2	11.7	65.9

Notes to the consolidated financial statements
for the year ended on 30 April 2024 (continued)

14. Business combinations (continued)

Prior year (continued)

	United Kingdom £m	Spain £m	Total £m
Fair value of identifiable assets and liabilities acquired			
Assets			
Non-current assets			
Property, plant and equipment	1.5	1.0	2.5
Right-of-use assets	7.7	1.5	9.2
	9.2	2.5	11.7
Current assets			
Inventories	0.8	0.2	1.0
Trade and other receivables	5.1	0.1	5.2
Cash and cash equivalents	2.2	0.1	2.3
	8.1	0.4	8.5
Total assets	17.3	2.9	20.2
Liabilities			
Current liabilities			
Trade and other payables	(3.3)	(0.2)	(3.5)
Borrowings	(0.1)	(0.1)	(0.2)
Lease liabilities	(0.4)	(0.1)	(0.5)
	(3.8)	(0.4)	(4.2)
Net current assets	4.3	-	4.3
Non-current liabilities			
Provisions	(0.4)	-	(0.4)
Borrowings	(2.3)	(0.2)	(2.5)
Lease liabilities	(7.0)	(1.3)	(8.3)
Deferred tax liabilities	(0.1)	-	(0.1)
	(9.8)	(1.5)	(11.3)
Total liabilities	(13.6)	(1.9)	(15.5)
Net assets	3.7	1.0	4.7
Goodwill recognised on business combinations			
Fair value of consideration paid/payable	54.2	11.7	65.9
Less: Fair value of identifiable net assets acquired	(3.7)	(1.0)	(4.7)
Add: Non-controlling interests	0.5	-	0.5
Goodwill recognised on business combinations	51.0	10.7	61.7

14. Business combinations (continued)

Prior year (continued)

	United Kingdom £m	Spain £m	Total £m
Cash flows from business combinations			
Cash consideration paid	51.6	9.3	60.9
Less: Cash and cash equivalents acquired	(2.2)	(0.1)	(2.3)
Add: Contingent consideration paid	24.8	1.4	26.2
Add: Deferred consideration paid	7.2	2.7	9.9
Purchase of businesses, net of cash acquired	81.4	13.3	94.7
Separately-recognised transactions			
Transaction costs on business combinations	1.7	0.7	2.4
Earn-out costs	6.6	0.4	7.0
Contribution to consolidated income statement during year			
Revenue	21.4	4.2	25.6
EBITDA*	3.0	0.5	3.5
Consolidated income statement had businesses been acquired on 1 May 2022			
Revenue			396.2
EBITDA*			75.6

**Earnings before interest, tax, depreciation, amortisation, impairment, other gains and losses, and non-underlying items*

The goodwill recognised is not deductible for tax purposes. It relates to the skill and expertise of employees, the reputation and location of veterinary practices, and synergies.

During the year, the Group made four individually-material acquisitions:

Number of practices	Location	Date	Consideration paid/ payable £m	Less: Net (assets)/ liabilities acquired £m	Goodwill £m
2	Cornwall	5 May 2022	5.7	0.1	5.8
2	Derbyshire	1 June 2022	3.7	-	3.7
1	London	14 July 2022	7.8	(0.4)	7.4
1	Birmingham	25 August 2022	6.7	0.1	6.8

15. Disposal of businesses

United Kingdom

On 2 and 3 October 2023, the Group disposed of 11 unincorporated businesses (2023: nil) in the United Kingdom, operating 17 individual veterinary practices (2023: nil). For information on the events leading up to these disposals, see note 36.

Spain

On 1 April 2024, the Group disposed of its Spanish laboratory.

Poland

On 24 April 2024, the Group put its Polish business into liquidation. The Group does not operate any veterinary practices in Poland, but the Polish business provided some support functions to the German business. These have now all been internalised in Germany.

	2024				
Fair value of consideration received/receivable	**United Kingdom £m**	**Spain £m**	**Poland £m**	**Total £m**	2023 £m
Cash consideration received	**7.5**	**0.2**	**-**	**7.7**	-
Fair value of consideration received/receivable	**7.5**	**0.2**	**-**	**7.7**	-

Notes to the consolidated financial statements
for the year ended on 30 April 2024 (continued)

15. Disposal of businesses (continued)

	2024				
	United Kingdom £m	Spain £m	Poland £m	Total £m	2023 £m
Carrying amount of assets and liabilities sold					
Assets					
Non-current assets					
Goodwill	29.3	0.1	2.5	31.9	-
Other intangible assets	0.4	-	-	0.4	-
Property, plant and equipment	0.3	-	-	0.3	-
Right-of-use assets	2.9	-	-	2.9	-
	32.9	0.1	2.5	35.5	-
Current assets					
Inventories	0.1	-	-	0.1	-
Trade and other receivables	0.1	-	0.3	0.4	-
Cash and cash equivalents	-	-	0.6	0.6	-
	0.2	-	0.9	1.1	-
Total assets	33.1	0.1	3.4	36.6	-
Liabilities					
Current liabilities					
Trade and other payables	(1.4)	-	(0.1)	(1.5)	-
Lease liabilities	(0.3)	-	-	(0.3)	-
	(1.7)	-	(0.1)	(1.8)	-
Net current (liabilities)/assets	(1.5)	-	0.8	(0.7)	-
Non-current liabilities					
Trade and other payables	(0.9)	-	-	(0.9)	-
Provisions	(0.6)	-	-	(0.6)	-
Lease liabilities	(2.4)	-	-	(2.4)	-
	(3.9)	-	-	(3.9)	-
Total liabilities	(5.6)	-	(0.1)	(5.7)	-
Net assets	27.5	0.1	3.3	30.9	-
Gain/loss on disposal of businesses					
Fair value of consideration received/receivable	7.5	0.2	-	7.7	-
Less: Carrying amount of net assets sold	(27.5)	(0.1)	(3.3)	(30.9)	-
Add: Reclassification of translation reserve	-	-	0.2	0.2	-
Less: Transaction costs on disposal of businesses	(1.9)	-	-	(1.9)	-
(Loss)/gain on disposal of businesses	(21.9)	0.1	(3.1)	(24.9)	-

15. Disposal of businesses (continued)

Cash flows from disposal of businesses	2024 United Kingdom £m	2024 Spain £m	2024 Poland £m	2024 Total £m	2023 £m
Cash consideration received	**7.5**	**0.2**	**-**	**7.7**	-
Less: Cash and cash equivalents sold	**-**	**-**	**(0.6)**	**(0.6)**	-
Less: Transaction costs on disposal of businesses	**(1.9)**	**-**	**-**	**(1.9)**	-
Proceeds from disposal of businesses, net of cash sold	**5.6**	**0.2**	**(0.6)**	**5.2**	-

16. Goodwill

Goodwill	2024 £m	2023 £m
Cost		
At beginning of year	1,207.0	1,142.3
Acquired as part of business combinations	**25.3**	61.7
Disposed of as part of disposal of businesses	**(33.9)**	-
Effect of movements in foreign exchange rates	**(2.2)**	3.0
At end of year	**1,196.2**	1,207.0
Accumulated impairment		
At beginning of year	(30.4)	(18.3)
Impairment charge	**(659.6)**	(12.0)
Disposed of as part of disposal of businesses	**2.0**	-
Effect of movements in foreign exchange rates	**0.5**	(0.1)
At end of year	**(687.5)**	(30.4)
Carrying amount		
At end of year	**508.7**	1,176.6

Allocation of goodwill to groups of cash-generating units ("CGUs")	2024 £m	2023 £m
United Kingdom	**498.0**	1,125.1
Germany	**10.7**	17.3
Spain	**-**	34.2
France	**-**	-
Goodwill	**508.7**	1,176.6

16. Goodwill (continued)

Impairment assessment

Goodwill is assessed for impairment at 30 April each year using a value-in-use approach. The value in use of each group of CGUs has been calculated by discounting forecasted operating cash flows. The Group has prepared detailed like-for-like forecasts (excluding the effect of business combinations) for the next year, and extrapolated these over five years. It has then applied terminal growth rates and pre-tax discount rates which reflect current market assessments of the time value of money and risks specific to the forecasted cash flows.

In determining the key assumptions for the value-in-use calculations, the Group has used its experience from past events and expectations for the future, and has cross-checked these against external sources of information.

The amounts of goodwill allocated to the Spanish, German and French groups of CGUs are not significant in comparison with the Group's total carrying amount of goodwill. The following disclosures reflect this:

	2024		2023	
	Value in use £m	**Excess of value in use over carrying amount £m**	Value in use £m	Excess of value in use over carrying amount £m
United Kingdom	**917.2**	**(598.8)**	NA	18.2
Germany	**13.9**	**(3.7)**	NA	NA
Spain	**11.4**	**(34.1)**	54.9	(12.1)
France	**1.9**	**(25.3)**	NA	NA

	2024					2023	2022
Key assumptions	**Five-year annual EBITDA growth rate %**	**Terminal growth rate %**	**Pre-tax discount rate %**	Five-year annual EBITDA growth rate %	Terminal growth rate %	Pre-tax discount rate %	Pre-tax discount rate %
United Kingdom	**6.0**	**2.0**	**12.0**	10.0	2.0	10.4	NA
Germany	**6.0**	**2.0**	**14.8**	NA	NA	9.9	NA
Spain	**6.0**	**2.0**	**13.9**	NA	NA	10.0	9.4
France	**NA***	**2.0**	**12.0**	NA	NA	NA	NA

**The French group of CGUs is forecasted to make an EBITDA loss for the year ending on 30 April 2025. In extrapolating these results over five years, the Group has assumed growth in revenue of 6.0%* per annum*, an expansion of the material margin (gross profit before employment costs) of 0.5pps* per annum*, and an increase in other operating costs of 2.0%* per annum.

Current year

At 30 April 2024, the carrying amounts of the British, Spanish, German and French groups of CGUs exceeded their values in use. Corresponding impairment charges have been recognised.

16. Goodwill (continued)

Impairment assessment (continued)

Current year (continued)

The British, Spanish and German impairment charges have largely been caused by the increase in the pre-tax rates used to discount the forecasted operating cash flows, resulting from increases in inflation and base interest rates. Additionally, the Group has used lower forecasted operating cash flows in the value-in-use calculations as a result of the uncertain economic climate, particularly in the United Kingdom given the ongoing Competition & Markets Authority review.

The French impairment charge has been caused by the use of different forecasted operating cash flows in valuing the business at the point of acquisition, and in the value-in-use calculation at the reporting date. As required by IAS 36: Impairment of Assets, the cash flows used in the value-in-use calculation exclude cash flows expected to arise from future business combinations and improvements in performance, whereas these were factored into the valuation for the acquisition.

The Group has performed sensitivity analysis on each of the key assumptions for the British group of CGUs, considering the effect of reasonably-possible changes:

Additional impairment charge given:	**United Kingdom £m**
1.0pp decrease in five-year annual EBITDA growth rate	**27.8**
1.0pp decrease in terminal growth rate	**59.0**
1.0pp increase in pre-tax discount rate	**81.6**

Prior year

At 30 April 2023, the value in use of the British and German groups of CGUs exceeded their carrying amounts significantly. However, the carrying amount of the Spanish group of CGUs exceeded its value in use. A corresponding impairment charge was recognised.

The impairment charge was caused by the increase in the pre-tax rate used to discount the forecasted operating cash flows, combined with the use of lower forecasted operating cash flows in the value-in-use calculation as a result of worse-than-expected performance in the Spanish business.

The Group performed sensitivity analysis on each of the key assumptions for the British group of CGUs, considering the effect of reasonably-possible changes:

Changes required to reduce value in use to carrying amount	United Kingdom pp
Five-year annual EBITDA growth rate	(0.4)
Terminal growth rate	(0.1)
Pre-tax discount rate	0.1

17. Other intangible assets

	Customer relationships £m	Brands £m	Software £m	Total £m
Cost				
At 1 May 2022	418.5	25.5	12.0	456.0
Additions	0.4	-	4.6	5.0
Effect of movements in foreign exchange rates	0.6	-	-	0.6
At 30 April 2023	419.5	25.5	16.6	461.6
Additions	**-**	**-**	**6.3**	**6.3**
Disposals	**-**	**-**	**(1.0)**	**(1.0)**
Disposed of as part of disposal of businesses	**(0.4)**	**-**	**-**	**(0.4)**
Effect of movements in foreign exchange rates	**(0.4)**	**-**	**-**	**(0.4)**
At 30 April 2024	**418.7**	**25.5**	**21.9**	**466.1**
Accumulated amortisation				
At 1 May 2022	(20.9)	(1.3)	(1.6)	(23.8)
Amortisation charge	(42.0)	(2.5)	(3.6)	(48.1)
At 30 April 2023	(62.9)	(3.8)	(5.2)	(71.9)
Amortisation charge	**(41.9)**	**(2.6)**	**(4.4)**	**(48.9)**
Impairment charge	**-**	**-**	**(0.1)**	**(0.1)**
Disposals	**-**	**-**	**1.0**	**1.0**
Disposed of as part of disposal of businesses	**-**	**-**	**-**	**-**
Effect of movements in foreign exchange rates	**0.1**	**-**	**-**	**0.1**
At 30 April 2024	**(104.7)**	**(6.4)**	**(8.7)**	**(119.8)**
Carrying amount				
At 30 April 2024	**314.0**	**19.1**	**13.2**	**346.3**
At 30 April 2023	356.6	21.7	11.4	389.7

	2024		2023	
Individually-material assets	**Carrying amount £m**	**Remaining useful life years**	Carrying amount £m	Remaining useful life years
British customer relationships	**305.1**	**7.5**	345.8	8.5
Spanish customer relationships	**8.9**	**7.5**	10.4	8.5
“Medivet” brand	**19.1**	**7.5**	21.7	8.5
Freedom*	**12.4**	**5.0**	11.4	5.0

**The Group’s proprietary practice-management system*

18. Property, plant and equipment

	Land and buildings £m	Fixtures, fittings, plant and machinery £m	Total £m
Cost			
At 1 May 2022	-	12.2	12.2
Additions	0.4	13.4	13.8
Acquired as part of business combinations	-	2.5	2.5
Disposals	-	(0.5)	(0.5)
Effect of movements in foreign exchange rates	-	0.3	0.3
At 30 April 2023	0.4	27.9	28.3
Additions	**-**	**12.8**	**12.8**
Acquired as part of business combinations	**0.1**	**1.0**	**1.1**
Disposals	**(0.1)**	**(0.3)**	**(0.4)**
Disposed of as part of disposal of businesses	**-**	**(0.4)**	**(0.4)**
Effect of movements in foreign exchange rates	**-**	**(0.4)**	**(0.4)**
At 30 April 2024	**0.4**	**40.6**	**41.0**
Accumulated depreciation			
At 1 May 2022	-	(1.5)	(1.5)
Depreciation charge	-	(3.9)	(3.9)
Impairment charge	-	(1.5)	(1.5)
Disposals	-	0.5	0.5
Effect of movements in foreign exchange rates	-	(0.1)	(0.1)
At 30 April 2023	-	(6.5)	(6.5)
Depreciation charge	**-**	**(5.8)**	**(5.8)**
Impairment charge	**-**	**(1.1)**	**(1.1)**
Disposals	**-**	**0.3**	**0.3**
Disposed of as part of disposal of businesses	**-**	**0.1**	**0.1**
Effect of movements in foreign exchange rates	**-**	**0.2**	**0.2**
At 30 April 2024	**-**	**(12.8)**	**(12.8)**
Carrying amount			
At 30 April 2024	**0.4**	**27.8**	**28.2**
At 30 April 2023	0.4	21.4	21.8

19. Right-of-use assets

Carrying amount	Land and buildings £m	Fixtures, fittings, plant and machinery £m	Motor vehicles £m	Total £m
At 1 May 2022	70.6	2.3	1.7	74.6
Additions	22.8	0.1	0.3	23.2
Depreciation charge	(10.8)	(0.9)	(0.9)	(12.6)
Impairment charge	(3.9)	-	-	(3.9)
Reversal of impairment charge	3.6	-	-	3.6
Other changes	4.0	(0.3)	0.2	3.9
At 30 April 2023	86.3	1.2	1.3	88.8
Additions	**11.3**	**0.1**	**1.9**	**13.3**
Depreciation charge	**(11.2)**	**(0.6)**	**(1.0)**	**(12.8)**
Impairment charge	**(3.5)**	**-**	**-**	**(3.5)**
Reversal of impairment charge	**2.1**	**-**	**-**	**2.1**
Other changes	**(2.3)**	**(0.1)**	**(0.1)**	**(2.5)**
At 30 April 2024	**82.7**	**0.6**	**2.1**	**85.4**

For information on the Group's impairment policy, see notes 3.13 and 4.2.

Typically, it is not possible to estimate the recoverable amount of an individual right-of-use asset, and so they are assessed for impairment as part of cash-generating units (veterinary practices).

The primary indicators that a practice's assets may be impaired are that it is closed or loss-making. This drives the impairment charge. The reversal of the charge arises from practices reopening or becoming profitable.

20. Inventories

	2024 £m	2023 £m
Gross goods for resale and consumables	**11.1**	7.5
Inventories	**11.1**	7.5

21. Loans receivable

	2024 £m	2023 £m
Loans to branch partners	**2.1**	-
Loans to management	**1.3**	1.1
Non-current	**3.4**	1.1
Loan to Okivet SAS	**-**	4.4
Current	**-**	4.4
Loans receivable	**3.4**	5.5

Facility	Issue date	Repayment date	Interest rate	Interest payment frequency	Security	Carrying amount £m
£2.1m loans to branch partners	Various	Various	5.0%	Annually	Partnership property	**2.1**
£1.3m loans to management	Various	On demand	HMRC official rate	Annually	Shares in immediate parent*	**1.3**
2024						**3.4**
€5.0m loan to Okivét SAS	March 2023	December 2023	8.0%	On repayment	None	4.4
£1.1m loans to management	Various	On demand	HMRC official rate	Annually	Shares in immediate parent*	1.1
2023						5.5

**Hecate Topco Limited*

22. Trade and other receivables

	Note	2024 £m	2023 £m
Other receivables		**1.0**	0.6
Non-current		**1.0**	0.6
Gross trade receivables		**18.5**	22.9
Less: Expected credit loss allowance	31	**(1.3)**	(1.4)
Trade receivables		**17.2**	21.5
Other receivables		**3.0**	2.5
Prepayments		**8.1**	4.2
Accrued income		**4.4**	2.7
Current		**32.7**	30.9
Trade and other receivables		**33.7**	31.5

23. Cash and cash equivalents

	2024 £m	2023 £m
Cash at bank and in hand	**14.3**	7.9
Short-term deposits	**0.1**	-
Money market funds	**48.8**	-
Cash and cash equivalents	**63.2**	7.9

24. Derivative assets

	2024 £m	2023 £m
Interest rate cap	**7.1**	12.9
Non-current	**7.1**	12.9
Interest rate cap	**9.5**	8.8
Current	**9.5**	8.8
Derivative assets	**16.6**	21.7

For more information on the interest rate cap, see note 4.5.

25. Trade and other payables

	Note	2024 £m	2023 £m
Trade payables		**25.8**	28.9
Other tax and social security payable		**13.8**	13.6
Branch partner payables		**16.9**	15.1
Consideration payable		**5.1**	32.0
Put options over non-controlling interests	30	**2.7**	-
Interest payable		**29.7**	22.7
Other payables		**3.4**	0.8
Accruals		**17.7**	15.5
Deferred income		**0.1**	-
Current		**115.2**	128.6
Branch partner payables		**16.7**	13.1
Consideration payable		**4.1**	9.7
Put options over non-controlling interests	30	**-**	18.0
Accruals		**0.3**	1.4
Non-current		**21.1**	42.2
Trade and other payables		**136.3**	170.8

26. Provisions

	2024 £m	2023 £m
Dilapidations	0.5	0.3
Restructuring	0.3	0.1
Current	0.8	0.4
Dilapidations	9.4	9.1
Restructuring	1.9	-
Non-current	11.3	9.1
Provisions	12.1	9.5

	Dilapidations £m	Restructuring £m	Total £m
At 1 May 2023	9.4	0.1	9.5
Additions	1.0	2.3	3.3
Unwinding of discounting	0.8	-	0.8
Amounts used	(0.4)	(0.2)	(0.6)
Unused amounts reversed	(0.3)	-	(0.3)
Other changes	(0.6)	-	(0.6)
At 30 April 2024	9.9	2.2	12.1

The Group recognises a dilapidations provision for leases of land and buildings. It is calculated as the directors' best estimate at the reporting date of the expenditure required to return the underlying assets to the lessors in the conditions specified by the lease agreements, discounted using the interest rates implicit in the leases if they can be readily determined, or the incremental borrowing rates if not.

At 30 April 2024, the directors have estimated the required payments to be £19.4m, which has been discounted to a present value of £9.9m.

The restructuring provision relates to future costs to be incurred in relation to veterinary practices which the Group has decided to close. It is held at the best estimate of the expenditure required to settle the obligation.

27. Borrowings

	2024 £m	2023 £m
Other borrowings	0.2	0.3
Current	0.2	0.3
Loans from parents	1,178.7	930.5
Facility B	565.0	565.0
Capex Facility	196.0	175.0
Other borrowings	11.7	0.5
Less: Capitalised transaction costs	(14.6)	(17.5)
Non-current	1,936.8	1,653.5
Borrowings	1,937.0	1,653.8

27. Borrowings (continued)

Facility	Issue date	Repayment date	Interest rate	Interest payment frequency	Security	Principal drawn £m	Principal undrawn £m
£1,178.7m loans from parents	October 2021	October 2031	10.0%	Annually	Fixed and floating charge	**1,178.7**	**-**
£565.0m Facility B	October 2021	October 2028	SONIA + 5.8%*	Quarterly	Fixed and floating charge	**565.0**	**-**
£300.0m Capex Facility	October 2021	October 2028	SONIA + 5.8%	Quarterly	Fixed and floating charge	**196.0**	**104.0**
£50.0m Revolving Facility	October 2021	April 2028	SONIA + 3.3%	Quarterly	Fixed and floating charge	**-**	**50.0**
Other borrowings	Various	Various	Various	Various	Various	**11.9**	**-**
2024						**1,951.6**	**154.0**
£825.3m loans from parents	October 2021	October 2031	10.0%	Annually	Fixed and floating charge	825.3	-
£565.0m Facility B	October 2021	October 2028	SONIA + 5.8%*	Quarterly	Fixed and floating charge	565.0	-
£300.0m Capex Facility	October 2021	October 2028	SONIA + 5.8%	Quarterly	Fixed and floating charge	175.0	125.0
£50.0m Revolving Facility	October 2021	April 2028	SONIA + 3.3%	Quarterly	Fixed and floating charge	-	50.0
Other borrowings	Various	Various	Various	Various	Various	0.8	-
2023						1,566.1	175.0

**In 2022, the Group purchased an interest rate cap, which caps the interest payable on £508.5m of Facility B at 8.8%* per annum *when SONIA increases above 3.0% (for more information, see note 4.5.)*

28. Lease liabilities

	2024 £m	2023 £m
Current	**9.6**	8.7
Non-current	**84.5**	85.9
Lease liabilities	**94.1**	94.6

	2024 £m	2023 £m
Total cash outflow relating to leases	**19.4**	17.9

Notes to the consolidated financial statements
for the year ended on 30 April 2024 (continued)

29. Net debt

	Note	At 1 May 2023 £m	Cash flows £m	Non-cash movements: Acquired/ disposed of as part of business combinations/ disposal of businesses £m	Non-cash movements: Effect of movements in foreign exchange rates £m	Non-cash movements: Other changes £m	At 30 April 2024 £m
Borrowings	27	1,653.8	**84.7**	**13.9**	**(2.5)**	**187.1**	**1,937.0**
Lease liabilities	28	94.6	**(17.0)**	**2.3**	**(0.4)**	**14.6**	**94.1**
Branch partner capital		24.7	**(5.5)**	**-**	**-**	**12.6**	**31.8**
Gross debt		1,773.1	**62.2**	**16.2**	**(2.9)**	**214.3**	**2,062.9**
Less: Cash and cash equivalents	23						**(63.2)**
Net debt							**1,999.7**
Less: Loan from parent	27						**(1,178.7)**
External net debt							**821.0**

	Note	At 1 May 2022 £m	Cash flows £m	Non-cash movements: Acquired as part of business combinations £m	Non-cash movements: Effect of movements in foreign exchange rates £m	Non-cash movements: Other changes £m	At 30 April 2023 £m
Borrowings	27	1,429.6	75.2	2.7	0.1	146.2	1,653.8
Lease liabilities	28	86.5	(16.2)	8.8	0.5	15.0	94.6
Branch partner capital		23.9	0.8	-	-	-	24.7
Gross debt		1,540.0	59.8	11.5	0.6	161.2	1,773.1
Less: Cash and cash equivalents	23						(7.9)
Net debt							1,765.2
Less: Loans from parents	27						(930.5)
External net debt							834.7

30. Financial instruments

Net financial liabilities	Note	**Amortised cost £m**	**Fair value through profit or loss £m**	**Total £m**
Loans receivable	21	**3.4**	**-**	**3.4**
Trade and other receivables (excluding prepayments, and other tax and social security)	22	**25.0**	**-**	**25.0**
Cash and cash equivalents	23	**63.2**	**-**	**63.2**
Derivative assets	24	**-**	**16.6**	**16.6**
Financial assets		**91.6**	**16.6**	**108.2**
Trade and other payables (excluding other tax and social security, and deferred income)	25	**(111.1)**	**(11.3)**	**(122.4)**
Borrowings	27	**(1,937.0)**	**-**	**(1,937.0)**
Lease liabilities	28	**(94.1)**	**-**	**(94.1)**
Financial liabilities		**(2,142.2)**	**(11.3)**	**(2,153.5)**
2024		**(2,050.6)**	**5.3**	**(2,045.3)**

Net financial liabilities	Note	Amortised cost £m	Fair value through profit or loss £m	Total £m
Loans receivable	21	1.1	4.4	5.5
Trade and other receivables (excluding prepayments, and other tax and social security)	22	26.7	-	26.7
Cash and cash equivalents	23	7.9	-	7.9
Derivative assets	24	-	21.7	21.7
Financial assets		35.7	26.1	61.8
Trade and other payables (excluding other tax and social security)	25	(100.8)	(56.4)	(157.2)
Borrowings	27	(1,653.8)	-	(1,653.8)
Lease liabilities	28	(94.6)	-	(94.6)
Financial liabilities		(1,849.2)	(56.4)	(1,905.6)
2023		(1,813.5)	(30.3)	(1,843.8)

The fair values of all financial assets and liabilities are similar to their carrying amounts.

Information on the inputs to the valuations of contingent consideration payable, put options over non-controlling interests and derivative assets is contained in note 4.

Loans receivable, contingent consideration payable and put options over non-controlling interests are categorised in level 3 of the fair value hierarchy, and derivative assets in level 2.

30. Financial instruments (continued)

Financial assets/(liabilities) categorised in level 3 of fair value hierarchy	**Loans receivable £m**	**Contingent consideration payable £m**	**Put options over non-controlling interests £m**
At 1 May 2022	-	(57.9)	(15.3)
Recognised as part of business combinations	-	(3.7)	-
Cash paid	4.3	26.2	-
Loss on revaluation recognised in consolidated income statement	-	(3.3)	(1.8)
Effect of movements in foreign exchange rates	0.1	0.3	(0.9)
At 30 April 2023	4.4	(38.4)	(18.0)
Recognised as part of business combinations	**-**	**(0.3)**	**-**
Cash paid	**-**	**25.3**	**-**
Disposed of as part of disposal of businesses	**-**	**1.6**	**-**
Converted into consideration for business combinations	**(4.5)**	**-**	**-**
Gain on revaluation recognised in consolidated income statement	**-**	**3.1**	**15.0**
Effect of movements in foreign exchange rates	**0.1**	**0.1**	**0.3**
At 30 April 2024	**-**	**(8.6)**	**(2.7)**

31. Financial risk management

The Group holds financial instruments as detailed in the previous note, which expose it to various financial risks. Its risk-management activities focus on the unpredictability of financial markets, and seek to minimise potential adverse effects on the Group's financial performance. The Group does not trade speculatively in financial instruments.

The main financial risks to which the Group is exposed are as follows:

31.1 Market risk

The Group is exposed to market risk through its financial instruments, particularly to interest-rate risk and currency risk, which result from its operating, investing and financing activities. It has minimal exposure to commodities, and manages its relationships with key suppliers through contractual agreements and regular reviews.

31.1.1 Interest-rate risk

The Group holds interest-bearing financial instruments, although its operating profit or loss and cash flows are substantially independent of changes in market interest rates. The Group's interest-rate risk arises almost wholly from its borrowings bearing interest at variable rates, based on SONIA (for more information, see note 27.) In 2022, the Group purchased an interest rate cap, which caps the interest payable on £508.5m of Facility B at 8.8% *per annum* when SONIA increases above 3.0% (for more information, see note 4.5.)

31. Financial risk management (continued)

31.1 Market risk (continued)

31.1.1 Interest-rate risk (continued)

An increase in SONIA of 1.0pp throughout the year, would have resulted in an increase in the interest expense of £7.5m (2023: £7.1m), but in the net finance cost of £2.4m (2023: £2.0m). The Group has considered the effect of movements in interest rates over the year and the likely short-term future movements, and has concluded that a 1.0pp movement is a reasonable benchmark.

31.1.2 Currency risk

The Group has limited exposure to currency risk since only around 20.0% of its veterinary practices are located outside the United Kingdom. The Group does not currently hedge any foreign currency transactions or balances, but those practices located outside the United Kingdom earn revenue and incur costs in the same currencies in a natural hedge.

31.2 Liquidity risk

At 30 April 2024, the Group had cash and cash equivalents of £63.2m (2023: £7.9m), and undrawn borrowing facilities of £154.0m (2023: £175.0m) (for more information, see note 27.) None of the Group's central facilities is repayable until 2028.

		Maximum contractual cash outflows					
Financial liabilities	Note	**Due within one year £m**	**Due in between one and two years £m**	**Due in between two and five years £m**	**Due after five years £m**	**Total £m**	**Carrying amount £m**
Trade and other payables (excluding other tax and social security, and deferred income)	25	**107.8**	**25.0**	**10.0**	**-**	**142.8**	**122.4**
Borrowings	27	**0.2**	**0.1**	**772.6**	**1,178.7**	**1,951.6**	**1,937.0**
Lease liabilities	28	**16.1**	**15.8**	**41.7**	**60.9**	**134.5**	**94.1**
2024		**124.1**	**40.9**	**824.3**	**1,239.6**	**2,228.9**	**2,153.5**
Trade and other payables (excluding other tax and social security)	25	100.1	39.1	12.4	22.7	174.3	157.2
Borrowings	27	0.3	0.4	0.1	1,670.5	1,671.3	1,653.8
Lease liabilities	28	14.2	14.7	40.4	70.8	140.1	94.6
2023		114.6	54.2	52.9	1,764.0	1,985.7	1,905.6

31.3 Credit risk

The Group's credit risk arises mainly from its trade receivables. The amount receivable varies throughout the year, depending on the timing of sales and of receipts from insurance companies and retail customers. The Group has very low retail credit risk due to transactions being principally of a high volume, low value and short maturity. Therefore, it also has very low concentration risk. Trade receivables do not bear interest.

31. Financial risk management (continued)

31.3 Credit risk (continued)

Expected credit loss allowance	**2024 £m**	2023 £m
At beginning of year	1.4	1.7
Increase recognised in consolidated income statement	**0.7**	0.1
Acquired as part of business combinations	**-**	0.1
Amounts used	**(0.8)**	(0.5)
At end of year	**1.3**	1.4

The expected credit loss allowance is calculated using historic payment profiles, while taking into account current and future macro-economic trends. Balances are grouped by age bracket. The Group writes off balances when it becomes clear that they are not recoverable (for example, if the counterparty goes bankrupt).

At 30 April 2024, the Group's maximum credit risk equated to its financial assets as detailed in the previous note.

32. Share capital and share premium

Allotted, called up and fully paid	**1p ordinary shares m**	**Share capital £m**	**Share premium £m**
At 1 May 2022	4.1	-	4.1
Issue of ordinary shares	464.5	4.7	-
At 30 April 2023	468.6	4.7	4.1
Issue of ordinary shares	**274.9**	**2.7**	**-**
At 30 April 2024	**743.5**	**7.4**	**4.1**

33. Branch partner reserve and translation reserve

Branch partner reserve

The branch partner reserve comprises contributions received by the Group from branch partners without a put option (for more information, see note 4.1.)

Translation reserve

The translation reserve is the cumulative gain or loss on foreign exchange caused by the income statements of subsidiaries which report in foreign currencies being translated into sterling at the average exchange rates over the period, while their balance sheets are translated at the spot rate at the reporting date (for more information, see note 2.2.)

34. Non-controlling interests

The table below provides summarised financial information for the year for AURA Veterinary Limited, Centro Veterinario Sur S.L., Clínica Veterinaria Juan de Herrera S.L., Clínica Veterinaria San Carlos S.L., Feres Veterinaris S.L., Hecate French Bidco SAS, Okivet SAS and TopBuild (UK) Ltd.:

	2024 £m	2023 £m
Statement of comprehensive income		
Revenue	**26.9**	14.9
(Loss)/profit for the year	**(17.3)**	1.4
Other comprehensive income for the year	**0.1**	-
Total comprehensive (expense)/income for the year	**(17.2)**	1.4
Total comprehensive (expense)/income for the year attributable to non-controlling interests	**(2.5)**	0.6
Balance sheet		
Non-current assets	**24.8**	7.1
Current assets	**10.6**	5.7
Current liabilities	**(7.9)**	(2.5)
Non-current liabilities	**(41.7)**	(6.4)
Net (liabilities)/assets	**(14.2)**	3.9
Net (liabilities)/assets attributable to non-controlling interests	**(1.2)**	1.6
Statement of cash flows		
Net cash inflow/(outflow) for the year	**2.7**	(0.5)
Dividends paid to non-controlling interests	**(0.3)**	(0.1)

35. Capital management

	Note	**2024 £m**	2023 £m
Net debt	29	**1,999.7**	1,765.2
Total deficit		**(1,132.4)**	(248.0)
Capital		**867.3**	1,517.2

In managing its capital, the Group seeks to strike a balance between safeguarding its ability to continue as a going concern, reducing the cost of capital, and maximising returns to its owner and benefits to other stakeholders. The Group has no externally-imposed capital requirements.

36. Contingent liabilities

HM Revenue & Customs investigation

In 2021, the Group acquired the entire issued share capital of Medivet Group Holdings Limited ("MGHL"), as part of which it recognised a contingent liability of £2.2m in relation to an ongoing investigation by HM Revenue & Customs into MGHL's historic accounting treatment of goodwill. The directors consider it unlikely that the Group will have to pay anything in relation to this investigation, and, even if it does, the amount is unlikely to be material.

36. Contingent liabilities (continued)

Competition & Markets Authority investigation

On 21 December 2022, the Competition & Markets Authority served the Group with an initial enforcement order in respect of 15 business combinations and two purchases of customer relationships undertaken by Medivet Group Limited in 2021 and 2022.

On 6 April 2023, the Competition & Markets Authority announced it would be taking no further action in respect of two of the business combinations.

At 30 April 2023, it was unclear what actions (if any) the Competition & Markets Authority would require the Group to take, and so what the outflow of economic benefits from the Group (if any) would be, and when it would occur.

On 3 May 2023, the Competition & Markets Authority announced it would be taking no further action in respect of another business combination. Then, on 18 May 2023, the Competition & Markets Authority announced it would be taking no further action of another two business combinations and one purchase of customer relationships.

However, on 18 May 2023, the Competition & Markets Authority also announced that it believed the remaining 11 business combinations and one purchase of customer relationships had resulted in a substantial lessening of competition, and that the Group had until 25 May 2023 to offer it acceptable undertakings to address its concerns, or it would refer the transactions for a phase 2 investigation.

On 2 June 2023, the Competition & Markets Authority accepted provisionally the Group's proposal to dispose of the veterinary practices acquired through ten of the remaining business combinations, and the remaining customer relationships.

On 19 September 2023, the Competition & Markets Authority accepted formally the Group's proposal, and on 2 and 3 October 2023, the Group completed the disposals (for more information, see note 15.) The investigation is now closed.

37. Related party transactions

Key management personnel

	2024 £000	2023 £000
Short-term employee benefits	**1,085**	707
Post-employment benefits	**3**	2
Compensation of key management personnel	**1,088**	709

During the prior year, the Company lent key management personnel £836,000. The interest income for the year was £20,000 (2023: £3,000), and at 30 April 2024, the carrying amount of the loans were £836,000 (2023: £836,000), with £1,000 of interest outstanding (2023: £1,000).

37. Related party transactions (continued)

Immediate parent

In 2021, the Company's immediate parent and controlling party, Hecate Topco Limited, lent it an additional £6.8m. The interest expense for the year was £0.8m (2023: £0.7m), and at 30 April 2024, the carrying amount of the loan was £8.5m (2023: £7.7m), with £0.2m of interest payable (2023: £0.2m).

Intermediate parent

During the year, the Company's intermediate parent and controlling party, Hecate Holdings Jersey Limited, lent it an additional £25.9m. The interest expense for the year was £85.5m (2023: £74.4m), and at 30 April 2024, the carrying amount of the loan was £917.9m (2023: £809.7m), with £22.6m of interest payable (2023: £19.7m).

38. Subsidiaries

Active subsidiaries

Name	Country of incorporation	Registered office	Proportion owned
Activos Medivet Iberia S.L.U.	Spain	Calle Delicias 35, 28045 Madrid	93.4%
AURA Veterinary Limited*	England and Wales	70 Priestley Road, Guildford, Surrey, England, GU2 7AJ	45.0%
Centro Veterinario Sur S.L.	Spain	Avenida de Pablo Neruda 69, 28018 Madrid	74.7%
Clínica Veterinaria Juan de Herrera S.L.	Spain	Calle Juan de Herrera 20, bajo, Alicante (03004)	75.6%
Clínica Veterinaria San Carlos S.L.	Spain	C/ San Carlos 115, Bajo, 03013 Alicante	74.7%
Clinicas Medivet Iberia S.L.	Spain	Calle Delicias 35, 28045 Madrid	93.4%
Complete Animal Care Limited*	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%
Feres Veterinaris S.L.	Spain	Calle Enric Morera 9, planta baja, 08243 Manresa	74.7%
Fravet Servicios Veterinarios S.L.U.	Spain	Calle Dublín 31, Las Rozas de Madrid (Madrid 28232)	93.4%
Hecate Bidco Limited	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%
Hecate Cleanco Limited*	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%
Hecate French Bidco SAS	France	3-5 rue Saint-Georges, 75009 Paris	86.4%
KITICAN Activos Cuatro S.L.U.	Spain	Calle Delicias 35, 28045 Madrid	93.4%
Lab Services Limited*	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%
Medivet Germany GmbH	Germany	c/o fincloud.one UG, Kaiser-Friedrich-Straße 65, 10627 Berlin	100.0%
Medivet Group Limited	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%

38. Subsidiaries (continued)

Active subsidiaries (continued)

Name	Country of incorporation	Registered office	Proportion owned
Medivet Group Holdings Limited*	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%
Medivet Iberia S.L.U.	Spain	Calle Velázquez, 12, 6º, 28001, Madrid	100.0%
Medivet Tierarztpraxen GmbH & Co. KG	Germany	c/o office Club, Pappelallee 78/79, 10437 Berlin	100.0%
Medivet Tierarztpraxen Verwaltungs GmbH	Germany	c/o office Club, Pappelallee 78/79, 10437 Berlin	100.0%
Okivet SAS	France	1 Route du Pérollier, 69570 Dardilly	77.8%
TopBuild (UK) Ltd.*	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	50.0%
Veterinaria Los Príncipes S.L.U.	Spain	Calle Virgen de Luján, 54, 41011 Sevilla	93.4%

**Exempt from audit for the year ended on 30 April 2024 under Section 479A of the Companies Act 2006*

At 30 April 2024, the Company's only active, directly-held subsidiary was Medivet Group Holdings Limited.

The Group holds only 45.0% of the issued share capital of AURA Veterinary Limited ("AURA"), but it has determined that it controls AURA on the basis that it has an option to subscribe for additional shares to take its stake to 51.0%.

The Group holds 86.4% of the economic rights in Hecate French Bidco SAS ("Hecate French Bidco"), but 94.5% of the voting rights. Hecate French Bidco holds 90.0% of the economic rights in Okivet SAS ("Okivet"), but 50.0% of the voting rights. Despite holding only 50.0% of the voting rights, the Group has determined that Hecate French Bidco controls Okivet on the basis that it has an option to subscribe for additional shares to take its voting rights to 94.8%.

The Group holds only 50.0% of the share capital of TopBuild (UK) Ltd. ("TopBuild"), but it has determined that it controls TopBuild on the basis that one of TopBuild's two directors is also a director of the Company, and that TopBuild derives almost all of its revenue from the Group. As such, the Group is able to affect its returns by directing TopBuild's operations.

Dormant subsidiaries

Name	Country of incorporation	Registered office	Proportion owned
A.H.C (SW) Ltd	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%
E Street Limited	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%
Heene Road Veterinary Practice Limited	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%
Medivet Acquisitions Limited	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%
Pets Naturally (Vet-Call) Limited	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%

38. Subsidiaries (continued)

Dormant subsidiaries (continued)

Name	Country of incorporation	Registered office	Proportion owned
Saint Leonard Veterinary Centre Limited	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%
The Oxford Cat Clinic Limited	England and Wales	First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ	100.0%

None of the dormant subsidiaries is held directly by the Company.

39. Ultimate parent and controlling party

The Company's ultimate parent is Hecate Holdings Jersey Limited, a limited company incorporated in Jersey. Its ultimate controlling party is CVC Capital Partners VIII (A) L.P., a limited partnership incorporated in Jersey. CVC Capital Partners VIII (A) L.P. has no controlling party.

The Company's immediate parent and controlling party is Hecate Topco Limited, a limited company incorporated in Jersey. The Group is the only group to include these consolidated financial statements in its consolidated financial statements at 30 April 2024.

40. Post-balance sheet events

On 23 May 2024, the Competition & Markets Authority announced it would be launching a formal market investigation into the veterinary sector (for more information, see the principal risks section in the strategic report.)

On 1 July 2024, the Company issued an additional 42.2m 1p ordinary shares to its immediate parent and controlling party, Hecate Topco Limited, for proceeds of £0.4m. It also issued an additional 7,957.4m 1p loan notes to new and existing lenders for proceeds of £79.6m.

Separate balance sheet
at 30 April 2024

	Note	**2024 £m**	2023 £m
Assets			
Non-current assets			
Investments in subsidiaries	E	**7.1**	4.4
Loans receivable	F	**1,183.5**	935.0
		1,190.6	939.4
Current assets			
Trade and other receivables	G	**29.4**	22.9
Total assets		**1,220.0**	962.3
Liabilities			
Current liabilities			
Trade and other payables	H	**(29.1)**	(22.7)
Income tax payable		**(0.1)**	-
		(29.2)	(22.7)
Net current assets		**0.2**	0.2
Non-current liabilities			
Borrowings	I	**(1,178.7)**	(930.5)
Total liabilities		**(1,207.9)**	(953.2)
Net assets		**12.1**	9.1
Equity			
Share capital	J	**7.4**	4.7
Share premium	J	**4.1**	4.1
Retained earnings		**0.6**	0.3
Total equity		**12.1**	9.1

The Company has elected to take advantage of the exemption under Section 408 of the Companies Act 2006 not to present its separate statement of comprehensive income and related notes.

The Company's profit for the year and total comprehensive profit was £0.3m (2023: £0.3m).

These separate financial statements were authorised for issue by the directors and were signed on their behalf by:

DocuSigned by:
Bart Borms
AC441D8B201849C...

Bart Borms
Director
Hecate Holdco Limited

Date: 19 August 2024

The notes on pages 80 to 84 form part of these separate financial statements.

Separate statement of changes in equity
for the year ended on 30 April 2024

	Note	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
At 1 May 2022		-	4.1	-	4.1
Total comprehensive income					
Profit for the year and total comprehensive income		-	-	0.3	0.3
Transactions with owner					
Issue of ordinary shares		4.7	-	-	4.7
At 30 April 2023		4.7	4.1	0.3	9.1
Total comprehensive income					
Profit for the year and total comprehensive income		**-**	**-**	**0.3**	**0.3**
Transactions with owner					
Issue of ordinary shares	J	**2.7**	**-**	**-**	**2.7**
At 30 April 2024		**7.4**	**4.1**	**0.6**	**12.1**

The notes on pages 80 to 84 form part of these separate financial statements.

Notes to the separate financial statements
for the year ended on 30 April 2024

A. General information

Hecate Holdco Limited ("the Company") is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006 (company number: 13671403). The address of its registered office is First Floor, HYDE, 38 Clarendon Road, Watford, England, WD17 1HZ. These separate financial statements comprise the results of the Company for the year ended on 30 April 2024 ("the year"). The comparative results cover the year ended on 30 April 2023. The Company is a holding company.

B. Basis of preparation

These separate financial statements have been prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101"). In preparing these separate financial statements, the Company has applied the recognition, measurement and disclosure requirements of UK-adopted international accounting standards, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The Company has adopted all required standards, amendments to and interpretations of existing standards, as well as new standards, amendments to and interpretations of existing standards which have been published but which it is only required to adopt for its reporting periods beginning on or after 1 January 2024 and 1 January 2025.

These separate financial statements are presented in sterling, rounded to the nearest hundred thousand (unless stated otherwise), and have been prepared on the historical cost basis.

The Company has elected to take advantage of the exemption under Section 408 of the Companies Act 2006 not to present its separate statement of comprehensive income and related notes.

The Company has also elected to take advantage of the exemptions available under FRS 101 not to include the following disclosures:

- All disclosures required under IFRS 7: Financial Instruments: Disclosures;
- Comparative disclosures required under paragraph 38 of IAS 1: Presentation of Financial Statements for paragraph 79(a)(iv) of IAS 1;
- Disclosures required under paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111, 134, 135 and 136 of IAS 1: Presentation of Financial Statements;
- All disclosures required under IAS 7: Statement of Cash Flows;
- Disclosures required under paragraphs 30 and 31 of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors;
- Disclosures of the compensation of key management personnel required under paragraphs 17 and 18A of IAS 24: Related Party Disclosures;
- Disclosures of transactions and balances with other wholly-owned entities within the same group required under IAS 24: Related Party Disclosures; and
- Disclosures required under paragraphs 130(f)(ii), 130(f)(iii), 134(d), 134(e), 134(f), 135(c), 135(d) and 135(e) of IAS 36: Impairment of Assets.

The directors consider it appropriate to adopt a going concern basis of accounting in preparing the Company's separate financial statements (for more information, see note 5 to the consolidated financial statements.)

C. Summary of material accounting policies

C.1 Investments in subsidiaries

Investments in subsidiaries are held at cost, less any accumulated impairment.

At each reporting date, the Company reviews the carrying amounts of investments in subsidiaries to determine whether or not there is any indication that they have suffered an impairment charge. If such an indication exists, the recoverable amount of the relevant asset is estimated in order to measure any impairment charge.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the cash flows have not been adjusted.

If the recoverable amount of an investment is estimated to be less than its carrying amount, the carrying amount of the investment is reduced to its recoverable amount. An impairment charge is recognised immediately within administrative expenses.

Recognised impairment charges are reversed only if the reasons for the impairment have ceased to apply. The reversal of an impairment charge is recognised immediately within administrative expenses.

C.2 Financial instruments

Financial assets and liabilities are recognised on the Company’s balance sheet when the Company becomes a party to the contractual provisions of the instrument.

C.3 Loans receivable

Loans receivable are recognised initially at their fair values, plus any direct costs incurred, and held subsequently at amortised cost using the effective-interest method, with interest income recognised within finance income. Loans receivable are classified as non-current assets unless the Company expects them to be settled within twelve months of the reporting date.

C.4 Trade and other receivables

Trade and other receivables are recognised initially at their transaction price, and held subsequently at amortised cost, less any expected credit loss allowance. The expected credit loss allowance is calculated using historic payment profiles, while taking into account current and future macro-economic trends. Movements in the allowance are recognised within administrative expenses.

C.5 Cash and cash equivalents

Cash comprises cash at bank and in hand. The Company has no cash equivalents.

C.6 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

C. Summary of material accounting policies (continued)

C.6 Financial liabilities and equity (continued)

Financial liabilities are obligations to pay cash or other financial assets. Financial liabilities are recognised initially at their fair values, less any direct costs incurred, and held subsequently at amortised cost using the effective-interest method, with interest expenses recognised within finance costs. A financial liability is derecognised only when the obligation is extinguished.

An equity instrument is any contract that gives a residual interest in the assets of the Company after deducting all of its liabilities.

C.7 Borrowings

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for more than twelve months from the reporting date.

C.8 Share capital and share premium

Ordinary shares issued by the Company are recognised as the proceeds received, net of any direct issue costs. The nominal value of the issued shares is recognised within share capital, with the remainder recognised as share premium.

D. Significant judgements, estimates and assumptions

The directors have not used any significant judgements, estimates or assumptions in preparing these separate financial statements.

E. Investments in subsidiaries

At 30 April 2024, the Company's only directly-held subsidiary was Hecate Cleanco Limited. For more information, see note 38 to the consolidated financial statements.

F. Loans receivable

Non-current	**2024 £m**	2023 £m
Loan to subsidiary	**1,182.2**	933.9
Loans to management	**1.3**	1.1
Loans receivable	**1,183.5**	935.0

F. Loans receivable (continued)

Facility	Issue date	Repayment date	Interest rate	Interest payment frequency	Security	Carrying amount £m
£1,182.2m loan to subsidiary	October 2021	October 2031	10.0%	Quarterly	None	**1,182.2**
£1.3m loans to management	Various	On demand	HMRC official rate	Annually	Shares in immediate parent*	**1.3**
2024						**1,183.5**
£828.3m loan to subsidiary	October 2021	October 2031	10.0%	Quarterly	None	933.9
£1.1m loans to management	Various	On demand	HMRC official rate	Annually	Shares in immediate parent*	1.1
2023						935.0

**Hecate Topco Limited*

G. Trade and other receivables

Current	2024 £m	2023 £m
Receivables due from group entities	**29.4**	22.7
Other receivables	**-**	0.2
Trade and other receivables	**29.4**	22.9

H. Trade and other payables

Current	2024 £m	2023 £m
Payables due to group entities	**-**	0.1
Interest payable	**29.1**	22.6
Trade and other payables	**29.1**	22.7

I. Borrowings

Non-current	2024 £m	2023 £m
Loans from parents	**1,178.7**	930.5
Borrowings	**1,178.7**	930.5

I. Borrowings (continued)

Facility	Issue date	Repayment date	Interest rate	Interest payment frequency	Security	Principal drawn £m	Principal undrawn £m
£1,178.7m loans from parents	October 2021	October 2031	10.0%	Annually	Fixed and floating charge	**1,178.7**	**-**
2024						**1,178.7**	**-**
£825.3m loans from parents	October 2021	October 2031	10.0%	Annually	Fixed and floating charge	825.3	-
2023						825.3	-

J. Share capital and share premium

Allotted, called up and fully paid	1p ordinary shares m	Share capital £m	Share premium £m
At 1 May 2023	468.6	4.7	4.1
Issue of ordinary shares	**274.9**	**2.7**	**-**
At 30 April 2024	**743.5**	**7.4**	**4.1**