

FOR IMMEDIATE RELEASE, 29 MAY 2024

Pets at Home Group Plc: FY24 Preliminary Results
for the 52-week period to 28 March 2024

A pivotal year building our platform for future growth

Business Highlights

FY24 has been a foundational year for Pets at Home. We have delivered the key strategic elements that will form the platform for future growth. We have:

- **Launched digital platform to consumers**, an important milestone in the digitisation of the business, with our new app and website positioned to bring together everything owners need to care for their pet.
- **Brought our new DC onstream**, with all stores now being served from a single site and availability at structurally higher levels. We will complete the transition of our online business in the coming year.
- **Continued progress in growing our vet footprint**, with 3 new vet practices, 26 practice extensions, and 10 company-owned to JV conversions, supported by further progress on vet talent.
- **Invested in our pet care centres** with 5 new openings and 41 store refits.
- **Grown our large, loyal customer base**. We now have 7.8m active Pets Club members, up 2% YoY with strong retention and a continued normalisation in new Puppy & Kitten sign ups as expected.
- **1.7m subscriptions**, now generating 10% of consumer revenue. The launch of our digital platform will offer customers an enhanced subscriptions capability with improved choice and flexibility.
- **Launched our new unified Pets brand**, bringing together all of our products and services under one master brand reflecting our consumer positioning as a provider of all your pet care needs.
- **Accelerated range innovation**, introducing new frozen ranges, launching an own brand freeze-dried range, and exclusively partnering with Butternut Box to offer freshly-cooked dog food to consumers.
- **Progressed our sustainability agenda**, reducing our Scope 1 & 2 emissions by a further 3.5%, raising over £9.2m for pet charities, feeding 2.7m pets for a day through our pet food bank partnership with Blue Cross, and donating over 16,000 hours to local communities.

Financial Highlights

- **Consumer revenue[#] grew 6.9%, in line with our medium-term ambition**, to £1.9bn. Underlying consumer demand was resilient with structural trends underpinning sustained market growth.
- **Total Group revenue growth of 5.2% to £1.5bn**, with Group like-for-like[#] (LFL) revenue up 5.1%.
 - **Vet Group revenue grew 16.8%**, and LFL[#] up 16.5%, with record sales supported by higher Average Transaction Value, mix and visits as we increased clinical capacity.
 - **Retail revenue grew 4.0%**, and LFL[#] up 4.1%. Q4 LFL was in line with expectations with continued volume growth and slowing inflation in food, and softer performance within accessories.
- **Underlying PBT[#] of £132.0m is down 3.2% YoY as guided**, impacted by short-term availability issues as we transitioned to our new DC and weaker performance of discretionary accessories. Returning accessories to growth is a key focus in the year ahead and we have a strong plan to do so.
- **Statutory PBT was £105.7m, down 13.7%** reflecting the decline in underlying PBT and non-underlying costs of £26.3m, mostly associated with our DC transition and our support office consolidation.
- **Underlying basic EPS was 20.7p**, down 9.0%, and statutory basic EPS was 16.6p, down 19.0%.
- **Total dividend per share held at 12.8p**, final dividend held at 8.3p.
- **Free cash flow[#] down 29.7% to £69.0m** reflecting YoY profit shape and the phasing of investments.
- **Balance sheet remains robust with net cash[#] of £8.8m** (before lease liabilities of £380.9m). Cash and cash equivalents were £57.1m at the end of the year.
- **£25m share buyback announced for FY25**, having completed £100m in buybacks over last 2 years.

Lyssa McGowan, Chief Executive Officer:

"FY24 has been a pivotal year for the business, having delivered some key building blocks of our platform for long term growth. I am proud of the progress we have made in the year; we relaunched our brand, opened our new DC, built our new digital platform, made progress in our sustainability agenda, and enhanced our physical estate. The business has come together brilliantly to navigate any challenges faced this year, and we have delivered some key milestones of our strategy.

Our medium-term strategy and financial framework is unchanged and, looking ahead, the fundamental strengths of the business position us well to deliver growth. We hold a leading position in a structurally growing market, with an unrivalled retail store network, and a unique, differentiated and integrated vet business. We know the nation's pets better than anyone else, with over 10 years of analytical data on 10 million pets, and we now have a best-in-class digital platform, and a modern efficient DC.

Above all else, we have the best colleagues in the industry, who use their passion and expertise to guide customers through their pet care journey every day. All of this positions us incredibly well as we continue to execute our strategy to build the world's best pet care platform."

Current trading and outlook

No change to FY25 underlying PBT guidance. Whilst the external trading environment has been subdued, overall pet care spend has proven resilient, and in the year ahead, we should begin to benefit from previous investments and key productivity programs.

Over the first 6 weeks of the year, we have seen low double-digit growth in our Vet Group, with Retail at -2%, broadly in line with plan. Retail LFL currently reflects the annualization of our strongest comparative periods, and some short term disruption as we transitioned to our new digital app from the legacy web platform. We are currently projecting that these impacts will ease from Q2 onwards.

Market growth in recent quarters has been impacted by easing inflation, continued caution amongst consumers, and the timing impacts of normalised numbers of new puppies and kittens. Importantly through this period we have consistently won share in our key food category, and are currently expecting industry growth to progressively return closer to historic levels over the coming quarters.

For FY25:

- We are comfortable with current analyst consensus for underlying PBT, currently c£144m.
- We expect non-underlying costs of c£7m reflecting further transition costs for the DC (£3m) and one-off support office restructuring costs (£4m).
- Effective tax rate is expected to be 26%.
- Plan for capex of £60m.
- Planning for a further £25m share buyback, following the £100m completed over the last 2 years.

Delivering against our strategy - Building the world's best pet care platform

Our medium-term vision and strategy is to build the world's best pet care platform. As the UK's only complete pet care provider we have a leading position in a structurally growing market, and our strategy will help differentiate us further and unlock the unique opportunity we see ahead, generating long-term sustainable value for all stakeholders.

FY24 has been a pivotal year for the business and represents just one year of a medium-term strategy that will enable us to build an even better business that is fully integrated for customers, offers a seamless omnichannel proposition, and that provides a truly consumer-centric experience.

An integrated consumer experience

- Our pet care platform truly integrates our unique blend of products, services and advice. Once complete, it will span the entire group, seamlessly connecting consumers, vets, and retail colleagues.
- Our Pets Club loyalty program provides unique insights into the UK pet population, with over 10 years of analytical data on 10 million pets. We now have 7.8m active members, +2% YoY.
- Growing share of wallet is our greatest opportunity, unlocked by creating easy, frictionless, and enjoyable customer journeys across our platform.
- Our average customer now spends £178 a year with us, but our most engaged customers spend over £900, highlighting our significant growth headroom.

A unique data and digital platform

- Our new app and website are live, transforming the shopping and subscription experience for pet owners. Early insights are positive, with average daily app sales up c25% versus pre-launch.
- This marks a major step in the digitisation of the business but is only the beginning of what we will offer consumers, and we will continue to deliver a succession of improvements in the years ahead.
- We will increasingly leverage data to drive targeted and highly personalised offers, improve operational efficiency, and grow predictable, sticky revenue streams e.g. subscriptions.
- The final element of our digital platform, a new vet practice management system, will pilot this year enabling vets to deliver improved efficiency and clinical productivity, and access real-time client data.

Differentiated, sector-leading vets

- We are the only business which has successfully brought together clinical and retail services at scale, a key part of offering complete pet care to customers.
- Our unique practice owner model has driven record growth and consistent market outperformance, with consumer revenues now £576m, acting as a material contributor to the overall group.
- As more practices reach maturity it unlocks opportunities to drive additional growth through advanced capabilities, practice extensions, and the rollout of 5-15 new practices a year.
- We believe that our vets growth strategy is not threatened by the CMA's review into the vet sector. Our key building blocks for growth support competition and deliver better outcomes for consumers.

An unrivalled retail proposition

- We will leverage our category authority and expertise to lead on innovation in food, led by our own brands (up 13% YoY), introducing new ranges, and increasing our presence in emerging areas.
- We plan to return accessories to growth through driving premiumisation, leveraging exclusive licenses and tie-ups, and creating points of engagement around major events.
- Our nationwide network of pet care centres gives us scale and reach advantages, bringing us closer to pet owners and able to offer more flexibility and convenience than competitors, all under one roof.
- We will continue to open new pet care centres in attractive catchments, particularly urban, targeting 35-40 new openings over the medium term, as well as continuing to invest in our existing estate.

Our values underpin everything we do

- Planet: We will continue to reduce the carbon intensity of our own operation. Our 3.5% reduction in Scope 1&2 emissions in FY24 takes the reduction over the past 9 years to 44%.
- Pets: We remain the biggest supporter of pet-related charities in the UK through the Pets Foundation, having raised over £9.2m in this year alone.
- People: We continue to support the communities in which we operate, and our colleagues have collectively donated over 16,000 hours to local causes through our Better World Pledge days.

Our financial framework

FY24 was a pivotal year for the business, and represents just the first year of a multi-year strategy. Our financial framework remains unchanged, and over the medium term we expect to deliver the following.

- Ambition to grow consumer sales at 7% per annum, within a market growing at c4%.
- Target 10% PBT CAGR through operational leverage and productivity gains.
- FCF conversion trends to 70% of PBT, as capex tapers and benefits from previous investments flow.
- Maintain capital discipline and a clear capital allocation policy;
 1. Invest £280m of capex in the business over medium term; £400m including digital/opex investment.
 2. Pay a progressive ordinary dividend targeting 50% EPS payout.
 3. Explore inorganic growth opportunities. Focus on strategic investments and bolt-on M&A.
 4. Return excess cash to shareholders subject to maintaining a prudent balance sheet and not constraining the business.

Key Performance Indicators

Financial KPIs ¹	FY24	FY23	YoY
Consumer revenue ^{#, 2} (£m)	1,906.3	1,782.4	6.9%
Underlying PBT [#] (£m)	132.0	136.4	(3.2)%
Free cash flow [#] (£m)	69.0	98.2	(29.7)%
Underlying Basic EPS [#] (p)	20.7	22.8	(9.0)%

Strategic KPIs	FY24	FY23	YoY
Number of active Pets Club members ³ (m)	7.8	7.7	1.6%
Average Consumer Value ⁴ (£)	178	168	5.7%
% of Revenue from Subscriptions ⁵ (%)	10.0	6.7	330bps
Clinical FTE Headcount ⁶ (k)	3.3	3.0	10.0%

1. Financial KPIs represent those used by the business to monitor performance. Management recognise that as Alternative Performance Measures they differ to statutory metrics, but believe they represent the most appropriate KPIs. GAAP Measures are presented on pages 74-76.
2. Consumer revenue includes consumer revenue made by Joint Venture vet practices, and therefore differs to the fee income recognised within Vet Group revenue.
3. Number of active Pets Club members who transacted across the group in the last 365 days prior to the end of the reporting period.
4. The average spend of active Pets Club members across the group over the last 365 days based on consumer revenue as defined above, rather than statutory revenue.
5. Subscription revenue includes our Flea & Worm, Easy Repeat, Complete Care and Vac4Life plans and is divided by Group consumer revenue.
6. Full time equivalent number of all vets and nurses working across the group, based on standard working hours.

Results presentation

A presentation for analysts and investors will be held today at 9:30am at Deutsche Numis, 45 Gresham Street, London, EC2V 7BF, attendance is by invitation only. To access a live streaming of the event, please click on the following link https://brrmedia.news/PETS_PRFY24. A webcast and statement of these results will be available for playback after the event at www.petsathomeplc.com.

Our next scheduled update will be our Q1 FY25 trading statement on 1 August 2024.

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About Pets at Home

Pets at Home Group Plc is the UK's leading pet care business, providing pets and their owners with the very best advice, products and care. Pet products are available online or from over 450 pet care centres, many of which also have vet practices and grooming salons. The Group also operates a leading small animal veterinary business, with over 440 veterinary general practices located both in our pet care centres and in standalone locations. For more information visit: <http://investors.petsathome.com/>

Disclaimer

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Chief Financial Officer's Review

The FY24 period represents the 52 weeks from 31 March 2023 to 28 March 2024. The comparative period represents the 52 weeks from 1 April 2022 to 30 March 2023.

The Group's results are shown as three segments that represent the size of the respective businesses and our internal reporting structures; Retail (includes products purchased online and in-store, pet sales, grooming services and insurance products), Vet Group (includes general practices and our veterinary telehealth business) and Central (includes Group costs and finance expenses).

	FY24	FY23 ³	YoY change
Group consumer revenue (£m)	1,906.3	1,782.4	6.9%
Retail	1,330.1	1,278.7	4.0%
Vet Group	576.2	503.7	14.4%
Group statutory revenue (£m)	1,476.6	1,404.2	5.2%
Retail	1,330.1	1,278.7	4.0%
Vet Group	146.5	125.5	16.8%
Group like-for-like revenue growth [#]	5.1%	7.9%	
Retail	4.1%	7.5%	
Vet Group	16.5%	13.4%	
Group gross profit margin ³	46.8%	48.0%	(123)bps
Retail	46.2%	47.5%	(137)bps
Vet Group	52.7%	53.3%	(53)bps
Group statutory PBT (£m)	105.7	122.5	(13.7)%
Group statutory PBT margin	7.2%	8.7%	(157)bps
Group underlying PBT ^{1,2,#} (£m)	132.0	136.4	(3.2)%
Retail	87.4	98.8	(11.5)%
Vet Group	61.6	51.3	19.8%
Central	(17.0)	(13.7)	(23.1)%
Group underlying PBT margin ^{1,2,#}	8.9%	9.7%	(77)bps
Retail	6.6%	7.7%	(115)bps
Vet Group	42.0%	40.9%	108bps
Statutory basic EPS (p)	16.6	20.5	(19.0)%
Statutory diluted EPS (p)	16.4	20.2	(18.8)%
Underlying basic EPS ^{1,2,#} (p)	20.7	22.8	(9.0)%
Non-underlying items ^{1,2} (£m)	(26.3)	(13.9)	(12.4)
Free cash flow [#] (£m)	69.0	98.2	(29.7)%
Cash and cash equivalents (£m)	57.1	178.0	(120.9)
Total indebtedness [#] (£m)	(372.0)	(366.7)	(5.3)
Net cash [#] (£m)	8.8	54.7	(45.9)
Dividend (p)	12.8	12.8	-
Number of			
Pet care centres	458	457	1
Grooming salons	347	345	2
Joint Venture vet practices	391	387	4
Company managed vet practices	56	57	(1)

1. FY24 non-underlying items of £21.7m (FY23: £10.1m) relate to transition costs relating to our new distribution centre, £4.4m (FY23: £2.7m) relating to restructuring of certain support functions, and £1.1m (FY23: £nil) relating to the write down of investments. In addition, in FY23 we incurred £0.1m relating to aborted project costs. All allocated against non-underlying operating costs.

2. FY24 non-underlying cost of £0.1m (FY23: £1.0m) relates to transition costs relating to our new distribution centre, recognised within non-underlying interest charge.

3. Refer to Note 1 of the accounts for an explanation of the prior year restatement.

Revenue

Consumer revenue[#] grew 6.9%, in line with of our medium-term ambition, to £1.9bn (Retail £1.3bn, Vets £0.6bn), with all channels remaining in growth.

Group statutory revenue in FY24 grew 5.2% to £1,476.6m (FY23: £1,404.2m) and like-for-like (LFL) revenue grew 5.1%[#].

Retail revenue grew 4.0% to £1,330.1m (FY23: £1,278.7m), with LFL revenue growth of 4.1%[#]. This includes the short-term disruption to our in-store sales performance in Q2 due to the transition to our new DC, which impacted Q2 LFL by c3%. Outside of this, the shape of performance has remained broadly consistent throughout the year with strong growth and share gains in food, but softer trends in discretionary accessories as noted previously. Performance in Q4 was in line with our expectations and as previously guided.

Vet Group revenue was up 16.8% to £146.5m (FY23: £125.5m) and LFL revenue grew by 16.5%[#]. Total Joint Venture fee income increased by 15.7% to £89.3m (FY23: £77.2m) and revenues from company managed practices increased by 18.7% to £44.6m (FY23: £37.5m). Revenue of £3.2m was recognised in relation to The Vet Connection, our telehealth business.

LFL Revenue Growth	Q1	Q2	Q3	Q4
Retail	7.1%	2.8%	3.7%	2.1%
Vet Group	16.6%	18.3%	13.3%	17.8%
Group	7.9%	4.1%	4.4%	3.4%

Gross margin

Group gross margin¹ decreased YoY by 123 bps to 46.8% (FY23: 48.0%).

Gross margin¹ within Retail was 46.2%, a reduction of 137 bps over the prior period (FY23: 47.5%), predominantly driven by food growing faster than accessories (76bps impact on Group gross margin), as well as a foreign exchange impact as our contracted \$ rate was lower YoY (90bps impact on Group gross margin). We have now hedged c80% of our foreign exchange requirements for FY25 at an average rate of \$1.25 (FY24: \$1.19), meaning FX will act as a slight tailwind to gross margin in the year ahead.

Gross margin¹ within the Vet Group decreased by 53 bps to 52.7% (FY23: 53.3%) including a £2.2m impact from a planned one-off marketing investment into our TV brand launch campaign which is charged against gross margin. Excluding this impact, the strong sales growth across our Joint Venture estate against a relatively fixed cost base, as well as the YoY improvement in performance in our company managed practices, helped deliver a 92bps YoY gross margin expansion.

Operating costs

Operating costs² of £584.7m (FY23: £550.0m) grew at 6.3% including a £13.3m YoY increase in non-underlying costs. In FY24, we incurred a total of £26.2m of non-underlying operating costs (FY23: £12.9m). Before non-underlying costs, operating costs² grew 4.0%.

(£m)	FY24	FY23	YoY
Selling and distribution expenses	442.2	416.1	6.3%
Administrative expenses	116.3	121.0	(3.9)%
Underlying operating costs	558.5	537.1	4.0%
Non-underlying costs	26.2	12.9	13.3
Operating costs	584.7	550.0	6.3%

We continue to maintain a tight operational grip on industry-wide cost headwinds, most notably in FY25:

- The 9.8% increase in National Living Wage, a c£16m unmitigated cost headwind to the business
- The removal of business rates relief as announced in the Autumn Statement, a c£2m cost

As well as directly mitigating these costs where possible, we are also proactively offsetting them through our ongoing self-help initiatives. Our programme of store rent reductions is progressing well; where we have actively sought to reduce the rent at property lease events, we have achieved an average reduction of 20%. We expect to complete 40 lease renegotiations in FY25. We also continue to target efficiencies across consumables and goods not for resale, and we are driving further productivity gains across our stores and supply chain, using technology to lower our overall cost to serve.

Finance expense

The net finance expense, including interest charged on lease liabilities, reduced to £13.6m (FY23: £14.3m). Of this, £13.3m (FY23: £12.4m) related to interest expense on lease liabilities.

Profit before tax (PBT)

Group statutory profit before tax was £105.7m (FY23: £122.5m), in part due to a £12.4m YoY increase in non-underlying costs. In FY24 we incurred a total of £26.3m of non-underlying costs (£26.2m operating costs, £0.1m interest), of which £21.5m relates to the transition to our new distribution centre. In FY23, non-underlying costs totalled £13.9m (£12.9m operating costs, £1.0m interest), of which £11.1m related to our new DC.

Group underlying profit before tax was £132.0m[#] (FY23: £136.4m), with underlying profit margin³ of 8.9% (FY23: 9.7%), impacted by lower profits in our retail business, offset by a significant step up in profits in our vet business.

Retail statutory profit before tax was £64.8m (FY23: £87.7m). Retail underlying profit before tax was £87.4m[#] (FY23: £98.8m) with underlying profit margin³ of 6.6% (FY23: 7.7%) reflecting the gross margin impacts described above as food grew ahead of accessories, higher distribution costs as we transitioned to our new DC, and increased colleague costs following the 9.7% National Living Wage increase in April.

Vet Group statutory profit before tax was £58.8m (FY23: £51.3m). Vet Group underlying profit before tax was £61.6m[#] (FY23: £51.3m) with underlying profit margin³ of 42.0% (FY23: 40.9%), driven by ongoing strong sales performance as we continue to improve clinical capacity.

Central costs of £17.9m (FY23: £16.5m) includes payroll costs for Group functions, professional fees, and finance expenses. Underlying central costs were £17.0m (FY23: £13.7m).

Taxation, profit after tax & EPS

Total tax expense was £26.5m for the period, an effective rate of 25%. Statutory profit after tax decreased by 21.4% to £79.2m (FY23: £100.7m). Statutory basic earnings per share (EPS) were 16.6 pence (FY23: 20.5 pence) and underlying basic earnings per share[#] were 20.7 pence (FY23: 22.8 pence).

Working capital

The movement in working capital⁴ for FY24 was an outflow of £4.6m (FY23: £19.8m inflow) reflecting a more normalised working capital position. In the prior year, working capital was supported by three main factors; growth in GNFR payables relating to the timing of invoicing and project spend, a growth in provisions built ahead of closing our legacy DCs, and a reduction in receivables attributable to a significant decrease in operating loans due to strong performance in our vets.

Inventories decreased by £11.1m YoY reflecting in part the unwind of the stock position built ahead of the transition to our new DC last year, along with tighter stock control.

Payables decreased by £5.3m YoY primarily driven by the reduction in inventory position.

Receivables increased £6.3m YoY, partly driven by timing differences in supplier-funded marketing activity. Within receivables, the strong financial performance across our Joint Venture vet practices contributed to the gross value of operating loans reducing by £5.0m to £8.8m from £13.8m at FY23 year end.

Investment

Capex was £42.9m (FY23: £75.3m) in the year as we continue to move past the period of peak investment in our strategy.

Investment was focused on three strategic growth areas; £9.5m (FY23: £7.9m) into digitising the business, a £6.4m (FY23: £43.7m) investment into our new distribution centre, and £19.6m (FY23: £17.5m) to continue with our store refit programme.

Capital investment in the year was below our original plan due to three primary factors; the timing of our store development plan, as well as adopting a more capital-light approach to store refits; opting for a lower cost, highly efficient technology in our solar panel installation in our new DC; and a change in phasing in investment regarding our new practice management system, however total capital investment over the course of our medium-term plan is unchanged at c£280m.

In addition, a £2.7m investment in vet practices, initially included in our capex guidance, is now classified as investments. This relates to investments in refits, extensions and advanced capabilities. The equivalent figure in FY23, which was included within capex, was £0.4m.

Free cash flow

Free cash flow after interest and tax, but before acquisitions was £69.0m[#] (FY23: £98.2m). The decrease in free cash flow compared with the prior year primarily reflects the underlying profit decline, and the normalisation in working capital, offset in part by lower capex as we move past our peak investment phase.

Free cash flow [#] (£m)	FY24	FY23
Net cash flow from operating activities	210.0	251.2
Lease payments ⁵	(68.4)	(68.9)
Cash receipts from lease incentives	-	22.0
Debt issue costs	(0.9)	(0.1)
Net cash capex ⁶	(48.5)	(77.2)
Net interest ⁷	(12.4)	(14.7)
Purchase of own shares for colleague share schemes	(10.8)	(14.1)
Free cash flow[#]	69.0	98.2

The cash and cash equivalents at the end of the period were £57.1m, down £120.9m YoY (FY23: £178.0m).

Divisional free cash flow	FCF (£m)
Retail	27.7
Vet Group	58.3
Central	(16.9)
Group[#]	69.0

The cash generation described above, enables us to maintain our dividend payment and fund the £50m share buyback programme completed in the year. Our net cash position[#] at the end of the period was £8.8m (cash £57.1m, debt £48.3m), and total indebtedness[#] was £372.0m post lease liabilities. This represents a leverage ratio[#] of (0.1)x underlying EBITDA or 1.5x on a lease adjusted basis.

Net cash (£m)	FY24	FY23
Opening net cash[#]	54.7	66.0
Free cash flow [#]	69.0	98.2
Equity dividends paid	(60.7)	(58.7)
Share buyback	(50.3)	(50.3)
Acquisitions ⁸	(2.4)	(0.5)
Disposals ⁹	(1.5)	-
Closing net cash[#]	8.8	54.7
Pre IFRS 16 leverage[#]	(0.1)x	(0.3)x
Lease adjusted leverage[#]	1.5x	1.5x

1. Gross margin is calculated as gross profit as a percentage of revenue. Refer to Note 1 of the accounts for an explanation of the prior year restatement.
2. Operating costs are the sum of selling and distribution expenses and administrative expenses. Refer to Note 1 of the accounts for an explanation of the prior year restatement.
3. Underlying profit margin is calculated as underlying profit before tax as a percentage of revenue.
4. Working capital is the sum of YoY movements in trade and other receivables, inventories, trade and other payables, and provisions.
5. Lease payments are cash payments for the principal portion of the right-of-use lease liability.
6. Net cash capex is proceeds from the sale of property, plant and equipment less costs to acquire right-of-use assets and acquisition of property, plant and equipment and other intangible assets.
7. Net interest is interest received less interest paid, interest paid on lease obligations, and debt issue costs.
8. FY24 includes £1.0m investment in Good Dog Food (FY23: £nil) and £1.5m (FY23: £0.5m) investment in certain company managed practices.
9. FY24 disposals relates to the disposal of certain company managed practices as we converted them to joint venture partnerships.

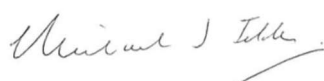
The Group's underlying cash return on invested capital (CROIC)[#] in the period decreased to 19.4% (FY23: 22.7%) having been through a period of heightened investment as we build our digital platform and bring our new DC onstream, with the cash benefits to come in future years.

Capital allocation

Our capital allocation policy prioritises investing cash in areas that will expand the Group and deliver attractive returns. These areas include organic investment (into our digital capability, our infrastructure, and our store refit program), our dividend policy (which approximates to 50% of earnings per share) and value-accretive opportunities including M&A (which are strategically aligned to expanding our platform in core and adjacent markets). We will return to shareholders any surplus cash after these items, and it is the Board's intention to review this on an annual basis. Having completed £100m in share buybacks over the past two years, we have today announced a further £25m buyback for the year ahead.

Dividend

The Board has recommended a final dividend of 8.3 pence per share, taking the total dividend for the year to 12.8 pence per share. Dividends have been maintained in the year despite the YoY decline in EPS, resulting in a payout ratio of 61%. In the years ahead we will gradually move our payout ratio closer to the 50% stated in our capital allocation policy. The final dividend will be payable on 16 July 2024 to shareholders on the register at the close of trading on 7 June 2024.



Mike Iddon
Chief Financial Officer
28 May 2024

Financial statements

Section 435 statement

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Section 435 statement

The financial information set out below does not constitute the company's statutory accounts for the periods ended 28 March 2024 or 30 March 2023 but is derived from those accounts. Statutory accounts for 2023 have been delivered to the registrar of companies, and those for 2024 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Consolidated income statement for the 52 week period ended 28 March 2024

	Note	52 week period ended 28 March 2024			52 week period ended 30 March 2023 (restated) ¹		
		Underlying trading £m	Non-underlying items (note 3) £m	Total £m	Underlying trading £m	Non-underlying items (note 3) £m	Total £m
Revenue	2	1,476.6	–	1,476.6	1,404.2	–	1,404.2
Cost of sales ²		(785.3)	–	(785.3)	(729.6)	–	(729.6)
Gross profit		691.3	–	691.3	674.6	–	674.6
Selling and distribution expenses		(442.2)	(21.4)	(463.6)	(416.1)	(10.1)	(426.2)
Administrative expenses	3	(116.3)	(4.8)	(121.1)	(121.0)	(2.8)	(123.8)
Other income	3	12.7	–	12.7	12.2	–	12.2
Operating profit	2,3	145.5	(26.2)	119.3	149.7	(12.9)	136.8
Financial income	6	4.0	–	4.0	2.7	–	2.7
Financial expense	7	(17.5)	(0.1)	(17.6)	(16.0)	(1.0)	(17.0)
Net financing expense		(13.5)	(0.1)	(13.6)	(13.3)	(1.0)	(14.3)
Profit before tax		132.0	(26.3)	105.7	136.4	(13.9)	122.5
Taxation	8	(33.1)	6.6	(26.5)	(24.4)	2.6	(21.8)
Profit for the period		98.9	(19.7)	79.2	112.0	(11.3)	100.7

¹ See note 1.1 and note 1.27 for an explanation of the prior year restatements.

² Impairment gains on receivables of £1.0m (52 weeks to 30 March 2023 £2.0m) are reported within cost of sales.

Basic and diluted earnings per share attributable to equity shareholders of the Company:

	Note	52 week period ended 28 March 2024	52 week period ended 30 March 2023
Equity holders of the parent – basic	5	16.6p	20.5p
Equity holders of the parent– diluted	5	16.4p	20.2p

Dividends paid and proposed are disclosed in note 9.

The notes on pages 18 to 73 form an integral part of these financial statements.

Consolidated statement of comprehensive income for the 52 week period ended 28 March 2024

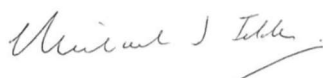
	Note	52 week period ended 28 March 2024 £m	52 week period ended 30 March 2023 £m
Profit for the period		79.2	100.7
Other comprehensive income			
<i>Items that are or may be recycled subsequently into profit or loss:</i>			
Foreign exchange translation differences	22	–	(0.1)
Effective portion of changes in fair value of cash flow hedges	22	3.3	(10.6)
Net change in fair value of cash flow hedges reclassified to profit or loss	22	1.3	–
Other comprehensive income for the period, before income tax		4.6	(10.7)
Income tax on other comprehensive income	15,22	(0.3)	1.3
Other comprehensive income for the period, net of income tax		4.3	(9.4)
Total comprehensive income for the period		83.5	91.3

The notes on pages 18 to 73 form an integral part of these financial statements.

Consolidated balance sheet at 28 March 2024

	Note	At 28 March 2024 £m	At 30 March 2023 £m
Non-current assets			
Property, plant and equipment	11	158.1	146.9
Right-of-use assets	12	319.3	359.6
Intangible assets	13	979.7	989.5
Deferred tax asset	15	-	1.9
Other non-current assets	16	10.9	10.9
		1,468.0	1,508.8
Current assets			
Inventories	14	97.5	108.6
Other financial assets	16	0.3	2.2
Trade and other receivables	17	60.9	51.8
Cash and cash equivalents	18	57.1	178.0
		215.8	340.6
Total assets		1,683.8	1,849.4
Current liabilities			
Trade and other payables	20	(249.2)	(261.2)
Income tax payable		(1.4)	(0.3)
Other interest-bearing loans and borrowings	19	(2.2)	(1.2)
Lease liabilities	12	(79.8)	(83.3)
Provisions	21	(7.6)	(3.9)
Other financial liabilities	16	(1.0)	(3.7)
		(341.2)	(353.6)
Non-current liabilities			
Other interest-bearing loans and borrowings	19	(43.3)	(119.3)
Lease liabilities	12	(301.0)	(338.1)
Provisions	21	(5.1)	(12.9)
Deferred tax liabilities	15	(4.7)	-
Other financial liabilities	16	-	(0.4)
		(354.1)	(470.7)
Total liabilities		(695.3)	(824.3)
Net assets		988.5	1,025.1
Equity attributable to equity holders of the parent			
Ordinary share capital	22	4.7	4.8
Consolidation reserve		(372.0)	(372.0)
Merger reserve		113.3	113.3
Translation reserve		(0.1)	(0.1)
Capital redemption reserve		0.3	0.2
Cash flow hedging reserve		(0.5)	(1.6)
Retained earnings		1,242.8	1,280.5
Total equity		988.5	1,025.1

On behalf of the Board:



Mike Iddon
Chief Financial Officer
28 May 2024

Company number: 08885072

The notes on pages 18 to 73 form an integral part of these financial statements.

Consolidated statement of changes in equity as at 28 March 2024

	Share capital £m	Consolidation reserve £m	Merger reserve £m	Cash flow hedging reserve £m	Translation reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance at 30 March 2023	4.8	(372.0)	113.3	(1.6)	(0.1)	0.2	1,280.5	1,025.1
Total comprehensive income for the period								
Profit for the period	—	—	—	—	—	—	79.2	79.2
Other comprehensive income (note 22)	—	—	—	4.3	—	—	—	4.3
Total comprehensive income for the period	—	—	—	4.3	—	—	79.2	83.5
Hedging gains and losses reclassified to inventory	—	—	—	(3.2)	—	—	—	(3.2)
Total hedging gains and losses reclassified to inventory	—	—	—	(3.2)	—	—	—	(3.2)
Transactions with owners, recorded directly in equity								
Equity dividends paid	—	—	—	—	—	—	(60.7)	(60.7)
Share-based payment charge	—	—	—	—	—	—	5.9	5.9
Deferred tax movement on IFRS2 reserve	—	—	—	—	—	—	(1.0)	(1.0)
Share buyback	(0.1)	—	—	—	—	0.1	(50.3)	(50.3)
Purchase of own shares	—	—	—	—	—	—	(10.8)	(10.8)
Total contributions by and distributions to owners	(0.1)	—	—	—	—	0.1	(116.9)	(116.9)
Balance at 28 March 2024	4.7	(372.0)	113.3	(0.5)	(0.1)	0.3	1,242.8	988.5

Consolidated statement of changes in equity as at 30 March 2023

	Share capital £m	Consolidation reserve £m	Merger reserve £m	Cash flow hedging reserve £m	Translation reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance at 31 March 2022	5.0	(372.0)	113.3	3.4	—	—	1300.0	1,049.7
Total comprehensive income for the period								
Profit for the period	—	—	—	—	—	—	100.7	100.7
Other comprehensive income (note 22)	—	—	—	(9.3)	(0.1)	—	—	(9.4)
Total comprehensive income for the period	—	—	—	(9.3)	(0.1)	—	100.7	91.3
Hedging gains and losses reclassified to inventory	—	—	—	4.3	—	—	—	4.3
Total hedging gains and losses reclassified to inventory	—	—	—	4.3	—	—	—	4.3
Transactions with owners, recorded directly in equity								
Equity dividends paid	—	—	—	—	—	—	(58.7)	(58.7)
Share-based payment charge	—	—	—	—	—	—	4.9	4.9
Deferred tax movement on IFRS2 reserve	—	—	—	—	—	—	(2.0)	(2.0)
Share buyback	(0.2)	—	—	—	—	0.2	(50.3)	(50.3)
Purchase of own shares	—	—	—	—	—	—	(14.1)	(14.1)
Total contributions by and distributions to owners	(0.2)	—	—	—	—	0.2	(120.2)	(120.2)
Balance at 30 March 2023	4.8	(372.0)	113.3	(1.6)	(0.1)	0.2	1,280.5	1,025.1

Consolidated statement of cash flows for the 52 week period ended 28 March 2024

	52 week period ended 28 March 2024 £m	52 week period ended 30 March 2023 £m
Cash flows from operating activities		
Profit for the period	79.2	100.7
<i>Adjustments for:</i>		
Depreciation and amortisation	109.6	103.4
Financial income	(4.0)	(2.7)
Financial expense	17.6	17.0
Share-based payment charges	5.9	4.9
Taxation	26.5	21.8
	234.8	245.1
(Increase) /Decrease in trade and other receivables	(6.3)	3.4
Decrease/(Increase) in inventories	11.1	(24.1)
(Decrease)/Increase in trade and other payables	(5.3)	36.9
(Decrease)/Increase in provisions	(4.1)	3.6
Movement in working capital	(4.6)	19.8
Tax paid	(20.2)	(13.7)
Net cash flow from operating activities	210.0	251.2
Cash flows from investing activities		
Investments	(3.5)	–
Proceeds from repayment of initial loans	2.1	–
Interest received	4.1	2.7
Costs to acquire right-of-use assets	(0.5)	(1.9)
Acquisition of subsidiaries, net of cash acquired	(1.0)	(0.5)
Disposal of subsidiaries, net of cash disposed	(1.5)	0.4
Acquisition of property, plant and equipment and other intangible assets	(48.0)	(75.7)
Net cash generated from investing activities	(48.3)	(75.0)
Cash flows from financing activities		
Equity dividends paid	(60.7)	(58.7)
Proceeds from new loan	–	123.3
Repayment of borrowings	(75.0)	(100.0)
Debt issue costs	(0.9)	(0.1)
Cash receipts from lease incentives	–	22.0
Cash payments for the principal portion of the right-of-use lease liability	(68.4)	(68.9)
Purchase of own shares	(10.8)	(14.1)
Share buyback	(50.3)	(50.3)
Interest paid	(3.2)	(5.0)
Interest paid on lease obligations	(13.3)	(12.4)
Net cash used in financing activities	(282.6)	(164.2)
Net (decrease)/increase in cash and cash equivalents	(120.9)	12.0
Cash and cash equivalents at beginning of period	178.0	166.0
Cash and cash equivalents at end of period	57.1	178.0

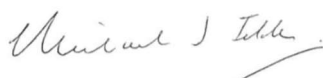
The notes on pages 18 to 73 form an integral part of these financial statements.

Company balance sheet at 28 March 2024

	Note	At 28 March 2024 £m	At 30 March 2023 £m
Non-current assets			
Investments in subsidiaries	28	936.2	936.2
Deferred tax asset	15	0.9	2.8
Trade and other receivables	17	663.3	578.4
		1,600.4	1,517.4
Current assets			
Other financial assets	16	–	2.0
Cash and cash equivalents	18	–	0.4
		–	2.4
Total assets		1,600.4	1,519.8
Current liabilities			
Trade and other payables	20	(816.3)	(618.0)
		(816.3)	(618.0)
Non-current liabilities			
Other interest-bearing loans and borrowings	19	(22.2)	(97.3)
Other financial liabilities	16	–	(0.4)
		(22.2)	(97.7)
Total liabilities		(838.5)	(715.7)
Net assets		761.9	804.1
Equity attributable to equity holders of the parent			
Ordinary share capital	22	4.7	4.8
Merger reserve		113.3	113.3
Capital redemption reserve		0.3	0.2
Cash flow hedging reserve		–	1.2
Retained earnings		643.6	684.6
Total equity		761.9	804.1

As permitted by section 408 of the Companies Act 2006, the Company's income statement has not been included in these financial statements. The Company's profit for the 52 week period ended 28 March 2024 was £75.9m (profit for the 52 week period ended 30 March 2023 was £33.4m).

On behalf of the Board:



Mike Iddon
Chief Financial Officer
28 May 2024

Company number: 08885072

The notes on pages 18 to 73 form an integral part of these financial statements.

Company statement of changes in equity as at 28 March 2024

	Share capital £m	Merger reserve £m	Cash flow hedging reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance at 30 March 2023	4.8	113.3	1.2	0.2	684.6	804.1
Total comprehensive income for the period						
Profit for the period	–	–	–	–	75.9	75.9
Other comprehensive income	–	–	(1.2)	–	–	(1.2)
Total comprehensive income for the period	–	–	(1.2)	–	75.9	74.7
Transactions with owners, recorded directly in equity						
Equity dividends paid	–	–	–	–	(60.7)	(60.7)
Share-based payment charge	–	–	–	–	5.9	5.9
Deferred tax movement on IFRS2 reserve	–	–	–	–	(1.0)	(1.0)
Share buyback	(0.1)	–	–	0.1	(50.3)	(50.3)
Purchase of own shares	–	–	–	–	(10.8)	(10.8)
Total contributions by and distributions to owners	(0.1)	–	–	0.1	(116.9)	(116.9)
Balance at 28 March 2024	4.7	113.3	-	0.3	643.6	761.9

Company statement of changes in equity as at 30 March 2023

	Share capital £m	Merger reserve £m	Cash flow hedging reserve £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
Balance at 31 March 2022	5.0	113.3	1.3	–	771.4	891.0
Total comprehensive income for the period						
Profit for the period	–	–	–	–	33.4	33.4
Other comprehensive income	–	–	(0.1)	–	–	(0.1)
Total comprehensive income for the period	–	–	(0.1)	–	33.4	33.3
Transactions with owners, recorded directly in equity						
Equity dividends paid	–	–	–	–	(58.7)	(58.7)
Share-based payment charge	–	–	–	–	4.9	4.9
Deferred tax movement on IFRS2 reserve	–	–	–	–	(2.0)	(2.0)
Share buyback	(0.2)	–	–	0.2	(50.3)	(50.3)
Purchase of own shares	–	–	–	–	(14.1)	(14.1)
Total contributions by and distributions to owners	(0.2)	–	–	0.2	(120.2)	(120.2)
Balance at 30 March 2023	4.8	113.3	1.2	0.2	684.6	804.1

Company statement of cash flows for the 52 week period ended 28 March 2024

	52 week period ended 28 March 2024 £m	52 week period ended 30 March 2023 £m
Cash flows from operating activities		
Profit for the period	75.9	33.4
<i>Adjustments for:</i>		
Financial expense	1.2	1.5
Share-based payment charges	5.9	4.9
Taxation	(2.3)	(3.0)
	80.7	36.8
Increase in trade and other payables	208.8	62.8
Tax (paid)/received	(6.0)	3.5
Net cash flow from operating activities	283.5	103.1
Cash flows from investing activities		
(Increase)/Decrease in amounts owed by group undertakings	(85.0)	21.9
Net cash generated from investing activities	(85.0)	21.9
Cash flows from financing activities		
Equity dividends paid	(60.7)	(58.7)
Proceeds from new loan	-	100.0
Repayment of borrowings	(75.0)	(100.0)
Debt issue costs	(0.9)	-
Share buyback	(50.3)	(50.3)
Interest paid	(1.2)	(1.5)
Purchase of own shares	(10.8)	(14.1)
Net cash used in financing activities	(198.9)	(124.6)
Net (decrease)/increase in cash and cash equivalents	(0.4)	0.4
Cash and cash equivalents at beginning of period	0.4	-
Cash and cash equivalents at end of period	-	0.4

Notes (forming part of the financial statements)

Pets at Home Group Plc (the Company) is a company incorporated in the United Kingdom and its registered office is Epsom Avenue, Stanley Green, Handforth, Cheshire, SK9 3RN.

1 Significant accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

1.1 Basis of preparation

The consolidated financial statements were prepared in accordance with UK adopted international accounting standards and applicable law. The Company's financial statements have been prepared in accordance with UK adopted international accounting standards (UK-adopted IFRS) as applied in accordance with the provisions of the Companies Act 2006. The Company has taken advantage of the exemption provided under section 408 of the Companies Act 2006 not to publish its individual income statement and related notes.

New standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) becoming effective during the 52 week period ended 28 March 2024 have not had a material impact on the Group's financial statements, these include IAS 8 amendments and IAS 1 amendments on current/non-current classification of liabilities.

The group has assessed the impact of IFRS 17 (Insurance Contracts) which is effective for annual reporting periods beginning on or after 1 January 2023. The group has deemed the standard does not have a material impact on the Group due to the income in relation to insurance contracts being immaterial.

The Group has adopted International Tax Reform - Pillar Two Model Rules (Amendments to IAS 12). The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure. As the Group is headquartered in the UK where profits are taxed at a rate higher than the global minimum rate of 15% and the only overseas operations are in Hong Kong where any profit arising is taxed at a rate higher than 15%, it is not considered that the BEPs Pillar 2 has have any impact on the tax position of the Group. Also in light of IAS12 amendments, the Group has assessed the impact of deferred Income tax in relation to the right of use asset and lease liabilities with no material impact.

The Directors have restated the presentation of the segmental reporting disclosures in Note 2 to reflect the fact that the veterinary telehealth business is now reported within the Vet Group reporting segment. In the 52 week period ended 30 March 2023 the telehealth business was reported within the Central segment. As a result, £2.7m of revenue, £1.3m of gross profit and £0.4m at an operating profit level have been reclassified from Central segment to the Vet Group segment.

1.2 Measurement convention

The consolidated financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments, financial instruments classified as fair value through the profit or loss. Non-current assets held for sale are stated at the lower of previous carrying amount and fair value less costs to sell.

1.3 Going concern

The Group and Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report. The financial position of the Group and Company, its cash flows, liquidity position and borrowing facilities are described in the Chief Financial Officer's review. In addition, note 23 to the financial statements includes the Group and Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Directors of the Group have prepared cash flow forecasts for a period of at least 12 months from the date of the approval of these financial statements which indicate that, despite taking account of reasonably possible downsides, the Group will have sufficient funds, through its revolving credit facility, to meet its liabilities as they fall due for that period.

In preparing the forecasts for the Group, the Directors have carefully considered the impact of consumer confidence, geopolitical tensions and the actual and potential impact on supply chains, as well as energy cost inflation on liquidity and future performance. The Group has also considered the impact of climate change and the Task Force on Climate Related Financial Disclosures ('TCFD') scenario analysis conducted in undertaking this assessment.

The Group has access to a revolving credit facility of £300m which expires on 30 September 2028 and a £26.0m asset backed loan which expires on 27 March 2030. The Group has £48.3m drawn down at 28 March 2024 and cash balances of £57.1m. The lowest level of headroom forecast over the next 12 months from the date of signing of the financial statements is in excess of £342.0m in the base case scenario. On a sensitised basis, the lowest level of headroom forecast over the next 12 months from the date of approving of the financial statements is £332.9m due to the removal of the dividend payment in an extreme scenario.

The Group has been in compliance with all covenants applicable to this facility within the financial year and is forecast to continue to be in compliance for 12 months from the date of signing of the financial statements.

A number of severe but plausible downside scenarios were calculated compared to the base case forecast of profit and cash flow to assess headroom against facilities for the next 12 months. These scenarios included:

- Scenario 1: Reduction on Group like-for-like sales growth assumptions of 1% in each year throughout the forecast period, but ordinary dividends continue to be paid.
- Scenario 2: Using scenario 1 outcomes and further impacted by a conflated risk impact of £36.0m on sales and £14.7m on PBT per annum (using specific financial risks taken from Group risk register with sales and PBT financial impact quantified), with dividends held at 12.8p per share per annum.
- Scenario 3: Group like-for-like sales growth declines to 0% in each year and a conflated risk impact of £115.0m on sales and £46.9m on PBT is applied (using the top risks from Group risk register with sales and PBT impact quantified), with dividends cut to nil to conserve cash.

Against these negative scenarios, adjusted projections showed no breach of covenants. Further mitigating actions could also be taken in such scenarios should it be required, including reducing capital expenditure.

Despite net current liabilities of £125.4m at Group level and £816.3m in the Company, the Directors of Pets at Home Group Plc, having made appropriate enquiries including the principal risks and uncertainties on page 23, consider that the Group and Company will have sufficient funds to continue to meet their liabilities for a period of at least 12 months from the date of approval of these financial statements and that, therefore, it is appropriate to adopt the going concern basis in preparing the Group consolidated financial statements and the Company only financial statements as at and for the period ended 28 March 2024.

Notes (forming part of the financial statements) continued

1 Significant accounting policies (continued)

1.4 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group and Company operate an Employee Benefit Trust (EBT) for the purposes of acquiring shares to fund share awards made to employees. The EBT is deemed to be a subsidiary of the Group and Company as Pets at Home Group Plc is considered to be the ultimate controlling party for accounting purposes. The assets and liabilities of this trust have been included in the consolidated financial information. The cost of purchasing own shares held by the EBT is accounted for in retained earnings.

Investment in Joint Venture veterinary practices

The Group has a number of non-participatory shareholdings in veterinary practice companies, which are accounted for as Joint Venture arrangements. The veterinary practices were established under terms that require mutual agreement between the Group and the Joint Venture Partner, and do not give the Group power over decision making, nor joint control, to affect its exposure to, or the extent of, the returns from its involvement with the practices and therefore are not consolidated in these financial statements. Further, the Group is not entitled to profits, losses, or any surplus on winding up or disposal of the Joint Venture veterinary practices, and as such no participatory interest is recognised. The Group's category of shareholding in the Joint Venture veterinary practices entitles the Group to charge management fees for support services provided. For further details see notes 16, 17 and 27. The Group's shares are non-participatory, and therefore the Group does not share in any profits, losses or other distribution of value from the Joint Venture company; the investments are held at cost less impairment, which is deemed to be their carrying value as explained further in note 16.

1.5 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve or non-controlling interest, as the case may be.

Functional currency

The consolidated financial statements are presented in sterling which is the functional currency of the parent company and the presentational currency of the Group and Company, these have been rounded to the nearest £0.1m.

1.6 Classification of financial instruments issued by the Group

Following the adoption of IAS32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company (or Group as the case may be) to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company (or Group); and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

1.7 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, interest-bearing borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any expected credit loss.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement and are only offset for balance sheet purposes where the offsetting criteria are met.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

Contingent consideration

Contingent consideration on acquisition or disposal of a subsidiary is valued at fair value at the time of acquisition or disposal. Any subsequent change in fair value is recognised in profit or loss (see 1.13).

Notes (forming part of the financial statements) continued

1 Significant accounting policies (continued)

1.8 Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss, i.e. when interest income or expense is recognised.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging is included directly in the initial cost of the non-financial item when it is recognised. For all other hedging forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect the profit or loss.

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1.9 Intra-group financial instruments

Financial guarantee contracts to guarantee the indebtedness of companies within the Group are considered to be insurance arrangements and accounted for as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time as it becomes probable that a payment will be required under the guarantee, see note 26.

1.10 Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land and assets under construction are not depreciated. The estimated useful lives are as follows:

Freehold property	– 50 years
Fixtures, fittings, tools and equipment	– 3-20 years
Leasehold improvements	– the term of the lease

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

The impact of climate change, particularly in the context of risks identified in the Task Force on Climate Related Financial Disclosures ('TCFD') scenario analysis have been considered and no material impact on the carrying value, useful lives or residual values have been identified.

1.11 Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Customer lists are valued based on the forecast net present value of the future economic relationship with those customers, adjusted for forecast retention rates. Technology based 'know how' assets are valued based on the expected cost to reproduce or replace the asset, adjusted for the physical deterioration and functional or economic obsolescence, if present and measurable. Software is stated at cost less accumulated amortisation.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful life of an asset. The estimated useful lives are as follows:

Software	– 2 to 7 years
Customer lists	– 10 years
Technology based know-how	– 10 years

Amortisation methods, useful lives and residual values are reviewed at each balance sheet date.

Expenditure on Software as a Service ('SaaS') customisation and configuration that is distinct from access to the cloud software can only be capitalised to the extent it gives rise to an asset, i.e. where the Group has the power to obtain the future economic benefits and can restrict others' access to those benefits, otherwise such expenditure in relation to developing SaaS for use is expensed.

The impact of climate change, particularly in the context of risks identified in the Task Force on Climate Related Financial Disclosures ('TCFD') scenario analysis have been considered and no material impact on the carrying value, useful lives or residual values have been identified.

Notes (forming part of the financial statements) continued

1 Significant accounting policies (continued)

1.12 Leases

On completion of a lease, the Group recognises a right-of-use asset, representing its right to use the underlying asset and a lease liability, representing its obligation to make lease payments. The lease liability is measured at the present value of the lease payments over the term of the lease, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. The rate implicit in the lease cannot be readily determined and therefore a rate based on the Group's incremental borrowing rate is used. This rate is adjusted to take into account the risk associated with the length of the lease. Lease payments will include any fixed payments, including as a result of stepped rent increases.

The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the lease commencement date and any lease incentives received or premiums paid. In the 52 weeks ending 30 March 2023 the Group received a lease incentive of £22.0m in relation to the new distribution centre (2024: £nil). The cash received was included within cash flows from financing activities in FY23 on the basis that it was associated with the payments for the lease liability.

The Group has lease contracts in relation to property and equipment. There are recognition exemptions for low-value assets and short-term leases with a lease term of 12 months or less. Any leases under a short-term licence agreement are excluded as they fall into the lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease. The total value of leases where the Group has taken a recognition exemption is disclosed in note 12.

The Group has a small number of leases where it is an intermediate lessor. For these leases, it accounts for the interest in the head lease and sub-lease separately. It assesses the lease classification of the sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Group currently receives rental income from related Joint Venture veterinary practices which are located within the Group's retail stores. These rental incomes are disclosed in note 3. Under IFRS16, the lease classification of sub-leases is assessed by reference to the right-of-use asset under the head lease rather than the underlying asset. This rental income is presented in other income in the Consolidated Income Statement.

Right-of-use assets may be impaired if the lease becomes onerous. Impairment costs would be charged to administrative expenses if this occurred.

1.13 Business combinations

Business combinations are accounted for by applying the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions on or after 26 March 2010

For acquisitions on or after 26 March 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss. If contingent consideration is payable and is dependent on future employment, it is recognised as an expense over the relevant period as a cost of continuing employment. Any contingent deferred consideration receivable is recognised at fair value.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date.

Acquisitions prior to 26 March 2010 (date of adoption of IFRS)

IFRS1 grants certain exemptions from the full requirements of Adopted IFRS for first time adopters. In respect of acquisitions prior to 26 March 2010, goodwill is included on the basis of its deemed cost.

1.14 Assessment of control with regard to Joint Ventures

The Group has assessed, and continually assesses, whether the level of an individual Joint Venture veterinary practice's indebtedness to the Group, particularly those with high levels of indebtedness, implies that the Group has the practical ability to control the Joint Venture, which would result in the requirement to consolidate. In making this judgement, the Group reviewed the terms of the Joint Venture agreement and the question of practical ability, as a provider of working capital to control the activities of the practice. This included consideration of barriers to the Group's ability to exercise such practical or other control which include difficulty in replacing Joint Venture Partners due to the shortage of veterinarians in the UK and reputational damage within the veterinary network should the Group attempt to exercise control, as well as potential barriers to the Joint Venture Partner exercising their own power over the activities of the practice. We note that under the terms of the Joint Venture agreement, the partners run their practices with complete operational and clinical freedom. The Group is satisfied that on the balance of evidence from the Group's experience as shareholder and provider of working capital support to the practices, it does not have the current ability to exercise control over those practices to which operating loans are advanced, and therefore non consolidation is appropriate.

1.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition, less rebates and discounts.

Provision is made against specific inventory lines where market conditions identify an issue in recovering the full cost of that Stock Keeping Unit ('SKU'). The provision focuses on the age of inventory and the length of time it is expected to take to sell and applies a progressive provision against the gross inventory based on the numbers of days' stock on hand. Where necessary, further specific provision is made against inventory lines, where the calculated provision is not deemed sufficient to carry the inventory at net realisable value.

Notes (forming part of the financial statements) continued

1 Significant accounting policies (continued)

1.15 Inventories (continued)

To the extent that the ageing profile of gross inventory as calculated by this provision methodology results in a material provision, it will be disclosed as an estimate that may have an impact on subsequent periods. To the extent this is material, it will be disclosed in note 1.22.

1.16 Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

Measurement of Expected Credit Losses ('ECLs') and definition of default

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The definition of default is applicable to intercompany and related party receivables but not relevant to trade receivables where the lifetime expected credit loss is considered. The Group considers Joint Venture receivables (operating loans) to be in default when the underlying veterinary practice is significantly under-performing against its business plan, assessed based on future cashflow forecasts for the individual practices which utilise consistent assumptions across all practices. Any shortfall in repayment of the Joint Venture loans and receivables following the 10-year forecast period are considered to be in default as repayment is expected during this time. Loss given default is also determined based on the forecast shortfall amount. Those within the performing credit risk category are deemed to have low credit risk. Practices categorised within the in default credit risk categories are those considered to be in default as repayment is expected during this time based on their cashflow forecast. Significant increase in credit risk is not applicable to Joint Venture operating loans due to the on-demand payment terms.

The Group considers initial set up loans to Joint Ventures to be in default when the loan remains outstanding once the practice has reached 15 years of age. These loans have no set repayment date but are expected to be recovered within 15 years. Significant increase in credit risk is defined as any practice which has an operating loan which is in default as defined above. All other loans are considered to be performing and have low credit risk.

The Group considers other intercompany and related party assets to be in default when the entity does not have the forecasted future funds available to repay the balance, if recalled.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. Details of these provisions are explained in note 16.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

The recoverable amount of an asset or cash-generating unit as defined by IAS36 is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units ('CGUs'). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.17 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Short term benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

A number of employees of the Company's subsidiaries (including Directors) receive an element of remuneration in the form of share-based payments, whereby employees render services in exchange for shares in Pets at Home Group Plc or rights over shares.

Notes (forming part of the financial statements) continued

1 Significant accounting policies (continued)

1.17 Employee benefits (continued)

Share-based payments are measured at fair value at the date of grant. The fair value of transactions involving the granting of shares is determined by the share price at the date of grant. The fair value of transactions involving the granting of share options is calculated by an external valuer based on a binomial model. In valuing share-based payments, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Pets at Home Group Plc ('market conditions').

The cost of share-based payments is recognised, together with a corresponding increase in equity, on a straight-line basis over the vesting period based on the Company's estimate of how many of the awards will eventually vest. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied. Where the terms of a share-based payment award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

Where a share-based payment award is cancelled, it is treated as if it had vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification to the original award, as described in the previous paragraph. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Employee Benefit Trust

The assets and liabilities of the Employee Benefit Trust ('EBT') have been included in the Group and Company accounts. The assets of the EBT are held separately from those of the Company. Neither the purchase nor sale of own shares leads to a gain or loss being recognised in the Group consolidated statement of comprehensive income.

Investments in the Company's own shares held by the EBT are presented as a deduction from reserves and the number of such shares is deducted from the number of shares in issue when calculating the diluted earnings per share. The trustees of the holdings of Pets at Home Group Plc shares under the Pets at Home Group Employee Benefit Trust have waived or otherwise foregone any and all dividends paid.

1.18 Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

1.19 Revenue and cost of sales

Revenue represents the total amount receivable for goods and services, net of discounts, coupons, returns and excluding value added tax, sold in the ordinary course of business, and arises substantially from activities in the United Kingdom.

Revenue is recognised when the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled, and substantially all of the Group's performance obligations have been fulfilled. Depending on whether certain criteria are met, revenue is recognised either over time, in a manner that best reflects the Group's performance, or at a point in time, when control of the goods or services is transferred to the customer.

Sale of goods in-store and online

Retail revenue from the sale of goods is recorded net of value added tax, colleague discounts, coupons, vouchers, returns and the free element of multi-save transactions. Sale of goods represents food and accessories sold in-store and online, with revenue recognised at the point in time the customer obtains control of the goods and substantially all of the Group's performance obligations have been fulfilled, which is when the transaction is completed in-store and at point of delivery to the customer for online orders. Revenue is adjusted to account for estimates for anticipated returns and a provision is recognised within trade and other payables. Estimates for anticipated returns are calculated using past data for both in-store and online transactions. No separate asset has been recognised (with no corresponding adjustment to cost of sales) in relation to the value of products to be recovered from the customer as the products are not always in a resaleable condition.

Gift vouchers and cards

Revenue from the sale of gift vouchers and cards is deferred until the voucher is redeemed, at which point performance obligations have been fulfilled. In line with IFRS15 the value of revenue deferred is based on expected redemption rates. The Group continues to assess the appropriateness of the expected redemption rates against actual redemptions.

Pets Club loyalty scheme

Under the Pets Club loyalty scheme, points are earned by customers upon the purchase of goods and services. These points can be converted by nominated charities into gift cards for redemption against goods and services in-store and online. The sales value of the points earned under the Petc Club scheme are treated as deferred income; the sales are only recognised once the points have been redeemed by the charities, at which point performance obligations have been fulfilled. The points do not expire and have no value to the customer.

Subscription orders

Revenue for subscription orders is recognised at the point of delivery of each incremental order to the customer at which point performance obligations have been fulfilled. Subscription services primarily relate to the repeat order of products sold online and in-store.

Provision of services

Revenue from the provision of services is recorded net of value added tax, colleague discounts, coupons and vouchers. Provision of services represents veterinary group income, grooming revenue and insurance commissions, with revenue recognised upon provision of the service to the customer at the point at which the Group has substantially fulfilled its performance obligations.

Notes (forming part of the financial statements) continued

1 Significant accounting policies (continued)

1.19 Revenue and cost of sales (continued)

3) *Veterinary Group income*

Veterinary Group income represents revenue recognised at a point in time from the provision of veterinary services from Company managed practices and income from the provision of administrative support services to Joint Venture veterinary practices. Revenue received for the provision of veterinary services is recognised at the point of provision of the service and is recognised net of value added tax, colleague discounts, coupons and vouchers. Fee income received from the Joint Venture veterinary practice companies for administrative support services is recognised in the period the services relate to and recorded net of value added tax. Fee income received from Joint Venture companies in relation to network purchasing arrangements is recognised as the contractual commitments are fulfilled to create an entitlement to the revenue. The Group also receives revenue in relation to business development for the Joint Venture companies and recognises this within operating income.

Revenue derived from care plans is recognised on an apportioned basis relative to delivery of the service. Revenue on annual 'Complete Care' plans is deferred and recognised at the point at which treatment and/or services are provided against the plan at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Once the plan has expired, any unutilised deferred revenue will be recognised as revenue. Revenue from 'Vac4Life' plans is deferred when payment is received and then recognised in reducing proportions over the first three years of the plan when vaccinations/boosters are provided.

Revenue derived from the veterinary telehealth business ('TVC') is recognised over time on a pro-rated basis over the period the customers have access to the telehealth service through subscriptions.

Rental income received from in-store Joint Venture veterinary practices is disclosed within note 3 and is categorised as other income.

ii) *Grooming revenue*

Grooming revenue is recognised net of value added tax, colleague discounts, coupons and vouchers, at the point of provision of the service to the customer. Deposits received are deferred until the grooming service has been performed.

iii) *Insurance commissions*

Insurance commissions are recognised over time on a pro-rated basis over the period the insurance policy relates to.

Accrued income

Accrued income relates to income in relation to fees from Joint Venture veterinary practices, and override and promotional income from suppliers which has not yet been invoiced. Accrued income has been classified as current as it is expected to be invoiced and received within 12 months of the period end. Supplier income is recognised on an accruals basis, based on the expected entitlement that has been earned up to the balance sheet date for each relevant supplier contract.

Cost of sales

Cost of sales includes costs of goods sold and other directly attributable costs, promotional income and rebate income received from suppliers, including costs to deliver administrative support services to Joint Venture veterinary practices and costs to deliver grooming services. Supplier early payment discounts are also included within cost of sales, these are offered from certain inventory suppliers based on payment of invoices within a certain time frame resulting in a percentage discount to reduce cost of sales.

Supplier income

A number of different types of supplier income are negotiated with suppliers via the joint business planning process in connection with the purchase of goods for resale, the largest of which being override income and promotional income, which are explained below. The supplier income arrangements are typically not coterminous with the Group's financial period, instead running alongside the calendar year. Such income is only recognised when there is reasonable certainty that the conditions for recognition have been met by the Group, and the income can be measured reliably based on the terms of the contract. This income is recognised as a credit within gross margin to cost of sales and, to the extent that the rebate relates to unsold stock purchases, as a reduction in the cost of inventory.

Supplier income is recognised on an accruals basis, based on the expected entitlement that has been earned up to the balance sheet date for each relevant supplier contract. The accrued incentives, rebates and discounts receivable at period end are included within trade and other receivables.

Given the presence of the joint business plans, on the basis of the historic recoverability of accrued balances, and as amounts are typically agreed with suppliers prior to recognition, supplier income is not considered to be an area of significant estimation that could impact on the following financial year.

Supplier income comprises:

Override income

Override income comprises three main elements:

1. **Fixed percentage-based income:** These relate largely to volumetric rebates based on the joint business plan agreements with suppliers. The income accrued is based on the Group's latest forecast volumes and the latest contract agreed with the supplier. Income is not recognised until the Group has reasonable certainty that the joint business agreement will be fulfilled, with the amount of income accrued regularly reassessed and remeasured throughout the contractual period, based on actual performance against the joint business plan.
2. **Fixed lump sum income:** These are typically guaranteed lump sum payments made by the supplier and are not based on volume. Fixed lump sum income is usually predicated on confirmation of a supplier contract and typically includes performance conditions upon the Group, such as marketing and promotional campaigns. These amounts are recognised periodically when contractual milestones have been met such as the promotion being run or marketing in-store.
3. **Growth income:** These are tiered volumetric rebates relating to growth targets agreed with the supplier in the joint business planning process. These are retrospective rebates based on sales volumes or purchased volumes. Income is recognised to the extent that it is reasonably certain that the conditions will be achieved, with such certainty increasing in the latter part of the calendar year.

Notes (forming part of the financial statements) continued

1 Significant accounting policies (continued)

1.19 Revenue and cost of sales (continued)

Promotional income

Promotional income relates to supplier funded rebates specific to promotional activity run in agreement between the Group and its suppliers. Rebates are agreed at an individual inventory article level for agreed periods of time and are systemically calculated based on article sales information. No estimation is applied in calculating the promotional income receivable.

Supplier income is recognised on an accruals basis, based on the expected entitlement that has been earned up to the balance sheet date for each relevant supplier contract. The accrued incentives, rebates and discounts receivable at period end are included within trade and other receivables.

1.20 Expenses

Financing income and expenses

Financing expenses comprise interest payable under the effective interest rate method, incorporating amortisation of loan arrangement fees, finance charges on shares classified as liabilities, unwinding of the discount on provisions, interest on lease liabilities and net foreign exchange gains or losses that are recognised in the income statement (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use are capitalised as part of the cost of that asset. Financing income comprises interest receivable on funds invested, dividend income, and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payment is established. Foreign currency gains and losses are reported on a net basis.

1.21 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.22 Accounting estimates and judgements

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions concerning the future that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These judgements are based on historical experience and management's best knowledge at the time and the actual results may ultimately differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a risk of causing an adjustment to the carrying value of assets and liabilities are explained below.

Impairment of goodwill and other intangibles (other estimate)

Determining whether goodwill and other intangibles are impaired requires an estimation of the value in use of the cash-generating units to which goodwill and other intangible assets have been allocated. The value in use calculation requires estimation of future cash flows expected to arise from the cash-generating unit (CGU) and a suitable discount rate in order to calculate present value. Details of CGUs as well as further information about the assumptions made are disclosed in note 13. The Directors consider that it is not reasonably possible for the assumptions for the current financial year to change so significantly to warrant inclusion as a significant estimate but acknowledge that there is estimation uncertainty over the assumptions used in future financial periods when calculating future cash flows.

1.23 Dividends

Final dividends are recognised in the Group's financial statements as a liability in the period in which the dividends are approved by shareholders such that the Company is obliged to pay the dividend. Interim equity dividends are recognised in the period in which they are paid.

1.24 Non-underlying items

Income or costs considered by the Directors to be non-underlying are disclosed separately to facilitate year-on-year comparison of the underlying trade of the business. The Directors consider non-underlying costs to be those that are not generated from ordinary business operations, infrequent in nature and unlikely to reoccur in the foreseeable future.

1.25 Alternative Performance Measures

The Directors measure the performance of the Group based on a range of financial measures, including measures not recognised by UK-adopted IFRS. These Alternative Performance Measures may not be directly comparable with other companies' Alternative Performance Measures and the Directors do not intend these to be a substitute for, or superior to, IFRS measures. Further information can be found in the Glossary on page 74.

1.26 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purposes of the cash flow statement and are only offset for balance sheet purposes where the offsetting criteria are met.

1.27 Prior year restatement on supplier discounts

In the current year the directors have reconsidered the presentation of supplier early payment discounts, previously offset against expenses within Selling and distribution expenses, and have presented them as a reduction of the costs of the relevant inventory within cost of sales. Comparatives have been restated for consistency. As a result, Selling and distributions expenses have increased by £6.3m and Cost of sales have decreased by £6.3m. There is no effect on profit for the year or net assets.

Notes (forming part of the financial statements) continued

2 Segmental reporting

The Group has three reportable segments, Retail, Vet Group and Central, which are the Group's strategic business units. The Group's operating segments are based on the internal management structure and internal management reports, which are reviewed by the Executive Directors on a periodic basis. The Executive Directors are considered to be the Chief Operating Decision Makers.

The Group is a pet care business with the strategic advantage of being able to provide products, services and advice, addressing all pet owners' needs. Within this strategic umbrella, the Group has three reportable segments, Retail, Vet Group and Central, which are the Group's strategic business units. The strategic business units offer different products and services, are managed separately and require different operational and marketing strategies.

The operations of the Retail reporting segment comprise the retailing of pet products purchased online and in-store, pet sales, grooming services and insurance products. The operations of the Vet Group reporting segment comprise General Practice veterinary practices and TVC. Central includes group costs and finance expenses. Revenue and costs are allocated to a segment where reasonably possible.

The following summary describes the operations in each of the Group's reportable segments. Performance is measured based on segment underlying operating profit as included in the management reports that are reviewed by the Executive Directors. These internal reports are prepared in accordance with IFRS accounting policies consistent with these financial statements. All material operations of the reportable segments are carried out in the UK and all revenue is from external customers.

	52 week period ended 28 March 2024			
	Retail £m	Vet Group £m	Central £m	Total £m
Income statement				
Revenue	1,330.1	146.5	–	1,476.6
Underlying gross profit	614.1	77.2	–	691.3
Underlying operating profit/(loss)	100.4	60.9	(15.8)	145.5
Non-underlying items	(22.5)	(2.8)	(0.9)	(26.2)
Segment operating profit	77.9	58.1	(16.7)	119.3
Underlying net financing expense	(13.0)	0.7	(1.2)	(13.5)
Non-underlying financing expense	(0.1)	–	–	(0.1)
Profit before tax	64.8	58.8	(17.9)	105.7
Total non-underlying items	22.6	2.8	0.9	26.3
Underlying profit/(loss) before tax	87.4	61.6	(17.0)	132.0

Non-underlying operating expenses in the periods ended 28 March 2024 and 30 March 2023 are explained in note 3.

	52 week period ended 30 March 2023 (restated) ¹			
	Retail £m	Vet Group £m	Central £m	Total £m
Income statement				
Revenue	1,278.7	125.5	–	1,404.2
Underlying gross profit	607.8	66.8	–	674.6
Underlying operating profit/(loss)	109.9	52.1	(12.3)	149.7
Non-underlying items	(10.1)	–	(2.8)	(12.9)
Segment operating profit	99.8	52.1	(15.1)	136.8
Underlying net financing expense	(11.1)	(0.8)	(1.4)	(13.3)
Non-underlying financing expense	(1.0)	–	–	(1.0)
Profit before tax	87.7	51.3	(16.5)	122.5
Total non-underlying items	11.1	–	2.8	13.9
Underlying profit/(loss) before tax	98.8	51.3	(13.7)	136.4

¹ See note 1.1 and note 1.27 for an explanation of the prior year restatements.

Notes (forming part of the financial statements) continued

2 Segmental reporting (continued)

52 week period ended 28 March 2024			
Segmental revenue analysis by revenue stream	Retail £m	Vet Group £m	Total £m
Retail – Food	814.2	–	814.2
Retail – Accessories	465.5	–	465.5
Retail – Services	50.4	–	50.4
Vet Group – Joint Venture fee income	–	89.3	89.3
Vet Group – Company managed practices	–	44.6	44.6
Vet Group – Other income	–	9.4	9.4
Vet Group – Veterinary telehealth services	–	3.2	3.2
Total	1,330.1	146.5	1,476.6

52 week period ended 30 March 2023 (restated) ¹			
Segmental revenue analysis by revenue stream	Retail £m	Vet Group £m	Total £m
Retail – Food	744.8	–	744.8
Retail – Accessories	486.4	–	486.4
Retail – Services	47.5	–	47.5
Vet Group – Joint Venture fee income	–	77.2	77.2
Vet Group – Company managed practices	–	37.5	37.5
Vet Group – Other income	–	8.1	8.1
Vet Group – Veterinary telehealth services	–	2.7	2.7
Total	1,278.7	125.5	1,404.2

¹ See note 1.1 for an explanation of the prior year restatement.

Notes (forming part of the financial statements) continued

3 Expenses and auditor's remuneration

Included in operating profit are the following:

	52 week period ended 28 March 2024 £m	52 week period ended 30 March 2023 £m
Non-underlying items		
Costs relating to the implementation of the new Distribution Centre		
Provisions for voluntary redundancies for colleagues at existing Distribution Centres	0.8	2.1
Provisions for retention and relocation bonuses for colleagues at existing Distribution Centres	2.4	1.8
Pre-opening costs for new Distribution Centre	-	4.0
Dual running costs of operating new and existing Distribution Centres	4.5	0.4
Project management costs of opening new Distribution Centre	1.8	0.7
Depreciation of property plant and equipment at legacy sites	3.4	0.4
Depreciation of right-of-use assets (dual running costs)	3.1	0.7
Transitional costs of opening a new Distribution Centre	5.4	-
	21.4	10.1
Group restructure costs		
Group restructure costs	1.4	2.7
Depreciation of property plant and equipment (Group restructure costs)	0.8	-
Depreciation of right-of-use assets (Group restructure costs)	0.6	-
Legal settlement costs	0.9	-
	3.7	2.7
Other non-underlying items		
Impairment of investment	1.1	-
Aborted transaction costs	-	0.1
	1.1	0.1
Total non-underlying items within operating profit	26.2	12.9
Interest expense on the lease liabilities of the Distribution Centres	0.1	1.0
Total non-underlying items	26.3	13.9
Underlying items		
Impairment gains on receivables	(1.0)	(2.0)
Software as a service (SaaS) expense	27.9	29.9
Depreciation of property, plant and equipment	26.5	25.7
Amortisation of intangible assets	10.1	9.8
Depreciation of right-of-use assets	65.1	66.8
<i>Rentals under operating leases:</i>		
Expenses relating to short term or low value leases	-	0.1
<i>Other income</i>		
Rental income from sub-leasing right-of-use assets to third parties	(0.2)	(0.3)
Rental and other occupancy income from related parties ¹	(12.7)	(12.2)
Share-based payment charges	5.9	4.9

¹Rental and other occupancy income from related parties is included in other income.

Non-underlying items in operating profit

New Distribution Centre and closure of the legacy sites

During the period the Group has incurred a number of costs in relation to the process of bringing into operation a new Distribution Centre to replace the existing legacy Distribution Centres. The process is a significant operational change for the Group, outside of the ordinary course of business and is not expected as a recurring event. As part of the transition, the Group has incurred operational and payroll costs which it has classified as non-underlying. The items are split out as follows:

£0.8m (£2.1m in the 52 week period ended 30 March 2023) of non-underlying charges relate to a provision for voluntary redundancies for colleagues employed within the existing Distribution Centres as part of the transition.

£2.4m (£1.8m in the 52 week period ended 30 March 2023) of non-underlying charges relate to a provision for retention bonuses for colleagues at the existing Distribution Centres to remain employed by the Group until the point at which the sites close as well as relocation costs for employees.

£4.5m (£0.4m in the 52 week period ended 30 March 2023) of non-underlying charges relate to costs incurred whilst the existing Distribution Centres and the new Distribution Centre are both in operation. These costs incurred are temporary and will not continue after the closure of the existing Distribution Centres.

£1.8m (£0.7m in the 52 week period ended 30 March 2023) of non-underlying charges relate to project management costs of opening the new Distribution Centre, including the transfer of inventory from the existing Distribution Centres.

Notes (forming part of the financial statements) continued

3 Expenses and auditor's remuneration (continued)

£6.5m is in relation to depreciation charges of the legacy assets, £0.8m (£0.4m in the 52 week period ended 30 March 2023) relates to the routine depreciation during the year, £2.6m within this cost in relation to accelerated depreciation and £3.1m (£0.7m in the 52 week period ended 30 March 2023) in relation to depreciation of the right-of-use assets.

£5.4m of non-underlying charges relate to costs incurred to transition the operations over to the new site. These costs include costs incurred in training new employees, are temporary and will not continue after the new Distribution Centre is fully operational.

A further £0.1m of dual running costs relates to the interest expense on the lease liabilities of the Distribution Centres. This is shown within finance expenses below operating profit on the consolidated income statement.

Group restructure

During the period the Group conducted a support office restructure. The non-underlying charges are split out as follows:

£1.4m (£2.7m in the 52 week period ended 30 March 2023) in restructure costs primarily relate to retention and redundancy payments.

£0.8m in relation to accelerated depreciation of premises no longer required as the group now operates from one support office following the restructure and £0.6m in relation to depreciation of the associated right-of-use assets.

£0.9m relating to settlement costs.

Other non-underlying costs

The remaining non-underlying items relate to:

£1.1m of non-underlying charges relate to the impairment of the Group's investment in Dog Stay Limited ('Tailster').

Income or costs considered by the Directors to be non-underlying are disclosed separately to facilitate year-on-year comparison of the underlying trade of the business. The Directors consider non-underlying costs to be those that are not generated from ordinary business operations, infrequent in nature and unlikely to reoccur in the foreseeable future.

Additional non-underlying charges made during the 52 weeks ending 30 March 2023 relate to:

£4.0m of non-underlying charges relate to pre-opening costs for the new Distribution Centre such as rent and utilities which have been incurred despite the site not yet being fully operational.

£0.1m of non-underlying charges relate to aborted transaction costs.

Underlying items

The rentals under short term leases disclosed in relation to the 52 week period ended 28 March 2024 and the 52 week period ended 30 March 2023 relate to leases under short-term agreements or of low value. These fall under the short-term and low value exemptions so are excluded from the requirements of IFRS16 on the basis that the lease terms are 12 months or less.

Auditor's remuneration

	52 week period ended 28 March 2024 £m	52 week period ended 30 March 2023 £m
Audit of the parent company financial statements	–	–
<i>Amounts receivable by the Company's auditor and its associates in respect of:</i>		
Audit of financial statements of subsidiaries pursuant to legislation	1.3	1.3
Review of interim financial statements	0.1	0.1
Other assurance services	–	–
	1.4	1.4

4 Colleague numbers and costs

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

	52 week period ended 28 March 2024 Number	52 week period ended 30 March 2023 Number
Sales and distribution – FTE	7,297	7,063
Administration – FTE	1,072	960
	8,369	8,023
Sales and distribution – total	10,924	10,371
Administration – total	1,107	1,006
	12,031	11,377

Notes (forming part of the financial statements) continued

4 Colleague numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	52 week period ended 28 March 2024 £m	52 week period ended 30 March 2023 £m
Wages and salaries	282.9	261.9
Social security costs	24.8	23.0
Contributions to defined contribution pension plans	10.0	8.6
	317.7	293.5

Remuneration of Directors and Executive Management Team

	52 week period ended 28 March 2024 £m	52 week period ended 30 March 2023 £m
Executive Directors' remuneration paid in respect of qualifying services	2.3	2.9
Non-Executive Directors' remuneration paid in respect of qualifying services	0.6	0.6
Executive Directors' amount of gains on the exercise of share options	0.7	1.3
Executive Directors' pension contributions	0.1	0.1
Total Directors' remuneration	3.7	4.9

Executive Management Team remuneration paid in respect of qualifying services	6.5	7.1
Executive Management Team amount of gains on the exercise of share options	2.6	2.7
Executive Management Team pension contributions	0.2	0.2
Total Executive Management Team remuneration	9.3	10.0

In the opinion of the Board, the key management as defined under revised IAS24 Related Party Disclosures are the Executive Directors, Non-Executive Directors and the Executive Management Team. Executive Directors' emoluments are also included within the Executive Management Team emoluments disclosed above. There are no further amounts, other than those noted above, receivable under long term incentive schemes by the Directors or Executive Management team.

The number of directors who received pensions contributions in the 52 weeks period ended 28 March 2024 is two for executive directors (three in the 52 week period ended 30 March 2023) and nine in the executive management team (nine in the 52 week period ended 30 March 2023).

5 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

	52 week period ended 28 March 2024		52 week period ended 30 March 2023	
	Underlying trading	After non-underlying items	Underlying trading	After non-underlying items
Profit attributable to equity shareholders of the parent (£m)	98.9	79.2	112.0	100.7
Basic weighted average number of shares	477.7	477.7	491.9	491.9
Dilutive potential ordinary shares	5.0	5.0	6.5	6.5
Diluted weighted average number of shares	482.7	482.7	498.4	498.4
Basic earnings per share	20.7p	16.6p	22.8p	20.5p
Diluted earnings per share	20.5p	16.4p	22.5p	20.2p

6 Finance income

	52 week period ended 28 March 2024 £m	52 week period ended 30 March 2023 £m
Interest receivable on loans to Joint Venture veterinary practices	0.5	0.4
Other interest receivable	3.5	2.3
Total finance income	4.0	2.7

Notes (forming part of the financial statements) continued

7 Finance expense

	52 week period ended 28 March 2024 £m	52 week period ended 30 March 2023 £m
Bank loans at effective interest rate	4.3	4.6
Underlying interest expense on lease liability	13.2	11.4
Non-underlying interest expense on lease liability	0.1	1.0
Total finance expense	17.6	17.0

8 Taxation

Recognised in the income statement

	52 week period ended 28 March 2024 £m	52 week period ended 30 March 2023 £m
Current tax expense		
Current period	22.7	24.2
Adjustments in respect of prior periods	(1.4)	(0.9)
Current tax expense	21.3	23.3
Deferred tax expense		
Origination and reversal of temporary differences	6.9	(0.6)
Impact of difference between deferred and current tax rates	—	(0.1)
Adjustments in respect of prior periods	(1.7)	(0.8)
Deferred tax expense	5.2	(1.5)
Total tax expense	26.5	21.8

The UK corporation tax standard rate for the period was 25% (2023: 19%). Deferred tax at 28 March 2024 has been calculated based on the rate of 25% which is the rate at which the majority of items are expected to reverse. This is due to the increase in the main rate of corporation tax to 25% from April 2023, which was substantively enacted on 24 May 2021. The effective tax rate after non-underlying items for the 52 week period ended 28 March 2024 was 25.1% (52 week period ended 30 March 2023: 17.8%).

Deferred tax recognised in comprehensive income

	52 week period ended 28 March 2024 £m	52 week period ended 30 March 2023 £m
Effective portion of changes in fair value of cash flow hedges (note 22)	(0.3)	(1.3)

Reconciliation of effective tax rate

	52 week period ended 28 March 2024			52 week period ended 30 March 2023		
	Underlying trading £m	Non-underlying items £m	Total £m	Underlying trading £m	Non-underlying items £m	Total £m
Profit for the period	98.9	(19.7)	79.2	112.0	(11.3)	100.7
Total tax expense/(credit)	33.1	(6.6)	26.5	24.4	(2.6)	21.8
Profit excluding taxation	132.0	(26.3)	105.7	136.4	(13.9)	122.5
Tax using the UK corporation tax rate for the period of 25% (52 week period ended 30 March 2023: 19%)	33.0	(6.6)	26.4	25.9	(2.6)	23.3
Impact of difference between deferred and current tax rates	—	—	—	(0.1)	—	(0.1)
Depreciation on expenditure not eligible for tax relief	1.1	—	1.1	0.8	—	0.8
Capital allowances super-deduction	—	—	—	(1.7)	—	(1.7)
Expenditure not eligible for tax relief	2.1	—	2.1	1.1	—	1.1
Adjustments in respect of prior periods	(3.1)	—	(3.1)	(1.6)	—	(1.6)
Total tax expense	33.1	(6.6)	26.5	24.4	(2.6)	21.8

The UK corporation tax standard rate for the 52 week period ended 28 March 2024 was 25% (52 week period ended 30 March 2023: 19%). The effective tax rate before non-underlying items for the 52 week period ended 28 March 2024 was 25.1% (52 week period ended 30 March 2023: 17.9%). The effective tax rate after non-underlying items for the 52 week period ended 28 March 2024 was 25.1% (52 week period ended 30 March 2023: 17.8%).

Notes (forming part of the financial statements) continued

9 Dividends paid and proposed

	Group and Company	
	52 week period ended 28 March 2024 £m	52 week period ended 30 March 2023 £m
<i>Declared and paid during the period</i>		
Final dividend of 8.3p per share (2022: 7.5p per share)	39.5	37.0
Interim dividend of 4.5p per share (2023: 4.5p per share)	21.2	21.7
<i>Proposed for approval by shareholders at the AGM</i>		
Final dividend of 8.3p per share (2023: 8.3p per share)	38.8	40.1

The trustees of the following holdings of Pets at Home Group Plc shares under the Pets at Home Group Employee Benefit Trust have waived or otherwise foregone any and all dividends paid in relation to the periods ended 28 March 2024 and 30 March 2023 and to be paid at any time in the future (subject to the exceptions in the relevant trust deed) on its respective shares for the time being comprised in the trust funds:

Computershare Nominees (Channel Islands) Limited (holding at 28 March 2024: 5,564,701 shares; holding at 30 March 2023: 5,323,525 shares).

10 Business combinations

In the 52 week period ended 28 March 2024, the Group has acquired 100% of the 'A' shares of eight veterinary practices and 75% of the 'A' shares of one veterinary practice, which were previously accounted for as Joint Venture veterinary practices. These practices were previously accounted for as Joint Venture veterinary practices as the Group only held 100% of the non-participatory 'B' ordinary shares, equating to 50% of the total shares. Acquisition of all or the majority of the 'A' shares has led to the control and consolidation of these practices. A detailed explanation for the basis of consolidation can be found in note 1.4.

In the 52 week period ended 28 March 2024, £1.6m of operating loans relating to these practices were written off in advance of the acquisitions (see note 17).

Up to the date of acquisition and in the comparative period being the 52 week period ending 30 March 2023, these entities listed below were all accounted for as a Joint Venture veterinary practice where the Group held 100% of the non-participatory 'B' ordinary shares. Acquisition of the 'A' shares has led to the control and consolidation of these practices on the dates below, leading to control from the date of acquisition and consolidation from that date forward.

Subsidiaries acquired in the 52 week period ended 28 March 2024

	Principal activity	Date of acquisition	Proportion of voting equity instruments acquired	Total proportion of voting equity instruments owned following the acquisition	Cash consideration transferred £m
Leigh Vets4Pets Limited	Veterinary practice	22/06/2023	50%	100%	–
Companion Care (Telford)Limited	Veterinary practice	07/07/2023	50%	100%	0.2
Companion Care (Farnham) Limited	Veterinary practice	10/11/2023	50%	100%	0.1
Wakefield Vets4Pets Limited	Veterinary practice	22/12/2023	50%	100%	0.2
Tilehurst Vets4Pets Limited	Veterinary practice	08/01/2024	50%	100%	0.1
Companion Care (Salisbury) Limited	Veterinary practice	24/01/2024	50%	100%	0.2
Companion Care (Kings Lynn) Limited	Veterinary practice	13/02/2024	50%	100%	0.1
Larne Vets4Pets Limited	Veterinary practice	14/03/2024	50%	100%	0.1
Gamston Vets4Pets Limited	Veterinary practice	29/02/2024	50%	75%	–

Notes (forming part of the financial statements) continued

10 Business combinations (continued)

Assets acquired and liabilities recognised at the date of acquisition

The amounts recognised in respect of identifiable assets and liabilities relating to the acquisitions are as follows. The acquisition disclosures have been combined as each acquisition is considered to be individually immaterial to the Group. On acquisition, assets and liabilities are revalued to fair value. Pre existing relationships between the Group and acquired Joint Venture practice are not considered part of the business combination and have been removed from the fair values of assets and liabilities recognised on acquisition.

	Fair value of assets and liabilities acquired £m
Current assets	
Trade and other receivables	0.2
Inventories	0.1
Non-current assets	
Tangible fixed assets	0.4
Current liabilities	
Bank loans	(0.2)
Trade and other payables	(0.5)
Net assets /(liabilities)	–

Goodwill arising on acquisition

	£m
Consideration	1.0
Less: Fair value of assets acquired	–
Goodwill arising on acquisition	1.0
Impairment of goodwill	–
Carrying value of goodwill	1.0

The consideration shown within the table above relates to both consideration for the purchase of A-shares and cash settlement of 'A' shareholder Joint Venture Partner loans, which were repaid to the 'A' shareholder at the point of acquisition.

The goodwill acquired on the purchase of the nine Joint Venture practices has been allocated to the Vet Group CGU and relates to expected future cashflows from combining operations.

In the 52 week period ended 30 March 2023, the Group acquired 100% of the 'A' shares of six veterinary practices, which were previously accounted for as Joint Venture veterinary practices. These practices were previously accounted for as Joint Venture veterinary practices as the Group only held 100% of the non-participatory 'B' ordinary shares, equating to 50% of the total shares. Acquisition of the 'A' shares has led to the control and consolidation of these practices. A detailed explanation for the basis of consolidation can be found in note 1.4.

In the 52 week period ended 30 March 2023, £2.0m of operating loans relating to these practices were written off in advance of the acquisitions.

Subsidiaries acquired in the 52 week period ended 30 March 2023

	Principal activity	Date of acquisition	Proportion of voting equity instruments acquired	Total proportion of voting equity instruments owned following the acquisition	Cash consideration transferred £m
Accrington Vets4Pets Limited	Veterinary practice	16/06/2022	50%	100%	–
Companion Care (Banbury) Limited	Veterinary practice	24/06/2022	50%	100%	–
Companion Care (Chippenham) Limited	Veterinary practice	28/06/2022	50%	100%	–
Bangor Wales Vets4Pets Limited	Veterinary practice	19/10/2022	50%	100%	–
Newtownards Vets4Pets Limited	Veterinary practice	24/11/2022	50%	100%	–
Companion Care (Llantrisant) Limited	Veterinary practice	07/03/2023	50%	100%	0.5

Notes (forming part of the financial statements) continued

10 Business combinations (continued)

	Book value of assets and liabilities acquired £m	Adjustments on acquisition £m	Fair value of assets and liabilities acquired £m
Current assets			
Cash and cash equivalents	0.1	-	0.1
Trade and other receivables	0.1	-	0.1
Inventories	0.1	-	0.1
Non-current assets			
Tangible fixed assets	0.3	-	0.3
Intangible assets	0.1	0.3	0.4
Non-current liabilities			
Lease liabilities	-	-	-
Current liabilities			
Bank loans	(0.2)	-	(0.2)
Overdrafts	(0.2)	-	(0.2)
Partner loans	(0.4)	0.4	-
Trade and other payables	(2.4)	2.1	(0.3)
Net (liabilities)/assets	(2.5)	2.8	0.3

Assets acquired and liabilities recognised at the date of acquisition

The amounts recognised in respect of identifiable assets and liabilities relating to the acquisitions are as follows. The acquisition disclosures have been combined as each acquisition is considered to be individually immaterial to the Group.

Goodwill arising on acquisition of veterinary practice subsidiaries in 52 week period ended 30 March 2023

	£m
Consideration	0.5
Less: Fair value of assets acquired	(0.3)
Goodwill arising on acquisition	0.2
Impairment of goodwill	-
Carrying value of goodwill	0.2

The consideration shown within the table above relates to both consideration for the purchase of A-shares and cash settlement of 'A' shareholder Joint Venture Partner loans, which were repaid to the 'A' shareholder at the point of acquisition.

In line with IFRS3, the right-of-use asset has been brought on at value equal to the lease liability, adjusted for any unfavourable market conditions. These leases relate to standalone veterinary practices.

The goodwill acquired on the purchase of the six Joint Venture practices has been allocated to the Vet Group CGU.

Notes (forming part of the financial statements) continued

11 Property, plant and equipment

	Freehold property £m	Leasehold improvements £m	Fixtures, fittings, tools and equipment £m	Assets under construction £m	Total £m
Cost					
Balance at 30 March 2023	2.4	78.0	296.4	28.5	405.3
Additions	–	5.9	30.9	–	36.8
On acquisition (note 10)	–	0.4	–	–	0.4
Transfers ¹	–	–	–	5.7	5.7
Brought into use	–	(0.1)	19.9	(19.8)	–
Disposals	–	(1.7)	(1.8)	–	(3.5)
Balance at 28 March 2024	2.4	82.5	345.4	14.4	444.7
Depreciation					
Balance at 30 March 2023	0.4	36.7	221.3	–	258.4
Depreciation charge for the period	–	5.9	24.8	–	30.7
Disposals	–	(1.1)	(1.4)	–	(2.5)
Balance at 28 March 2024	0.4	41.5	244.7	–	286.6
Net book value					
At 30 March 2023	2.0	41.3	75.1	28.5	146.9
At 28 March 2024	2.0	41.0	100.7	14.4	158.1

¹ The transfers balance of £5.7m is in relation to assets previously categorised within software under construction within intangibles.

	Freehold property £m	Leasehold improvements £m	Fixtures, fittings, tools and equipment £m	Assets under construction £m	Total £m
Cost					
Balance at 31 March 2022	2.4	65.7	261.6	12.7	342.4
Additions	–	11.7	34.5	19.1	65.3
On acquisition (note 10)	–	0.2	0.1	–	0.3
Brought into use	–	0.8	0.8	(1.6)	–
Transfers	–	–	–	(1.7)	(1.7)
Disposals	–	(0.4)	(0.6)	–	(1.0)
Balance at 30 March 2023	2.4	78.0	296.4	28.5	405.3
Depreciation					
Balance at 31 March 2022	0.4	32.9	200.2	–	233.5
Depreciation charge for the period	–	4.4	21.7	–	26.1
Disposals	–	(0.6)	(0.6)	–	(1.2)
Balance at 30 March 2023	0.4	36.7	221.3	–	258.4
Net book value					
At 31 March 2022	2.0	32.8	61.4	12.7	108.9
At 30 March 2023	2.0	41.3	75.1	28.5	146.9

Notes (forming part of the financial statements) continued

12 Leases

As lessee

Property, plant and equipment comprise owned and leased assets that do not meet the definition of investment property.

The majority of the Group's trading stores, standalone veterinary practices, Distribution Centres and Support Offices are leased under operating leases with remaining lease terms of between 1 and 20 years. The Group also has a number of non-property operating leases relating to vehicle, equipment and material handling equipment with remaining lease terms of between 1 and 6 years.

Right-of-use assets

	Property £m	Equipment £m	Total £m
Cost			
Balance at 30 March 2023	614.8	20.3	635.1
Additions	27.2	2.6	29.8
Disposals	(1.5)	(0.7)	(2.2)
Balance at 28 March 2024	640.5	22.2	662.7
Depreciation			
Balance at 30 March 2023	263.5	12.0	275.5
Depreciation charge for the period	64.5	4.3	68.8
Disposals	(0.2)	(0.7)	(0.9)
Balance at 28 March 2024	327.8	15.6	343.4
Net book value			
At 30 March 2023	351.3	8.3	359.6
At 28 March 2024	312.7	6.6	319.3

The costs relating to leases for which the Group applied the practical expedient described in paragraph 5a of IFRS16 (leases with a contract term of less than 12 months) amounted to £0.0m in the 52 week period ended 28 March 2024.

	Property £m	Equipment £m	Total £m
Cost			
Balance at 31 March 2022	531.6	16.6	548.2
Additions	83.4	4.0	87.4
Cost reallocation	(0.2)	–	(0.2)
Disposals	–	(0.3)	(0.3)
Balance at 30 March 2023	614.8	20.3	635.1
Depreciation			
Balance at 31 March 2022	199.2	8.9	208.1
Depreciation charge for the period	64.1	3.4	67.5
Cost reallocation	0.2	–	0.2
Disposals	–	(0.3)	(0.3)
Balance at 30 March 2023	263.5	12.0	275.5
Net book value			
At 31 March 2022	332.4	7.7	340.1
At 30 March 2023	351.3	8.3	359.6

The costs relating to leases for which the Group applied the practical expedient described in paragraph 5a of IFRS16 (leases with a contract term of less than 12 months) amounted to £0.1m in the 52 week period ended 30 March 2023.

Notes (forming part of the financial statements) continued

12 Leases (continued)

The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date:

Maturity analysis – contractual undiscounted cash flows

	At 28 March 2024 £m	At 30 March 2023 £m
Less than one year	79.8	83.3
Between one and three years	133.9	145.3
Between three and five years	86.1	99.5
Between five and ten years	96.5	103.9
More than ten years	43.0	59.4
Total undiscounted lease liabilities	439.3	491.4
Carrying value of lease liabilities included in the statement of financial position	380.8	421.4
Current	79.8	83.3
Non-current	301.0	338.1

For the lease liabilities at 28 March 2024 a 0.1% change in the discount rate used would have increased the carrying value of lease liabilities by £1.0m (30 March 2023: £1.8m).

In relation to new leases and lease extensions entered into by the Group during the period, these are discounted at the rate implicit in the lease which ranges from 4.8% to 5.4% depending on the length of the lease and reflect the impact of increases to the Bank of England base rate during the period.

Surplus and short term leases

The Group has a small number of surplus leases on properties from which it no longer trades. A small number of these properties are currently vacant or the sublet is not for the full term of the lease and there is deemed to be a risk on the sublet. These leases are included within the lease balances disclosed on the face of the balance sheet and a related provision has been made for other property costs relating to these properties in note 21.

The Group has a small number of short term leases on properties from which it no longer trades, or a subsection of a trading retail store. These properties are sublet to third parties at contracted rates.

In line with IAS36, the carrying value of the right-of-use asset is assessed for indicators of impairment and an impairment charge will be recognised if necessary. An onerous lease provision was recognised where management believed there was a risk of default or where the property remained vacant for a period of time. As part of this review the Group has assessed the ability to sub-lease the property and the right-of-use asset has been written down to £nil where the Group does not consider a sublease likely.

13 Intangible assets

	Goodwill £m	Customer lists and 'know-how' £m	Software £m	Software under construction £m	Total £m
Cost					
Balance at 30 March 2023	959.3	7.0	71.7	8.3	1,046.3
Additions	1.0	–	6.1	–	7.1
Transfers ¹	–	–	–	(5.7)	(5.7)
Brought into use	–	–	2.4	(2.4)	–
Disposals	(0.8)	(0.4)	(0.1)	–	(1.3)
Balance at 28 March 2024	959.5	6.6	80.1	0.2	1,046.4
Amortisation					
Balance at 30 March 2023	0.1	1.7	55.0	–	56.8
Amortisation charge for the period	–	0.2	9.9	–	10.1
Disposals	–	(0.2)	–	–	(0.2)
Balance at 28 March 2024	0.1	1.7	64.9	–	66.7
Net book value					
At 30 March 2023	959.2	5.3	16.7	8.3	989.5
At 28 March 2024	959.4	4.9	15.2	0.2	979.7

¹ Transfers balance of (£5.7)m relates to assets previously categorised within software under construction which are now within property, plant and equipment.

Notes (forming part of the financial statements) continued

13 Intangible assets (continued)

	Goodwill £m	Customer lists and 'know-how' £m	Software £m	Software under construction £m	Total £m
Cost					
Balance at 31 March 2022	959.1	6.7	68.3	–	1,034.1
Additions	–	–	5.5	4.5	10.0
On acquisition (note 10)	0.2	0.4	–	–	0.6
Transfers ¹	–	–	(4.0)	5.7	1.7
Brought into use	–	–	1.9	(1.9)	–
Disposals	–	(0.1)	–	–	(0.1)
Balance at 30 March 2023	959.3	7.0	71.7	8.3	1,046.3
Amortisation					
Balance at 31 March 2022	0.1	1.0	45.9	–	47.0
Amortisation charge for the period	–	0.7	9.1	–	9.8
Balance at 30 March 2023	0.1	1.7	55.0	–	56.8
Net book value					
At 31 March 2022	959.0	5.7	22.4	–	987.1
At 30 March 2023	959.2	5.3	16.7	8.3	989.5

¹Included within the cost of assets under construction in fixed assets brought forward at 31 March 2022 was £1.7m which related to software assets under construction. These have been reallocated to intangible assets as at 30 March 2023. A further £4.0m of software assets under construction were classified as software assets in use at 31 March 2022. These have been reallocated to software assets under construction.

Impairment testing

Cash generating units ('CGUs'), as defined by IAS36, within the Group are considered to be aligned to the operating segments as shown in the table below. Within the Retail operating segment, the CGU comprises the body of stores, online operations, grooming operations and insurance operations. Within the Vet Group operating segment, the CGU comprises the General Practice veterinary practices and the veterinary telehealth business, hereafter disclosed as The Vet Connection ('TVC'). Revenue and costs are allocated to a segment and CGU where reasonably possible.

During the 52 weeks ending 28 March 2024, the Group incorporated TVC into the Vet Group segment and TVC no longer generates independent cashflows, since its resources are now pooled with the resources of the Vet Group. On this basis, management have concluded that the TVC business is no longer a standalone CGU as it is not capable of generating independent cashflows and has been subsumed into the Vet Group CGU.

As at 28 March 2024 and 30 March 2023, the Group is deemed to have CGUs as follows:

	Goodwill	
	At 28 March 2024 £m	At 30 March 2023 £m
Retail	586.1	586.1
TVC ¹	–	11.1
Vet Group	373.3	362.0
Total	959.4	959.2

The recoverable amount of the CGU has been calculated with reference to its value in use. The key assumptions of this calculation are shown below:

	52 week period ended 28 March 2024		52 week period ended 30 March 2023		
	Retail	Vet Group	Retail	Vet Group	TVC ¹
Period on which management approved forecasts are based (years)	5	5	5	5	5
Growth rate applied beyond approved forecast period	2.0%	3.5%	2.0%	3.5%	2.0%
Discount rate (pre-tax)	11%	12%	12%	11%	11%
Gross profit margin (average over next 5 years)	45%	60%	46%	61%	61%

¹TVC was incorporated within the Vet group reporting in the 52 weeks ending 28 March 2024.

The goodwill is considered to have an indefinite useful economic life and the recoverable amount is determined based on 'value-in-use' calculations. These calculations use a post-tax cash flow projection based on a five-year plan approved by the Board. For the purposes of intangible asset impairment testing, the model removes all cash flows associated with business units (for example stores or practices yet to open, but within the planning horizon) which the Group has a strategic intention to invest capital in, but has not yet done so, thus ensuring that the future cash flows used in modelling for impairment exclude any cash flows where the investment is yet to take place, in accordance with the requirements of IAS36 to exclude capital expenditure to improve asset performance. Contributions from and costs associated with new stores and veterinary practices which are already operational at the impairment test date are included in the cash flows. Cashflows related to the central segment have been allocated between both CGUs on a proportionate basis. The Group reviews components within CGUs such as stores and veterinary practices for indicators of impairment. This approach is consistent with impairment reviews carried out in the 2023 financial statements.

Notes (forming part of the financial statements) continued

13 Intangible assets (continued)

Impairment testing (continued)

The Retail forecast assumptions reflect continual innovation and our deep understanding of our customers, incorporating assumptions based on past experience of the industry, products and markets in which the CGU operates, in order to generate the detailed assumptions used in the annual budget setting process, and five year strategic planning process. The Vet Group forecast assumptions are based on a deep understanding of the maturity profile of the practices and their performance, incorporating assumptions based on past experience of the industry, services and markets in which the CGU operates in order to generate the detailed assumptions used in the annual budget setting process, and five year strategic planning process. These linkages are embedded in the revenue growth assumption as a result of offering online veterinary consultations as an additional service to Joint Venture veterinary practices. The projections are based on all available information and growth rates do not exceed growth rates experienced in prior periods. A different set of assumptions may be more appropriate in future years depending on changes in the macro-economic environment and the industry in which each CGU operates. The Group has considered key risk factors such as climate change, recessionary impacts, current geopolitical tensions, continuing global supply chain issues, inflationary pressures and the impact of consumer confidence in addition to the impact of climate change and in particular the risks identified in the Task Force on Climate Related Financial Disclosures ('TCFD') scenario analysis conducted in undertaking this assessment.

The discount rate was estimated based on past experience and the weighted average cost of capital is adjusted to reflect a market participant view. A post tax discount rate was used within the value in use calculation and adjustments made to calculate the pre-tax discount rate which is disclosed above in line with IAS36 requirements.

The Directors have assumed a growth rate projection beyond the five-year period based on market growth rates based on past experience within the Group, taking into account the economic growth forecasts within the relevant industries. The long-term growth rate in the Vet Group CGU exceeds the long-term average for the UK but is an appropriate rate due to the growth in the petcare industry.

The total recoverable amount in respect of goodwill for the CGUs assessed by the Directors using the above assumptions is greater than the carrying amount and therefore no impairment charge has been recorded in each period.

Within the Retail and Vet Group CGUs, a number of sensitivities have been applied to the assumptions in reaching this conclusion including:

- Reduction in growth rate applied beyond forecast period by 100 bps
- Increasing the discount rate by 100 bps
- Reduction in gross margin percentage of 100 bps

None of the above, considered reasonably possible changes in assumptions, would result in impairment when applied either individually or collectively.

The Directors consider that it is not reasonably possible for the assumptions to change so significantly as to eliminate the excess of the recoverable amount over the carrying value.

14 Inventories

	At 28 March 2024	At 30 March 2023
	£m	£m
Finished goods	97.5	108.6

The cost of inventories recognised as an expense and included in 'cost of sales' is £687.1m (52 week period ended 30 March 2023: £642.6m).

Inventory expensed to cost of sales includes the cost of the Stock Keeping Units ('SKUs') sold, supplier income, stock wastage and foreign exchange variances.

At 28 March 2024 the inventory provision amounted to £4.1m (30 March 2023: £4.0m). The inventory provision is calculated by reference to the age of the SKU and the length of time it is expected to take to sell. The provision percentages applied in calculating the provision are as follows:

- Discontinued stock greater than 365 days: 100%
- Current stock greater than 365 days with a use by date: 50%
- Current stock within 180 and 365 days with a use by date: 25%
- Greater than 180 days with no use by date: 25%

In addition, a provision is held to account for store stock losses during the period since which the SKU was last counted. The value of inventory against which an ageing provision is held is £8.5m (30 March 2023: £8.4m).

In the 52 week period ended 28 March 2024, the value of inventory written off to the income statement amounted to £10.3m (52 week period ended 30 March 2023: £9.6m).

Notes (forming part of the financial statements) continued

15 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	At 28 March 2024			At 30 March 2023		
	Assets £m	Liabilities £m	Total £m	Assets £m	Liabilities £m	Total £m
Property, plant and equipment	–	(6.1)	(6.1)	–	(2.2)	(2.2)
Financial assets	0.2	–	0.2	1.0	–	1.0
Financial liabilities	–	–	–	–	(0.5)	(0.5)
Other short term timing differences	1.9	(0.8)	1.1	3.4	(0.9)	2.5
Share based payments	0.1	–	0.1	1.1	–	1.1
Net deferred tax assets/(liabilities)	2.2	(6.9)	(4.7)	5.5	(3.6)	1.9

Movement in deferred tax during the period

	30 March 2023 £m	Recognised in income £m	Recognised in equity £m	28 March 2024 £m
Property, plant and equipment	(2.2)	(3.9)	–	(6.1)
Net financial assets/(liabilities)	0.5	–	(0.3)	0.2
Other short term timing differences	2.5	(1.4)	–	1.1
Share based payments	1.1	–	(1.0)	0.1
	1.9	(5.3)	(1.3)	(4.7)

Other short-term timing differences primarily relate to inventory provisions.

Movement in deferred tax during the prior period

	31 March 2022 £m	Recognised in income £m	Recognised in equity £m	30 March 2023 £m
Property, plant and equipment	1.9	(4.1)	–	(2.2)
Net financial assets/(liabilities)	(0.8)	–	1.3	0.5
Other short term timing differences	(3.1)	5.6	–	2.5
Share based payments	3.1	–	(2.0)	1.1
	1.1	1.5	(0.7)	1.9

Company

Movement in deferred tax during the period

	30 March 2023 £m	Recognised in income £m	Recognised in equity £m	28 March 2024 £m
Net financial liabilities	(0.4)	–	0.4	–
Other short term timing differences	2.1	(1.3)	–	0.8
Share based payments	1.1	–	(1.0)	0.1
	2.8	(1.3)	(0.6)	0.9

The rate used to calculate deferred tax assets and liabilities is 25% based on the rate at which the majority of items are expected to reverse.

Movement in deferred tax during the period

	31 March 2022 £m	Recognised in income £m	Recognised in equity £m	30 March 2023 £m
Net financial liabilities	(0.3)	–	(0.1)	(0.4)
Other short term timing differences	–	2.1	–	2.1
Share based payments	3.1	–	(2.0)	1.1
	2.8	2.1	(2.1)	2.8

The rate used to calculate deferred tax assets and liabilities is 25% based on a blended rate at which the majority of items are expected to reverse.

Notes (forming part of the financial statements) continued

16 Other financial assets and liabilities

	Group		Company	
	At 28 March 2024	At 30 March 2023	At 28 March 2024	At 30 March 2023
	£m	£m	£m	£m
Non-current assets				
Investments in Joint Venture veterinary practices	2.7	0.4	–	–
Loans to Joint Venture veterinary practices – initial set up loans	5.2	6.6	–	–
Loans to Joint Venture veterinary practices – other loans	0.5	1.2	–	–
Other investments	2.0	2.1	–	–
Other receivables	0.5	0.6	–	–
	10.9	10.9	–	–

Investments in Joint Venture veterinary practices

The Investments in Joint Venture veterinary practices balance of £2.7m (2023: £0.4m) comprises of two parts; £0.2m (2023: £0.4m) represents the 'B' share capital in Joint Venture veterinary practice companies and £2.5m (2023: nil) relates to capital contributions made to these companies for extensions and improvements to their practice residences. These investments are held at cost less impairment. In relation to the share, the fair values of investments in unlisted equity securities are considered to be their carrying value which is the cost to the Group on recognition, as the impact of discounting future cash flows has been assessed as not material and the investment is non-participatory. The share capital of the veterinary practice companies is split equally into 'A' ordinary shares (held by Joint Venture Partners) and 'B' ordinary shares (held by the Group). Any operational decisions require the agreement of the Joint Venture Partner. Under the terms of the agreements, the Group ('B' shareholder) is not entitled to any profits, losses or dividends, or any surplus on winding up or disposal, although it is entitled to appoint Directors to the Board and carry the same shareholder voting rights as 'A' ordinary shareholders. The agreements entitle the Group to receive income in relation to support services offered in such areas as clinical development, promotion and methods of operation as well as service activities including accountancy, legal and property.

Loans to Joint Venture veterinary practices – initial set up loans

Loans to Joint Venture veterinary practices of £5.2m (2023: £6.6m) are provided to Joint Venture veterinary practice companies trading under the Companion Care, Vets4Pets or VetsforPets brands, in which the Group's share interest is non-participatory. These loans support their initial set up and working capital, and are held at amortised cost under IFRS9. Loans are initially recorded at fair value and subsequently measured at amortised as the impact of discounting future cash flows at a market rate of interest has been assessed as not material. Under the terms of the loans provided to veterinary companies trading under the Companion Care, Vets4Pets or VetsforPets brands the loans attract varying interest rates between 2% and 3%. There is no set date for repayment of the loans due to the Group.

The balances are shown net of an expected credit loss ('ECL') of £0.6m (2023: £1.0m).

	Gross loan value £m	Expected credit loss £m	Carrying value of loan £m
As at 30 March 2023	7.6	(1.0)	6.6
Net repayment and further advances	(1.8)	–	(1.8)
Provisions released during the period	–	0.4	0.4
As at 28 March 2024	5.8	(0.6)	5.2

Analysis of expected credit loss by risk category

The following table presents an analysis of the credit risk and credit impairment of initial set up loans held at amortised cost. The loans are categorised as performing, significant increase in credit risk or in default in accordance with the policy set out in note 1.16. The loss allowance is calculated depending on the credit risk of each loan, the Group's expectations of future cash flow recoverability and practice age in accordance with the policy set out in note 1.16.

Credit risk	At 28 March 2024	At 30 March 2023
	£m	£m
Performing	5.2	6.6
Significant increase in credit risk	0.6	1.0
Gross carrying amount	5.8	7.6
Loss allowance	(0.6)	(1.0)
Net carrying amount	5.2	6.6

Notes (forming part of the financial statements) continued

16 Other financial assets and liabilities (continued)

Loans to Joint Venture veterinary practices – other loans

Loans to Joint Venture veterinary practices – other loans of £0.5m (2023: £1.2m) represent loan balances to Joint Venture veterinary practices. These loans are unsecured, typically for five to seven years and attract an interest rate of SONIA plus 2.8%. The loans are accounted for at amortised cost under IFRS9. The carrying value is considered to be the fair value on the day the loans were granted as the impact of discounting future cash flows at a market rate of interest has been assessed as not material. The loans are typically to support capacity expansion. The balances have been assessed under the criteria in note 1.16 as fully performing. Any expected credit losses are immaterial (2023: £nil).

	Gross loan value £m	Expected credit loss £m	Carrying value of loan £m
As at 30 March 2023	1.2	–	1.2
Net repayment and further advances	(0.7)	–	(0.7)
Provisions made during the period	–	–	–
As at 28 March 2024	0.5	–	0.5

Other investments

Other investments are held at fair value through other comprehensive income ('FVOCI'). The fair values of investments in unlisted equity securities are considered to be their carrying value as the impact of discounting future cash flows has been assessed as not material and the investment is non-participatory.

	Group		Company	
	At 28 March 2024 £m	At 30 March 2023 £m	At 28 March 2024 £m	At 30 March 2023 £m
Other financial assets				
Current assets				
Fuel forward contracts	0.1	–	–	–
Interest rate swaps	–	2.0	–	2.0
Forward exchange contracts	0.2	–	–	–
Other receivables	–	0.2	–	–
	0.3	2.2	–	2.0

	Group		Company	
	At 28 March 2024 £m	At 30 March 2023 £m	At 28 March 2024 £m	At 30 March 2023 £m
Other financial liabilities				
Current liabilities				
Fuel forward contracts	–	(0.3)	–	–
Forward exchange contracts	(1.0)	(3.4)	–	–
	(1.0)	(3.7)	–	–

	Group		Company	
	At 28 March 2024 £m	At 30 March 2023 £m	At 28 March 2024 £m	At 30 March 2023 £m
Non-current liabilities				
Interest rate swaps	–	(0.4)	–	(0.4)
	–	(0.4)	–	(0.4)

Notes (forming part of the financial statements) continued

17 Trade and other receivables

	Group		Company	
	At 28 March 2024	At 30 March 2023	At 28 March 2024	At 30 March 2023
	£m	£m	£m	£m
<i>Current assets</i>				
Trade receivables	13.9	13.5	–	–
Amounts owed by JV practices - funding for new practices	0.4	–	–	–
Amounts owed by Joint Venture veterinary practices – operating loans	5.8	10.4	–	–
Amounts owed by Joint Venture veterinary practices – trading balances	10.9	11.5	–	–
Other receivables	6.3	5.7	–	–
Prepayments	9.3	3.4	–	–
Accrued income	14.3	7.3	–	–
<i>Non-current assets</i>				
Amounts owed by Group undertakings	–	–	663.3	578.4
	60.9	51.8	663.3	578.4

Trade and other receivables

The carrying amount of trade and other receivables approximates to the fair value. Supplier income is included with trade and other receivables, this has been invoiced where there is no legal right to offset. The impairment of trade and other receivables is assessed in line with IFRS9. As at 28 March 2024 and 30 March 2023 the impact of expected credit loss on these balances was deemed to be immaterial and as such no provision has been made.

The Group apply the simplified approach under IFRS9 and default to lifetime expected credit loss. The ECL is immaterial on the trade receivables balance for the 52 week period ended 28 March 2024 (52 week period ended 30 March 2023: £nil).

Amounts owed by Joint Venture veterinary practices

Amounts owed by Joint Venture veterinary practices represent trading balances and operating loans owed by Joint Venture veterinary practices to the Group.

The impairment of amounts owed by Joint Venture veterinary practices relating to trading balances are assessed in line with IFRS 9. As at 28 March 2024 and 30 March 2023, the impact of expected credit loss on these balances was deemed to be immaterial due to the short term nature of these balances and as such no provision has been made.

Operating loans are provided on a short-term monthly cycle to the extent that a practice requires additional funding above their external bank loan. Practices generate cash on a monthly basis which is applied to the repayment of brought forward operating loans. For immature practices, loan balances may increase due to operating requirements. Based on a projected cash flow forecast on a practice by practice basis, the funding is expected to be required for a number of years, however as cash is applied against opening loan balances, the Group's expectation is that the brought forward balance will be repaid in cash within 12 months. The loans have been classified as current on this basis and the Group has chosen not to charge interest on these balances, and they are initially recognised under IFRS9 at their nominal value as the effect of discounting the expected cash flows based on the effective interest rate at the market rate of interest is not material. The loans advanced to the practices are interest free and either repayable on demand or repayable within 90 days of demand. No facility exists and the levels of loans are monitored in relation to review of the practices' performance against business plan and a number of financial and non-financial KPIs in accordance with the policy set out in note 1.16.

For those practices in default, a credit impairment charge is recognised under IFRS9 taking into account the Group's expectations of future cash flow recoverability. For other practices, a credit impairment charge is recognised under IFRS9, taking into account both the probability of loss and the loss proportion given default.

The balances above are shown net of allowances for expected credit losses held for operating loans of £3.0m (2023: £3.4m). The basis for this allowance and the movement in the period is set out below.

Group

	Gross loan value	Expected credit loss	Carrying value of loan
	£m	£m	£m
As at 30 March 2023	13.8	(3.4)	10.4
Loans written off	(1.6)	–	(1.6)
Net repayment and further advances	(3.4)	–	(3.4)
Utilisation of provision	–	1.1	1.1
Provisions made during the period	–	(0.7)	(0.7)
As at 28 March 2024	8.8	(3.0)	5.8

During the 52 week period ended 28 March 2024, £1.6m of operating loans which were deemed to be in default were written off in advance of the acquisition of the 'A' shares (52 week period ended 30 March 2023: £2.0m) which led to the control and consolidation of these practices. Further details of these acquisitions are provided in note 10.

The Group continues to work with a number of Joint Venture Partners, where the partners choose to follow the Group's recommendations on remediation plans aimed at improving practice performance. Further details regarding credit risk are provided in note 1.16.

Notes (forming part of the financial statements) continued

17 Trade and other receivables (continued)

The following table presents an analysis of the credit risk and credit impairment of operating loans held at amortised cost. Based on their future cashflow forecast, loans are categorised as performing or in default. The loss allowance is calculated in accordance with the policy set out in note 1.16, depending on the credit risk of each loan.

Credit risk	At 28 March 2024 £m	At 30 March 2023 £m
Performing	5.3	9.1
In default	3.5	4.7
Gross carrying amount	8.8	13.8
Loss allowance	(3.0)	(3.4)
Net carrying amount	5.8	10.4

Should forecast cash flows, as defined by the risk criteria in note 1.16, decrease by 0.5% over the 10-year time horizon, this would lead to an increase in the required provision for operating loans of £0.8m (30 March 2023: £0.8m). This sensitivity is considered by management to represent a reasonably possible range of estimation uncertainty, based on the variance in current trading performance within these Joint Venture veterinary practices. The factors which give rise to the estimation uncertainty include macro-economic and industry specific factors, including the level of industry growth, as well as gross margin percentages achieved within the industry, which contain a number of factors including the availability of suitably qualified veterinary personnel. Further details are provided in note 27.

Accrued income

Accrued income relates to income in relation to fees to Joint Venture veterinary practices and override and promotional income from suppliers which have not yet been invoiced. Accrued income is classified as current as it is expected to be invoiced and received within 12 months of the period end date. Supplier income is recognised on an accruals basis, based on the expected entitlement that has been earned up to the balance sheet date for each relevant supplier contract. As detailed in note 1.19, supplier income is recognised as a credit within gross margin to cost of sales and is outside of the scope of IFRS15. Further detail of the Group's revenue recognition policy is provided in note 1.19.

Company

Amounts owed by Group undertakings

Amounts owed by Group undertakings are repayable on demand bearing no interest and with no expectation that it will be settled within the next 12 months. The ECL calculated under IFRS 9 is not material.

18 Cash and cash equivalents

	Group		Company	
	At 28 March 2024 £m	At 30 March 2023 £m	At 28 March 2024 £m	At 30 March 2023 £m
Cash at bank	57.1	178.0	–	0.4

19 Other interest-bearing loans and borrowings

	Group		Company	
	At 28 March 2024 £m	At 30 March 2023 £m	At 28 March 2024 £m	At 30 March 2023 £m
Non-current liabilities				
Unsecured bank loans	22.2	97.3	22.2	97.3
Asset backed loans	21.1	22.0	–	–
Total	43.3	119.3	22.2	97.3

	Group		Company	
	At 28 March 2024 £m	At 30 March 2023 £m	At 28 March 2024 £m	At 30 March 2023 £m
Current liabilities				
Asset backed loans	2.2	1.2	–	–

Terms and debt repayment schedule

				Face value at 28 March 2024 £m	Carrying amount at 28 March 2024 £m	Face value at 30 March 2023 £m	Carrying amount at 30 March 2023 £m
	Currency	Nominal interest rate	Year of maturity				
Revolving credit facility	GBP	SONIA +1.30%	2028	25.0	22.2	100.0	97.3
Asset backed loan	GBP	SONIA +1.50%	2030	23.3	23.3	23.3	23.2
Total				48.3	45.5	123.3	120.5

Notes (forming part of the financial statements) continued

19 Other interest-bearing loans and borrowings (continued)

The drawn amount on the £300.0m revolving credit facility was £25.0m at 28 March 2024 (drawn amount on the £300.0m revolving credit facility was £100.0m at 30 March 2023) and this amount is reviewed each month. Interest is charged at SONIA plus a margin based on leverage on a pre-IFRS16 basis (net debt: EBITDA). The loan also has ESG linked metrics which will be reflected in the margin payable, which is +/- 5bps. Face value represents the principal value of the revolving credit facility. The facility is unsecured.

On 27 March 2023, the Group entered into a loan agreement to fund the purchase of capital items. The drawn amount on the £26.0m facility at 28 March 2024 was £23.3m. Interest is charged on the amount drawn at SONIA plus 1.5%. The Group will make monthly repayments until the loan matures on 27 March 2030. The repayments do not begin until the full facility has been drawn.

Interest-bearing borrowings are recognised initially at fair value, being the principal value of the loan net of attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at a carrying value, which represents the amortised cost of the loans using the effective interest method.

The analysis of repayments on the loans is as follows:

	At 28 March 2024 £m	At 30 March 2023 £m
Within one year or repayable on demand	2.2	1.2
Between one and two years	4.3	3.7
Between two and five years	37.9	111.2
Greater than five years	3.9	7.2
	48.3	123.3

The £25.0m revolving credit facility at 28 March 2024 is held by the Company. The £23.3m of asset backed loan are held by Pets at Home Limited, a 100% owned subsidiary company.

The Group's policy with regard to interest rate risk is to hedge the appropriate level of borrowings by entering into fixed rate agreements. The Group has fixed interest rate swap agreements over a total £50.0m of senior facility borrowing at a blended fixed rate of 5.058% which expires in September 2024.

The hedges are structured to hedge at least 70% of the forecast outstanding debt for the next 12 months.

Analysis of changes in net debt

	At 30 March 2023 £m	Cash flow £m	Non-cash movement £m	At 28 March 2024 £m
Cash and cash equivalents	178.0	(120.9)	–	57.1
Debt due within one year	(1.2)	–	(1.0)	(2.2)
Debt due after one year	(122.1)	75.0	1.0	(46.1)
Net debt	54.7	(45.9)	–	8.8

20 Trade and other payables

	Group		Company	
	At 28 March 2024 £m	At 30 March 2023 £m	At 28 March 2024 £m	At 30 March 2023 £m
Current				
Trade payables	138.2	155.5	–	–
Accruals and deferred income	74.9	68.5	2.8	1.5
Amounts owed to Joint Venture veterinary practices	0.8	4.5	–	–
Other payables including tax and social security	35.3	32.7	–	–
Amounts owed to Group undertakings	–	–	813.5	616.5
	249.2	261.2	816.3	618.0

Amounts owed to Joint Venture veterinary practices that relate to trading balances are interest free and repayable on demand.

Within accruals and deferred income above, contract liabilities under IFRS15 of £0.4m (2023: £0.5m) relate to advanced consideration received from customers in relation to gift vouchers, cards and points redeemable by charities. This revenue will be recognised as the vouchers, cards and points are redeemed, which is expected to be over the next two years.

Within accruals above, contract liabilities under IFRS15 of £1.3m (2023: £1.9m) relate to advanced consideration received from customers in relation to online orders which have not yet been delivered. This revenue will be recognised as the online orders are delivered to customers, which is expected to be in less than one week from the balance sheet date.

Notes (forming part of the financial statements) continued

21 Provisions

	Dilapidation provision £m	Closed stores provision £m	Provisions for exit and closure costs relating to Joint Venture veterinary practices £m	Provision for exit and closure costs relating to existing Distribution Centres £m	Total £m
Balance at 30 March 2023	9.2	0.7	3.2	3.7	16.8
Provisions made during the period	0.3	–	3.7	2.8	6.8
Provisions utilised during the period	(0.7)	(0.6)	(2.3)	(2.6)	(6.2)
Provisions released	(4.6)	–	(0.1)	–	(4.7)
Balance at 28 March 2024	4.2	0.1	4.5	3.9	12.7

	At 28 March 2024 £m	At 30 March 2023 £m
Current	7.6	3.9
Non-current	5.1	12.9
	12.7	16.8

As a result of the closure and planned closure of the existing Distribution Centres on the transition to the Stafford Distribution Centre, at 28 March 2024, the Group has a provision of £1.4m (2023: £2.0m) for voluntary redundancies for colleagues employed at those sites. The Group also holds a provision of £2.5m (2023: £1.7m) for retention bonuses payable to colleagues who remain from the previous Distribution Centres provided they remain employed by the Group until the remaining sites close. Further information is provided in note 3.

The closed stores provision relates to the rates, service charge and utilities payable on vacant stores. The timing of the utilisation of these provisions is variable dependent upon the lease expiry dates of the properties concerned, which vary between one and three years. Market conditions have an impact and hence the assumptions on future cash flows are reviewed regularly and revisions to the provision made where necessary.

The dilapidations provision relates to the expected cost of repairs on leased properties at future lease expiry dates, all of which are expected to be within within 2 years of the 52 weeks ending 28 March 2024, therefore the provision is not discounted. The timing of the utilisation of these provisions is variable depending on the expiry dates of the property leases concerned.

The provisions for exit and closure costs relating to Joint Venture veterinary practices relate to expenses for any Joint Venture veterinary practices that the Group has bought out or has offered to buy out from Joint Venture Partners, and therefore which have been provided for under IAS37. The timing of the utilisation of these provisions is variable dependent upon the lease expiry dates of the properties concerned, which vary between 2 and 13 years. Market conditions have a significant impact and hence the assumptions on future cash flows are reviewed regularly and revisions to the provision made where necessary.

22 Capital and reserves

Share capital Group

	Share capital Number	Share capital £m
At 31 March 2022	500,000,000	5.0
At 30 March 2023	483,197,785	4.8
At 28 March 2024	467,911,542	4.7
Company		
		Share capital 28 March 2024 £m
At beginning of period		4.8
Nominal value of shares cancelled in year following purchase by the Group		(0.1)
On issue at period end - authorised		4.7

In the 52 week period ended 28 March 2024, the Company bought back and cancelled 15,286,243 ordinary shares for total consideration including stamp duty of £50.3m, at an average market value of 327 pence per share.

Notes (forming part of the financial statements) continued

22 Capital and reserves (continued)

	Share capital 30 March 2023 £m
At beginning of period	5.0
Nominal value of shares cancelled in year following purchase by the Group	0.2
On issue at period end - authorised	4.8

In the 52 week period ended 30 March 2023, the Company bought back and cancelled 16,802,215 ordinary shares for total consideration including stamp duty of £50.3m, at an average market value of 298 pence per share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Consolidation and Merger reserves

The consolidation reserve and the merger reserve arose as a result of the creation of Pets at Home Group Plc and its purchase of the existing group of companies as part of the Initial Public Offering in 2014. As part of the IPO, a number of shares in Plc were issued in exchange for various instruments or cash. The premium arising on the issue was allocated between the share premium and merger reserve. A consolidation reserve was also created which reflected the difference between Plc reserves and the consolidated equity of PAH Lux S.a.r.l as part of the IPO in 2014.

Capital redemption reserve

The capital redemption reserve comprised the par value of the 15.3m (2023:16.8m) shares purchased and cancelled as part of the share buyback programme completed in the 52 week period ended 28 March 2024.

Translation reserve

The translation reserve comprises all foreign exchange differences arising since 21 November 2011, the date of incorporation of Pets at Home Asia Ltd where the functional currency differs from that of the rest of the Group.

Cash flow hedging reserve

The cash flow hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Retained earnings

Included within the Group is Pets at Home Employee Benefit Trust ('EBT'). The EBT purchases shares to fund the share option schemes. As at 28 March 2024, the EBT held 5,564,701 ordinary shares (2023: 5,323,525) with a cost of £20,300,288 (2023: £19,546,982). The average purchase value of these shares as at 28 March 2024 was 364.8 pence per share (2023: 367.2 pence per share).

Other comprehensive income

28 March 2024

	Translation reserve £m	Cash flow hedging reserve £m	Total other comprehensive income £m
Other comprehensive income	–	–	–
Effective portion of changes in fair value of cash flow hedges	–	3.3	3.3
Net change in fair value of cash flow hedges reclassified to profit or loss	–	1.3	1.3
Deferred tax on changes in fair value of cash flow hedges	–	(0.3)	(0.3)
Total other comprehensive income	–	4.3	4.3

30 March 2023

	Translation reserve £m	Cash flow hedging reserve £m	Total other comprehensive income £m
Other comprehensive income	(0.1)	–	(0.1)
Effective portion of changes in fair value of cash flow hedges	–	(10.6)	(10.6)
Deferred tax on changes in fair value of cash flow hedges	–	1.3	1.3
Total other comprehensive income	(0.1)	(9.3)	(9.4)

Notes (forming part of the financial statements) continued

23 Financial instruments

Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

Risk management framework

Risk management in respect of financial risk is carried out by the Group Treasury function under policies approved by the Board of Directors. The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board provides written principles through its Group Treasury Policy for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

The main objectives of the Group Treasury function are:

- To ensure shareholder and management expectations are managed on cash flow and earnings volatility resulting from financial market movements;
- To protect the expected cash flow and earnings from interest rate and foreign exchange fluctuations to within parameters acceptable to the Board and shareholders; and
- To control banking costs and service levels.

Market risk

Foreign currency risk

The Group sources a significant level of purchases in foreign currency, in the region of US\$110m each financial year, and monitors its foreign currency requirements through short, medium and long-term cash flow forecasting. The value of purchases in US dollars continues to increase each year and the risk management policy has evolved with this increased risk.

At 28 March 2024, the Group's policy is to hedge up to 95% of the next 12 months and additionally up to 60% of the following six months out to 18 months forecast foreign exchange transactions, using foreign currency bank accounts and forward foreign exchange contracts. The transactions are deemed to be 'highly probable' and are based on historical knowledge and forecast purchase and sales projections.

The Group's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments, except for derivatives which are based on notional amounts:

28 March 2024

	Euro £m	US Dollar £m	HKD £m	Total £m
Cash and cash equivalents	0.4	6.1	–	6.5
Trade payables	(2.8)	(3.2)	–	(6.0)
Forward exchange contracts	(0.2)	(0.6)	–	(0.8)
Balance sheet exposure	(2.6)	2.3	–	(0.3)

30 March 2023

	Euro £m	US Dollar £m	HKD £m	Total £m
Cash and cash equivalents	0.3	6.8	–	7.1
Trade payables	(2.9)	(7.2)	–	(10.1)
Forward exchange contracts	–	(3.3)	–	(3.3)
Balance sheet exposure	(2.6)	(3.7)	–	(6.3)

Sensitivity analysis

A 5% weakening of the following currencies against the pound sterling at the period end date in both years would have increased profit or loss or equity by the amounts shown below. This calculation is post the impact of hedging and assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

	Equity		Profit or loss	
	28 March 2024 £m	30 March 2023 £m	28 March 2024 £m	30 March 2023 £m
US Dollar	–	0.2	(0.1)	–
Euro	–	–	0.1	–

A 5% strengthening of the above currencies against the pound sterling in any period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Notes (forming part of the financial statements) continued

23 Financial instruments (continued)

Managing interest rate benchmark reform and associated risks

The Group's exposure to sterling SONIA designated in hedging relationships is £48.3m at 28 March 2024, £25.0m of which represents the nominal amount of the hedging interest rate swap and the principal amount of the hedged sterling-denominated revolving credit facility.

Interest rate risk

Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. As at 28 March 2024 the Group had a revolving credit facility with a face value totalling £25.0m and an asset backed loan with a face value of £23.3m. The Group's borrowings as at 28 March 2024 incur interest at a rate of 1.3% to 1.5% plus SONIA at the leverage prevalent in the period, which exposes the Group to cash flow interest rate risk. The analysis of loan repayments is detailed in note 19.

The Group's policy with regard to interest rate risk is to hedge the appropriate level of borrowings by entering into fixed rate agreements. From 25 September 2023 the Group has fixed interest rate swap agreements covering £50.0m of senior facility borrowing at a blended fixed rate of 5.058% which expires in September 2024. The hedge is structured to hedge at least 70% of the forecast outstanding debt for the next year.

Profile

At the balance sheet date the interest rate profile of the Group's interest-bearing financial instruments was:

	Group		Company	
	Book value At 28 March 2024 £m	Book value At 30 March 2023 £m	Book value At 28 March 2024 £m	Book value At 30 March 2023 £m
Fixed rate instruments				
Financial liabilities	48.3	100.0	25.0	100.0
Variable rate instruments				
Financial liabilities	-	23.3	-	-
Total financial liabilities	48.3	123.3	25.0	100.0

All borrowings bear a variable rate of interest based on SONIA. Group policy is to hedge at least 70% of the loans to ensure a fixed rate of interest. Therefore, designated above is the portion of the loan hedged by a fixed rate interest rate swap.

Sensitivity analysis

A change of 50 basis points in interest rates at the period end date would have increased/(decreased) equity and profit or loss by the amounts shown below post hedging. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant and considers the effect of financial instruments with variable interest rates, financial instruments at fair value through profit or loss or available for sale with fixed interest rates and the fixed rate element of interest rate swaps. The analysis is performed on the same basis for the comparative period.

	At 28 March 2024 £m	At 30 March 2023 £m
Equity		
Increase	0.1	0.5
Decrease	(0.1)	(0.5)
Profit or loss		
Increase	0.1	0.1
Decrease	(0.1)	(0.1)

Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, investment securities and operating loans to Joint Venture veterinary practices.

Credit risk also arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. The Group ensures that the banks used for the financing of the revolving credit facilities and interest rate swap agreements hold an acceptable risk rating by independent parties.

The Group has in place certain guarantees over the bank loans taken out by a number of Joint Venture veterinary practice companies in which it holds an investment. Further details of these guarantees are disclosed in note 27. The performance of the Joint Venture veterinary practice companies is reviewed on an ongoing basis.

Exposure to credit risk

The Group's maximum exposure to credit risk, being the carrying amount of financial assets, is summarised in the table within the fair values section below.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

Management prepares and monitors rolling forecasts of the Group's cash balances based on expected cash flows to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without risking damage to the Group's reputation. Covenants are monitored on a regular basis to ensure there is no risk or breach which would lead to an 'Event of Default' and compliance certificates are issued as required to the syndicate agent.

Notes (forming part of the financial statements) continued

23 Financial instruments (continued)

The following are the contractual maturities of financial liabilities including estimates of interest payable based on SONIA rates at the end of the financial period:

Group

28 March 2024

	Carrying amount £m	Contractual cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	5 years and over £m
Non-derivative financial liabilities						
Bank loans (note 19)	45.5	48.3	2.2	4.3	37.9	3.9
Trade payables (note 20)	138.2	138.2	138.2	–	–	–
	183.7	186.5	140.4	4.3	37.9	3.9

30 March 2023

	Carrying amount £m	Contractual cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	5 years and over £m
Non-derivative financial liabilities						
Bank loans (note 19)	120.5	140.5	6.6	7.5	118.8	7.6
Trade payables (note 20)	155.5	155.5	155.5	–	–	–
	276.0	296.0	162.1	7.5	118.8	7.6

Company

28 March 2024

	Carrying amount £m	Contractual cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	5 years and over £m
Non-derivative financial liabilities						
Bank loans (note 19)	22.2	25.0	–	–	25.0	–
	22.2	25.0	–	–	–	–

30 March 2023

	Carrying amount £m	Contractual cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	5 years and over £m
Non-derivative financial liabilities						
Bank loans (note 19)	97.3	111.9	4.0	2.7	105.2	–
	97.3	111.9	4.0	2.7	105.2	–

Liquidity risk and cash flow hedges

Cash flow hedges

The following table indicates the periods in which the cash flows associated with cash flow hedging instruments are expected to occur and to affect profit or loss:

Group

28 March 2024

	Carrying amount £m	Expected cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	5 years and over £m
<i>Forward exchange contracts:</i>						
Current liabilities (note 16)	(1.0)	(1.0)	(1.0)	–	–	–
	(1.0)	(1.0)	(1.0)	–	–	–

30 March 2023

	Carrying amount £m	Expected cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	5 years and over £m
<i>Interest rate swaps:</i>						
Current assets (note 16)	2.0	2.0	2.0	–	–	–
Non-current liabilities (note 16)	(0.4)	(0.4)	–	(0.4)	–	–
<i>Forward exchange contracts:</i>						
Current liabilities (note 16)	(3.4)	(3.4)	(3.4)	–	–	–
<i>Fuel forward contracts:</i>						
Current liabilities (note 16)	(0.3)	(0.3)	(0.3)	–	–	–
	(2.1)	(2.1)	(1.7)	(0.4)	–	–

Notes (forming part of the financial statements) continued

23 Financial instruments (continued)

Company
28 March 2024

	Carrying amount £m	Expected cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	5 years and over £m
<i>Interest rate swaps:</i>						
Assets (note 16)	–	–	–	–	–	–
Liabilities (note 16)	–	–	–	–	–	–
	–	–	–	–	–	–

30 March 2023	Carrying amount £m	Expected cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	5 years and over £m
<i>Interest rate swaps:</i>						
Assets (note 16)	2.0	2.0	2.0	–	–	–
Liabilities (note 16)	(0.4)	(0.4)	–	(0.4)	–	–
	1.6	1.6	2.0	(0.4)	–	–

Fair values of financial instruments

Investments

The fair values of investments are considered to be their carrying value as the impact of discounting future cash flows has been assessed as not material and the investment is non-participatory.

Trade and other payables and receivables

The fair values of these items are considered to be their carrying value as the impact of discounting future cash flows has been assessed as not material.

Cash and cash equivalents

The fair value of cash and cash equivalents is its carrying amount where the cash is readily available. The fair value of short term deposits approximates to the carrying amount because of the short maturity of these instruments.

Long term and short term borrowings

The fair value of bank loans and other loans approximates their carrying value as they have interest rates based on SONIA. The impact of credit risk has an immaterial impact on the fair value.

Short term deposits

The fair value of short term deposits is considered to be their carrying value as the balances are held in floating rate accounts where the interest rate is reset to market rates.

Derivative financial instruments

The fair values of forward exchange contracts and interest rate swap contracts are calculated by management based on external valuations received from the Group's bankers and are based on forward exchange rates and anticipated future interest yield respectively.

Contingent consideration

Contingent consideration on acquisition or disposal of a subsidiary is valued at fair value at the time of acquisition or disposal. Any subsequent changes in fair values are recognised in profit or loss.

Fair values

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

Fair value hierarchy

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Notes (forming part of the financial statements) continued

23 Financial instruments (continued)

The following tables show the fair values and carrying amounts of financial assets and liabilities as well as their fair value hierarchy. The tables do not include fair value detail for financial assets and liabilities not measured at fair value if their carrying value is a reasonable approximation of fair value.

28 March 2024

	Fair value – hedging instruments £m	FVOCI – equity instruments £m	Financial assets at amortised cost £m	Other financial liabilities £m	Total carrying amount £m
Carrying amount					
Financial assets measured at fair value					
Forward exchange contracts used for hedging (note 16)	0.2	–	–	–	0.2
Fuel forward contracts used for hedging (note 16)	0.1	–	–	–	0.1
Interest rate swaps used for hedging (note 16)	–	–	–	–	–
	0.3	–	–	–	0.3
Financial assets not measured at fair value					
Other investments (note 16)	–	–	2.0	–	2.0
Investments in Joint Venture veterinary practices (note 16)	–	–	2.7	–	2.7
Current trade and other receivables (note 17)	–	–	20.2	–	20.2
Amounts owed by Joint Venture veterinary practices – funding, trading and operating loans (note 17)	–	–	17.1	–	17.1
Cash and cash equivalents (note 18)	–	–	57.1	–	57.1
Loans to Joint Venture veterinary practices – initial set up loans (note 16)	–	–	5.2	–	5.2
Loans to Joint Venture veterinary practices – other loans (note 16)	–	–	0.5	–	0.5
Non-current other receivables (note 16)	–	–	0.5	–	0.5
	–	–	105.3	–	105.3
Financial liabilities measured at fair value					
Fuel forward exchange contracts used for hedging (note 16)	–	–	–	–	–
Forward exchange contracts used for hedging (note 16)	(1.0)	–	–	–	(1.0)
Interest rate swaps used for hedging (note 16)	–	–	–	–	–
	(1.0)	–	–	–	(1.0)
Financial liabilities not measured at fair value					
Current lease liabilities (note 12)	–	–	–	(79.8)	(79.8)
Non-current lease liabilities (note 12)	–	–	–	(301.0)	(301.0)
Trade payables (note 20)	–	–	–	(138.2)	(138.2)
Amounts owed to Joint Venture veterinary practices (note 20)	–	–	–	(0.8)	(0.8)
Other interest-bearing loans and borrowings (note 19)	–	–	–	(45.5)	(45.5)
	–	–	–	(565.3)	(565.3)

28 March 2024

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Fair value				
Financial assets measured at fair value				
Forward exchange contracts used for hedging (note 16)	–	0.2	–	0.2
Fuel forward contracts used for hedging (note 16)	–	0.1	–	0.1
Interest rate swaps used for hedging (note 16)	–	–	–	–

Notes (forming part of the financial statements) continued

23 Financial instruments (continued)

30 March 2023

	Fair value – hedging instruments £m	FVOCI – equity instruments £m	Financial assets at amortised cost £m	Other financial liabilities £m	Total carrying amount £m
Carrying amount					
Financial assets measured at fair value					
Interest rate swaps used for hedging (note 16)	2.0	–	–	–	2.0
	2.0	–	–	–	2.0
Financial assets not measured at fair value					
Investments in Joint Venture veterinary practices (note 16)	–	–	0.4	–	0.4
Other investments (note 16)	–	–	2.1	–	2.1
Current trade and other receivables (note 17)	–	–	19.2	–	19.2
Amounts owed by Joint Venture veterinary practices – funding, trading and operating loans (note 17)	–	–	21.9	–	21.9
Cash and cash equivalents (note 18)	–	–	178.0	–	178.0
Loans to Joint Venture veterinary practices – initial set up loans (note 16)	–	–	6.6	–	6.6
Loans to Joint Venture veterinary practices – other loans (note 16)	–	–	1.2	–	1.2
Non-current other receivables (note 16)	–	–	0.6	–	0.6
	–	–	230.0	–	230.0
Financial liabilities measured at fair value					
Fuel forward exchange contracts used for hedging (note 16)	(0.3)	–	–	–	(0.3)
Forward exchange contracts used for hedging (note 16)	(3.4)	–	–	–	(3.4)
Interest rate swaps used for hedging (note 16)	(0.4)	–	–	–	(0.4)
	(4.1)	–	–	–	(4.1)
Financial liabilities not measured at fair value					
Current lease liabilities (note 12)	–	–	–	(83.3)	(83.3)
Non-current lease liabilities (note 12)	–	–	–	(338.1)	(338.1)
Trade payables (note 20)	–	–	–	(155.5)	(155.5)
Amounts owed to Joint Venture veterinary practices (note 20)	–	–	–	(4.5)	(4.5)
Other interest-bearing loans and borrowings (note 19)	–	–	–	(120.5)	(120.5)
	–	–	–	(701.9)	(701.9)

30 March 2023

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Fair value				
Financial assets measured at fair value				
Interest rate swaps used for hedging (note 16)	–	–	2.0	2.0

Changes in liabilities arising from financing activities Group

	Loans and borrowings £m	Lease liabilities £m	Total £m
Balance at 30 March 2023	120.5	421.4	541.9
Changes from financing cash flows			
Repayment of borrowings	(75.0)	–	(75.0)
Payment of lease liabilities	–	(81.7)	(81.7)
Total changes from financing cash flows	(75.0)	(81.7)	(156.7)
Other changes			
Interest expense on lease liabilities	–	13.3	13.3
Additions to lease liabilities	–	29.8	29.8
Disposal of lease liabilities	–	(2.0)	(2.0)
Capitalisation of debt issue costs	(0.9)	–	(0.9)
Amortisation of debt issue costs	0.9	–	0.9
Total other changes	–	41.1	41.1
Balance at 28 March 2024	45.5	380.8	426.3

Notes (forming part of the financial statements) continued

23 Financial instruments (continued)

	Loans and borrowings £m	Lease liabilities £m	Total £m
Balance at 31 March 2022	96.9	383.0	479.9
Changes from financing cash flows			
Proceeds from loans and borrowings	123.3	—	123.3
Repayment of borrowings	(100.0)	—	(100.0)
Lease incentives received	—	22.0	22.0
Payment of lease liabilities	—	(83.1)	(83.1)
Total changes from financing cash flows	23.3	(61.1)	(37.8)
Other changes			
Interest expense on lease liabilities	—	12.4	12.4
Additions to lease liabilities	—	87.4	87.4
Disposal of lease liabilities	—	(0.3)	(0.3)
Capitalisation of debt issue costs	(0.1)	—	(0.1)
Amortisation of debt issue costs	0.4	—	0.4
Total other changes	0.3	99.5	99.8
Balance at 30 March 2023	120.5	421.4	541.9

Company

	Loans and borrowings £m	Total £m
Balance at 30 March 2023	97.3	97.3
Changes from financing cash flows		
Repayment of borrowings	(75.0)	(75.0)
Total changes from financing cash flows	(75.0)	(75.0)
Capitalisation of debt issue costs	(0.9)	(0.9)
Amortisation of debt issue costs	0.8	0.8
Total other changes	(0.1)	(0.1)
Balance at 28 March 2024	22.2	22.2

	Loans and borrowings £m	Total £m
Balance at 31 March 2022	96.9	96.9
Changes from financing cash flows		
Proceeds from loans and borrowings	100.0	100.0
Repayment of borrowings	(100.0)	(100.0)
Total changes from financing cash flows	—	—
Other changes		
Amortisation of debt issue costs	0.4	0.4
Total other changes	0.4	0.4
Balance at 30 March 2023	97.3	97.3

	Cash flow hedge reserve 2024 £m	2023 £m
Foreign currency risk		
Inventory purchases	(0.6)	(2.5)
Commodity price risk		
Fuel purchases	0.1	(0.3)
Interest rate risk		
Variable rate instruments	—	1.2

	Commodity price risk		Foreign currency risk		Interest rate risk	
	Forward exchange contracts- fuel		Forward exchange contracts- inventory		Interest rate swaps	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Nominal amount						
Carrying amount- asset (note 16)	0.1	—	0.2	—	—	2.0
Carrying amount- liability (note 16)	—	(0.3)	(1.0)	(3.4)	—	(0.4)
<i>Changes in the value of hedging instrument recognised in OCI</i>						
Amount of hedging reserve transferred to cost of inventory	—	0.5	(3.3)	2.2	—	1.6
Net change in fair value of cash flow hedges reclassified to profit or loss	(0.3)	—	—	—	1.6	—

Notes (forming part of the financial statements) continued

23 Financial instruments (continued)

The following table provides a reconciliation by risk category of hedging reserve and analysis of OCI items, net of tax, resulting from cash flow hedging accounting:

	28 March 2024 £m	30 March 2023 £m
Balance brought forward	(1.6)	3.4
<i>Changes in fair value</i>		
Foreign currency risk- inventory purchase	2.6	(5.5)
Commodity risk- fuel	0.4	(0.9)
Interest rate risk	(1.6)	0.1
Tax on movements on reserves during the year	(0.3)	1.3
Balance carried forward	(0.5)	(1.6)

Measurement of fair values

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values at the balance sheet dates, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in equity securities	The fair values of investments in unlisted equity securities are considered to be their carrying value as the impact of discounting future cash flows has been assessed as not material and the investment is non-participatory.	Not applicable	Not applicable
Forward exchange contracts and interest rate swaps	Market comparison technique – the fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions on similar instruments.	Not applicable	Not applicable
Other financial liabilities	Other financial liabilities include the fair values of the put and call options over the non-controlling interests of subsidiary undertakings. The fair values represent the best estimate of amounts payable based on future earnings performance discounted to present value.	Future earnings performance	Fair value linked to increase or decrease in the best estimate of the future earnings performance

Hedge accounting

Cash flow hedges

At 28 March 2024 and 30 March 2023, the Group held the following instruments to hedge exposures to changes in foreign currency and interest rates.

	Maturity					
	1-6 months	6-12 months	More than 1 year	1-6 months	6-12 months	More than 1 year
	2024	2024	2024	2023	2023	2023
Foreign currency risk						
Forward exchange contracts						
Net exposure (£m)	50.4	29.1	–	50.1	30.8	–
Average GBP-USD forward contract rate	1.24	1.27	–	1.16	1.21	–
Average GBP-EUR forward contract rate	1.14	1.16	–	1.14	1.11	–
Interest rate risk						
Interest rate swaps						
Net exposure (£m)	50.0	–		100.0	–	50.0
Average fixed interest rate	5.06%	–		0.811%	–	5.058%

Company

The Company held interest rate swaps as at 28 March 2024 and 30 March 2023 which are valued as above.

Capital management

The Group's objectives when managing capital, which is deemed to be total equity plus total debt, are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, through the optimisation of the debt and equity balance, and to maintain a strong credit rating and headroom on financial covenants. The Group manages its capital structure and makes appropriate decisions in light of the current economic conditions and strategic objectives of the Group.

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the Group. The funding requirements of the Group are met by the utilisation of external borrowings together with available cash, as detailed in note 19.

A key objective of the Group's capital management is to maintain compliance with the covenants set out in the revolving credit facility and to maintain a comfortable level of headroom over and above these requirements. Management have continued to measure and monitor covenant compliance throughout the period and the Group has complied with the requirements set.

Notes (forming part of the financial statements) continued

24 Share-based payments

At 28 March 2024 and 30 March 2023, the Group has five share award plans, all of which are equity settled schemes.

1 Company Share Ownership Plan ('CSOP')

On 25 February 2014 the Company adopted the CSOP. Part I of the CSOP is tax approved under Schedule 4 to the Income Tax (Earnings and Pensions) Act 2003 and provides for the grant of tax approved options. Part II of the CSOP provides for the grant of unapproved options.

The tax approved options under Part I of the CSOP will be exercisable between the third and tenth anniversary of the date of grant, subject to continued employment with the Group. These awards will be granted with an exercise price equal to the market value of the shares at the grant date (as agreed with HMRC).

(a) Eligibility

All colleagues, including the Executive Directors and Senior Executives, are eligible to participate in the CSOP, at the discretion of the Remuneration Committee.

(b) Grant of options

No options may be granted more than ten years after the adoption of the CSOP. Options under the CSOP will not form part of a colleague's pensionable earnings.

(c) Vesting and performance

Colleagues who receive options under the CSOP and under the PSP in connection with Admission will be subject to the same performance conditions described in Section 1 (d) above in respect of both grants. Colleagues who only receive options under the CSOP in connection with Admission will not be subject to performance conditions.

(d) Exercise price

The price at which an option holder may acquire shares on the exercise of an option shall be determined by the Board but shall not be less than the greater of market value of a share at the time of grant and its nominal value. The exercise price is therefore fixed at grant date.

(e) Individual limits

No option may be granted to an eligible colleague under Part I of the CSOP which would result in the aggregate exercise prices of shares comprised in all outstanding options granted to him/her under Part I, when aggregated with outstanding options held under any other tax approved executive share option scheme established by the Company, exceeding the tax approved limit (currently £30,000).

In addition, (both under Part I and II of the CSOP) the aggregate exercise price of shares comprised in options granted to a colleague under the CSOP and the PSP in any financial year shall not exceed 150% of his/her annual salary for that year.

For the purposes of these limits, market value will be calculated by reference to the market value of the shares on or prior to the relevant date of grant as determined by the Board (following consultation with the Remuneration Committee) and subject to HMRC approval if applicable.

Part II of the CSOP provides for the grant of unapproved options. This enables options to be granted under the same terms as Part I of the CSOP but without complying with the particular requirements of the legislation applicable to tax approved CSOP Schemes. The provisions of the CSOP that do not apply under Part II include the £30,000 limit and the need to seek HMRC approval for the scheme and subsequent amendments (as applicable).

2 Performance Share Plan ('PSP')

On 25 February 2014 the Company adopted the PSP. Awards under the PSP were made on 17 March 2014 and annually thereafter up until 2017 after which no further awards were granted. The awards will be exercisable between the third and tenth anniversary of the grant date, subject to continued employment with the Group and the satisfaction of performance conditions. These awards were granted at nil cost.

(a) Eligibility

Only the Executive Directors, Senior Executives and certain other senior colleagues were selected to participate in the PSP.

(b) Grant of awards

Awards under the PSP will not form part of a colleague's pensionable earnings. Awards are not transferable (other than on death) without the consent of the Remuneration Committee.

(c) Exercise price

The price at which a colleague may acquire shares on the exercise or vesting of an award under the PSP shall be determined by the Remuneration Committee on the date of grant, and may, if the Remuneration Committee determines, be nil or nominal value only.

(d) Scheme limits

The number of newly issued shares over which (or in respect of which) awards may be granted under the PSP on any date shall be limited so that: (i) the total number of shares issued and issuable in respect of options or awards granted in any ten year period under the PSP and any other discretionary share option scheme of the Company (including the RSA and the CSOP but other than to satisfy dividend equivalent payments) is restricted to 5% of the Company's issued shares calculated at the relevant time; and (ii) the total number of shares issued and issuable pursuant to options or awards granted in any ten year period under the PSP and any other employee share scheme operated by the Company (including the CSOP, SAYE and RSA but other than to satisfy dividend equivalent payments) is restricted to 10% of the Company's issued shares calculated at the relevant time.

For the purposes of these limits, no account will be taken of options or awards granted before, on or in connection with Admission and no account will be taken of options or awards which have lapsed, been surrendered or otherwise become incapable of exercise or vesting. Shares held in treasury will be treated as newly issued shares for the purposes of these limits (as long as this is required by institutional investor guidelines), but (for the avoidance of doubt) shares acquired in the market will not.

(e) Individual limits

The aggregate market value of shares comprised in awards granted to a colleague under the PSP, RSA and the CSOP in any financial year shall not exceed 150% of their annual salary for that year.

For the purposes of awards granted on (or before) Admission, market value for these purposes was calculated by reference to the Offer Price. For the purposes of awards granted following Admission, market value for these purposes will be calculated by reference to the market value of the shares on the relevant date of grant as determined by the Board (following consultation with the Remuneration Committee) in its absolute discretion.

Notes (forming part of the financial statements) continued

24 Share-based payments (continued)

(f) Performance

The Matching Awards granted on 17 March 2014 vested subject to the satisfaction of the performance conditions outlined below. To the extent that any future awards are granted, different conditions may apply (in the absolute discretion of the Remuneration Committee).

The performance conditions were as follows:

- 75% of the Matching Award was subject to the CAGR in the Company's earnings per share ('EPS') over three financial years, namely FY15, FY16 and FY17 (together the 'Performance Period') (which, for the avoidance of doubt, ended on 30 March 2017). If the CAGR in the Company's EPS was 10%, then 10% of the total Matching Award would vest. If the CAGR in the Company's EPS was 17.5% or more, then 75% of the total Matching Award would vest. Vesting was on a straight-line basis between these two points. For the avoidance of doubt, if the CAGR in the EPS was less than 10% over the Performance Period then the amount of the Matching Award which would vest under this EPS performance condition would be nil.
- 25% of the total Matching Award was subject to the Company's total shareholder return ('TSR') as compared to a comparator group made up of a selected group of retail companies over the Performance Period. Vesting of 6.25% of the total Matching Award would occur for median performance. Vesting of the maximum 25% of the total Matching Award would occur for upper quartile performance or above. Vesting would occur on a straight-line basis between these two points. If the Company's TSR performance over the Performance Period was below median, then the amount of the Matching Award which would vest under this TSR performance condition would be nil.
- To the extent vested as to performance, Matching Awards became exercisable in three equal amounts on the third, fourth and fifth anniversary of 17 March 2014, but subject to continued employment with the Group.

3 Save As You Earn ('SAYE')

On 25 February 2014, the Company adopted the SAYE (which was registered with and self-certified with HMRC on 4 April 2015). The rules of the SAYE were adopted pursuant to Schedule 3 of the Income Tax (Earnings and Pensions) Act 2003 and provide for the grant of tax approved options. In September each year, the Company issues invitations under the rules of the SAYE which provides eligible colleagues with an opportunity to receive share options at a 20% discount to the market price. The maximum monthly savings is £500 per month. During the 52 weeks ending 28 March 2024, the Executive Directors have elected to participate in the SAYE, along with 10.95% of eligible colleagues.

The options are granted once a year, and in normal circumstances they are not exercisable until completion of a savings period, beginning on 1 December each year, and will then be exercisable for a period of six months following completion of the relevant savings period.

(a) Eligibility

All colleagues and full-time Directors of the Group, who have been in continuous service for such period of time (not exceeding five years) as may be determined by the Board prior to the relevant date of grant of an option and who are liable to UK income tax, are eligible to participate in the SAYE.

Participation may also be offered, at the discretion of the Board (taking account of the recommendations of the Remuneration Committee), to other Directors or employees who otherwise do not satisfy all of the above criteria, although Non-Executive Directors are not eligible to participate in the SAYE.

(b) Issue of invitations

Invitations to participate in the SAYE may be made during each 42 day period from (and including) (i) the date on which any amendment to the SAYE is approved or adopted by the Company's shareholders, (ii) the announcement of the Company's final or interim results for any financial period, (iii) the occurrence of an event which the Remuneration Committee considers to be an non-underlying event concerning the Group or (iv) changes to the legislation affecting tax approved SAYE option schemes coming into effect. If any of the above periods is a 'close period' as a result of the application of the Model Code for Securities Transactions by Directors of Listed Companies (or as a result of the Company's equivalent internal share dealing rules) and the Company is prohibited from issuing invitations and/or granting options as a result, then invitations may be made within 42 days of the end of the close period.

Invitations may be issued by the trustee of an employee benefit trust. No invitations may be issued or options granted more than ten years after the adoption of the SAYE.

(c) Exercise price

The price at which an option holder may acquire shares on the exercise of an option shall be determined by the Board but shall not be less than the greater of 80% of the market value of a share at the time of grant and its nominal value.

(d) Savings contract

Options may be granted by the Board or the trustee of an employee benefit trust. Upon applying for an option, the colleague will be required to enter into an approved savings contract with a savings institution nominated by the Company which lasts for three years. The maximum amount which an employee is permitted to contribute under SAYE contracts is £500 per month. The Board may set lower savings limits than this for different colleagues by reference to objective criteria such as levels of salary or length of service. The minimum contribution is £5 per month (or such greater amount as the Board may specify, not to exceed £10). The total exercise price of the shares over which the option is granted may not exceed the aggregate of the monthly contributions and bonus payable at the end of the colleague's related SAYE contract.

(e) Scheme limits

The number of newly issued shares over which (or in respect of which) options may be granted under the SAYE on any date of grant shall be limited so that the total number of shares issued or capable of being issued in any ten year period under all the Company's employee share schemes (including the CSOP, PSP and RSA but other than to satisfy dividend equivalent payments) is restricted to 10% of the Company's issued shares calculated at the relevant time. Any options or rights to acquire shares granted before, on or in connection with Admission will be excluded from this limit, and no account will be taken of options or awards which have lapsed, been surrendered or otherwise become incapable of exercise or vesting.

(f) Exercisability

Options will normally be exercisable during a period of six months following the allocation of a bonus under the related SAYE contract and will normally lapse upon cessation of employment. Earlier exercise is, however, permitted if the colleague dies or leaves employment through injury, disability, redundancy or retirement or where a colleague leaves employment of the Group by reason of his employing company ceasing to be a member of the Group, or if the undertaking in which he is employed is sold outside the Group. Early exercise will also be permitted in the event of a takeover, reconstructions or voluntary winding up of the Company.

Notes (forming part of the financial statements) continued

24 Share-based payments (continued)

4 Restricted Stock Plan ('RSA')

On 20 July 2017 the Company adopted the RSA. Awards under the RSA were made on 20 July 2017 and annually thereafter and will be exercisable between the third and tenth anniversary of this date, subject to continued employment with the Group and the satisfaction of performance conditions. These awards are granted at nil cost.

(a) Eligibility

All colleagues, including the Executive Directors and Senior Executives, are eligible to participate in the RSA, at the discretion of the Remuneration Committee.

(b) Grant of awards

Awards under the RSA will not form part of a colleague's pensionable earnings. Awards are not transferable (other than on death) without the consent of the Remuneration Committee.

(c) Exercise price

The price at which a colleague may acquire shares on the exercise or vesting of an award under the RSA shall be determined by the Remuneration Committee on the date of grant, and may, if the Remuneration Committee determines, be nil or nominal value only.

(d) Scheme limits

The number of newly issued shares over which (or in respect of which) awards may be granted under the RSA on any date shall be limited so that: (i) the total number of shares issued and issuable in respect of options or awards granted in any ten year period under the RSA and any other discretionary share option scheme of the Company (including the PSP and the CSOP but other than to satisfy dividend equivalent payments) is restricted to 5% of the Company's issued shares calculated at the relevant time; and (ii) the total number of shares issued and issuable pursuant to options or awards granted in any ten year period under the RSA and any other employee share scheme operated by the Company (including the CSOP, SAYE and PSP but other than to satisfy dividend equivalent payments) is restricted to 10% of the Company's issued shares calculated at the relevant time.

For the purposes of these limits, no account will be taken of options or awards granted before, on or in connection with Admission and no account will be taken of options or awards which have lapsed, been surrendered or otherwise become incapable of exercise or vesting. Shares held in treasury will be treated as newly issued shares for the purposes of these limits (as long as this is required by institutional investor guidelines), but (for the avoidance of doubt) shares acquired in the market will not.

(e) Individual limits

The aggregate market value of shares comprised in awards granted to a colleague under the RSA, PSP and the CSOP in any financial year shall not exceed 150% of their annual salary for that year. Market value for these purposes will be calculated by reference to the market value of the shares on the relevant date of grant as determined by the Board (following consultation with the Remuneration Committee) in its absolute discretion.

Fair value of share awards

The expected volatility is based on historical volatility of a peer group of companies over a relevant period prior to award. The expected life is the average expected period to exercise, which has been taken as three years. The risk free rate of return is the yield on zero-coupon UK government bonds with a life equal to this expected life.

Options are valued using a Black-Scholes option-pricing model for the non-market based (EPS element) performance conditions and a Monte-Carlo simulation for the market-based (TSR element) performance conditions.

Special provisions allow early exercise in the case of death, injury, disability, redundancy, retirement or because the Company which employs the option holder ceases to be part of the Group or in the event of a change in control, reconstruction or winding up of the Company.

5 Deferred Share Bonus Plan ('DSBP')

On 24 March 2022 the Company adopted the DSBP. Awards under the DSBP represent the deferral of the discretionary bonus awarded to eligible colleagues into shares. Awards under the DSBP will be exercisable between the second anniversary of the first day following the end of the Year in respect of which the Bonus in question is earned or would have been earned notwithstanding that it was deferred and the tenth anniversary of the Date of Grant. These awards are granted at nil cost.

(a) Eligibility

All colleagues, including the Executive Directors and Senior Executives, are eligible to participate in the DSBP, at the discretion of the Remuneration Committee.

(b) Grant of awards

Awards under the DSBP will not form part of a colleague's pensionable earnings. Awards are not transferable (other than on death) without the consent of the Remuneration Committee.

(c) Exercise price

The price at which a colleague may acquire shares on the exercise or vesting of an award under the DSBP shall be determined by the Remuneration Committee on the date of grant, and may, if the Remuneration Committee determines, be nil or nominal value only.

(d) Scheme limits

The number of newly issued shares over which (or in respect of which) awards may be granted under the DSBP on any date shall be limited so that: (i) the total number of shares issued and issuable in respect of options or awards granted in any ten year period under the DSBP and any other discretionary share option scheme of the Company (including the PSP and the CSOP but other than to satisfy dividend equivalent payments) is restricted to 5% of the Company's issued shares calculated at the relevant time; and (ii) the total number of shares issued and issuable pursuant to options or awards granted in any ten year period under the DSBP and any other employee share scheme operated by the Company (including the CSOP, SAYE and PSP but other than to satisfy dividend equivalent payments) is restricted to 10% of the Company's issued shares calculated at the relevant time.

Notes (forming part of the financial statements) continued

24 Share-based payments (continued)

5 Deferred Share Bonus Plan ('DSBP') (continued)

For the purposes of these limits, no account will be taken of options or awards granted before, on or in connection with Admission and no account will be taken of options or awards which have lapsed, been surrendered or otherwise become incapable of exercise or vesting. Shares held in treasury will be treated as newly issued shares for the purposes of these limits (as long as this is required by institutional investor guidelines), but (for the avoidance of doubt) shares acquired in the market will not.

(e) Individual limits

The aggregate market value of all the shares awarded to an eligible employee in respect of any financial year (calculated on the Date of Grant) comprised in awards granted to them in respect of that financial year under the plan, shall not exceed 100 per cent. of the bonus the eligible employee has agreed to, or has been required to, defer for that financial year.

Fair value of share awards

The expected volatility is based on historical volatility of a peer group of companies over a relevant period prior to award. The expected life is the average expected period to exercise, which has been taken as three years. The risk free rate of return is the yield on zero-coupon UK government bonds with a life equal to this expected life.

Options are valued using a Black-Scholes option-pricing model for the non-market based (EPS element) performance conditions and a Monte-Carlo simulation for the market-based (TSR element) performance conditions.

Special provisions allow early exercise in the case of death, injury, disability, redundancy, retirement or because the Company which employs the option holder ceases to be part of the Group or in the event of a change in control, reconstruction or winding up of the Company.

The key assumptions used in the fair value of the awards were as follows:

					RSA		PSP		
	2023	2022	2021	2020	2019	2018	2017	2016	2015
At grant date									
Share price	£3.75	£3.47	£4.57	£2.28	£1.87	£1.37	£2.59	£2.75	£2.45
Exercise price	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00
Expected volatility	37%	32%	32%	32%	32%	32%	32%	30%	30%
Option life (years)	10	10	10	10	10	10	10	10	10
Expected dividend yield	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Risk free interest rate	n/a	n/a	n/a	n/a	n/a	n/a	0.005	0.0107	0.0107
Weighted average fair value of options granted	3.75	3.47	£4.57	£2.28	£1.87	£1.37	£2.06	£2.06	£2.06

	DSBP		CSOP		SAYE			
	2023	2022	2016	2015	2023	2022	2021	2020
At grant date								
Share price			£3.78	£3.10	£2.75	£2.31	£3.49	£3.05
Exercise price			£0.00	£0.00	£2.75	£2.31	£2.79	£2.44
Expected volatility			37%	37%	32%	37%	37%	33%
Option life (years)			10	10	10	10	3	3
Expected dividend yield			2%	2%	2%	2%	2%	2%
Risk free interest rate			n/a	n/a	2%	2%	4%	1%
Weighted average fair value of options granted			£3.78	£3.10	£0.89	£0.75	£1.36	£1.16

For both the RSA and DSBP awards, the fair value is the share price at the date of the grant so the risk free rate has no impact on the fair value calculation.

Movements in awards under share-based payment schemes:

	PSP 000	CSOP 000	SAYE 000	RSA 000	DSBP 000	Total 000
Outstanding at start of year	2	328	3,891	5,007	-	9,228
Granted	-	-	1,364	1,797	250	3,411
Forfeited	-	(11)	(780)	(815)	-	(1,606)
Exercised	-	(114)	(1,060)	(1,685)	-	(2,859)
Lapsed	(2)	(2)	(17)	(17)	-	(38)
Outstanding at end of year	-	201	3,398	4,287	250	8,136
Weighted average exercise price	-	2.60	2.68	-	-	NA

The Group income statement charge recognised in respect of share-based payments for the 52 week period ended 28 March 2024 is £5.9m (52 week period ended 30 March 2023: £4.9m).

Notes (forming part of the financial statements) continued

25 Commitments

Capital commitments

At 28 March 2024, the Group is committed to incur capital expenditure of £1.9m (30 March 2023: £3.0m). At 28 March 2024, the Group has a commitment to increase the loan funding to Joint Venture companies of £0.3m (30 March 2023: £0.4m), this increase in funding is written into the Joint Venture agreements and becomes payable when certain criteria are met.

26 Contingencies

Veterinary practices

Provisions are maintained by the Group, where necessary, against certain balances held with the veterinary practices. During the period, the Group also had in place certain guarantees over the bank loans taken out by a number of veterinary practice companies in which it holds an investment in non-participatory share capital. Under IFRS 9, the Group holds provision against a proportion of the guarantees where the practices are in default in accordance with the policy set out in note 1.16. At 28 March 2024, the total amount of bank overdrafts and loans guaranteed by the Group amounted to £4.5m (30 March 2023: £7.6m). The Group is a guarantor for the lease for veterinary practices that are not located within Pets at Home stores. The Group is also a guarantor to a small number of third parties where the lease has been reassigned.

Exemption from audit by parent guarantee

The following wholly owned subsidiaries of the Company are covered by a guarantee provided by Pets at Home Group Plc and are consequently entitled to an exemption under s479A from the requirement of the Act relating to the audit of individual accounts. Under this guarantee, the Group will guarantee all outstanding liabilities of these entities. No liability is expected to arise under the guarantee. The entities covered by this guarantee are disclosed below.

Company	Registered number
ABTW Limited	07715283
Accrington Vets4Pets Limited	10015704
Alton Vets4Pets Limited	09639868
Andover Vets4Pets Limited	08132407
Bangor Wales Vets4Pets Limited	08314827
Bearsden Vets4Pets Limited	07780175
Bedminster Vets4Pets Limited	09267870
Belfast Stormont Vets4Pets Limited	09022077
Bicester Vets4Pets Limited	10285804
Blackpool Warbreck Vets4Pets Limited	08394978
Bolton Central Vets4Pets Limited	11047742
Bonnyrigg Vets4Pets Limited	10757330
Borehamwood Vets4Pets Limited	09319066
Bourne Vets4Pets Limited	10200670
Bracknell Vets4Pets Limited	10605544
Brand Developments Limited	00039522
Brighton Vets4Pets Limited	13539268
Carmarthen Vets4Pets Limited	09498169
Clacton Vets4Pets Limited	13668587
Clitheroe Vets4Pets Limited	09878308
Companion Care (Ballymena) Limited	08294444
Companion Care (Banbury) Limited	08606393
Companion Care (Barnsley Cortonwood) Limited	08314805
Companion Care (Chippenham) Limited	08107702
Companion Care (Ely) Limited	04417089
Companion Care (Exeter Marsh) Limited	08314727
Companion Care (Exeter) Limited	04930076
Companion Care (Farnborough) Limited	07673889
Companion Care (Farnham) Limited	07877541
Companion Care (Kings Lynn) Limited	06797982
Companion Care (Macclesfield) Limited	08285995
Companion Care (Newport) Limited	08425358
Companion Care (Nottingham) Limited	04289970
Companion Care (Salisbury) Limited	06457719
Companion Care (Services) Limited	04141142
Companion Care (Speke) Limited	07149744
Companion Care (Stratford-upon-avon) Limited	07329166
Companion Care (Telford) Limited	04417091
Companion Care Management Services Limited	08878037
Corby Vets4Pets Limited	08163294
Craigavon Vets4Pets Limited	08846831
Davidsons Mains Vets4Pets Limited	07726992

Company	Registered number
Denbigh Vets4Pets Limited	10976376
Didcot Vets4Pets Limited	14091352
East Kilbride South Vets4Pets Limited	09628917
Ellesmere Port Vets4Pets Limited	09725644
Evesham Vets4Pets Limited	09269582
Gamston Vets4Pets Limited	05665158
Gillingham Vets4Pets Limited	10970617
Grantham Vets4Pets Limited	08361049
Guildford Vets4Pets Limited	13470077
Haverfordwest Vets4Pets Limited	09485504
Horsham Vets4Pets Limited	14345928
Huddersfield Vets4Pets Limited	07207906
Inverurie Vets4Pets Limited	11056047
Kendal Vets4Pets Limited	10163314
Larne Vets4Pets Limited	11121715
Leeds Kirkstall Vets4Pets Limited	10291543
Leicester St Georges Vets4Pets Limited	09881176
Leigh Vets4Pets Limited	10601393
Linlithgow Vets4Pets Limited	09966547
Liverpool OS Vets4Pets Limited	06959208
Maidstone Vets4Pets Limited	05171954
Malvern Vets4Pets Limited	10516552
Market Harborough Vets4Pets Limited	10602806
Marlborough Vets4Pets Limited	09869384
Melton Mowbray Vets4Pets Limited	07893688
Monmouth Vets4Pets Limited	10756991
Musselburgh Vets4Pets Limited	10425760
Newbury Vets4Pets Limited	04633009
Newton Mearns Vets4Pets Limited	07957431
Newtownards Vets4Pets Limited	10067571
Northwich Vets4Pets Limited	11107287
Pet Advisory Services Limited	09180974
Pets at Home (ESOT) Limited	03911784
Pets at Home No.1 Limited	08887355
Pets at Home Holdings Limited	03864149
Pet City Limited	02466773
Pet City Holdings Limited	02342109
Pet City Resources Limited	02634797
Pet Investment Limited	04428715
Pets at Home Vet Group Limited	08595290
Prescot Vets4Pets Limited	08878815
Rawtenstall Vets4Pets Limited	09009519
Redditch Vets4Pets Limited	05612150
Runcorn Vets4Pets Limited	11446894
Sheldon Vets4Pets Limited	08822150
South Shields Quays Vets4Pets Limited	09848857
St Neots Vets4Pets Limited	09811640
Staines Vets4Pets Limited	13584062
Stamford Vets4Pets Limited	14179951
Sudbury Vets4Pets Limited	09916308
Thamesmead Vets4Pets Limited	09881179
Tilehurst Vets4Pets Limited	10573329
Tiverton Vets4Pets Limited	11023079
Uttoxeter Vets4Pets Limited	11145982
Vets4Pets (Services) Limited	04317414
Vets4Pets Limited	00038174
Vets4Pets Services Limited	05055601
Vets4Pets UK Limited	03940967
Vets4Pets Veterinary Group Limited	04263054
VetsDirect Limited	SC230445

Notes (forming part of the financial statements) continued

26 Contingencies (continued)

Company	Registered number
Wakefield Vets4Pets Limited	04262693
Wallasey Bidston Moss Vets4Pets Limited	09190138
Wellingborough Vets4Pets Limited	07620413
Wokingham Vets4Pets Limited	09869355
Wrexham Vets4Pets Limited	07103838

27 Related parties

Joint Venture veterinary practice transactions

The Group has entered into a number of arrangements with third parties in respect of veterinary practices. These veterinary practices are deemed to be related parties due to the factors explained in note 1.4. Financial commitments provided to related party veterinary practices for funding are set out in note 25.

During the period, the Group had in place certain guarantees over the bank loans taken out by a number of veterinary practice companies in which it holds an investment in non-participatory share capital. At the end of the period, the total amount of bank overdrafts and loans guaranteed by the Group amounted to £4.5m (30 March 2023: £7.6m).

The transactions entered into during the period and the balances outstanding at the end of the period are as follows:

	28 March 2024 £m	30 March 2023 £m
<i>Transactions</i>		
– Fees for services provided to Joint Venture veterinary practices	89.3	77.2
– Rental and other occupancy charges to Joint Venture veterinary practices	12.7	12.2
Total income from Joint Venture veterinary practices	102.0	89.4
<i>Acquisitions</i>		
– Consideration for Joint Venture veterinary practices acquired (note 10)	1.0	0.5
<i>Balances</i>		
Included within investments		
– Investments		
– Capital Contributions for extensions and improvements of practices (note 16)	2.5	–
– B Share Capital (note 16)	0.2	0.4
Included within trade and other receivables (note 17):		
– Operating loans		
– Gross value of operating loans	8.8	13.8
– Allowance for expected credit losses held for operating loans	(3.0)	(3.4)
– Net operating loans	5.8	10.4
– Trading balances	10.9	11.5
Included within other financial assets and liabilities (note 16):		
– Loans to Joint Venture veterinary practices – initial set up loans		
– Gross value of initial set up loans	5.8	7.6
– Allowance for expected credit losses held for initial set up loans	(0.6)	(1.0)
– Net initial set up loans	5.2	6.6
– Loans to Joint Venture veterinary practices – other loans (note 16)		
– Gross value of other loans	0.5	1.2
– Allowance for expected credit losses held for other loans	–	–
– Net other loans	0.5	1.2
Included within trade and other payables (note 20):		
– Trading balances	(0.8)	(4.5)
Total amounts receivable from veterinary practices (before provisions)	25.2	29.6

Fees for services provided to related party veterinary practices are included within revenue and relate to charges for support services offered in such areas as clinical development, promotion and methods of operation as well as service activities including accountancy, legal and property. In accordance with IFRS15, revenue in the 52 week period ended 28 March 2024 and the 52 week period ended 30 March 2023 excludes irrecoverable fee income from Joint Venture veterinary practices.

Notes (forming part of the financial statements) continued

27 Related parties (continued)

Funding for new practices represents the amounts advanced by the Group to support veterinary practice opening costs. The funding is short term and the related party Joint Venture veterinary practice draws down their own bank funding to settle these amounts outstanding with the Group shortly after opening.

Trading balances represent costs incurred and income received by the Group in relation to the services provided to the Joint Venture veterinary practices that have yet to be recharged.

Operating loans represent amounts advanced to related party Joint Venture veterinary practices to support their working capital requirements and longer term growth. The loans advanced to the practices are interest free and either repayable on demand or repayable within 90 days of demand. No facility exists and the levels of loans are monitored in relation to review of the practices performance against business plan. Based on the projected cash flow forecast on a practice by practices basis, the funding is often expected to be required for a number of years. As practices generate cash on a monthly basis it is applied to the repayment of brought forward operating loans. For immature practices, loan balances may increase due to operating requirements. The balances above are shown net of allowances for expected credit losses held for operating loans of £3.0m (30 March 2023: £3.4m).

Loans to Joint Venture veterinary practices for other related parties - other loans are provided to Joint Venture veterinary practice companies trading under the Companion Care and Vets4Pets brands, in which the Group's share interest is non-participatory. These loans represent a long-term investment in the Joint Venture, supporting their initial set up and working capital, and are held at amortised cost under IFRS9. The balances above are shown net of allowances for expected credit losses held for initial set up loans of £0.6m (30 March 2023: £1.0m).

In the 52 week period ended 28 March 2024, the value of loans written off recognised in the income statement amounted to £1.6m which relates to operating loans. In the 52 week period ended 30 March 2023 the value of loans written off recognised in the income statement amounted to £2.0m, which relates to operating loans.

At 28 March 2024, the Group had a commitment to increase the loan funding to Joint Venture companies of £0.3m (30 March 2023: £0.4m); this increase in funding is written into the Joint Venture agreements and becomes payable when certain criteria are met.

The Group is a guarantor for the leases for veterinary practices that are not located within Pets at Home stores.

Key management personnel

Details of remuneration paid to key management personnel are set out in note 4.

28 Investment in subsidiaries

Company

	Investments in subsidiaries £m
At 28 March 2024 and 30 March 2023	936.2

Impairment testing

Management have conducted a full impairment review which has been undertaken on the Group's cash generating units of which the Company's investments form part. Management considers whether any impairment triggers existed by comparing the net assets value of the subsidiary to the carrying value of the investment. Management have concluded that under IAS36, no impairment trigger has been identified with regard to the Company's investments in subsidiaries.

Registered office address

Pets at Home (Asia) Limited: Units 704 5A, 7/F, Tower B, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong

PAH Pty Limited: Herbert Greer and Rundle, Level 21, 385 Bourke Street, Melbourne, VIC 3000, Australia

Pure Pet Food Limited: Unit 6, Brookmills, Saddleworth Road, Greetland, Halifax, West Yorkshire, England, HX4 8LZ

Dog Stay Limited: 305 Regents Park Road, Finchley, London, England, N3 1DP

VetsDirect Limited: Dickson Minto, 16 Charlotte Square, Edinburgh, Scotland, EH2 4DF

Project Blu Limited: 34 Cardiff Road, Dinas Powys, Wales CF64 4JS

Good Dog Food Limited ('Meatly'): Hill Dickinson LLP, The Broadgate Tower, 20 Primrose Street, London, United Kingdom, EC2A 2EW

The registered office of all the remaining companies in which the Group has an interest in the share capital is Epsom Avenue, Stanley Green, Handforth, Cheshire, England SK9 3RN.

Group

In the 52 week period ended 28 March 2024 the Group acquired 100% of the 'A' shares of eight companies and 75% of the 'A' shares of one company. These practices were previously accounted for as Joint Venture veterinary practices as the Group held 100% of the non-participatory 'B' ordinary shares. Acquisition of the 'A' shares has led to the control and consolidation of these companies. A detailed explanation for the basis of consolidation can be found in note 1.4. Further details of these acquisitions can be found in note 10.

The Group also invested in 8.5% of the ordinary share capital of Good Dog Food Limited ('Meatly'), a sustainable pet food company for a consideration of £1.0m.

The group fully impaired the investment in Dog Stay Limited ('Tailster') and £1.1m has been recognised as a non-underlying impairment charge (see note 3).

Notes (forming part of the financial statements) continued

28 Investment in subsidiaries (continued)

Details of the subsidiary undertakings are as follows:

Company	Holding	Country of incorporation	Class of shares held	At 28 March 2024 %	At 30 March 2023 %
Brand Development Limited	Indirect	Guernsey	Ordinary	100	100
Companion Care (Services) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care Management Services Limited	Indirect	United Kingdom	Ordinary	100	100
Les Boues Limited	Indirect	Jersey	Ordinary	100	100
PAH Pty Limited	Indirect	Australia	Ordinary	100	100
Pet Advisory Services Limited	Indirect	United Kingdom	Ordinary	100	100
Pet Investments Limited	Indirect	United Kingdom	Ordinary	100	100
Pets at Home (Asia) Limited	Indirect	Hong Kong	Ordinary	100	100
PAH Financial Services Limited	Indirect	United Kingdom	Ordinary	100	100
Pets at Home Holdings Limited	Indirect	United Kingdom	Ordinary	100	100
Pets at Home Limited	Indirect	United Kingdom	Ordinary	100	100
Pets at Home No.1 Limited	Direct	United Kingdom	Ordinary	100	100
Pets at Home Superstores Limited	Indirect	United Kingdom	Ordinary	100	100
Pets at Home Vets Group Limited	Indirect	United Kingdom	Ordinary	100	100
Pets at Home (ESOT) Limited	Indirect	United Kingdom	Ordinary	100	100
Pet City Holdings Limited	Indirect	United Kingdom	Ordinary	100	100
Pet City Limited	Indirect	United Kingdom	Ordinary	100	100
Pet City Resources Limited	Indirect	United Kingdom	Ordinary	100	100
Vets4Pets (Services) Limited	Indirect	United Kingdom	Ordinary	100	100
Vets4Pets Holdings Limited	Indirect	Guernsey	Ordinary	100	100
Vets4Pets I.P. Limited	Indirect	Guernsey	Ordinary	100	100
Vets4Pets Services Limited	Indirect	United Kingdom	Ordinary	100	100
Vets4Pets UK Limited	Indirect	United Kingdom	Ordinary	100	100
Vets4Pets Limited	Indirect	Guernsey	Ordinary	100	100
Vets4Pets Veterinary Group Limited	Indirect	United Kingdom	Ordinary	100	100
VetsDirect Limited	Indirect	United Kingdom	Ordinary	100	100
Accrington Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Addlestone Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Alton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Andover Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Aylesbury Berryfields Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bangor Wales Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bearsden Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bedminster Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Belfast Stormont Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bicester Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bishop Auckland Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Blackpool Warbreck Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bodmin Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bolton Central Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bonnyrigg Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Borehamwood Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bourne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bracknell Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bradford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bramley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bramley Vets4Pets (Newco) Limited	Indirect	United Kingdom	Ordinary	100	100
Bridlington Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Brighton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Bromborough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Cambridge Perne Road Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Canvey Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Carmarthen Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Chorley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100

Company	Holding	Country of incorporation	Class of shares held	At 28 March 2024 %	At 30 March 2023 %
Clacton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Clitheroe Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Ballymena) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Banbury) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Barnsley Cortonwood) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Chippenhams) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Ely) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Exeter Marsh) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Exeter) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Farnborough) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Farnham) Limited	Indirect	United Kingdom	Ordinary	100	50
Companion Care (Kendal) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Kings Lynn) Limited	Indirect	United Kingdom	Ordinary	100	50
Companion Care (Llantrisant) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Macclesfield) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Newport) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Nottingham) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Salisbury) Limited	Indirect	United Kingdom	Ordinary	100	50
Companion Care (Speke) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Stratford-Upon-Avon) Limited	Indirect	United Kingdom	Ordinary	100	100
Companion Care (Telford) Limited	Indirect	United Kingdom	Ordinary	100	50
Corby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Coventry Canley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Craigavon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Crosby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Davidsons Mains Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Denbigh Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Didcot Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Dundee Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
East Grinstead Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
East Kilbride South Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Ellesmere Port Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Evesham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Gamston Vets4Pets Limited	Indirect	United Kingdom	Ordinary	75	50
Gillingham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Grantham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Great Yarmouth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Guildford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Haverfordwest Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Hemsworth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Hexham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Horden Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Horsham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Huddersfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Inverness Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Inverurie Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Kendal Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Kingswood Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Larne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	50
Leeds Kirkstall Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Leicester St Georges Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Leigh Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	50
Leven Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Linlithgow Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Littleover Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Liverpool OS Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Long Eaton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Maidstone Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Malvern Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Market Harborough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100

Company	Holding	Country of incorporation	Class of shares held	At 28 March 2024 %	At 30 March 2023 %
Marlborough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Melton Mowbray Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Mexborough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Milton Keynes Broughton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Monmouth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Musselburgh Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Newark Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Newbury Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Newhaven Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Newton Mearns Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Newtownards Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Northwich Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Norwich Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Nottingham Castle Marina Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Pentland Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Perth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Peterlee Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Poynton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Prescot Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Rawtenstall Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Redditch Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Ripon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Runcorn Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Scunthorpe Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Selby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Sheffield Heeley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Sheldon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Shepton Mallet Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
South Shields Quays Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
St Austell Vets4Pets Limited	Indirect	United Kingdom	Ordinary	95	95
St Neots Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Staines Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Stocksbridge Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Stoke-On-Trent Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Sudbury Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Teesside Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Thamesmead Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
The Heart of Dulwich Veterinary Care Limited	Indirect	United Kingdom	Ordinary	100	100
Thornbury Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Tilehurst Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	50
Tiverton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Uckfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Uttoxeter Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Wakefield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	50
Wallasey Bidston Moss Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Warrington Winnick Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Wellingborough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
West Drayton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Wokingham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100
Wrexham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	100	100

Investments in Joint Venture practices and other investments

The Group holds an indirect interest in the share capital of the following companies:

Company	Holding	Country of incorporation	Class of shares held	At 28 March 2024 %	At 30 March 2023 %
Aberdeen North Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	100
Aberdeen Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	100
Abingdon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
ABTW Limited	Indirect	United Kingdom	Ordinary	50	50

Company	Holding	Country of incorporation	Class of shares held	At 28 March 2024 %	At 30 March 2023 %
Airdrie Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Alsager Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Altrincham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Amesbury Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bagshot Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bangor Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Barnsley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Barnstaple Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Barnwood Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Barry Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bath Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bedford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bedlington Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Beeston Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Beverley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Biggleswade Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bishops Stortford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bishopston Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bitterne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Blackburn Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Blackheath Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Blackpool Squires Gate Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Blackwood Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bolton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bracknell Peel Centre Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bradford Idle Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Brighouse Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bristol Emerson Green Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bristol Imperial Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bristol Kingswood Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bristol Longwell Green Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bromsgrove Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Buckingham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bulwell Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Burscough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Burton-On-Trent Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bury St Edmunds Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Bury Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Byfleet Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Caerphilly Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Camborne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Cannock Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Canterbury Sturry Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Cardiff Ely Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Cardiff Newport Road Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Carlisle Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Carrickfergus Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Castleford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Catterick Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Chadwell Heath Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Cheadle Hulme Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Chester Caldy Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Chester Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Chesterfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Cirencester Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Clevedon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Cleveleys Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Clifton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Clowne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Coalville Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50

Company	Holding	Country of incorporation	Class of shares held	At 28 March 2024 %	At 30 March 2023 %
Colchester Layer Road Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Colchester Vets4Pets Advanced Practice Limited	Indirect	United Kingdom	Ordinary	50	50
Colne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Aintree) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Andover) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Ashford) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Ashton) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Aylesbury) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Ayr) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Basildon Pippis Hill) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Basildon) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Basingstoke) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Beckton) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Bedford) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Belfast) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Bishopbriggs) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Bletchley) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Bolton) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Bournemouth) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Braintree) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Brentford) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Bridgend) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Bridgwater) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Brislington) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Bristol Filton) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Broadstairs) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Burgess Hill) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Cambridge Beehive) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Cambridge) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Cannock) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Canterbury) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Cardiff) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Charlton) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Chatham) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Chelmsford) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Cheltenham) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Chesterfield) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Chichester) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Chingford) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Christchurch) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Colchester) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Corstorphine) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Coventry Walsgrave) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Cramlington) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Crawley) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Crayford) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Croydon) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Derby Kingsway) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Derby) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Dunstable) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Eastbourne) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Enfield) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Falmouth) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Fareham Collingwood) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Fareham) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Folkestone) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Fort Kinnaird) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Friern Barnet) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Gloucester) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Harlow) Limited	Indirect	United Kingdom	Ordinary	50	50

Company	Holding	Country of incorporation	Class of shares held	At 28 March 2024 %	At 30 March 2023 %
Companion Care (Hatfield) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Hemel Hempstead) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (High Wycombe) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Hove) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Huddersfield) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Huntingdon) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Ilford) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Ipswich Martlesham) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Keighley) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Kidderminster) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Kirkcaldy) Limited	Indirect	United Kingdom	Ordinary	50	100
Companion Care (Leicester Beaumont Leys) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Leicester Fosse Park) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Leighton Buzzard) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Linwood) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Lisburn) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Liverpool Penny Lane) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Livingston) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Maidstone) Limited	Indirect	United Kingdom	Ordinary	50	100
Companion Care (Merry Hill) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Milton Keynes) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (New Malden) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Newbury) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Newcastle Kingston Park) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Northampton Nene Valley) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Norwich Hall Road) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Norwich Longwater) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Norwich) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Oldbury) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Oldham) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Orpington) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Oxford) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Perth) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Peterborough Bretton) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Peterborough) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Plymouth) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Poole) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Portsmouth) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Preston Capitol) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Pudsey) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Reading) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Redditch) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Redhill) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Romford) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Rotherham) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Rustington) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Scarborough) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Slough) Limited	Indirect	United Kingdom	Ordinary	50	100
Companion Care (Southampton) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Southend-On-Sea) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Stevenage) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Stirling) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Stockport) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Stoke Festival Park) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Swansea) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Swindon) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Tamworth) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Taunton) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Truro) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Tunbridge Wells) Limited	Indirect	United Kingdom	Ordinary	50	50

Company	Holding	Country of incorporation	Class of shares held	At 28 March 2024 %	At 30 March 2023 %
Companion Care (Wakefield) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Weston-Super-Mare) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Winchester) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Winnersh) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Woking) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Woolwell) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Worcester) Limited	Indirect	United Kingdom	Ordinary	50	50
Companion Care (Wrexham Holt Road) Limited	Indirect	United Kingdom	Ordinary	50	50
Craigleith Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Crescent Link Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Crewe Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Cross Hands Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Cumbernauld Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Dagenham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Darlington Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Daventry Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Denton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Dewsbury Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Doncaster Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	100
Dorchester Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Dog Stay Limited	Indirect	United Kingdom	Ordinary	12	12
Dover Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Droitwich Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Drumchapel Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Dudley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Dumbarton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Dunfermline Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Durham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
East Kilbride Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Eastleigh Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Eastwood Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Eccleshill Vets4Pets (Newco) Limited	Indirect	United Kingdom	Ordinary	50	50
Epsom Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Falkirk Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Feltham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Filton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Gateshead Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Glasgow Forge Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Glasgow Pollokshaws Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Goldenhill Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Good Dog Food Limited	Indirect	United Kingdom	Ordinary	9	0
Gosport Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Gravesend Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Greasby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Greenford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Grimsby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Guernsey Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Halesowen Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Halifax Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Handforth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	100
Hamilton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Harrogate New Park Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Harrogate Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Hartlepool Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Hastings Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Havant Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Haverhill Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Hayling Island Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Heanor Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Hedge End Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50

Company	Holding	Country of incorporation	Class of shares held	At 28 March 2024 %	At 30 March 2023 %
Hemel Hempstead Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Hendon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Hereford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Hertford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
High Wycombe Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Hinckley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Hucknall Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Hull Anlaby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Hull Stoneferry Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Hull Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Ilkeston Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Ipswich Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Irvine Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Kettering Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Kidderminster Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Kilmarnock Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Kirkby in Ashfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Lancaster Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	100
Launceston Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Leamington Spa Myton Road Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	100
Leeds Birstall Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Leeds Colton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Leeds Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Leigh-On-Sea Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Letchworth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Leyland Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Lichfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Lincoln South Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Lisburn Longstone Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Llandudno Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Llanelli Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Llanrumney Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Longton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Loughborough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Loughton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Luton Gipsy Lane Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Luton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Lytham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Maidenhead Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Maldon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Mansfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Mapperley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Merthyr Tydfil Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Middlesbrough Cleveland Park Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Middlesbrough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Middleton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Millhouses Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Morpeth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
New Milton Vets4pets Limited	Indirect	United Kingdom	Ordinary	50	50
Newcastle-Upon-Tyne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Newmarket Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Newport Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Newton Abbot Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Newtownabbey Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
North Tyneside Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Northallerton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Northampton Riverside Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Northampton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Nottingham Chilwell Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Nottingham Netherfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50

Company	Holding	Country of incorporation	Class of shares held	At 28 March 2024 %	At 30 March 2023 %
Nuneaton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Oadby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Old Kent Road Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Oxford Cowley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Paisley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Penrith Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Pentland Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Penzance Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Peterborough Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Pontypridd Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Poole Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Portishead Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Portsmouth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Prenton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Preston Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Prestwich Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Project Blu Limited	Indirect	United Kingdom	Ordinary	9	9
Pure Pet Food Ltd	Indirect	United Kingdom	Ordinary	12	12
Quinton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Rayleigh Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Rhyl Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Richmond Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Rochdale Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Rotherham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Rugby Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Rugby Central Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Ruislip Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Rushden Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Saffron Walden Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Salford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Selly Oak Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Sevenoaks Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Sheffield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Sheffield Drakehouse Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Sheffield Wadsley Bridge Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Shelfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Shrewsbury Meole Brace Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Shrewsbury Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Sidcup Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	100
Sittingbourne Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Solihull Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Somercotes Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
South Shields Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Southampton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Southend Airport Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Southend-On-Sea Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Southport Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
St Albans Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
St Helens Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Stafford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Stechford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Stockton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Stourbridge Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Street Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Sunderland South Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Sunderland Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Sutton Coldfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Sutton In Ashfield Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Swindon Bridgemead Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Swinton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50

Company	Holding	Country of incorporation	Class of shares held	At 28 March 2024 %	At 30 March 2023 %
Sydenham Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Telford Madeley Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Thurrock Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Torquay Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Totton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Trafford Park Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Trowbridge Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Walkden Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Walsall Reedswood Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Waltham Abbey Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Walton on Thames Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Walton Vale Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Warminster Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Warrington Riverside Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Warrington Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Washington Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Waterlooville Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Watford Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
West Bromwich Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Weymouth Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Whitstable Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Widnes Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Wigan Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Wimbledon Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Wolverhampton Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Worksop Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Worthing Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
WSM Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Yate Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
Yeovil Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
York Clifton Moor Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50
York Vets4Pets Limited	Indirect	United Kingdom	Ordinary	50	50

During the 52 week period ended 28 March 2024, the Group has sold 100% of the 'A' shares in nine companies which were previously classified as subsidiaries, and subsequent to sale of the 'A' shares, have been accounted for as Joint Venture veterinary practices, which has led to the reduction in the holding in nine entities listed above to 50% investment.

Glossary – Alternative Performance Measures

Guidelines on Alternative Performance Measures (APMs) issued by the European Securities and Markets Authority came into effect for all communications released on or after 3 July 2016 for issuers of securities on a regulated market.

In the reporting of financial information, the Directors have adopted various APMs of historical or future financial performance, position or cash flows other than those defined or specified under International Financial Reporting Standards (IFRS).

The Directors measure the performance of the Group based on the following financial measures which are not recognised under UK-adopted international accounting standards and consider these to be important measures in evaluating the Group's strategic and financial performance. The Directors believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Group.

APMs are also used to enhance the comparability of information between reporting periods by adjusting for non-underlying items, to aid the user in understanding the Group's performance. The number and appropriateness of APMs presented in the financial statements has been reviewed and reduced from the comparative period to those considered to be the most relevant for measuring the performance of the Group.

Consequently, APMs are used by the Directors and management for performance analysis, planning, reporting and incentive setting purposes.

All APMs relate to the current period results and comparative period where provided.

APMs considered by the business to be a key performance indicator are explained in more detail on page 8 of the Annual Report.

The key APMs used by the Group are:

'Like-for-Like' sales growth comprises total revenue in a financial period compared to revenue achieved in a prior period for stores, online operations, grooming salons and veterinary practices that have been trading for 52 weeks or more, excluding fee income from Joint Venture veterinary practices where the Group has bought out the Joint Venture Partners or will offer to buy out the Joint Venture Partners in the future.

Underlying PBT: Underlying profit before tax (PBT) is based on pre-tax profit before the impact of non-underlying items, being certain costs or incomes that derive from events or transactions that fall outside the normal activities of the Group and are excluded by virtue of their size and nature in order to reflect management's view of the performance of the Group.

Free cash flow: Net increase/(decrease) in cash before the impacts of dividends paid, share buybacks, investments, proceeds from new loans and repayment of borrowings.

References to **Underlying GAAP measures and Underlying APMs** throughout the financial statements are measured before the effect of non-underlying items.

APM	Definition	Reconciliation			
Consumer revenue	Consumer revenue being statutory Group revenue, less Joint Venture veterinary practice fee income (which forms part of statutory revenue within the Vet Group), plus gross consumer sales made by Joint Venture veterinary practices (unaudited).	Consumer revenue (£m)	FY24	FY23	Note
		Statutory Group revenue	1,476.6	1,404.2	CIS
		Joint Venture fee income	(89.3)	(77.2)	2
		Revenue by Group managed practices	(44.6)	(37.5)	2
		Revenue by all veterinary practices	563.6	492.9	
		Consumer revenue ¹	1,906.3	1,782.4	
		<i>CIS = Consolidated income statement</i>			
		¹ Consumer revenue cannot be directly referenced in the financial statements as revenue by all veterinary practices relates to all Joint Venture customer revenue.			
Like-for-like revenue	Like-for-like revenue growth comprises total revenue in a financial period compared to revenue achieved in a prior period for stores, online operations, grooming salons and veterinary practices that have been trading more than 52 weeks prior to the reporting date, excluding fee income from Joint Venture practices where the Group has bought out the Joint Venture Partners or will offer to buy out the Joint Venture Partners in the future.	Not applicable.			
Underlying profit before tax	Underlying profit before tax (PBT) is based on pre-tax profit before the impact of certain costs or incomes that derive from events or transactions that fall outside the normal activities of the Group and are excluded by virtue of their size and nature in order to reflect management's view of the performance of the Group.	Underlying PBT (£m)	FY24	FY23	Note
		Underlying PBT	132.0	136.4	CIS
		Non-underlying items	(26.3)	(13.9)	CIS
		Profit before tax	105.7	122.5	
		<i>CIS = Consolidated income statement</i>			
Underlying basic EPS	Underlying basic earnings per share (EPS) is based on earnings per share before the impact of certain costs or incomes that derive from events or transactions that fall outside the normal activities of the Group and are excluded by virtue of their size and nature in order to reflect management's view of the performance of the Group.	Underlying basic EPS (p)	FY24	FY23	Note
		Underlying basic EPS	20.7	22.8	5
		Non-underlying items	(4.1)	(2.3)	
		Basic earnings per share	16.6	20.5	5

APM	Definition	Reconciliation			
Free cash flow	Net increase/(decrease) in cash before the impacts of dividends paid, share buybacks, investment movements, acquisition and disposals of subsidiaries, proceeds from new loans and repayment of borrowings.	Free cash flow (£m)	FY24	FY23	Note
		Net (decrease)/increase in cash	(120.9)	12.0	CFS
		Remove effects of:			
		Dividends	60.7	58.7	CFS
		Proceeds from new loan	–	(123.3)	CFS
		Repayment of borrowings	75.0	100.0	CFS
		Share buyback	50.3	50.3	CFS
		Investment movements	1.4	–	CFS
		Acquisition of subsidiaries	1.0	0.5	CFS
		Disposal of subsidiaries	1.5	–	CFS
		Free cash flow	69.0	98.2	
CFS = Consolidated statement of cash flows					
Underlying CROIC	Cash return on invested capital, represents cash returns divided by the average of gross capital invested (GCI) for the last 12 months. Cash returns represent underlying operating profit before share-based payments subject to tax, then adjusted for depreciation of PPE, right-of-use assets and amortisation. GCI represents gross PPE, right-of-use assets and software, and other intangibles excluding the goodwill created on the acquisition of the Group by KKR (£906,445,000) plus net working capital, before the effect of non-underlying items in the period. Net working capital movement is a measure of the cash required by the business to fund its inventory, receivables and payables. Payables includes trade and other payables, income tax payable and other financial liabilities.	Underlying CROIC	FY24	FY23	Note
		Cash returns:			
		Underlying operating profit	145.5	149.7	CIS
		Share-based payment charges	5.9	4.9	3
			151.4	154.6	
		Effective tax rate	25%	19%	
		Tax charge on above	(37.9)	(29.4)	
			113.5	125.2	
		Underlying depreciation and amortisation	101.7	102.3	2
		Cash returns	215.2	227.5	
		Gross capital invested (GCI):			
		Gross property, plant and equipment	444.7	405.3	11
		Gross right-of-use assets	662.7	635.1	12
		Intangibles	1,046.4	1,046.3	13
		Less KKR goodwill	(906.4)	(906.4)	
		Investments	9.9	9.1	
		Net working capital:	(106.7)	(121.6)	see definition
		Receivables	60.9	51.8	
		Inventory	97.5	108.6	
		Payables	(252.4)	(265.2)	
		Provisions	(12.7)	(16.8)	
		GCI (at period end)	1,150.6	1,067.8	
		Average	1,109.2	1,002.7	
		Underlying CROIC	19.4%	22.7%	
Net cash	Cash and cash equivalents less loans and borrowings.	Net cash (£m)	FY24	FY23	Note
		Cash and cash equivalents	57.1	178.0	18
		Loans and borrowings	(48.3)	(123.3)	19
		Net cash	8.8	54.7	
Total indebtedness	Net cash (above) less loans and borrowings plus lease liabilities.	Total indebtedness (£m)	FY24	FY23	Note
		Net cash (above)	8.8	54.7	
		Lease liabilities	(380.8)	(421.4)	12
		Total indebtedness	(372.0)	(366.7)	

APM	Definition	Reconciliation			
Pre IFRS 16 leverage	Net cash (above) divided by underlying EBITDA less expected rental charges pre IFRS 16.	Pre IFRS 16 leverage	FY24	FY23	Note
		Net cash (above)	8.8	54.7	
		Statutory operating profit	119.3	136.8	
		Underlying depreciation of property, plant and equipment	26.5	25.7	3
		Underlying depreciation of right-of-use assets	65.1	66.8	3
		Amortisation of intangible assets	10.1	9.8	3
		Non-underlying depreciation of property, plant and equipment	4.2	0.4	3
		Non-underlying depreciation of right-of-use assets	3.7	0.7	3
		Other non-underlying items in EBITDA	18.3	11.8	3
		Underlying EBITDA	247.2	252.0	
		Less:			
		Proforma rental charges pre IFRS 16	(78.6)	(79.9)	
		Underlying EBITDA (pre IFRS 16) ¹	168.6	172.1	
		Pre IFRS 16 leverage	(0.1)x	(0.3)x	
		¹ Proforma rental charges pre IFRS 16 cannot be directly referenced in the financial statements as the balance represents 52 weeks (FY23: 52 weeks) of rental charges for each lease held at the balance sheet date.			
Lease adjusted leverage	Total indebtedness divided by underlying EBITDA. Underlying EBITDA has been presented on a rolling 52 week proforma basis.	Lease adjusted leverage	FY24	FY23	Note
		Total indebtedness (above)	372.0	366.7	
		Underlying EBITDA	247.2	252.0	
		Lease adjusted leverage	1.5 x	1.5x	