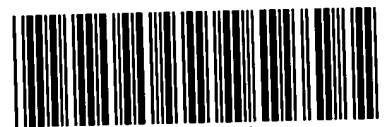


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COMPANIES HOUSE

# Delivering for our stakeholders

CVS Group plc  
Annual Report and Financial Statements  
for the year ended 30 June 2025

Company registration number: 06312831

# Delivering high-quality client care

Read more about CVS within our Sustainability Report 2025 at [cvsukltd.co.uk](https://www.cvsukltd.co.uk)

CVS Group is an AIM-listed provider of veterinary services with operations in the UK and Australia. CVS is focused on providing high-quality clinical care to its clients and their animals, with outstanding and dedicated clinical and support teams at the core of its strategy.

## Operational highlights

- > We have increased the number of vets by 4.5% (5.8% including acquisitions).
- > We launched our new sustainability focus, the CVS Care Plan, encompassing four core pillars.
- > We received an RCVS Knowledge Champion Award for Quality Improvement to lead organisational change.
- > We have acquired a further seven practices in Australia (15 practice sites), performing in line with expectations.
- > We have continued investment in our facilities and equipment, with total capital expenditure of £34.2m (£33.2m continuing operations), including investment into further technology across our operations.
- > We divested our Crematoria operations for initial cash proceeds of £42.3m, which is a c.10x multiple of adjusted EBITDA.

## Strategic Report

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## Non-financial and sustainability information statement

This Annual Report includes disclosures required under Sections 414CA and 414CB of the UK Companies Act 2006 (as amended), covering non-financial and sustainability matters.

Key information on environmental impact, employee wellbeing, community engagement, human rights, and anti-corruption practices is integrated throughout the Strategic Report. This reflects our commitment to responsible veterinary care, sustainable growth, and long-term stakeholder value.

The table to the right provides a guide to where this information can be found within the report.

Reporting requirement	Further information
Business model	Page 14
Environmental matters	Pages 29 and 32 to 39
Employee-related matters	Pages 16 to 19 and 27
Social and community matters	Pages 28 and 31
Respect for human rights	Pages 16 to 19
Anti-corruption and anti-bribery matters	Pages 55 and 62 to 69
Climate-related financial disclosures (TCFD)	Pages 32 to 39
Principal risks and uncertainties	Pages 52 to 57
Non-financial KPIs	Pages 24 and 25

# Highlights<sup>1</sup>

## Revenue (£m)

**£673.2m**

+5.4%

2025	673.2
2024	638.7
2023	588.9
2022	554.2
2021	510.1

Revenue increased 5.4% to £673.2m from 2024, benefitting from acquisitions made in the current and prior years and our continued focus on people and the provision of high-quality care. Like-for-like (LFL) sales growth was +0.2%, impacted by softer market conditions in the UK. LFL sales performance across CVS's core Veterinary Practice division was +1.0% for the year.

## Adjusted EBITDA (£m) <sup>APM</sup>

**£134.6m**

+9.4%

2025	134.6
2024	123.0
2023	121.6
2022	107.4
2021	97.5

Adjusted EBITDA was £134.6m, an increase of 9.4% from 2024. Adjusted EBITDA margin increased to 20.0% from 19.3% benefitting from increased revenue in the year coupled by disciplined cost management and a £2.3m increase in net Research and Development Expenditure Tax Credits recognised.

## Profit before tax (£m)

**£32.6m**

-7.4%

2025	32.6
2024	35.2
2023	60.7
2022	36.0
2021	33.1

Profit before tax decreased by 7.4% to £32.6m from 2024, impacted by the increase in finance expense, depreciation and amortisation, all following an increase in acquisitions and capital expenditure in line with our strategy. In addition, there are £3.9m of exceptional items in relation to the Competition Markets Authority market investigation.

## Cash generated from operations (£m)

**£114.1m**

+19.0%

2025	114.1
2024	95.9
2023	107.9
2022	93.1
2021	80.3

Cash generated from operations has increased by 19.0% to £114.1m from 2024, with the increase in adjusted EBITDA and favourable year-on-year working capital movements offset by the year-on-year increase in acquisition costs.

Leverage (APM) decreased to 1.18x from 1.54x due to strong cash generation coupled with proceeds received from the Crematoria divestment; partially offset by investment in acquisitions and existing practices.

## Adjusted profit before tax (£m) <sup>APM</sup>

**£78.9m**

-0.1%

2025	78.9
2024	79.0
2023	87.9
2022	75.5
2021	66.2

Adjusted profit before tax was £78.9m, a decrease of 0.1% from 2024 due to increases in finance expense and depreciation.

## Adjusted earnings per share (p) <sup>APM</sup>

**80.1p**

-3.8%

2025	80.1
2024	83.3
2023	98.9
2022	85.8
2021	75.1

Adjusted earnings per share was 80.1p due to a lower adjusted profit before tax and an increase in the effective tax rate.

## Basic earnings per share (p)

**73.7p**

+757.0%

2025	73.7
2024	8.6
2023	58.8
2022	36.2
2021	27.3

Basic earnings per share increased to 73.7p (2024: 8.6p) primarily due to profit on disposal of the Crematoria operations.

## Proposed dividend per share (p)

**8.5p**

+6.3%

2025	8.5
2024	8.0
2023	7.5
2022	7.0
2021	6.5

A full-year dividend of 8.5p for 2025 is proposed following the strong financial position and performance during the year.

APM Read more about our alternative performance measures (APMs) on pages 160 to 164

1. In the year, we disposed of our Crematoria operations which included seven Crematoria sites. 2024 has been re-presented following the classification of Crematoria operations as discontinued operations; see note 32 on page 155 for further details. Years 2023 and prior have not been re-presented and include the Crematoria operations.

## At a glance

# Our people-focused strategy delivers the best possible care to animals

Our locations as at 30 June 2025:

UK

Australia

425

Veterinary practice sites

3

Laboratories

8,100

Colleagues

43

Veterinary practice sites

750

Colleagues

### Our markets

## 88.9%<sup>1</sup>

### Veterinary Practices

Our primary care and referral practices provide expert treatment for companion, equine and farm animals. We provide high-quality healthcare either when required or through our preventative healthcare schemes: the Healthy Pet Club (HPC) and Horse Health Programme (HHP)<sup>2</sup>. We also operate buying groups and a veterinary consumable business, "Vet Direct", and we supply a number of own-brand medicines and products.

## 4.5%<sup>1</sup>

### Laboratories

Our laboratories provide diagnostic services to CVS veterinary practices and third parties. We offer an extensive range of tests with the ability to tailor specific profiles to our clients' needs. Our team of pathologists and experts specialises in a variety of disciplines in all areas of the laboratory and its aim is to offer a level of service and expertise beyond our customers' expectations.

## 6.6%<sup>1</sup>

### Online Retail Business

Our Online Retail Business, "Animed Direct", sells prescription and non-prescription medicines, premium pet foods and an ever-increasing range of pet care products, which can be delivered directly to our customers' doors.

Discover more about our market on pages 10 to 13

1. Revenue share for continuing operations before intercompany sales between practices and other divisions.

2. Throughout this report, references to Healthy Pet Club are inclusive of Healthy Pet Club and Horse Health Programme.

## Strategic roadmap

# Our clear strategy puts our people at the heart of what we do

### Our purpose

**To give the best possible care to animals**

### Our vision

**To be the veterinary company people  
most want to work for**

### Supported by four strategic pillars:

**We recommend and  
provide the best care  
every time**

**We are a great place to  
work and have a career**

**We provide great  
facilities and equipment**

**We take our  
responsibilities seriously**

---

**All underpinned by our ESG strategy "Care at our Heart"**

### Our values

**Just culture**

**Inclusive  
leadership**

**Teamwork**

**Systems  
thinking**

**Accountability**

Read more about our strategy on pages 20 and 21

# Strong sector fundamentals

David Wilton  
Chair

## Introduction

It is a privilege and pleasure to spend time with our great people as they go about their job of caring for the health of our clients' pets and other animals. It frustrates me that the UK veterinary profession is now often misunderstood and under-appreciated. It has been 17 months since the UK Competition and Markets Authority (CMA) started the full market investigation into veterinary services for household pets. Many of our people have been involved in and made valuable contributions to this process and all of our teams in the UK have worked with it as a backdrop. I particularly want to thank our colleagues and appreciate their resilience in these challenging times. I am hopeful that the CMA process is nearing its conclusion in early 2026 and that the outcome will be positive for the profession in the UK. While we continue to be valued by our clients it is clear that we and other operators in the UK veterinary sector, both corporate and independent, need to invest further in our relationships with animal owners. The standard of veterinary care in the UK is high and in our case there are advantages to our people and our clients from our corporate ownership.

There are also significant benefits to CVS from being a public quoted company in terms of our long-term capital structure, access to funds and, in normal circumstances, being able to incentivise our people through the opportunity for share ownership. Our share price has recovered somewhat from the levels at the end of the 2024 calendar year but remains well below the price in September 2023 when the CMA announced the initial review into the UK veterinary services market. This announcement came less than a year after we launched our five-year plan in November 2022 to support our growth strategy with continued focus on organic growth and through investment in people, practice facilities, clinical equipment and technology, and further acquisitions which for obvious reasons are now focusing in Australia for the time being. Throughout this time CVS has performed in line with expectations and acted to deliver this growth strategy.

## Financial performance

We have delivered another strong set of financial results with increased revenue and adjusted EBITDA, enhanced adjusted operating cash conversion and a strong balance sheet.

We have invested in our people, our facilities and our equipment and have acquired further practices in Australia. At the end of the financial year we operated from 43 practice sites in Australia having completed seven acquisitions during the financial year.

We now operate from 51 practice sites in Australia following acquisitions since the year end and are continuing to see good momentum and additional opportunities.

We have made significant and targeted investment in technology to improve our functionality and strengthen our resilience. It is particularly notable that we have now introduced online appointment booking and are trialling artificial intelligence (AI). Such investment is particularly important to enable us to provide high standards of care and service in an increasingly competitive market.

On 24 April 2025 we announced the sale of our UK Crematoria operations for initial cash consideration of £42.3m. This completed on 15 May 2025.

Revenue for the financial year increased by 5.4% to £673.2m (2024: £638.7m). The like-for-like increase, after adjusting for the effect of acquisitions, was +0.2%, impacted by softer market conditions in the UK. Like-for-like sales performance across CVS's core Veterinary Practices division was +1.0% for the year. On the assumption of an improved economic backdrop, certainty following the conclusion of the CMA market investigation and as the COVID-19 cohort of puppies and kittens age and naturally require increased veterinary care, we are confident in returning over the medium term to our like-for-like growth ambition of 4–8%.

Adjusted EBITDA increased by 9.4% to £134.6m (2024: £123.0m) after recognising net Research and Development Expenditure Tax Credit of £15.1m (2024: £12.8m), with adjusted EPS decreasing by 3.8% to 80.1p (2024: 83.3p).

**Read more about our alternative performance measures (APMs) on pages 160 to 164**

Profit before tax decreased by 7.4% to £32.6m (2024: £35.2m) with basic EPS (which includes the profit on disposal of the Crematoria operations) increasing by 757.0% to 73.7p (2024: 8.6p).

Cash generated from operations increased by 19.0% to £114.1m (2024: £95.9m). Net bank borrowings decreased to £131.4m (2024: £168.0m) and leverage decreased to 1.18x (2024: 1.54x) due to strong cash generation coupled with proceeds received from the Crematoria divestment only partially offset by investment in acquisitions and existing practices.

### Strategic progress

Our strategy, purpose and vision remain underpinned by our four strategic pillars: to recommend and provide the best clinical care every time; to be a great place to work and have a career; to provide great facilities and equipment; and to take our responsibilities seriously.

**Read more about our strategy on pages 20 and 21**

### Governance and the Board

As previously announced Paul Higgs joined the Board as Chief Veterinary Officer on 25 July 2024. Paul provides great insight into clinical matters and it is good to see his profile developing within the wider profession. During the year we have invested in the organisational structure with a number of key non-Board appointments including a Chief Operating Officer and a UK Companion Animal Director.

We monitor the composition of the Board in order to ensure that we have the right balance of diversity, skills and experience. We have recently completed an external review of Board effectiveness which confirms the Board is effective.

The Board's time and expertise are utilised to support the strategic development of the Group. We consider updates on developments in the profession and market trends. The structures and processes we have in place are summarised in this Annual Report. We continue to place strong emphasis on Environmental, Social and Governance matters to ensure we have the right framework in place to enable our business to operate in a sustainable and responsible way.

**Read more about the skills of our Board on pages 60 and 61 and in our Board effectiveness review on pages 76 and 77**

### Dividends

The Board is recommending the payment of a final dividend of 8.5p per Ordinary share (2024: 8.0p), subject to shareholder approval at the Annual General Meeting to be held on 18 November 2025. The ex-dividend date is 6 November 2025, the record date is 7 November 2025 and the dividend payment date is 5 December 2025.

### Shareholder engagement

The Board continues to engage actively with shareholders through direct dialogue and attendance at investor conferences. All Directors are available to speak or meet with investors on request.

### Outlook

We have often stated that the fundamentals of our sector are very strong with an increased population of pets post the COVID-19 pandemic, pet life expectancy increasing and the humanisation of pets resulting in owners generally willing to spend on their veterinary care albeit subject to the cost of living pressures being widely experienced. In the short term, CVS is experiencing cost pressures notably in the UK through the recent increase in Employers National Insurance Contributions and the continued national minimum wage and national living wage inflation. We are proactively addressing these challenges in the UK with a focus on operating even more efficiently and continuing to build our presence in Australia, which is progressing well and will contribute to the successful growth profile of the Group.

As we await the outcome of the CMA process, CVS is well positioned for further growth in both the UK and Australia.

I look forward to reporting on further success in the future.

I would like to conclude by thanking all CVS colleagues in the UK and Australia for their continued professionalism and commitment to providing great care for our clients and their animals and I also thank all our stakeholders for their ongoing support.

**David Wilton**

Chair

7 October 2025

# Market fundamentals remain attractive

**Richard Fairman**  
Chief Executive Officer

## Introduction

I am delighted to report on another successful year of growth across our Group with improved UK operations and the establishment of a meaningful platform in Australia. We have successfully navigated some significant challenges over the past twelve months, and we enter the new financial year with a strengthened Company, which is well positioned for further success.

We have continued to invest in people, practice facilities, clinical equipment, technology and Australia acquisitions under our disciplined approach and are confident in the returns this will generate. As at the year end we had 29 practices in Australia operating across 43 practice sites with seven acquisitions completed in the financial year. We have completed two further acquisitions (eight practices sites) since the year end including the marquee acquisition of Sydney Animal Hospital. I would like to welcome all our new Australia colleagues to CVS.

The market and economic uncertainty in the UK from both the Competition and Markets Authority (CMA) market investigation, the increased National Insurance Contribution burden and continued consumer weakness have been unhelpful, but the market fundamentals remain attractive, and we are confident in our ability to compete successfully.

We disposed of our Crematoria operations in May 2025, generating a c.10x multiple of adjusted EBITDA. The capital generated provides additional firepower for continued selective investment in the UK and expansion in Australia.

We continue to focus on providing great client service and have enhanced our client offering in the past year, whilst continuing to deliver the great clinical care which we are renowned for. It is pleasing to see this recognised by our clients with our Net Promoter Score increasing to 78.9 (2024: 68.0).

I am immensely proud of the achievements of our team of colleagues over the past year and the care they provide to our clients and their animals 24 hours a day, 365 days a year. I am also proud to be CEO of a corporate veterinary group which puts great clinical care and people at the heart of its focus. The CMA investigation, and resulting press articles, has seen the veterinary sector come under intense scrutiny and this has impacted our colleagues who care so passionately in providing great care. I would like to take this opportunity to thank them all for their resilience, professionalism and commitment.

### Financial performance

We delivered revenue from continuing operations of £673.2m, an increase of 5.4% over the prior year. Following a challenging start to the year with like-for-like (LFL) sales growth of -1.1% for the first six months, it was pleasing to see a significant improvement in the final quarter leading to positive full-year LFL growth and improved trading. Whilst this performance as against a softer comparative, we saw underlying sales growth in this period. Adjusted EBITDA increased by 9.4% to £134.6m due to disciplined cost management, efficiency improvements and a £2.3m increase in net Research and Development Expenditure Tax Credits recognised. Profit before tax decreased by 7.4% to £32.6m following increases in finance expense and depreciation, largely as a result of investments we have made to drive future growth.

Following our successful entry into the Australia veterinary services market in July 2023, we have completed a further seven acquisitions in the financial year (comprising 15 practice sites) for a cash consideration of £29.2m.

We made further investments in our facilities, equipment and technology to support growth with total capital expenditure of £34.2m (2025 continuing operations: £33.2m, 2024: £43.1m).

We achieved an improvement in our adjusted operating cash conversion, which at 76.9% for the year is ahead of our stated target of c.70%. In light of these strengthened operating cash flows and the proceeds received from the sale of our Crematoria business, net bank borrowing decreased to £131.4m at 30 June 2025 and leverage reduced to 1.18x. We have committed bank facilities in place through to February 2028 to fund continued investment in growth.

**Read more about our alternative performance measures (APMs) on pages 160 to 164**

### Management team

We successfully strengthened our management team in the year with Paul Higgs, Chief Veterinary Officer, joining the Board in July 2024. As an RCVS recognised and European veterinary specialist in small animal internal medicine, Paul enhances our capability in delivering exceptional clinical care. Paul has successfully established himself as an industry thought leader and will play a key part in helping to shape the future of the veterinary profession in the UK and Australia.

Claire Slater joined as Chief Operating Officer in January 2025 and brings a wealth of operational and commercial experience from her previous roles at IVC Evidensia and WH Smith.

Claire adopts a refreshingly data driven approach to operational development and her client focus and people leadership acumen have strengthened our Executive Committee.

### Strategic update

We have a clear strategy for growth focused on continued high standards of clinical care, delivering excellent client service and developing a highly skilled team of colleagues to deliver this. I am pleased with the progress made over the past financial year which positions CVS well for future growth.

In the UK we have continued our disciplined investment in our practice facilities with £33.2m spent on capital projects for continuing operations. We completed six practice refurbishments or relocations and over 70 of our practices received investment to improve both client-facing and colleague working areas.

We have continued to enhance our technology with our cloud-based practice management system operational across the majority of our companion animals sites and client service enhanced through online booking across 340 companion animal practices. This investment has also enabled us to improve digital product and prescription reminders for clients, creating efficiencies in our practices.

Within our referral specialist hospitals, we have successfully trialled new AI software which leads to further efficiency by reducing the time taken to write clinical notes and letters to the referring vet and client allowing our vets to focus on the care they provide to our clients' pets. We are now considering how this can be utilised across our business.

Our learning and development team, in an industry first, has launched a new consultation skills training course which was developed with the support of a leading NHS general practitioner trainer. This will help us further enhance our client service skills and help ensure we continue to fully meet evolving client expectations.

As a leading corporate veterinary group in a highly competitive industry, we have a responsibility to develop standards in the profession which will ultimately enhance the client service and the care provided to animals. We continue to invest in research and development and to look for new ways to support our clinical colleagues in appropriately diagnosing the cases that present in the consultation room. During the year we launched "MiGuide", a handy pocket guide which helps clinicians search symptoms and recommended treatment plans.

**Read more about "MiGuide" on page 19**

### Capital allocation

**We have a healthy balance sheet and strong free cash flow which underpin our opportunity for disciplined investment in growth**

Healthy balance sheet and strong free cash flow	Committed facilities of £350m to February 2028	Adjusted operating cash conversion c.70%	Strong free cash flow
Investment opportunities and dividends	Capex: c.£30m–£50m pa	Acquisitions: £50m pa subject to timing	Progressive dividend policy
Disciplined investment approach	Leverage < 2.0x	Disciplined investment: IRR of > c.10.0%	Shareholder returns

## Chief Executive Officer's review continued

### Strategic update continued

We have established a successful Australian business with a strong local management team and a meaningful platform, having now acquired 31 practices operating across 51 sites. These practices continue to perform in line with our expectations, and we have successfully established a reputation of being both clinically and people focused. With our increased scale we are now starting to generate cost efficiencies through improving buying terms for pharmaceuticals and some clinical services. We will continue our selective and disciplined approach to acquisitions and have a strong pipeline of further opportunities.

### Competition and Markets Authority (CMA)

We have adopted a proactive approach in liaising with the CMA throughout its market investigation. This is to both help the CMA understand the sector and some of the challenges we face, but importantly to help them achieve an appropriate outcome in the best interests of consumers. We have sought to engage early and proactively with the CMA at every stage of its review and we have proposed remedies to the CMA for it to consider. We were delighted to welcome the entire CMA panel to visit two of our practice sites in July 2024 and we welcomed Martin Coleman, CMA Panel Chair, and his colleague at a further practice this year to observe a series of back-to-back consultations.

Whilst we were disappointed with the CMA's decision to extend the market investigation by six months, we are hopeful that the additional time taken to digest feedback on its remedies working paper will lead to an improved set of ultimate remedies.

At the time it announced this extension, the CMA had said that it planned to publish its provisional decision in September 2025. In light of this, we consciously decided to delay the date of these results so that we could both digest its provisional findings and also discuss these in our forthcoming investor roadshow. It is disappointing that there has been a further delay to mid-October 2025, but we look forward to reviewing the provisional findings shortly.

We will continue to support the CMA in the remainder of its investigation and have advanced plans in place to implement the final remedies package which will include joint branding of our practices and the publishing of standardised price lists.

### Sustainability

Today we are publishing our fourth Sustainability Report which provides a detailed update on our sustainability and ESG focus. We have refreshed our approach under four key ESG pillars: Care for our People; Care for our Clients and their Animals; Care for our Planet; and Care for our Communities. I continue to sponsor our overall sustainability and ESG approach with each of these focus areas being led by a member of my Executive Committee.

[Read more about sustainability from page 30](#)

### Shareholder engagement

We have continued our investor relations focus through open and timely individual engagement with existing and potential new shareholders and attendance at a number of broker conferences.

It was pleasing to see our investor relations recognised through CVS winning the "Best Investor Communication Award" at the AIM Awards 2024.

### Outlook

CVS continues to operate in competitive but highly attractive markets in the UK and Australia. Both markets remain strong with increased pet ownership, the continued humanisation of pets, increased pet life expectancy and owners having a boundless affection for their animals.

Our success in the past financial year and the outstanding service we have provided to our clients and their animals are entirely due to our fantastic team of CVS colleagues. I cannot thank them enough for their continued support and dedication.

Whilst I remain mindful of the short-term headwinds from continued cost of living pressures in the UK and the ongoing CMA market investigation, I am confident in our outlook. Through the significant achievements of the past financial year, the strategic progress made and our strengthened balance sheet, CVS is well placed to continue to compete successfully and to deliver further enhanced value to all stakeholders.

I look forward to reporting on the continued successful development of CVS in 2026 and beyond.

**Richard Fairman**  
Chief Executive Officer  
7 October 2025

# We are focused on our client proposition

We continue to focus on providing great client service and have enhanced our client offering in the past year, whilst continuing to deliver the great clinical care which we are renowned for. With increasing awareness of the veterinary sector, we have taken the opportunity to survey pet owners across the UK who access veterinary care at both CVS and non-CVS practices.

We are continuing to see the trend of humanisation of pets, with owners demonstrating extremely strong emotional attitudes towards their pets, almost unanimously agreeing they are family.

With this continued humanisation and family bond, we feel it is important to ensure we can demonstrate how CVS's offering aligns with its clients' needs.

## Our size means we can...

- > Promote our large network of high-quality vets and services
- > Show our stability as a larger company and how it enables us to provide the most up-to-date procedures and technology
- > Demonstrate our professionalism in high standards of quality and knowledge
- > Show our ability to keep ahead of the curve in high-quality veterinary care and new technology

## Our people can help us...

- > Build genuine relationships through personalised care. Clients want to feel known and understood. They value colleague who take time to connect, remember details about their pets, and treat each visit as an opportunity to deepen trust
- > Treat pets as family, with empathy and attentiveness. Owners expect vets to show real care and consider their unique needs. Emotional connection matters
- > Deliver a consistently high-quality experience. Reliability is key. Clients want every visit to reflect the same high standards of care, communication, and professionalism – no surprises, just dependable excellence
- > Create a welcoming and reassuring environment from the moment they arrive. First impressions count. A clean, calm, and friendly space helps reduce stress for both pets and owners, setting the tone for a positive experience

# 98%

Consider their pet to be a member of the family

# 98%

Often talk to their pet as if they can understand them

*CVS pet owner survey: Thinking about your own relationship with your pet, to what extent do you agree or disagree with each of the following statements?*

## Market overview

# The veterinary market has positive long-term growth drivers and has proven extremely resilient

The veterinary market continues to benefit from an increased pet population and the continued humanisation of pets. There is a growing appetite for high-quality care along with advances in veterinary medicine and increased life expectancy.

### Geographical markets

The Group operates veterinary practices in the UK and Australia. The UK companion animal market remains our largest market and has proven extremely resilient to recent challenges. CVS continues its expansion in the Australian market, which has similar long-term growth drivers to the UK and is a growing market. CVS is well placed to benefit from favourable market trends in both the UK and Australia.

#### UK

Revenue (£m)

**£621.1m** +0.7%

2025	621.1
2024	616.6

**£6.3bn**

Market size<sup>1</sup>

**c.5,500**

Veterinary practices<sup>2</sup>

**425**

CVS veterinary practices at 30 June

Pet populations<sup>3</sup>

Pets

**c.36m**

Including:

Dogs

**c.13.5m**

Cats

**c.12.5m**

#### Australia

Revenue (£m)

**£52.1m** +135.7%

2025	52.1
2024	22.1

**\$5.7bn**

Market size<sup>4</sup>

**c.3,800**

Veterinary practices<sup>4</sup>

**43**

CVS veterinary practices at 30 June

Pet populations<sup>5</sup>

Pets

**c.29m**

Including:

Dogs

**c.6.4m**

Cats

**c.5.3m**

1. Source: 09.3.5 Other recreational goods Veterinary and other services for pets CP NSA £m – Office for National Statistics (ons.gov.uk).

2. Source: findavet.rcvs.org.uk/home/.

3. Source: www.ukpetfood.org/industry-hub/data-statistics-/uk-pet-population-.html (2024).

4. Source: www.ibisworld.com/australia/industry/veterinary-services/623/.

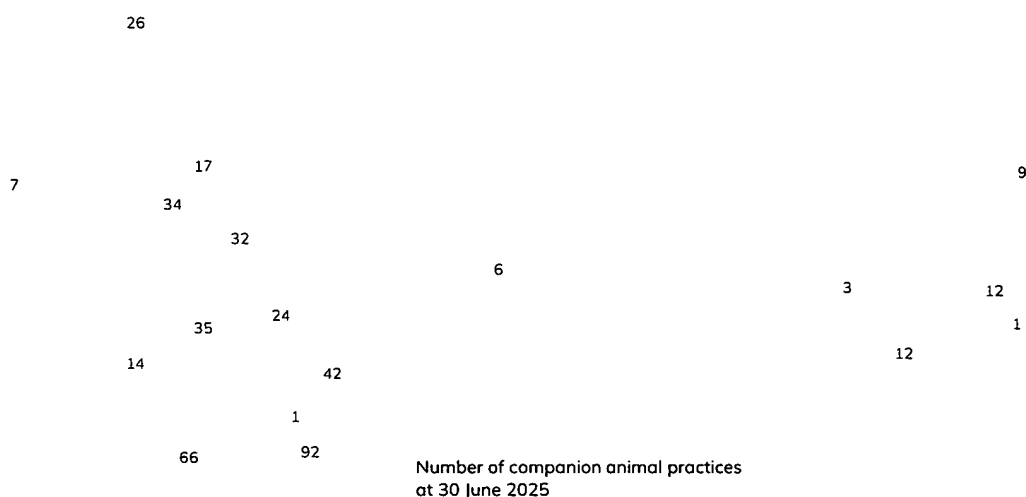
5. Source: Animal Medicines Australia, Pet Ownership Report, 2022 – animalmedicinesaustralia.org.au/wp-content/uploads/2022/11/AMAU008-Pet-Ownership22-Report\_v1.6\_WEB.pdf.

Our presence

# CVS has strong geographical presence in the UK and a solid footprint in major Australian cities

## UK

## Australia



### The opportunity

- > Increased population of pets following COVID-19 with pet population levels now stable
- > Continued humanisation and desire to treat pets as a member of the family
- > Clinical advancements helping meet clients' needs for their pets
- > Expansion opportunities through greenfield and acquisition

### Market positioning

- > Approximate market share of practice sites:

**c.9%**

UK

**c.1%**

Australia

# Our market drivers and responses

## A stable pet population

The pet population is large having grown in recent years and now remains stable.

## CVS addressable pet population

**65m**

### Impact

- > The UK and Australian pet population grew in the peak COVID-19 years with c.36m and c.29m pets respectively.
- > This increase in the pet population was a helpful market driver in the short term when kittens and puppies require vaccinations, initial check-ups and in some cases neutering.
- > The COVID-19 pet population is now in its healthy adult life stage; as these pets become mature animals they will require more veterinary intervention providing growth in the medium and longer term.

### Our approach

- > We continue to expand our network of high-quality facilities, accessible across the UK and Australia.
- > We provide access to preventative care through our successful Healthy Pet Club scheme which provides preventative healthcare including regular check-ups, annual vaccinations and regular flea and worming treatments.
- > We also provide advice to clients on the appropriate choice of pet for their individual circumstances and we offer puppy socialisation classes in a number of our primary care practices.

## Advances in veterinary care

Continued scientific research leads to further advances in veterinary care and improvements in pet longevity.

## CVS veterinary practices

**468**

### Impact

- > Continued scientific research leads to further advances in veterinary care offering pet owners a variety of treatments for their animals.
- > This, along with improvements in technology, has advanced the offering of telemedicine and remote specialist diagnostic image interpretation and advice.

### Our approach

- > We continue to invest in our clinicians, offering them industry-leading clinical training, and we provide a culture of recommending the best possible care individualised to each patient. Our three nurse training centres provide a range of qualifications for CVS colleagues and non-CVS clinicians.
- > We are striving to have a positive impact on the veterinary care sector as a whole, through investing in research projects designed to better understand and improve veterinary care. These projects are studying topics relating to animal health, clinical practices and the environment.
- > We provide support for medical imaging and interpretation through our VetOracle™ business. Our VetOracle™ specialists are able to review images remotely and provide advice on clinical treatments for primary care vets within CVS and third-party owned practices.

## Availability of vets to perform services

Clinically led vision and values position CVS to outperform the market in attracting and retaining talent.

## CVS veterinary surgeons

**>2,400**

### Impact

- > Whilst there is a continued shortage of veterinary surgeons and, to a lesser extent, nurses across our markets, this shortage has reduced.
- > We are working with our regulators and veterinary schools to increase the number of vets entering the profession, along with promoting the right work being performed by the right role to enhance job satisfaction.

### Our approach

- > Our vision is to be the veterinary company people most want to work for and our focus on achieving this vision has enabled us to improve colleague retention in recent years.
- > In 2025, we saw an increase in the average number of vets we employ by 4.5% (5.8% including acquisitions) and a decrease in nurses and practice support teams by 0.8% (an increase of 0.5% including acquisitions).
- > We continue to monitor our KPIs along with tracking colleague satisfaction through employee Net Promoter Score and colleague attrition. During 2025 we have seen positive trajectories in these metrics. See more on page 25.

Link to strategy

Read more about our strategy on pages 20 and 21

## Online retail

Investment in digital capabilities and pharmacy automation to benefit from increasing penetration of the online market.

### Animed Direct Trustpilot rating

**4.7**

#### Impact

- > Customers are switching to shopping online for their pet food and pharmacy products, driven by convenience and product range.
- > Whilst the majority of our clients purchase drugs in our practices, they can also purchase a prescription from our practices and then purchase medicines online.

#### Our approach

- > We continue to explore opportunities within our online platform, increasing our website capabilities and ensuring we have sustainable competitive pricing.
- > We have two pharmacy robots to improve logistics and fulfilment, increase productivity and improve quality control across the veterinary pharmacy.
- > We have further automated our dispatches with a packaging machine that increases productivity and improves quality control.
- > We launched our new website in February 2025 improving usability and speed, ultimately improving user experience.

## Consolidated markets

Presence in attractive UK local markets and well positioned to benefit from further consolidation in fragmented international markets.

### UK market size

**£6.3bn**

#### Impact

- > We estimate, with the support of third-party economists, that approximately c.60% of the UK practices are under corporate ownership. In Australia, this is much less at c.20%.
- > We recognise the importance of privately owned independent practices. Where private practice owners are looking to sell, we are well positioned to acquire and provide benefits to owners, colleagues and patients.

#### Our approach

- > We support independent practices through our buying groups, our laboratories, our referral specialists, and our VetOracle™ service, all of which offer services to non-CVS practices as well as our own.
- > We have paused acquisitions in the UK during the Competition and Markets Authority investigation and will review post conclusion of the investigation.
- > We entered the Australian veterinary services market in 2023, which has similar dynamics to the UK with significantly reduced consolidation, providing increased runway for future growth of the Group. In the year, we acquired a further 15 practice sites and have a strong pipeline of opportunities, with a further eight practice sites acquired post-year end.

## Humanisation of pets

Increasing trend from owners treating their pets as family members and seeking high-quality clinical care and premium products.

### CVS client Net Promoter Score

**78.9**

#### Impact

- > The veterinary sector continues to benefit from the humanisation of pets as pets are treated increasingly as companions and seen as an important part of family life, as well as positive contributors to their owners' improved mental and physical health.

#### Our approach

- > We continue to prioritise high-quality contextualised clinical care and provide all-round animal care, from primary care, specialist referrals, diagnostic testing, and accessories to pet food and consumables.
- > We understand the emotional bond between our customers and their pets and the wider social benefits of pet ownership. With continued advances in clinical care, we can support our clients throughout their pets' lives.
- > We have launched online booking across our UK companion animal practices to improve access to our care and help overall client experience.

Link to strategy

Read more about our strategy on pages 20 and 21

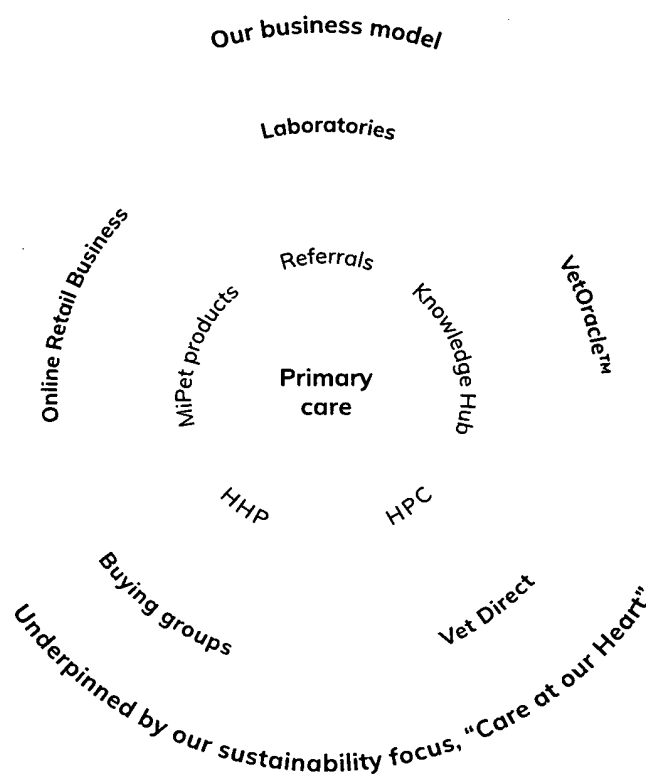
## Business model

# Delivering sustainable growth

The Group is well positioned to ensure delivery of high-quality end-to-end care to our patients and their owners.

### How our Group works together

Multi-disciplinary collaboration is core to CVS Group's identity; our veterinary practices work together to improve clinical outcomes supported by our Laboratories and support service teams, ensuring high-quality outcomes for our clients and their pets. Our Online Retail Business sits alongside this, supporting the Group's scale benefits.



### Our strengths

#### Our business model with veterinary practices at our core with:

- > Great clinical care
- > Scale benefits
- > Breadth of clinical expertise

#### Operating in a sizeable and growing market with resilient characteristics with:

- > Increased population of pets
- > Humanisation of pets with pets deeply ingrained within the family and consumers willing to spend on care
- > Recurring robust revenues

#### Supplemented by prudent capital allocation with:

- > Investment in new facilities and equipment, and increase in clinicians, to drive organic growth
- > Opportunity for accretive acquisitions
- > Progressive dividend policy

## Investment case

# A proven and growth-focused investment case

### Well positioned for both long-term organic and acquisitive growth

#### Established position in a mature and resilient market

- > We continue to operate in a market with increasing demand and scope for growth in our market share
- > The veterinary sector continues to benefit from increasing humanisation of pets and appetite for improved clinical care
- > 468 veterinary practices

Discover more about our market on pages 10 to 13

#### A strategy which is delivering sustainable growth

- > Clear, people-focused strategy of organic growth, supported by investment in our facilities and equipment, and augmented by inorganic growth through investment in selective acquisitions
- > £34.2m (£33.2m continuing operations) invested in capital expenditure in 2025

Discover more about our strategy on pages 20 and 21

#### Strong financial position and returns potential

- > A strong balance sheet with committed and available bank facilities to February 2028
- > Highly cash generative with robust and recurring cash flows
- > 76.9% adjusted operating cash conversion\*

Discover more in our Financial Review on pages 44 to 49

#### A clinical-led approach

- > Our passionate and skilful colleagues are the key to our strategic success
- > Our leading learning, education and development offering fosters collaborative learning
- > Over 2,400 veterinary surgeons

Discover more in our Clinical Review on page 42

#### Management with a proven track record

- > Strong management team with a broad range of experience and expertise, which has a proven track record of delivering growth even during periods of economic adversity
- > Clinical representation across all leadership levels
- > 49% of our Senior Leadership Group are clinicians

Discover more about our Board of Directors on pages 60 and 61

#### Our business model

- > Veterinary services model, with primary care practices supported by specialist-led multi-disciplinary referral hospitals, laboratories and an Online Retail Business
- > Our model provides clinical collaboration at all levels, promoting improved clinical outcomes
- > Nine specialist referral hospitals

Discover more about our business model on page 14

#### Multiple opportunities to build on strong foundations

- > Alongside consistent organic growth, there are opportunities to build on our platform in Australia
- > Seven acquisitions completed in 2025 of 15 practice sites across Australia and a further eight practice sites post-year end

Discover more in our Chief Executive Officer's Review on pages 6 to 8

#### Care at our Heart, sustainability at our core

- > Our sustainability strategy is at the heart of everything we do, designed to focus on the material interests of our stakeholders
- > Reduction in carbon emissions of 6.9%

Discover more in our sustainability on pages 30 to 41

\* Financial definitions are defined in the alternative performance measures glossary from page 160.

# Empowered, accountable leaders who drive and support an exceptional employee experience

## Supporting and developing our leaders

Alongside our leadership hub and available resources on the Knowledge Hub for managers and leaders, we have introduced several self-service-based resources to support managers dealing with regular queries. These guidance documents support a variety of topics, ranging from honest conversations through to people processes with more to follow this year through the launch of a self-service toolkit for leaders. This toolkit will encourage leaders to have immediate accessibility to support tools on key people processes which will include manager guidance, forms, training links and policies.

We have also recently launched our brand-new leadership development programme, which will be rolled out across all leaders in practice. The programme is accredited by the Chartered Management Institute (CMI) and designed to equip people managers with the key skills to become successful leaders within CVS. The programme will help practice leaders understand how to motivate and inspire their teams to deliver outstanding performance.

We have a refreshed set of roles and responsibilities for our practice leadership roles and have introduced a new set of Leadership Behaviours; these help leaders with clarity on both the “what” and the “how” that are required for each role and enable us to support and develop appropriately on a role and individual level. This framework will act as a tool to support meaningful development and progression discussions, elevate team performance and provide consistency across all practice leadership levels and roles.

A new induction programme has been designed and will be introduced this year ensuring a consistent and practical orientation to CVS is achieved. This will consist of several preboarding and onboarding products, such as access to a buddy where possible, structured induction plans and training tools, that support our new hires through their first six months in role. All new hires will also have the opportunity to learn about our business, join a “Meet the Senior CVS Team” session and build up a network with colleagues across the Group.

## Championing an inclusive and diverse workplace

A new look Equity, Diversity and Inclusion (EDI) Hub has been created this year to include a range of supporting tools and guidance and information for colleagues to access. This also provides the opportunity to take part or join our EDI groups or help drive key initiatives across CVS throughout the year.

### Partnering with the Employers Network for Equality & Inclusion

This year we have **partnered with the Employers Network for Equality & Inclusion (ENEI)**, providing the opportunity for all colleagues to utilise resources and attend events. ENEI also provides and includes training support, which we have utilised around the areas of unconscious bias, inclusive leadership and recruitment and neurodiversity awareness. A manager guidance tool has also been designed which provides additional tools and support for leaders.

During the year, CVS achieved disability confident accreditation, and the recruitment and EDI teams are currently collaborating to develop this further within CVS. We ask our colleagues throughout the year using our employee Net Promoter Survey (eNPS) some key questions that relate to equity and inclusion. There have been increases in these scores since last year with 79.9% of our colleagues saying they feel equally included at work and 79.1% feeling safe to speak up about any concerns.

We have implemented a structured approach for our farm and equine vets to develop their careers with CVS into a senior vet role with an annual promotion cycle. We have also published salary ranges for our equine colleagues for the first time this year.

In our Laboratories division we moved all colleagues onto salary ranges. This has enabled the Laboratories leadership team to reflect the individual contribution and competence of their team members in their pay level, encouraging cross-skilling which will improve the ability to respond to customer needs and workflow demands.

This year we have added to the ways in which we recognise our colleagues' achievements and we now use our monthly CVS Connect magazine to highlight key moments such as long service milestones and those who have passed their veterinary nurse qualifications and obtained their registered nurse status. For the second year we ran our colleague thank you scheme and received over 1,800 emails that were shared with colleagues from their peers.

In our latest Gender Pay Report, published in April 2025, we reported a significant decrease in the median gender pay gap to 37.6% (from 42.2%). This reduction in the pay gap is supported through our ongoing EDI initiatives, opportunities for career development for all colleagues, and improved pay transparency through our published salary ranges.

## Wellbeing is prioritised

Our popular team distance challenge ran again this year; the challenge welcomes colleagues to work as a team to take part in our five core distance activities: walking, running, swimming, cycling and rowing. This year included a brand-new app-based challenge for which we partnered with Big Team Challenge which was tailored specifically to CVS. The team's distance was covered through a virtual map tracking progress through the UK's coastline; 1,043 colleagues spread over 222 teams logged 415,671,711 steps which is a staggering 179,026 miles. As a result of this distance the Big Team Challenge will plant 104 trees on our behalf.

Further support for our Wellbeing Champions is being developed through the utilisation of an EDI and wellbeing communications calendar. We ask our colleagues throughout the year using our eNPS survey some key questions that relate to wellbeing; the feedback received was that 82.7% of colleagues felt that we provide relevant and helpful wellbeing resources, training and support.

In the current financial climate there has been a focus on financial wellbeing for our colleagues. In July 2024 we enhanced our pension scheme arrangements through increased contributions made by CVS. Since launching this change we have seen over 1,400 employees opt to enhance their employee contribution and therefore benefit from a matched contribution from CVS up to 6%. A further 230 employees who already made increased employee contributions have benefitted from the increased pension contributions with the matching approach in place from July.

We also offered financial wellbeing webinars for CVS employees provided by HSBC, covering topics including retirement planning, budgeting and understanding credit scores.

We continue to promote the health cash plan which enables employees to receive cash back on a range of health and wellbeing treatments; and employee participation continues to increase, with over 3,300 UK colleagues now members. During September we also provided over 800 flu vaccination vouchers to colleagues.

### The benefits of a new and improved Wellbeing Hub

A new and improved Wellbeing Hub has been introduced this year within Knowledge Hub. This has seen user numbers increase by 217%. Wellbeing focus and initiatives this year have included an annual calendar focusing on monthly support and resources, financial wellbeing sessions and the team distance challenge activity. We have 12 dedicated wellbeing LED courses available within the new Wellbeing Hub and also continue to promote the benefits of the health cash plan scheme for all colleagues, membership of which has increased by 35% overall.

## Our people and culture continued

### Delivering diverse culture

As part of our ongoing people strategy, we launched an enhanced careers website which is centred around learning, progression, clinical performance and the support we provide to our colleagues.

These initiatives are aligned with our vision to be the veterinary company people most want to work for and with our purpose of delivering the best possible care to animals and their owners. Together they will support our efforts to attract, develop and retain talented people across all areas of our business.

To reinforce our positive employer reputation we successfully implemented LocumBell, a locum management system which enhances workforce agility and provides operational efficiencies.

To ensure we continue to attract and retain high-level candidates, we regularly review the market pay position for our key clinical roles, aiming to ensure that our pay levels are in line with market rates. As part of the July 25 pay review we invested heavily in our nurse pay to ensure we are in a competitive pay position within the market.

We have continued to promote our range of benefits to colleagues to help raise awareness and understanding of what is available. Feedback from the Employee Value Proposition (EVP) research showed that awareness amongst managers is good but was lower within their team members.

To raise awareness, we have utilised printed noticeboards, LinkedIn posts, Connect magazine, weekly emails, practice leaders live calls and team meetings and our benefits brochure is issued to all new joiners.

As a result we continue to see increased participation in our health cash plan, salary sacrifice electric car scheme, and flu vaccination programme.

### The benefits of our personal development programme

A Personal Development Plan (PDP) framework was launched in January 2025 to support development conversations for all colleagues and to review and update in their regular check-ins. This consisted of a new training programme within Knowledge Hub, a newly designed PDP template and a guidance document with additional resources and support, making career discussions easier at all levels.

### Growth and continuous development are supported and encouraged

As part of our global talent strategy, we successfully launched a UK to Australia secondment programme, with our first employee now placed in one of our Australian practices and several others in the pipeline. This initiative enhances professional development, fosters cross-border knowledge sharing and strengthens our global culture, positioning us to better meet client needs through agile, internationally connected teams.

We've added an Employee Spotlight section to our careers site to showcase how our colleagues are enhancing their careers through support, learning and progression.

In February 2025, a new Receptionist Career Pathway was launched to offer transparent career progression and to promote careers for our receptionists across CVS. The pathway provides support for development discussions, with templates for creating a structured training plan and courses within Knowledge Hub to support individual development to cover topics such as client care, communication and finance, as well as providing online tutorials for senior receptionist roles.

Knowledge Hub continues to be a source of exceptional training and CPD materials; with 135 clinical courses, 191 professional courses and eleven general certificate programmes. It also hosts 417 on-demand webinars and contains 56 live workspaces covering a broad range of areas across the business.

Innovating ways to improve patient outcomes

# CVS launches unique MiGuide “pocket” clinical resource

We launched a unique MiGuide “pocket” resource to provide our vets and nurses with the clinical information they need every day in primary care companion animal practice.

Thought to be a first in the profession, the essential clinical resource sits in a well-structured portal that can be accessed easily on a phone.

The portal houses all of the “kennel side” veterinary guidelines, notes and charts that clinicians may need to refer to in day-to-day companion animal practice – all in one place.

It includes clinical guidelines, anaesthesia, diagnostic imaging, dentistry and toxicology sections, along with an antibiotic guide. It also contains links to CVS's Small Animal Hub, Nursing Hub and Knowledge Hub where clinicians can access hundreds of associated training courses. In addition, CVS's colleagues can access our VetOracle specialist telemedicine and Advanced Clinical Services Network support teams through the portal.

The content of the portal is easy to access, with well catalogued and easy-to-navigate sections. The quality information contained within the library is concise, to the point, and “quick reference” in format. It is hoped that the breadth of information contained on the portal will improve and speed up clinical decision making, making recommendations to clients easier – and ultimately improving patient outcomes.

**“MiGuide is a super easily accessible mini guide with everything a new grad needs, from pre-med protocols to imaging guides. I would definitely recommend having it on your phone at all times.”**

**New graduate vet – 2025 cohort**

## Our strategy

# A clear strategy for growth

### We recommend and provide the best care every time

#### Our strategic objectives

- > To have a culture of recommending the best possible care, individualised to our clients.
- > To deliver industry-leading clinical training.
- > To be committed to evidence-based medicine and have a robust quality improvement framework.
- > To ensure our clinicians have access to the right medicines at the right time.

#### Our achievements in the year

- > We remain committed to our Clinical Governance Framework, designed to drive increased standards of care in the profession and the first dedicated veterinary Clinical Governance Framework for those involved in animal healthcare in the UK.
- > We launched our online platform "MiGuide" which allows vets to gain instant access clinical support.
- > We prioritised CVS clinical research funding into projects focused on antimicrobial resistance.
- > We have collaborated with the University of Bristol to deliver a clinical project to over 50 CVS practices which aimed to increase responsible use of antimicrobials in acute diarrhoea, cat bite abscess and otitis externa.
- > We delivered a cluster randomised trial to assess the impact of different interventions to support cleanliness and infection control across 54 of our companion animal practices.
- > We continue to contribute to veterinary literature with over 100 peer-reviewed publications published and research presented at international conferences. Research presented on an antimicrobial stewardship project won the BSAVA 2025 Practitioner Award.
- > We received an RCVS Knowledge Champion Award for Quality Improvement to lead organisational change.

#### Outlook

- > We continue to pride ourselves on our contribution to the veterinary industry, including our significant contributions to clinical research. This focus on driving forward standards within the profession will remain central.
- > We are supporting a PhD at the University of Liverpool entitled "Interventions to promote responsible prescribing habits of highest priority critically important antibiotics in equine and companion animal practices" which will commence in 2025.
- > We are currently trialling the use of AI to see how technology can support our vets whilst in the consulting room, allowing them to fully focus on the care being provided to the client and their pet.

#### Market drivers

This pillar is impacted by:

- > a stable pet population;
- > advances in veterinary care; and
- > the humanisation of pets.
- > availability of vets to perform services.

#### Link to KPIs

A B C D E F  
G H I J K L

Read more on pages 22 to 25

#### Link to risks

1 2 3 4 6 7  
8 9 10

Read more on pages 50 to 57

### We are a great place to work and have a career

#### Our strategic objectives

- > To create opportunities for our people to have diverse and rewarding careers.
- > To be as flexible as possible in all our roles.
- > To have the best leaders within our businesses.
- > To offer the best learning, education and development in the profession.

#### Our achievements in the year

- > In the year ended 30 June 2025, we employed an average of 2,447 veterinary surgeons (2024: 2,313). This is a 5.8% (4.5% excluding acquisitions) increase from 2024 to 2025, demonstrating the success of our people-focused strategy.
- > Our employee Net Promoter Score (eNPS), which tracks colleague engagement across our business, increased from -2.8 to +3.1 from 2024 to 2025. The increase reflects the turnaround following the impact of the cyber event and rapid rollout of Provect cloud last year.
- > Colleague attrition has remained stable.
- > We expanded our clinical CPD catalogue to include 17 practical vet and nurse courses and also improved our offering to our nurses by introducing two new Level 5 advanced veterinary nursing diplomas.
- > We invested in our colleagues in our veterinary practices by providing additional receptionist training, introducing three training programmes accessible to all of our receptionists. So far over 1,000 receptionists have completed at least one of these courses. They aim to help our receptionists feel confident and empowered to give the best possible service to our clients.
- > We saw positive increases in the uptake of our Cash Health Plan and also changed our pension contributions matching up to 6%.
- > We launched our secondment programme between the UK and Australia where our colleagues have the opportunity to work in each respective country.

#### Outlook

- > Being the veterinary company people most want to work for remains a key focus for us and we are investing in our leaders through a Chartered Management Institute approved leadership development programme aimed at all practice leaders.
- > We recognise the importance of our nurses and, with effect from the new financial year, have enhanced their reward structure.

#### Market drivers

This pillar is impacted by:

- > a stable pet population;
- > advances in veterinary care; and
- > the humanisation of pets; and
- > availability of vets to perform services.

#### Link to KPIs

A B C D E F  
G H J K L

Read more on pages 22 to 25

#### Link to risks

1 2 3 4 6 8  
9 10

Read more on pages 50 to 57

## We provide great facilities and equipment

### Our strategic objectives

- > To ensure all our practices meet the RCVS Practice Standards Scheme accreditation standards and to aspire to achieve further RCVS awards.
- > To invest in our estate to ensure all our facilities meet excellent standards.
- > To expand our network with high-quality facilities.
- > To develop new ways to serve our clients and our patients.

### Our achievements in the year

- > We acquired 15 veterinary practice sites in 2025, all of which were in Australia, bringing the total number of practice sites in Australia to 43. We continue to focus on ensuring acquired practices have high-quality facilities which meet the expectations of a CVS practice for both our colleagues and clients. Where acquired practice facilities do not meet our usual standard, we factor in the costs of improving the practice facilities and equipment into our purchase consideration.
- > We also completed six practice relocations and refurbishments. This included White Oaks in the North East which was a £1.1m investment to a purpose built facility providing an enhanced offering of services to pets locally.
- > Following our investment last year modernising our IT infrastructure, including our new cloud-based practice management system (PMS), we have been able to enhance our client experience by introducing online booking to over 340 sites and improve digital product/ prescription reminders.
- > Two practices were granted with an RCVS Environmental Sustainability Award, demonstrating that they are excelling with their environmental sustainability credentials and have embedded sustainable behaviours.
- > We have invested in over 70 sites as part of a focus to improve our colleague and client-facing areas as well as investing in new equipment to further extend service offerings.

### Outlook

- > We continue to remain committed to improving in our practices through minor investment and to larger refurbishments and relocations, and to bringing as many of our sites up to a new minimum "CVS Standard" of quality of practice facilities and equipment as possible.
- > The quality of our existing facilities and the acquisition of high-quality veterinary practices will continue to be key components of our growth ambition.
- > We will continue to unlock opportunities to enhance our client experience through investment in IT including AI where appropriate.

### Market drivers

This pillar is impacted by:

- > a stable pet population;
- > advances in veterinary care;
- > consolidated markets; and
- > availability of vets to perform services.

#### Link to KPIs

A B C D E F  
G H J K L

Read more on pages 22 to 25

#### Link to risks

1 2 4 5 6 8  
9 10

Read more on pages 50 to 57

## We take our responsibilities seriously

### Our strategic objectives

- > To make our Group as environmentally sustainable as possible.
- > To implement the best levels of health and safety in the profession.
- > To prioritise the wellbeing of our people.
- > To engage with the veterinary profession and support its interests.

### Our achievements in the year

- > To provide the highest standard of medicine, we need to offer colleagues quality learning and excellent facilities and resources. We continued to invest in projects aimed to improve education and development, share best practice, give access to top-tier clinical expertise and develop the leaders around our Company.
- > We launched mandatory protective equipment for our equine vets, following a three-year project with University of Liverpool which found a quarter of equine vets have had injuries leading to hospital attendance.
- > We have published our fourth annual Sustainability Report, providing detailed updates on the Group's strategy and the significant progress we have made towards a more sustainable future. Within this report we have disclosed financially material sustainability-related data under the Sustainability Accounting Standards Board (SASB) standards.
- > We introduced our CVS Wellbeing Hub which is accessible to all employees and provides a wide of range of resources which includes many topics such as caring for careers, EDI, men and women's health and mindfulness.

### Outlook

- > As part of our Clinical Governance Framework, we will focus on contextualised care, whereby a veterinary surgeon must take into account the many and varied needs of an animal, their owner and the veterinary team when advising on a care plan. We are committed that our clinical teams will ask animal owners what matters to them, listen to what matters, acknowledge what matters and consider how best to incorporate this into each individual patient's treatment plan.
- > We are implementing smart meters to utilities across all of our practices to help monitor our energy usage and continue to promote Environment Champions to ensure we remain on track for our sustainability goals.
- > We continue to proactively engage with the Competition and Markets Authority in regard to its market investigation and look forward to working with it to determine and implement any reasonable and appropriate remedies.

### Market drivers

This pillar is impacted by:

- > availability of vets to perform services; and
- > the humanisation of pets.

#### Link to KPIs

A B C D E F  
G H J K L

Read more on pages 22 to 25

#### Link to risks

1 2 4 5 6 7 8  
9 10 11

Read more on pages 50 to 57



1. 2024 has been re-presented following the classification of Crematoria operations as discontinued operations; see note 32 on page 155 for further details. Years 2023 and prior have not been re-presented and include the Crematoria operations.

APM Adjusted financial measures are defined and reconciled to the financial measures defined by International Financial Reporting Standards (IFRS) in the alternative performance measures glossary from page 160 to 164.

**D: Adjusted EPS (pence)<sup>1</sup>** <sup>APM</sup>

**80.1p**  
-3.8%

2025	80.1
2024	83.3
2023	98.9
2022	85.8
2021	75.1

**Why it's a KPI**

This is a key measure to understand the underlying earnings of the Group. It is calculated as profit before tax adjusted for: amortisation; costs relating to business combinations; and exceptional items, net of the notional tax impact of these, divided by the weighted average number of shares.

**2025 performance**

- > Adjusted EPS decreased 3.2p due to £0.1m reduction in the year in adjusted profit before tax with adjusted EBITDA growth offset by an increase in depreciation from increased capital investment in recent years; and an increase in finance expense from increases in both cost of borrowing and net debt.
- > In addition the blended rate of corporation tax has increased, with more profits coming from Australia which has a 30% rate of corporation tax (UK: 25%) reducing EPS by c.2.8p.
- > Issued share capital has increased only by the number of shares required to satisfy the Group's Long-Term Incentive Plan and Save As You Earn schemes.

**E: Total capex (£m)**

**£34.2m**  
-20.6%

2025	34.2
2024	43.1
2023	45.7
2022	24.5
2021	16.6

**Why it's a KPI**

This is the total amount spent by the Group on capital expenditure (capex). Capital expenditure is incurred on refurbishment, relocation of practice facilities and investment in new equipment, clinical facilities and technology. Investing in our practices and clinical equipment is key to the achievement of our strategic goal of providing great facilities and equipment and our medium-term ambition of investment to deliver additional organic growth in practice facilities and technology. As such it is a key KPI.

**2025 performance**

- > Total capital expenditure has decreased by £8.9m, consisting of a £0.9m increase in maintenance capital expenditure, of which a £1.5m increase relates to continuing operations offset by a reduction of £0.6m relating to discontinued operations in the current and prior years, and a £9.8m decrease in development capital expenditure; despite the slight decrease, the Group continues to focus on improving client experience and growing the business with a more selective approach to investment.

**Target**

- > We have an ambition to spend between £30m and £50m per annum to deliver growth across our practice facilities, equipment and technology.

**F: Gross margin before clinical staff costs (%)<sup>1</sup>**

**78.4%**  
+0.8ppt

2025	78.4
2024	77.6
2023	77.7
2022	76.9
2021	76.1

**Why it's a KPI**

Gross margin before clinical staff costs represents revenue after deducting the cost of drugs, laboratory fees, cremation fees, and other goods sold or used by the business, expressed as a percentage of total revenue. Gross margin before clinical staff costs is a KPI because it helps us to monitor and measure our ability to purchase drugs at the best possible price whilst ensuring the highest quality.

**2025 performance**

- > Improvement of 0.8ppts is primarily due to a higher mix of Veterinary Practices and Laboratories, which operate at higher gross margins than our Online Retail Business.

**G: Cash generated from operations (£m)**

**£114.1m**  
+19.0%

2025	114.1
2024	95.9
2023	107.9
2022	93.1
2021	80.3

**Why it's a KPI**

Cash generated from operations shows the cash inflows before: payments of taxation and interest; business combinations; purchases of property, plant and equipment and intangible assets; repayment of right-of-use assets; payments of dividends; debt issuance costs; increase/repayment of bank loans; and proceeds from issue of shares. Delivery of increased cash generated from operations allows us to invest in further growth opportunities across our business and as such is a key KPI.

**2025 performance**

- > We continue to have strong cash generation with cash generated from operations of £114.1m during the year. This was up on the prior year of £95.9m, with the increase in adjusted EBITDA and improved working capital movements primarily due to receipt of Research and Expenditure Tax Credits relating to prior periods, partially offset by a year-on-year increase in acquisition costs of £2.9m.

**Link to strategy**

Read more about our strategy on pages 20 and 21

## Key performance indicators continued

# Non-financial KPIs

Tracking our non-financial measures allows us to monitor our performance against our core strategic goals.

### H: Vet vacancy rate (%)

# 6.5%

-2.8ppt

2025	6.5
2024	9.3
2023	11.5
2022	10.4
2021	8.3

#### Why it's a KPI

The vet vacancy rate is calculated as the average number of live vet vacancies divided by the total number of vets by headcount plus vacancies. This shows the average level of vet vacancies for the Group during the year which is important due to the shortage of vets in the UK and Australia. This links to our strategic goal of being the veterinary company people most want to work for.

#### 2025 performance

- > The vet vacancy rate has decreased in 2025, as we continue to fill our vacant positions.
- > During 2025, on average we employed 4.5% more veterinary surgeons than we did the year before (5.8% including acquisitions).

### I: Healthy Pet Club members

# 519,000

+3.2%

2025	519,000
2024	503,000
2023	489,000
2022	470,000
2021	450,000

#### Why it's a KPI

Healthy Pet Club is our preventative care scheme. It provides CVS with a robust and regular revenue stream, as well as improving customer loyalty.

#### 2025 performance

- > The number of Healthy Pet Club members has increased by 3.2% in the year mainly from new clients transitioning from legacy schemes linked to historic UK practice acquisitions. Without the clients transitioning from legacy schemes the Healthy Pet Club would have seen more modest levels of growth.
- > The continued level of membership demonstrates the increased humanisation of pets and desire for our clients to invest in their pets' futures through preventative care.
- > Our scheme provides great value to pet owners and an effective way of spreading the cost of preventative veterinary care over a twelve-month period.

### J: Number of RCVS awards

# 81

-27.7%

2025	81
2024	112
2023	150
2022	154
2021	159

#### Why it's a KPI

This shows the number of RCVS Practice Standards Scheme (PSS) awards across the Group. These awards promote and maintain the highest standards of veterinary care across a range of different criteria including client experience and clinical governance. Monitoring the number of RCVS awards helps us achieve our strategic goal of taking our responsibilities seriously.

#### 2025 performance

- > We currently hold five PSS awards for sustainability.
- > Over 40% of our awards relate to client service, highlighting our focus on exceptional client service.
- > The decrease in awards year on year is due to practices delaying renewing the award with upcoming renovation and relocations projects.

Link to strategy

Read more about our strategy on pages 20 and 21

### K: Employee NPS<sup>1</sup>

**+3.1**  
+5.9pt

2025	3.1	
2024	-2.8	
2023		14.6
2022	4.8	
2021	2.9	

#### Why it's a KPI

Employee Net Promoter Score (eNPS) is a measure of how likely our colleagues are to recommend the Group as a place to work as reported in anonymous monthly surveys. Monitoring our eNPS shows the level of colleague satisfaction across the Group and helps us to ensure we are a great place to work and have a career.

#### 2025 performance

- > We saw operational challenges for the final quarter of the prior year, due to the cyber incident and accelerated rollout to a cloud-based practice management system, during which time we saw employee NPS reduce to -2.8 at June 2024.
- > Following this, 2025 saw positive colleague engagement and by June 25 we saw eNPS increase to +3.1. The continuation of the CMA investigation has undoubtedly impacted these scores during the year but we have remained committed to team engagement and morale across the Group.

#### Target

- > Our target for 2026 is to increase this to +5.0.

### L: Client NPS<sup>1</sup>

**+78.9**  
+10.9pt

2025	78.9
2024	68.0
2023	73.0
2022	71.9
2021	72.2

#### Why it's a KPI

Client Net Promoter Score (cNPS) is a measure of the level of our clients' satisfaction with their experiences with the Group via anonymous reporting of the likelihood that clients would recommend the Group for our services. Monitoring NPS helps us to ensure we recommend and provide the best clinical care every time.

#### 2025 performance

- > Client engagement has been a key focus over the past year with pleasing results.
- > We continued to focus on high-quality clinical care and investment in our practice facilities to provide a safe and comfortable environment for our clients and exceptional care for their treasured animals, with specific investment across many of our sites improving client-facing areas.
- > We remain committed to understanding our customers' needs and providing them with a high-quality service. We have undertaken various market surveys and are committed to enhancing our understanding of what matters to clients.

#### Target

- > Our target for 2026 is to increase this to +80.0.

1. Net Promoter Score measures customer and colleague experience using the answer to a key question, "How likely is it that you would recommend CVS?", with a 0-10 scale. Responses are analysed using a weighted calculation to yield a score between a low of -100 and a high of 100.

**Link to strategy**

Read more about our strategy on pages 20 and 21

## Section 172(1) statement and stakeholder engagement

# Continuing to deliver value for our stakeholders

### Section 172(1) Statement

Our Section 172(1) Statement sets out how the Board has given regard to the matters set out in Sections 172(1)(a)–(f) of the Companies Act 2006 (s172) in performing its duties over the course of the year. The Company's purpose, vision and strategy are reviewed and discussed annually by the Board to ensure that these continue to promote the long-term success of the Company for the benefit of its members as a whole, whilst also having regard to the matters set out in s172.

### Purpose, vision and strategy

Our purpose is to give the best possible care to animals and our vision is to be the veterinary company people most want to work for. This purpose and vision are in alignment with the long-term interests of our customers, our colleagues and other stakeholders in the delivery of high-quality, sustainable clinical care for animals.

### Stakeholder engagement

The Board has identified seven key stakeholders that are essential to the delivery of the Company's strategy and long-term success, details of which are set out in the following pages. Our colleagues, our clients and their animals, our investors, our communities, our industry bodies, our suppliers and our environment are at the heart of what we do; it is of the highest importance to us that we engage with all of our stakeholders meaningfully to inform decision making and ensure that we provide value in all areas of our business. We promote an ongoing dialogue with all of our stakeholders to enable us to act on feedback and foster a culture of honesty and integrity.

### Consideration of s172 factors by the Board

The following table sets out some key decisions taken by the Board during the year and how s172 factors and engagement with stakeholders have been discussed and taken into consideration.

The Board has a duty to act for the benefit of its members as a whole whilst having regard to the matters set out in s172:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

### Board decision

#### Dividend

The Board approved a final dividend of 8.0p per Ordinary share of 0.2p each in the capital of the Company for the year ended 30 June 2024.

**Links to s172: a, c and f**

### s172 considerations

The Board considered the Company's capital position and performance and agreed the continuation of its progressive dividend policy which is based on growing the dividend per Ordinary share over time.

The Board also considered whether it was appropriate to return capital to shareholders through the use of special dividends and share buybacks, but taking into consideration the long-term investment needs of the business, the Board decided to reinvest capital in supporting delivery of long-term growth.

#### Appointment of a new Executive Director

During the course of the year, the Board appointed a new Executive Director.

**Links to s172: a, e, f**

The Board considered the skills, experience and diversity of the Board and in the year appointed a new Executive Director, Paul Higgs, as Chief Veterinary Officer (CVO), with effect from 25 July 2024. The CVO is responsible for overseeing clinical standards, shaping and supporting the strategy for their continuous improvement, and serving as a key steward at the intersection of clinical and commercial outcomes.

#### Disposal of our Crematoria operations

The Board considered the attractive offer it received for its Crematoria operations and approved the disposal in April 2025. The initial proceeds of £42.3m were used to pay down the revolving credit facility but subsequently will be used for future acquisitions in the UK and Australia.

**Links to s172: a, c**

The Board considered the third-party offer received for the Crematoria operations, the adjusted EBITDA multiple offered and resulting proceeds against its medium-term aspirations for capital allocation. It concluded that due to the attractive growth potential of acquiring further companion animals sites in the UK and Australia, it would approve the disposal of the Crematoria operations which completed in May 2025.

## Our colleagues

### Who are they

Everyone who is directly employed by CVS.

### Why we engage

Our vision is to be the veterinary company people most want to work for. By engaging with our colleagues, we can understand their motivations and work with them to maximise colleague engagement and welfare. Our focus is continuing to provide our colleagues with the flexibility and support they need to develop their careers.

### How we engage

- > Through regular calls with our team and practice leaders.
- > On our Knowledge Hub workspaces and regular publications.
- > Through our employee Net Promoter Score surveys (eNPS).
- > At our annual conference.

### 2025: Outcomes

- > Our colleague eNPS score increased to +3.1 from -2.8 in 2024. The increase reflects the turnaround following the impact of the cyber event and rapid rollout of Provet cloud last year.
- > We have partnered with the Employers Network for Equality & Inclusion (ENEI), providing the opportunity for all colleagues to utilise resources and attend events.
- > In February 2025 a new Receptionist Career Pathway was launched to offer transparent career progression by levels and to promote careers for our receptionists across CVS with enhanced training.
- > With effect from July 2024 we enhanced our employer pension contributions, matching employees' contributions up to 6%. Since launching this change we have seen over 1,400 employees opt to enhance their employee contribution and therefore benefit from a matched contribution from CVS.

### Sustainability focus: What are the long-term desired outcomes

- > Becoming the veterinary company people most want to work for.
- > Fulfilled vets and nurses who have the equipment, access to expertise and support to provide the best possible care for animals.
- > Equal opportunities for all colleagues.
- > A healthy and safe workspace.
- > Having the best learning, education and development (LED) platform in the industry.
- > Continued strong employee Net Promoter Score with a 2026 target to increase our eNPS score to +5.0.
- > Continued reduction in colleague attrition which was stable in the year.
- > Diversity across our business. Female representation on the Board is 28.6% and Executive Committee is 40.0%. We have engaged a third-party search firm to improve Board diversity further.

## Our clients and their animals (customers)

### Who are they

All of the animals that we treat and their owners.

### Why we engage

Customers rightly expect the highest-quality care for their animals. We provide this through our veterinary services model which enables us to deliver high clinical standards and quality facilities.

We engage with our customers to ensure we are meeting their high standards of service and to identify opportunities to improve client service.

### How we engage

- > Regular dialogue for clinical and non-clinical matters.
- > Social media channels – for individual practices and for the Group.
- > Our practice websites, which includes pet care, advice and information about our practices.
- > Through monitoring of our client Net Promoter Score (cNPS).
- > Emails, particularly to our Healthy Pet Club members.
- > Events, such as open days, first aid evenings, puppy parties or external attending events.

### 2025: Outcomes

- > Client NPS has increased to +78.9 from +68.0 in 2024.
- > We are undertaking a programme of investment in our veterinary practices, including changes designed to improve the experience for our clients and their pets.
- > Introduction of new technology, such as AI, to enhance client experience in the consulting room by allowing our vets to focus on treating the animal.
- > In order to support our customers with pressures on household incomes, we offer a comprehensive preventative healthcare scheme, the Healthy Pet Club, which also includes discounts on various products and services.

### Sustainability focus: What are the long-term desired outcomes

- > A healthy pet population.
- > Outstanding clinical expertise.
- > The best possible service for pet owners and their animals.
- > Continued strong client Net Promoter Score.
- > High levels of preventative healthcare, which we can support through membership of our preventative healthcare scheme, Healthy Pet Club, which has increased to 519,000 (2024: 503,000).

# Section 172(1) statement and stakeholder engagement continued

## Our investors (shareholders)

### Who are they

Individuals or organisations which invest in CVS through shares and banks who provide funding.

### Why we engage

We actively engage with our shareholders, highlighting our investment case and communicating our future plans, to ensure the Group's strategy is aligned to the interests of its shareholders.

Our shareholders hold us accountable for doing the right thing, and by engaging with them we can understand and act on their expectations, enabling us to drive the business forward, deliver sustainable growth in shareholder returns and attract additional investors to support the business.

### How we engage

- > Shareholder consultation on key issues raised through AGM voting or through regular meetings.
- > Shareholders have access to senior management and receive appropriate communications.
- > Attendance at broker conferences and roadshows across the UK, the US, Canada and Europe.

### 2025: Outcomes

- > At the 2024 AGM, 100.0% of resolutions were passed with all resolutions achieving over 85% votes for.
- > During the year, we attended 14 investor roadshows and conferences alongside all Directors making themselves available to meet investors on request.
- > Investor webcasts with question and answer sessions.
- > We paid £5.7m in dividends relating to the year ended 30 June 2024, representing 8.0p per share. In 2025, we have proposed a dividend of 8.5p per share.
- > We won the 2024 AIM Awards Investor Communications Award.

### Sustainability focus:

#### What are the long-term desired outcomes

- > Sustainable shareholder value and long-term growth.
- > Progressive dividend policy.
- > Shareholder consultation on key issues raised through AGM voting or through regular meetings.
- > Shareholders continue to have access to senior management and receive appropriate communications.

## Our communities

### Who are they

Those who live in areas where we have practices and sites that we operate.

### Why we engage

We regularly engage with local communities in which our practices operate, communities of pet owners and animal carers and the communities to which our colleagues belong, in order to understand how we can support them.

By engaging with our communities, we can find ways to contribute positively to the environments in which we work, promote employment satisfaction within our operations and support our communities to achieve common goals, such as the advancement of clinical care.

### How we engage

- > Our practices engage within their local communities, providing key care to animals for local charities or individuals who identify animals in need.
- > We have a charity of the year, which is chosen by our colleagues; in 2024–25 our colleagues chose "Hearing Dogs", for which we held fundraising events from locally arranged events to Group-wide initiatives.
- > We hold practice open days, puppy socialisation classes and pet first aid to support our local communities.

### 2025: Outcomes

- > Our colleagues, combined with donations from our clients, raised over £85,000 in 2025 for our charity of the year, "Hearing Dogs". CVS also continued its annual donation to Vetlife.
- > The Big Team Challenge will plant 104 trees on our behalf following our team distance challenge.

### Sustainability focus:

#### What are the long-term desired outcomes

- > Increasing the socio-economic diversity of qualified veterinary surgeons and nurses in CVS and the wider profession.
- > Raising money for relevant charities.
- > Promoting the responsible use of antibiotics and reduce their use, whilst balancing animal welfare.

## Our industry bodies

### Who are they

The veterinary profession, industry bodies, colleges, associations and schools.

### Why we engage

We actively engage with our industry bodies, including the Royal College of Veterinary Surgeons (RCVS), the British Veterinary Association (BVA) and the British Veterinary Nurses Association (BVNA), to promote innovation and advancement within the veterinary industry.

### How we engage

- > Regular liaison with industry bodies including the Royal College of Veterinary Surgeons, British Veterinary Association, British Veterinary Nursing Association, and more.
- > Support veterinary schools and students with intra-mural and extra-mural studies.
- > Appropriate colleagues attend update calls and webinars with regulatory bodies to understand upcoming regulatory changes.

### 2025: Outcomes

- > In September 2025, we again published our annual Quality Improvement Report. An organisation that is committed to quality improvement should be prepared to share its results, celebrate progress and recognise success in learning, which is what we aim to achieve with this report.
- > We are active within the veterinary community, engaging with industry bodies on topical subjects and supporting veterinary professionals to advance the profession, for example through our Clinical Research Awards. We also support charities, such as Vetlife, that support individuals and their families in the veterinary community.
- > A large proportion of all veterinary students pass through our practices for intra-mural studies and we are the top scoring placement.
- > Over 1,160 students are able to book extra-mural studies through the Knowledge Hub platform.
- > Our CVO sat on various industry panels in the year, including at the London Vet Show and at the British Small Animal Veterinary Association conference on 'Contextualised Care: It's not just about money' & 'Veterinary Costs: Can we move beyond the "vets are too expensive" story'.

### Sustainability focus:

#### What are the long-term desired outcomes

- > Raising standards across the industry.
- > Increasing the numbers of graduate veterinary professionals.
- > Involvement in setting strategy and policy, collaborative projects, meetings and events.
- > Tracking the numbers of veterinary and nurse students we have supported with training.

## Our suppliers

### Who are they

Organisations that provide us products and services.

### Why we engage

We are proud to have long-term relationships with our wholesalers and manufacturers, regularly communicating with them to promote positive relationships. Through these relationships we can generate consistent custom for our suppliers, in return achieving mutually favourable terms on purchases.

We engage with our suppliers to deliver ongoing benefits to our businesses, collaboratively finding operational and sustainable improvements and delivering improved value.

We have shared sustainability goals with some of our key suppliers. We recognise that through working together we can reduce our impact on the environment.

### How we engage

- > We have a clearly defined procurement policy.
- > We have regular meetings with suppliers to review performance, agree terms and identify additional opportunities for future growth.
- > Key suppliers are invited to attend our annual conference to understand our business, engage with other key stakeholders and ask any questions they may have.
- > We attend industry conferences and events which are also attended by our existing suppliers, as well as other suppliers that we may work with in the future. We actively engage at these events to understand where our goals might be aligned to those of suppliers.

### 2025: Outcomes

- > We continued to nurture our strong working relationships with some of our key suppliers, including attendance at conferences, inviting suppliers to host stands at our annual colleague conference, taking part in our marketing campaigns and inviting suppliers to be involved in charity initiatives such as our annual CVS team distance challenge, which many of our suppliers were involved with, including sponsorship.
- > Sustainability is a key priority for both us and many of our suppliers, and we have again worked with a number of suppliers to implement initiatives, such as reduced product packaging and recycling of more materials.
- > This year we have developed a supplier ESG assessment tool which has been distributed to 24 of our key suppliers and embedded in our tender processes.

### Sustainability focus: What are the long-term desired outcomes

- > Collaborative initiatives that reduce plastic, packaging and delivery emissions.
- > To continue to embed supplier and product sustainability into purchasing processes with the aim of improving our own credentials.
- > Reducing the volume of products we use that generate large amounts of waste.

## Our environment

### Who are they

Our natural environment.

### Why we engage

Our long-term success depends on the sustainable use of the planet's resources.

### How we engage

- > As well as monitoring our KPIs closely, we also take part in accreditations that demonstrates our environmental standards, such as the RCVS Practice Standards Scheme.

### 2025: Outcomes

- > We continue to source our electricity from renewable sources.
- > We have enhanced our fleet with further ultra-low emission vehicles.
- > We are installing smart meters across our UK operations so we can better track and monitor our usage of electricity.

### Sustainability focus: What are the long-term desired outcomes

- > Monitoring and reducing our environmental impact.
- > Reduce waste sent to landfill by 10% and increase the proportion of our non-medical waste recycled to 38%.
- > Reduced emissions.
- > Reduced carbon footprint.
- > We will complete the installation of new smart meter across our network for both electricity and gas and will continue to incorporate energy efficiency elements as we upgrade our sites.
- > We plan to launch a new project on water use.
- > A new sustainability questionnaire has been designed to score our UK suppliers on their environmental credentials. Currently being tested, we plan to issue our ESG questionnaire to 24 of our key suppliers.

# Driving change for the future

Our Environmental, Social and Governance (ESG) strategy, “Care at our Heart”, is based on our care for animals, people and the environment.



Our **Care for our Planet** pillar retains a focus on energy and carbon as well as waste. We want to minimise our environmental impact, whilst supporting and developing our services and clinical expertise.

The **Care for our People** pillar retains a focus on people development, wellbeing and EDI.

Our **Care for our Clients and their Animals** pillar reflects how we become a more client-centric organisation, and build long lasting relationships and trust with clients.

The **Care for our Communities** pillar is how we interact with our professions, society and the local communities in which we operate and uphold public health through our One Health workstream.

Read more about CVS within our Sustainability Report 2025 at [cvskpltd.co.uk](https://cvskpltd.co.uk)

### Care for our Planet

#### Sustainable Development Goals

Topic	Description of calculation	Ambition	Measure	Progress	Ambition	Ambition met
<b>Energy reduction</b>	Calculated as the percentage decrease in energy consumption (Scopes 1, 2, and 3).	Annual reduction of 5.0%.	2025	37,538,627 kWh	-4.2%	-5.0%
			2024	39,168,500 kWh	-2.8%	-5.0%
<b>Carbon reduction</b>	Calculated as the percentage decrease in total carbon emissions (Scopes 1, 2, and 3).	Annual reduction of 3.0%.	2025	10,208 tCO <sub>2</sub> e	-6.9%	-3.0%
			2024	10,961 tCO <sub>2</sub> e	-1.7%	-3.0%
<b>Non-medical waste recycled</b>	Calculated as the percentage of non-medical waste that is recycled.	Increase % of non-medical waste recycled to 38%.  The ambition to increase the percentage of non-medical waste recycled to 38% was achieved in 2025. A new ambition of 41% has now been set.	2025	453.7/1,162.5 Tonnes	39.0%	38.0%
			2024	411.4/1,179.8 Tonnes	34.9%	N/a

### Care for our People

#### Sustainable Development Goals

Topic	Description of calculation	Ambition	Measure	Progress	Ambition	Ambition met
<b>Employee Net Promoter Score (eNPS)<sup>1</sup></b>	Calculated as the increase in eNPS.	Increase eNPS to +5.0.	2025	+3.1	+3.1	+5.0
			2024	+2.8	+2.8	+5.0
<b>Colleagues having regular check-ins</b>	Calculated as the percentage of colleagues having regular check-ins.	% of colleagues having regular check-ins to be above 85.0%.  A new ambition has been set for 2026 for over 80% of colleagues to have regular check-ins.	2025	7,460 colleagues	84.4%	85.0%
			2024	6,960 colleagues	84.0%	N/a

### Care for our Clients and their Animals

#### Sustainable Development Goals

Topic	Description of calculation	Ambition	Measure	Progress	Ambition	Ambition met
<b>Client Net Promoter Score (cNPS)<sup>2</sup></b>	Calculated as the percentage increase in cNPS.	Increase cNPS by 5.0%.  The ambition to increase cNPS by 5.0% was achieved in 2025. A new ambition of achieving a cNPS score above +80.0 has now been set.	2025	+78.9	+14.7%	+5%
			2024	+68.0	-6.8%	+5%
<b>Client Care Training</b>	Calculated as the increase in receptionists having completed client care training.	A new ambition has been set for 2026 to increase the number of receptionists having completed client care training to 270, marking the first year this target has been established.	2025	240 receptionists		N/a
			2024	N/a		N/a

### Care for our Communities

#### Sustainable Development Goals

Topic	Description of calculation	Ambition	Measure	Progress	Ambition	Ambition met
<b>Antimicrobial stewardship HPCIA usage<sup>3</sup></b>	Calculated as the percentage of companion animal consultations resulting in a Highest Priority Critically Important Antimicrobial (HPCIA) prescription.	No more than 2% of companion animal consultations should result in a HPCIA prescription.	2025	1.2%	1.2%	<2.0%
			2024	1.5%	1.5%	<2.0%

Care for our Communities is a newly established workstream, and as such, key performance indicators (KPIs) are currently under development. A second ambition will be finalised during the 2026 financial year.

- Employee Net Promoter Score is a measure of how likely our colleagues are to recommend the Group as a place to work as reported on anonymous monthly surveys.
- Client Net Promoter Score is a measure of the level of our clients' satisfaction with their experiences with the Group via anonymous reporting of the likelihood that clients would recommend the Group for our services.
- Antimicrobial stewardship HPCIA usage refers to the monitoring and management of Highest Priority Critically Important Antimicrobials (HPCIA), which are essential antibiotics reserved for treating serious infections. Stewardship efforts aim to ensure these medicines are used responsibly to preserve their effectiveness and reduce the risk of antimicrobial resistance.

## Non-financial and sustainability information statement

# Sustainability statement

Caring for animals goes hand in hand with caring for the natural environment, so climate-related risks and opportunities are key factors of consideration in the short, medium and long-term strategic planning of the Group. Our aim is to minimise our impact on the planet in a way that supports and develops our services and clinical expertise.

We continue to apply the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, as we continue the journey of understanding our impact on the environment.

We have refreshed our climate-related scenario analysis to ensure a structured and science-based approach, gathering an understanding of the potential climate scenarios in our future, the impacts of these on our business and the strategic steps we can take to ensure we are prepared.

Over the following pages we have applied the TCFD recommendations, including:

- > scenario analysis which includes three global warming scenarios;
- > setting targets to lessen harmful environmental impacts of our business and increase environmentally friendly activities; and
- > reviewing and improving our processes around monitoring our environmental impact and managing climate-related risks.

To ensure open communication with stakeholders on progress, we have made the voluntary decision to early adopt the disclosure recommendations of the TCFD in this Annual Report. In the table below, we have set out our progress against the eleven recommended disclosures.

The Group has included climate-related financial disclosures as required by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (SI 2022/31).

### TCFD recommendations and recommended disclosures

Disclosure location

Governance	
Board's oversight of climate-related risks and opportunities	Page 33
Management's role in assessing and managing climate-related risks and opportunities	Page 33
Strategy	
Climate-related risks and opportunities (short, medium and long term)	Page 34
Impact of climate-related risks and opportunities on the business, strategy and financial planning	Pages 35–37
Resilience of the organisation's strategy, considering different climate-related scenarios, including a 2°C or lower scenario	Pages 35–37
Risk management	
Processes for identifying and assessing climate-related risks	Page 38
Processes for managing climate-related risks	Page 38
Identifying, assessing and managing climate-related risks and integration into overall risk management	Page 38
Metrics	
Metrics to assess climate-related risks and opportunities in line with the strategy and risk management process	Page 39
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks	Page 39
Targets used to manage climate-related risks and opportunities, and performance against targets	Page 39

Disclosure requirement Our progress

**Governance**

**Describe the Board's oversight of climate-related risks and opportunities**

The CVS Group Board is responsible for overseeing the Company's approach to climate-related risks and opportunities, integrating them into strategic decision making, risk management, budgeting and major capital expenditures. The Group's Board is diverse in its composition which enables wide-ranging perspectives and experience in identifying and addressing climate-related risks and opportunities. The expertise of the Group's Board is detailed in the biographies of the Board members on pages 60 and 61 of this Annual Report.

The Board reviews climate-related issues at each Board meeting, ensuring consistent integration into the Group's strategic and financial planning processes. During 2025, there were eight Board meetings. Further efforts are underway to embed climate risks more comprehensively into detailed budgeting processes.

The Board oversees the setting of climate-related targets and the monitoring of progress against these targets, facilitated through the Sustainability Committee. The objective of the Sustainability Committee is to oversee, support and guide the Company's sustainability initiatives. Its primary function is to ensure integration of Environmental, Social and Governance (ESG) principles into the Company's strategy, operations and culture. Executive Directors of the Board participate in an annual bonus scheme: 20% of the bonus is payable based on non-financial targets linked to key metrics and the Group's sustainability strategy. Linking remuneration to sustainability performance demonstrates the Group's commitment to sustainable targets and initiatives. Progress against sustainability targets is reviewed annually and presented to the Chief Executive Officer for discussion. Where targets are not expected to be met, the Sustainability Committee leads explore potential causes and consider appropriate remedial actions. Actions are agreed collaboratively and followed up through regular Committee engagement.

The assessment of climate-related risks is governed through the same processes used for financial risk management, ensuring consistency in how these risks are identified, assessed, monitored and disclosed. Detailed information on our broader risk management process is available on pages 50 to 57 of this Annual Report.

The Group and the Board remain committed to transparency through regular and detailed climate-related reporting, including this TCFD Statement along with reporting against the SASB standards. Additionally, the Group has published its fourth Sustainability Report in 2025, which provides greater detail on the inner workings and successes of the sustainability efforts the Group has undertaken.

Up to this year the Group had six ESG workstreams, being, Energy and Carbon, Waste, One Health, People Development, Wellbeing and Equity, Diversity and Inclusion (EDI). These remain important areas; however, to better reflect the importance of our clients and our communities in our Sustainability Plan we have transitioned into four broader pillars under the CVS Care Plan.

- > Care for our People retains a focus on people development, wellbeing, and EDI.
- > Care for our Clients and their Animals reflects how we become a more client-centric organisation, and build long lasting relationships and trust with clients.
- > Care for our Communities is how we interact with our professions, society and the local communities in which we operate and uphold public health through our One Health workstream.
- > Care for our Planet retains a focus on energy and carbon as well as waste.

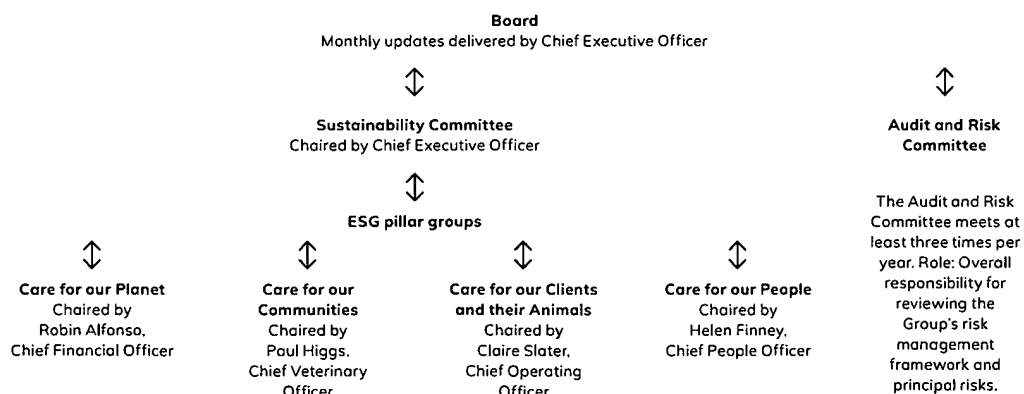
**Describe management's role in assessing/managing climate-related risks and opportunities**

The Chief Executive Officer (CEO) holds overall responsibility for climate change and sustainability within the Group and serves as the Chair of the Sustainability Committee. This dual role ensures direct accountability and oversight. The CEO leads the development and execution of the Group's climate strategy, collaborating with various departments to integrate climate considerations into operational practices. This governance structure facilitates clear, two-way communication between the Board and the wider business, ensuring that climate-related risks and opportunities are effectively managed at the highest level.

The Sustainability Committee is composed of senior leaders with expertise aligned to the Group's four ESG pillars: Care for our Planet, Care for our Communities, Care for our Clients and their Animals, and Care for our People. These leaders are responsible for implementing the Board's directives on climate-related issues, ensuring that climate strategies are effectively implemented across the organisation.

Climate-related risks and opportunities are identified, assessed and managed through a structured risk management framework. This process includes risk identification by relevant pillar leads, assessment of risk severity and the application of mitigation controls. High-priority risks are escalated directly to the Board for review, with corrective actions being implemented where necessary. For FY26 a climate-specific risk register will be developed.

During the year, the Sustainability Committee held one formal meeting, bringing together all sustainability leads to review progress against climate targets, assess the effectiveness of ongoing initiatives and discuss mitigation of climate risks. In addition to this meeting, Committee members maintained regular contact through email and phone discussions, enabling continuous oversight and collaboration on sustainability matters throughout the year.



# Non-financial and sustainability information statement continued

## Strategy

### Strategy overview

The Group recognises that climate-related risks and opportunities can materially impact our business strategy, operations and long-term performance. The Board defines climate-related risks as material where they may significantly impact the Group's ability to deliver value or achieve strategic objectives. Materiality is assessed through potential financial exposure, regulatory relevance and strategic alignment with our sector and stakeholders.

In 2025, we refreshed our scenario analysis, aligning with TCFD guidance to ensure a structured and science-based approach. The starting point was a review of scientific evidence from the Intergovernmental Panel on Climate Change (IPCC) and Network for Greening the Financial System (NGFS), which informed the selection of three distinct scenarios representing varying levels of physical and transition risk.

**Physical risk:** The risk that climate-related events such as floods, storms, heatwaves, or long-term changes like rising sea levels and temperature shifts could disrupt operations, damage assets, or impact supply chains.

**Transition risk:** The risk that changes in policy, regulation, technology, or market preferences during the shift to a low-carbon economy could affect how organisations operate or make strategic decisions.

We then assessed the external environment and current climate-related risks relevant to the veterinary sector, followed by defining short, medium and long-term time horizons for the analysis. A tailored PESTLE framework was used to identify and prioritise key drivers across political, economic, social, technological, legal and environmental categories. These insights shaped our assessment of the Group's climate-related risks and opportunities and supported the evaluation of strategic resilience under each scenario.

### Climate scenarios

Global temperature pathway	Physical risk	Transition risk	Justification for time horizon
<1.5°C	Low	High	The <1.5°C scenario is aligned with the goals of the Paris Agreement and has been selected in line with TCFD guidance, which recommends including at least one scenario resulting in 2°C or lower warming. This pathway allows the Group to explore the transition risks and opportunities associated with a proactive global shift toward reducing greenhouse gas emissions and accelerating the transition to renewable energy.
2.5°C	Moderate	Moderate-low	The 2.5°C scenario reflects the current global warming trajectory as reported by the IPCC. According to the latest projections, if current policies remain in place, global temperatures are expected to rise by approximately 2.2°C to 3.5°C by 2100. As such, a 2.5°C pathway represents a realistic, middle-ground scenario that aligns with the most probable outcomes based on existing global policy trends.
>3.5°C	Very high	Very low	The >3.5°C scenario represents a worst-case, high-warming pathway and provides the greatest insight into the potential physical risks and opportunities associated with extreme climate change. It enables analysis of the impacts CVS could face if global mitigation efforts fall short and serves as a valuable reference point for understanding the consequences of inaction. This scenario reinforces the importance of continued investment in sustainability initiatives and proactive climate risk management.

### Time horizons

The scenarios above have been assessed across defined short, medium, and long-term time horizons, reflecting the expected progression of climate-related risks and opportunities. While some transition risks may emerge earlier, both physical and transition risks are expected to fully materialise over the long term, making forward-looking strategic planning essential. It is acknowledged that long-term climate projections are subject to uncertainty due to evolving scientific knowledge, policy developments and market dynamics. As such, estimates of timing and severity may change over time. The Group will continue to monitor these developments and refine its assessments to ensure decisions remain aligned with the latest evidence and expectations.

Time horizon	Years	Justification for chosen scenarios
Short term (near term)	0–1 year	Aligns with our annual budget planning cycle as well as our annual climate targets.
Medium term (near term)	1–5 years	Aligns with our five-year plan and offers insight into upcoming risks and opportunities.
Long term (mid-century)	5–25 years	Sufficient time for the development of physical and transition risks.

### Risk and opportunity climate scenario assessment

For each climate scenario, we have assessed and prioritised climate-related risks and opportunities, with each item being evaluated based on its potential impact and likelihood.

- > **Impact** is defined as the potential magnitude of the risk or opportunity on our operations, financial performance, or strategic objectives. Impact ratings are assessed gross of mitigation, unless otherwise stated. To support transparency, we align impact ratings with materiality thresholds as follows:
  - > Critical impact refers to risks and opportunities that could have a detrimental effect on the going concern status of the Group. These are considered material.
  - > Significant impact refers to risks or opportunities that could lead to significant financial loss, regulatory or reputational consequences, or material disruption to business activities. These are also considered material.
  - > Moderate impact includes those with moderate financial or operational implications, manageable within existing frameworks and not considered material to the Group.
  - > Low impact relates to minor effects with limited or short-term consequences, and are also not considered material to the Group.
- > **Likelihood** refers to the estimated probability of the risk or opportunity materialising within the relevant scenario timeframe:
  - > Very likely indicates a near-certain occurrence.
  - > Likely indicates a probable occurrence.
  - > Possible likelihood reflects reasonably possible outcomes.
  - > Remote likelihood indicates an unlikely or rare occurrence under current projections.

Across our scenario analysis, over 50 risks and opportunities have been reviewed per scenario. For the risks or opportunities identified, the highest impact rating received was moderate, meaning no material climate risks or opportunities have been identified by the Group. Based on this we have disclosed the risks and opportunities considered the most likely to arise under each scenario. All risks and opportunities disclosed in the scenarios below are considered likely.

A separate risk summary on page 50 and 51 outlines the Group's approach to risk management, including sustainability and climate change as a principal risk. This enables a direct comparison between climate-related risks and broader business risks in terms of relative severity.

#### Scenario 1: <1.5°C warming scenario (aligned with the Paris Agreement)

Risk/opportunity description	Mitigations/enablers	Related metrics/targets	Risk profile
<p><b>Risk</b></p> <p>Growing stakeholder expectations for climate-conscious operations, such as low-carbon processes and sustainable product offerings, are anticipated to increase operational expenditures as CVS transitions to more environmentally responsible practices.</p> <p>Capital investment will also be required for green infrastructure and technology enhancements to facilitate this transition.</p>	<ul style="list-style-type: none"> <li>&gt; Regular reviews to track shifting expectations and regulatory changes for climate-conscious operations</li> <li>&gt; Upfront communication with suppliers to understand cost implications of enhanced sustainability practices</li> <li>&gt; Strategic investment in energy-efficient infrastructure and digital readiness with flexibility needed in reallocation of capital expenditure budgets</li> </ul>	<ul style="list-style-type: none"> <li>&gt; ESG engagement metrics and sustainability disclosures</li> <li>&gt; Percentage of capital expenditure in green infrastructure and technology enhancements</li> <li>&gt; Energy consumption target to reduce annual consumption by 5% through energy-efficient upgrades</li> </ul>	<p><b>Risk type:</b> Transition</p> <p><b>Risk rating:</b> Impact: Moderate</p> <p><b>Time horizon:</b> Medium-long term</p> <p><b>Geographical relevance</b> UK/Australia</p>
<p><b>Opportunity</b></p> <p>The transition to more environmentally responsible practices is expected to drive increased demand for sustainable, welfare-aligned services across all business lines. As stakeholder awareness of the interconnection between climate change and animal welfare grows, CVS is committed to responding to this need, enhancing revenue opportunities through the delivery of integrated, climate-conscious, and welfare-focused solutions.</p>	<ul style="list-style-type: none"> <li>&gt; Innovations to offer sustainable welfare-focused services</li> <li>&gt; Client education on the interconnection between climate change and animal welfare</li> <li>&gt; Staff training and engagement on climate-welfare interdependencies</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Percentage of services aligned with defined sustainability and welfare criteria</li> <li>&gt; Client satisfaction scores related to sustainable and welfare-focused services</li> <li>&gt; Employee training completion rate on climate-welfare integration</li> </ul>	<p><b>Opportunity type:</b> Transition</p> <p><b>Opportunity rating:</b> Impact: Moderate</p> <p><b>Time horizon:</b> Medium-long term</p> <p><b>Geographical relevance</b> UK/Australia</p>

# Non-financial and sustainability information statement continued

## Strategy continued

### Risk and opportunity climate scenario assessment continued

#### Scenario 2: 2.5°C warming scenario (aligned with current global policy trajectory)

Risk/opportunity description	Mitigations/enablers	Related metrics/targets	Risk profile
<p><b>Risk</b> Economic pressures associated with global warming, such as rising living costs and reduced household disposable income, may impact the affordability of veterinary services, leading to lower uptake of preventative care and a potential decline in pet ownership. This could introduce clinical and ethical complexities for veterinary professionals.</p> <p>In parallel, evolving welfare regulations may require significant capital investment in facility upgrades, including enhanced ventilation, shading and heat mitigation measures, further increasing financial pressures on operations.</p>	<ul style="list-style-type: none"> <li>&gt; Monitoring pet ownership trends and forecasts across the UK and Australia</li> <li>&gt; Financial modelling and adaptive pricing support for clients</li> <li>&gt; Expansion of community outreach and subsidised care programmes to support vulnerable pet owners and sustain demand for essential services</li> <li>&gt; Readiness to respond to updating welfare regulations including budget allocations for welfare-related infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Percentage of clients accessing financial support or subsidised care</li> <li>&gt; Percentage of capital expenditure in welfare-related infrastructure</li> <li>&gt; Client attrition during periods of economic downturn with annual attrition remaining below 5%</li> </ul>	<p><b>Risk type:</b> Transition</p> <p><b>Risk rating:</b> Impact: Moderate</p> <p><b>Time horizon:</b> Medium–long term</p> <p><b>Geographical relevance</b> UK/Australia</p>
<p><b>Opportunity</b> CVS can strengthen its long-term positioning by embedding climate resilience and welfare compliance into its infrastructure and service strategy.</p> <p>The expansion of remote care and telemedicine, particularly in regions affected by climate-related disruptions, offers an opportunity to enhance service accessibility, maintain continuity of care and reach new client segments in a changing environment.</p>	<ul style="list-style-type: none"> <li>&gt; Development of clinical protocols tailored for remote consultations</li> <li>&gt; Client engagement initiatives to promote uptake of remote services</li> <li>&gt; Training programmes for staff on delivering effective virtual care</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Revenue generated from digital and remote service offerings</li> <li>&gt; Percentage of consultations delivered remotely</li> <li>&gt; Reduction in travel-related emissions from remote consultations</li> <li>&gt; Staff training completion rate for virtual care delivery</li> </ul>	<p><b>Opportunity type:</b> Transition</p> <p><b>Opportunity rating:</b> Impact: Moderate</p> <p><b>Time horizon:</b> Medium–long term</p> <p><b>Geographical relevance</b> UK/Australia with a higher impact in Australia due to more extreme weather conditions increasing the demand for remote services</p>

**Scenario 3: >3.5°C warming scenario (high-warming, worst-case scenario)**

Risk/opportunity description	Mitigations/enablers	Related metrics/targets	Risk profile
<p><b>Risk</b> Climate-related disruptions, such as fuel shortages, power outages and transport interruptions, could potentially result in lost appointments, reduced retail sales and operational inefficiencies.</p> <p>In addition, the increasing frequency and severity of extreme weather events, including flooding and storms linked, heighten the risk of physical damage to practices and infrastructure. These impacts could lead to unplanned closures, increased repair costs and long-term service disruption, particularly in vulnerable geographic areas.</p>	<ul style="list-style-type: none"> <li>&gt; Development and testing of contingency plans for power outages, fuel shortages, and extreme weather events</li> <li>&gt; Diversification of supply chains to reduce reliance on vulnerable transport routes and fuel-dependent logistics</li> <li>&gt; Capital investment in resilient infrastructure and backup systems to protect service continuity</li> <li>&gt; Comprehensive property insurance to cover repair and replacement costs in the event of climate-related physical damage</li> <li>&gt; Risk mapping to identify locations with higher vulnerability to weather extremities for forward planning linked to future veterinary practice acquisitions</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Percentage of appointments missed and retail orders not fulfilled</li> <li>&gt; Percentage of capital expenditure on preventative building defences</li> <li>&gt; Number of practices equipped with backup power systems</li> <li>&gt; Average downtime per practice due to climate-related disruptions</li> </ul>	<p><b>Risk type:</b> Physical</p> <p><b>Risk rating:</b> Impact: Moderate</p> <p>While extreme weather events pose a credible threat, the overall impact is considered moderate due to the geographic dispersion of our operations across the UK and Australia. This distribution reduces the likelihood of simultaneous disruption across all sites.</p> <p>This is supported by existing mitigation measures, including robust property insurance and infrastructure resilience planning. These controls help contain the risk to a manageable level, even under more severe climate scenarios.</p> <p><b>Time horizon:</b> Medium-long term</p> <p><b>Geographical relevance</b> UK/Australia with a higher flood risk in coastal areas</p>
<p><b>Opportunity</b> Increasing weather extremes present an opportunity for CVS to expand emergency care, diagnostics and mobile response services to meet rising demand and support animal welfare.</p> <p>There is also potential to offer advisory services that help clients prepare for and manage climate-related welfare risks, positioning CVS as a trusted partner in animal care resilience.</p>	<ul style="list-style-type: none"> <li>&gt; Development of mobile veterinary units equipped for emergency response</li> <li>&gt; Creation of climate-related animal welfare advisory services offering clients tailored guidance on heat stress, emergency preparedness and care continuity</li> <li>&gt; Partnerships with local authorities and animal welfare organisations</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Revenue generated from emergency and mobile services</li> <li>&gt; Response time to emergency call-outs during extreme weather events</li> <li>&gt; Client uptake of climate-related advisory services</li> </ul>	<p><b>Opportunity type:</b> Physical and transition</p> <p><b>Opportunity rating:</b> Impact: Moderate</p> <p><b>Time horizon:</b> Medium-long term</p> <p><b>Geographical relevance</b> UK/Australia</p>

**Strategy resilience**

The Group has assessed the potential impacts of climate change under a range of plausible warming scenarios, including a <1.5°C, 2.5°C, and >3.5°C pathway. This analysis confirms that while the scale and nature of risks vary significantly across scenarios, the Group's core strategy remains resilient. The diversification of services across companion animal, equine, farm and online retail, combined with CVS's capacity to innovate in care delivery and invest in digital infrastructure, positions the business to adapt effectively to changing conditions.

In lower-warming scenarios, the strategy supports growth through sustainable service innovation, client engagement, and operational efficiency. In higher-warming scenarios, CVS is prepared to shift focus towards resilience, emergency response and mobile or decentralised service models. Across all pathways, scenario analysis has reinforced the importance of flexibility and continued investment in workforce capability, digital tools and infrastructure. Strategic oversight by the Board ensures that climate-related insights are embedded into long-term planning, risk management and capital allocation.

# Non-financial and sustainability information statement continued

## Strategy continued

### Risk and opportunity climate scenario assessment continued

Disclosure requirement      Our progress

#### Risk management

**Describe the Group's processes for identifying and assessing climate-related risks**

The Group has established a developing process for identifying and assessing climate-related risks, which is progressively being integrated into our overall risk management framework. This approach supports the Group in addressing potential threats and opportunities arising from climate change, helping to safeguard our business operations and promote sustainable growth. During the reporting period, the Chief Executive Officer presented on sustainability developments and key highlights at all eight Board meetings, supporting ongoing awareness and strategic oversight. While climate-related risks are currently addressed through these updates, the Group is committed to enhancing its governance approach and from the next reporting period, sustainability risk will be established as a standing agenda item at Board meetings, ensuring more consistent and formal integration into the Group's risk management discussions. Detailed information on our broader risk management process is available on pages 50 to 57 of this Annual Report.

The Board actively monitors emerging and existing regulatory requirements related to climate change, including emissions limits, carbon taxes and sustainability disclosure obligations. Regular updates on regulatory developments are provided to the Board, enabling proactive adaptation of our strategy and ensuring ongoing compliance. For instance, the Group assesses the potential financial impact of climate-related risks, including the approval of a £50m annual investment programme to upgrade and reallocate facilities to improve energy efficiency across our facilities.

To support this, we conduct an in-depth scenario analysis, as outlined on pages 34 and 35 ("Describe the climate-related risks and opportunities identified in the short, medium, and long term"). This analysis includes a comprehensive assessment of climate-related risks and opportunities, evaluating their probability and impact using a RAG (red, amber, green) status.

**Describe the Group's process for managing climate-related risks**

The Group manages climate-related risks through a structured risk management process, supported by a range of mitigation strategies, including:

- > **Regulatory compliance:** Monitoring emerging climate regulations and ensuring timely compliance through policy updates and staff training.
- > **Operational resilience:** Implementing energy efficiency initiatives, enhancing waste management practices and adopting sustainable procurement standards to minimise environmental impact. We are actively investing in moving all UK sites to half-hourly electricity meter readings and integrating an artificial intelligence tool to gather energy inefficiencies. Data will be made available on a portal, so sites can see what they are consuming and make necessary adjustments.
- > **Risk transfer:** Where appropriate, utilising insurance to transfer financial risks associated with climate events, such as extreme weather affecting assets.
- > **Stakeholder engagement:** Collaborating with suppliers, customers, and investors to align on sustainability goals and enhance climate resilience.

The Sustainability Committee oversees the implementation of these mitigation strategies and continuously monitors climate-related risks using a variety of tools and metrics. While no material climate-related risks have been identified to date, the Group has established a process whereby any such risks, along with proposed mitigation actions, would be presented to the Board for review, approval or further recommendations prior to implementation. This approach ensures readiness to respond appropriately should material risks arise in the future.

**Describe how processes for identifying, assessing and managing climate-related risks are integrated into the Group's overall risk management**

The Group's comprehensive risk management approach is detailed in the principal risks and uncertainties report in the Annual Report. For 2025, one of the principal risks identified by the Board remains sustainability and climate change. This risk is evaluated rigorously, with its impact and probability being considered and evaluated against the RAG rating criteria. During these reviews, we also assess the effectiveness of existing mitigating factors and note any significant changes since the last evaluation.

In addition, the Group has further enhanced its climate risk assessment framework by conducting a revised scenario analysis, replacing the approach used in the prior year. This updated analysis provides a structured method to explore and prepare for potential future climate scenarios, reflecting the latest data, regulatory developments, and industry trends. This proactive approach ensures that the Group remains resilient and adaptive in the face of evolving climate-related risks and opportunities.

Disclosure requirement   Our progress

**Metrics and targets**

**Disclose the metrics used by the Group to assess climate-related risks and opportunities in line with its strategy and risk management process**

"Care at our Heart" – ESG strategy underpinning the Group's overall strategy and business model which can be found on pages 14, 20 and 21 of this Annual Report.

Streamlined Energy and Carbon Reporting (SECR) – which can be found on pages 40 and 41 of this Annual Report.

The key metrics used for assessing climate-related risks and opportunities are primarily those disclosed in our SECR which covers our energy and carbon usage. This is our most measurable, understandable and actionable data and therefore subsequent metrics can be applied.

The Group also has other sustainability-related metrics and targets beyond the scope of climate-related metrics and targets which are disclosed in our SASB report which can be found in our dedicated Sustainability Report 2025 on pages 30 to 39 alongside pages 30 and 31 of this Annual Report.

**Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks**

The Group's Scope 1, 2 and 3 emissions and the methodology for calculating these are disclosed in the SECR report on pages 40 and 41.

**Describe the targets used by the Group to manage climate-related risks and opportunities against targets**

The Group's sustainability targets have been developed progressively over several years, with earlier approaches focusing on annual target setting. In the current reporting period, the Group has adopted a more consistent framework, establishing annual targets intended to remain in place across consecutive years to enable meaningful year-on-year comparison. These targets will continue to be reviewed annually to ensure they remain appropriate and achievable, recognising that some targets – such as percentage-based reductions – may naturally reach a point where further improvement is no longer feasible or relevant due to operational limits or diminishing returns. The Group does not currently use a formal base year for emissions reduction, but performance against targets is tracked internally and reported as part of our broader sustainability disclosures.

The Group's sustainability targets can be found on page 31. All targets used by the Group to manage climate-related risks and opportunities are absolute.

**Looking ahead**

We've made meaningful progress this year in strengthening our sustainability reporting, including the decision to disclose anaesthetic gases within our Scope 1 emissions. These gases, commonly used in veterinary care, have a disproportionately high environmental impact, and recognising them in our data reflects our commitment to more accurate and responsible emissions accounting.

To date, we have not financially quantified climate risks and opportunities. However, we recognise that robust financial quantification is a critical component of effective climate risk management and strategic decision making. To enhance our materiality assessment, we are actively developing methodologies that will allow us to quantify climate risks and opportunities in the future.

Another limitation we are beginning to address is the availability of emissions data from our suppliers, which is essential to understanding and reducing our broader environmental impact. As part of this, we've started to assess supplier sustainability credentials and have developed a supplier ESG assessment tool. This has been distributed to 24 of our key suppliers and is now embedded in our tender processes. Tackling these challenges will require collaboration across our industry, and we're committed to playing an active role in driving that change.

Looking forward, we will continue to strengthen our four ESG pillars, improve the quality and granularity of our data, and work closely with suppliers to explore practical ways of capturing emissions data across our value chain. By doing so, we aim to build a more resilient, transparent, and sustainable business.

## Streamlined Energy and Carbon Reporting (SECR)

The Group is required under the Streamlined Energy and Carbon Reporting (SECR) regulations to report how it manages its energy consumption and carbon emissions and has used a third-party consultant to advise on this and support with the preparation of this SECR report. Since 2020, we have published our direct greenhouse gas (GHG) emissions from sources that are controlled or owned by the Group (Scope 1), indirect GHG emissions from the Group's consumption of purchased electricity (Scope 2) and all emissions the Group is indirectly responsible for across its value chain (Scope 3).

Monitoring and reporting these emissions enable us to evaluate and minimise our impact on the natural environment, which supports us in our purpose to give the best possible care to animals. We have taken strong actions to increase our energy efficiency and reduce any adverse impact our business has on the planet.

### Our energy efficiency actions

Our energy and carbon reduction sustainability workstreams have targeted three specific areas:

1. user awareness and consumption management;
2. enhancing construction, maintenance and property leasing activities; and
3. capital expenditure in energy saving.

### Increasing energy efficiency in our facilities

One of our strategic goals is to provide great facilities and equipment, and a key part of this is to ensure our facilities and operations are as energy efficient as possible.

We have pledged to spend up to £50m a year to upgrade and relocate current practices and to open new practices to a new minimum practice facility standard.

As part of this, we have developed a set of sustainability criteria for all new, relocated and refurbished practices. This includes:

- > the use of sustainable building materials;
- > boiler upgrades and replacement to increase heating efficiency;
- > better insulation to retain building heat;
- > more energy-efficient LED lighting as well as being standard replacement items in our day-to-day maintenance activities;
- > in our relocation and refurbishments, we install heating and cooling systems to optimise energy efficiency and will actively pursue other solutions to avoid installing cooling systems where they do not impact on operational performance/clinical standards;

- > we also are installing Building Management Systems (BMS) targeting our higher-energy consumption sites to manage usage as efficiently possible;
- > going forward, through increased use of smart meters and improved supply data we are actively pursuing a series of demand management measures again designed to reduce consumption using data and targeted investment; and
- > the installation of electric vehicle charging where possible.

We also plan to embed a sustainability support on future major projects to ensure whole-life carbon emissions and impacts are carefully accounted for and elsewhere ongoing capital expenditure projects are rolling out LED lighting, efficient boilers, sensor detectors and smart meters into existing sites.

We are also continuing to secure green leases with our landlords. This includes an obligation for both parties to share building environmental performance data and for no alterations or maintenance to be conducted which adversely impacts a building's environmental performance.

Moving forward, we will continue to conduct an infrastructure and equipment asset survey of the Group's property portfolio. This will help us to improve future investment in energy monitoring and consumption.

We also embed an "environmental net gain" principle for our new developments so that they will be compliant with Local Planning Authority requirements.

### A greener approach to transport

We have added a range of ultra-low emissions vehicles to our company car list, as well as more hybrid and electric vehicles (EV). All fossil fuel-reliant leased cars on the list are capped to 130g CO<sub>2</sub> emissions. We have also launched a salary sacrifice electric vehicle scheme, further promoting a greener approach to transport. To support the future increase in EV and hybrid vehicles, we have installed several EV charging points at a range of our sites and launched a salary sacrifice scheme in the year to allow more of our colleagues to drive EVs.

### Using renewable sources

Since August 2021, all our veterinary practice sites across the UK use electricity from 100% renewable sources.

## Our UK and offshore energy usage and carbon emissions

	2025		2024 <sup>1</sup>		Change (%)		Comments
	Energy kWh	Emissions tCO <sub>2</sub> e	Energy kWh	Emissions tCO <sub>2</sub> e	Energy kWh	Emissions tCO <sub>2</sub> e	
<b>Scope 1 emissions (direct)</b>							The decrease in these emissions arises from a reduction in transport emissions and other fuels offset by a small increase in gas consumption.
Gas consumption	10,667,667	1,951	10,470,596	1,916	+1.9%	+1.8%	
Transport	10,031,427	2,520	11,387,146	2,860	-11.9%	-11.9%	
Other fuels	274,040	2,221	860,052	2,678	-68.1%	-17.1%	
<b>Total Scope 1</b>	<b>20,973,134</b>	<b>6,692</b>	<b>22,717,794</b>	<b>7,454</b>	<b>-7.7%</b>	<b>-10.2%</b>	
<b>Scope 2 emissions (energy indirect)</b>							Electricity usage has increased across our portfolio.
Electricity (location based)	13,976,596	2,894	13,481,510	2,792	+3.7%	+3.7%	
<b>Scope 3 emissions (other indirect)</b>							Travel in employee-owned vehicles has decreased.
Employee-owned vehicles	2,588,897	622	2,969,196	715	-12.8%	-13.0%	
<b>Combined total</b>	<b>37,538,627</b>	<b>10,208</b>	<b>39,168,500</b>	<b>10,961</b>	<b>-4.2%</b>	<b>-6.9%</b>	
Intensity ratio (tCO <sub>2</sub> e per £m revenue)		16.4		17.8	-7.9%		The intensity ratio has decreased from the prior year due to our reduction in total emissions and revenue growth of the Group.

1. 2024 has been re-presented following the classification of Crematoria operations as discontinued operations; see note 32 on page 155 for further details. Years 2023 and prior have not been re-presented and include the Crematoria operations.

### Methodology

The Group has taken guidance from the UK Government's Environmental Reporting Guidelines (March 2019), the Greenhouse Gas Protocol reporting standard, and the UK Government's Greenhouse Gas Conversion Factors for company reporting of greenhouse gas emissions.

Energy usage information (gas and electricity) has been obtained directly from the Group's energy suppliers and half-hourly automated meter reading (HH/AMR) data, where available, for those suppliers with HH/AMR meters. For suppliers where energy usage data was not available for a full twelve months, flat profile estimation techniques were used to calculate the annual consumption. With all landlord sites, these have had to be estimated using similar-sized sites' usage for gas and electricity.

Transport mileage data was obtained from expense claims submitted for our company cars and grey fleet.

### Exclusions

CO<sub>2</sub>e emissions were calculated using the appropriate emission factors from the UK Government's UK Greenhouse Gas Conversion Factors and this is retained within the Group's data file for reference where required.

### Normalisation

The Group has chosen to report gross Scope 1, 2 and 3 emissions in tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e) per £m revenue as this is a common metric used in corporate GHG reporting.

# Evolving how we communicate about the care we provide to animals

**Paul Higgs**  
Chief Veterinary Officer

Although the Competition and Market Authority itself has recognised the “dedication and commitment to pet owners and their animals shown by individual vets and vet nurses” we recognise that there is always more that can be done to help owners feel more involved in decisions associated with their pets’ veterinary care.

The veterinary profession has been exploring how the owner experience can be improved and has been using the term “contextualised care” to describe how a pet owner’s needs can and should influence the approach to caring for their animal.

In 2024, our clinical leadership teams worked on a way of describing this complex process so that it can be easily applied in the already complex environment of a consulting room. We believe that the outcome we are looking for from contextualised care is a form of shared decision making between the vet, the owner and in some part the animal. The vet provides the expertise in animal health and welfare, the animal provides objective information through a physical examination and their

behaviour, and the owner completes the picture by giving information on how their unique “context” may influence certain approaches. This latter part is the complicated part, and we have described this as using “what matters” to an animal owner to shape the decisions around their animal’s care plan.

The challenge with this is that understanding what matters to a pet owner is complex; first we have to build a relationship with them that allows them to feel safe telling us what is important to them. This might include financial constraints but there can be lifestyle impact, other pets, time and cultural influences. It is not as simple as just asking “what matters to you”; the animal owner has to trust that we truly care about what is important to them and we have to truly listen and understand. Once we have done this the expertise of the vet and nurse comes into play by integrating this understanding into our clinical knowledge to allow us to reach a care plan that meets the owner’s desires but doesn’t compromise their needs, meets the welfare needs of their animal and allows the vet to fulfil their obligations to both the animal and professional guidance.

Simplified, we say that we should “ask what matters, listen to what matters, acknowledge what matters, and include what matters to owners in their animal’s care plan”. If it were that simple, there would be no communication challenges and this conversation probably wouldn’t be happening; however, creating relationships and rapport is tricky when there is also a pressure to be able to make a diagnosis or find the answers to a clinical presentation. To match this process, we have developed our own innovative training programme to support all vets to reflect on their current approach and make improvements. This course, entitled “Confidence in the Consulting Room”, has been developed in partnership with Martin Brunet, a human general practitioner trainer who developed a novel framework for consultations that aims to create trust and rapport to allow exactly the process described above. This will be delivered through a “train the trainers” approach to allow rapid coaching of this technique to support our teams.

**“Excellent course providing very clear and logical guidance that will help me to train trainers and colleagues to improve their communication skills in consultations.”**

**Steve Grills Senior Clinical Director Filham Park and Woodlands**

### Clinical improvement campaign aims to improve patient safety and colleague wellbeing

Recognising the importance of patient safety and colleague wellbeing, during the year, we launched a Group-wide clinical improvement campaign to encourage colleagues to talk more openly about mistakes.

The aim is to improve psychological safety when things do not go to plan, to encourage teams to record incidents and conduct learning reviews, leading to improved patient safety and team wellbeing.

The campaign is led by CVS's network of over 500 Clinical Improvement Advocates. These colleagues are trained to support their practices with continuous clinical improvement.

Over the year, colleagues held interactive team meetings to explore adverse event case studies and the factors that contributed to them. These meetings are opportunities for open conversations without fear of blame or judgement.

In addition, they will discuss resources including:

- > a series of short films where senior colleagues share their experiences of adverse events and reflect on how the mistake was also an opportunity to learn; and
- > a guide to learning reviews where colleagues are encouraged to complete a learning review after an adverse event and to record these on VetSafe, the Veterinary Defence Society's confidential adverse event recording platform. VetSafe records are reviewed by the central quality improvement team and analysed for trends, with learnings disseminated as appropriate.

Teams also talk about how adverse events can be handled in a way that protects colleagues' wellbeing, as colleagues involved in adverse events can suffer long-term effects, such as anxiety, depression and loss of confidence.

**“For learning purposes, what happened, not who did what, must be the focus. We hope to build upon the progress we have made so far, to continue to move conversations around mistakes forward and encourage our colleagues to view adverse events as opportunities for learning and growth.”**

Angela Rayner, Quality Improvement Director

# A platform for growth

**Robin Alfonso**  
Chief Financial Officer

### Statutory measures

The Group believes that adjusted performance measures provide additional useful information for shareholders. These measures are used by the Board and management for planning, internal reporting and setting Director and management remuneration. In addition, they are used by the investor analyst community and are aligned to our strategy and KPIs. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies' adjusted measures.

Definitions and reconciliations are included in the alternative performance measures (APMs) glossary from page 160

1. In the year, we disposed of our Crematoria operations which included seven Crematoria sites. 2024 has been re-presented following the classification of Crematoria operations as discontinued operations; see note 32 on page 155 for further details. Years 2023 and prior have not been re-presented and include the Crematoria operations.

### Financial highlights<sup>1</sup>

I am pleased that 2025 marked another year of growth and a year in which the continued investment places the Group well for the future.

Revenue was up 5.4% to £673.2m (2024: £638.7m), adjusted EBITDA was up 9.4% to £134.6m (2024: £123.0m) and profit before tax decreased 7.4% to £32.6m (2024: £35.2m).

Performance in the year was underpinned by our continued expansion into the Australian veterinary services market with a further seven practice acquisitions (comprising 15 practice sites) made in the year for an initial investment of £29.2m (2024: £95.9m). A further two acquisitions have completed post-year end of a two-site practice, and a six-site practice for a combined investment of £23.6m, bringing our footprint to 31 practices comprising 51 practice sites. Our Australian practices are performing well and we have a strong pipeline of opportunities for ongoing investment and growth.

Like-for-like sales performance for the full year was +0.2% (2024: +2.9%) impacted by softer market conditions across the Group, most notably within our Online Retail Business division, and our Laboratories division which experienced a loss of a major customer. Our Veterinary Practices division was also impacted by continued economic pressures, the CMA investigation and the COVID-19 puppies and kittens now in their young, healthy adult stage of life.

It was pleasing, however, to see a return to like-for-like growth in the second half of the year following a like-for-like decline of -1.1% in the first half of the year.

Group EBITDA margin grew to 20.0% (2024: 19.3%) despite the increase in national living and national minimum wage alongside increases in Employers National Insurance Contributions from April 2025. CVS estimates the annualised impact of these to be in the region of c.£3m and c.£8m respectively but is confident that cost synergies and growth will help to offset the impact of these on the Group.

During the year the Group recognised net RDEC income of £15.1m (2024: £12.8m). Further information on RDEC is shown in note 2.

In June 2025, the CMA announced a six-month extension to its market investigation in relation to the supply of veterinary services for household pets in the UK to May 2026. Whilst this was disappointing for our colleagues and other stakeholders, we remain optimistic that the extension will ultimately improve the remedy package and ensure it is effective and proportionate.

Post the CMA investigation there remains an opportunity for further acquisitions in the UK where there will undoubtedly be a backlog of independent practice owners wishing to sell.

Capex for the year for continuing operations was £33.2m (2024: £41.5m) which is at the lower end of our stated range. Whilst we continue to invest in larger relocation and renovation projects, during the year we also invested in a number of smaller projects – “a sparkle fund” – to enhance client environments and colleague areas to support improved wellbeing and employee satisfaction.

We also continue to invest in technology with the majority of our practices now migrated to one common cloud-based practice management system which will act as the foundation for future enhancements to client engagement. We have also launched a new e-commerce website within our Online Retail Business to support improved performance.

During the year, the strategic decision was made to divest of our Crematoria division for initial cash inflow of £42.3m. The sale completed on 15 May 2025 and as such we have re-presented our numbers to reflect continuing operations with the prior year comparatives also being restated. We will continue to work closely with the Crematoria teams as they continue to offer our practices a valuable service to our clients and wish them well in this new venture. The capital generated from the divestment provides additional firepower for continued selective investment in the UK and expansion in Australia, where the Group can acquire assets at attractive multiples.

In support of the Group's significant growth opportunities the Group has a strong balance sheet with leverage at 1.18x (2024: 1.54x) which provides significant headroom to remain below our target ceiling of 2.0x ceiling and funding in place through to February 2028.

Net debt also decreased to £129.1m from £164.8m, with adjusted operating cash conversion of 76.9% (2024: 70.1%) and free cash flow increasing to £72.2m from £59.1m. The cash inflow from the disposal of our Crematoria division also contributed to the reduction in net debt following capital investments and acquisition investments made during the year.

Statutory financial highlights are shown below which support our ability to deliver on our strategy:

	2025	2024	Change %
Revenue (£m)	673.2	638.7	+5.4%
Gross profit (£m)	285.7	268.7	+6.3%
Operating profit (£m)	49.8	47.8	+4.2%
Profit before tax (£m)	32.6	35.2	-7.4%
Profit from continuing operations (£m)	19.1	24.7	-22.7%
Profit for the year including discontinued operations (£m)	53.0	6.4	+728.1%
Basic earnings per share continuing operations (p)	26.3	34.2	-23.1%

### Adjusted financial highlights

	2025	2024	Change %
Adjusted EBITDA (£m)	134.6	123.0	+9.4%
Adjusted profit before tax (£m)	78.9	79.0	-0.1%
Adjusted earnings per share (p)	80.1	83.3	-3.8%

### Revenue

Revenue increased by 5.4% to £673.2m from £638.7m driven by acquisitions made during the current and previous financial years. Whilst we remain focused on providing great clinical care we are increasingly focused on other aspects that make up a great veterinary experience for our clients and their animals. Our cloud-based practice management system, online booking, new website, practice investments and colleague training are some of the things we are looking at to ensure we are the “trusted partner” that clients value.

Like-for-like sales performance for the full year was +0.2% (2024: +2.9%) impacted by softer market conditions across the Group, most notably within our Online Retail Business division and our Laboratories division which, as previously reported, experienced a loss of a major customer. Our Veterinary Practices division was also impacted by continued economic pressures, the CMA investigation and the COVID-19 puppy and kitten cohort in its young healthy adult stage of life.

It was pleasing, however, to see a return to like-for-like growth in the second half of the year following a like-for-like decline of -1.1% in the first half of the year, and as the COVID-19 puppies and kittens age the more veterinary assistance they will require.

Membership for our preventative healthcare scheme, The Healthy Pet Club, grew 3.2% to 519,000 from 503,000 at June 2024 mainly from new clients transitioning from legacy schemes linked to historic UK practice acquisitions. Without the clients transitioning from legacy schemes The Healthy Pet Club would have seen a more modest level of growth.

### Gross profit/gross profit margin

Gross profit increased by 6.3% to £285.7m from £268.7m and gross profit margin increased to 42.4% from 42.1%. Cost of sales excluding clinical staff costs as a percentage of revenue decreased to 21.6% from 22.4%, partially offset by an increase in clinical staff costs as a percentage of revenue to 36.0% from 35.5%. We continue to focus on sourcing the highest-quality drugs at the best possible price in supporting the delivery of great clinical care.

# Financial review continued

## Operating profit

Operating profit increased 4.2% to £49.8m from £47.8m and operating profit margin remained stable at 7.4% (2024: 7.5%). The increase in gross profit was partially offset by an increase in non-clinical staff cost which grew in line with revenue, an increase in depreciation as we continue to invest in our facilities and technology, an increase in amortisation as we continue to invest in new acquisitions and an increase in software costs.

The annualised impact of the increase in national living and national minimum wage alongside increases in Employers National Insurance Contributions from April 2025 of c.£3m and c.£8m respectively is expected to be offset by cost synergies and growth.

Included within operating profit are costs relating to business combinations which include costs in relation to due diligence, stamp duty and deferred contingent consideration which is booked to the income statement and not to goodwill as a result of continuous employment being one of the conditions needed to be met for payment.

As in the prior year exceptional costs of £6.0m (2024: £5.8m) were incurred during the year primarily in relation to the ongoing CMA Market Investigation alongside some one-off exceptional restructuring costs arising in the year. Further information is available on page 130.

## Profit before tax and earnings per share

Profit before tax decreased 7.4% to £32.6m from £35.2m. Finance expense increased during the year to £17.2m from £12.6m following increased costs and quantum of borrowing supporting our strategy of investment in our practices and acquisitions. Basic EPS for continuing operations decreased -23.1% to 26.3p from 34.2p.

## Adjusted EBITDA and adjusted earnings per share

Adjusted EBITDA increased 9.4% to £134.6m from £123.0m and adjusted EBITDA margin increased to 20.0% from 19.3% both benefitting from increased revenue in the year. We are pleased with the positive increase in adjusted EBITDA margin during the year against significant cost challenges, in particular wage inflation and increases in national minimum wage, national living wage and Employers National Insurance costs. We also continued to invest in our IT infrastructure and security following our cyber event last year; these increased costs were partially offset by an increase in Research and Development Expenditure Tax Credits to £15.1m (2024: £12.8m).

Adjusted EPS decreased 3.8% to 80.1p from 83.3p with the increase in adjusted EBITDA offset by increases in depreciation from our continued investment in our facilities and an increased in finance expense following increased costs and quantum of borrowing supporting our strategy of investment in our practices and acquisitions. Adjusted EPS was also impacted by an increase in the effective tax rate, with more profits coming from Australia which has a 30% rate of corporation tax (UK: 25%).

Adjusted EBITDA and adjusted EPS exclude the impact of amortisation of intangible assets, costs relating to business combinations and exceptional items.

A reconciliation between statutory operating profit and adjusted EBITDA is shown below:

	2025 £m	2024 £m
Operating profit	49.8	47.8
Adjustments for:		
Amortisation, depreciation, impairment and profit on disposal of property, plant and equipment	63.9	54.3
Costs relating to business combinations	14.9	15.1
Exceptional items	6.0	5.8
<b>Adjusted EBITDA</b>	<b>134.6</b>	<b>123.0</b>

I am pleased that 2025 marked another year of growth and a year in which continued investment places the Group well for the future. The veterinary sector remains strong with an increased pet population since COVID-19, increased pet life expectancy and pets more commonly seen as members of the family. We remain committed to providing great clinical care and a great client experience.

## Taxation

The adjusted effective tax rate on profit before tax on continuing operations was 41.4% in 2025 (2024: 29.8%), which reflects the mix of tax rates in the jurisdictions where the Group operates, together with the impact of an increase in non-deductible expenses predominantly in connection with acquisitions.

The profit on disposal of subsidiaries met the conditions of substantial shareholding exemption and resulted in a non-taxable gain. The adjusted effective tax rate including discontinued operations was therefore 20.1% in 2025 (2024: 65.1%) and the Group's tax charge for the year was £13.3m (2024: £11.8m).

All of the Group's revenues and the majority of its expenses are subject to corporation tax. The main expenses that are not deductible for tax purposes are costs relating to acquisitions and depreciation on fixed assets and amortisation that do not qualify for tax relief.

## Dividend

The Board is recommending the payment of a final dividend of 8.5p per Ordinary share (2024: 8.0p). Subject to shareholder approval at the Annual General Meeting to be held on 18 November 2025, the dividend will be paid on 5 December 2025. The ex-dividend date is 6 November 2025.

### Cash flow and movement in net debt

	2025 £m	2024 £m
Adjusted EBITDA	134.6	123.0
Working capital movements	(3.9)	(12.7)
Capital expenditure – maintenance	(10.8)	(9.3)
Repayment of right-of-use liabilities	(16.4)	(14.8)
Adjusted operating cash flow	103.5	86.2
Adjusted operating cash conversion (%)	76.9%	70.1%
Taxation paid	(14.7)	(15.1)
Net interest paid	(16.6)	(12.0)
Free cash flow	72.2	59.1
Capital expenditure – investment	(22.4)	(32.2)
Business combinations (net of cash acquired)/other investments	(30.6)	(96.2)
Acquisition fees and contingent consideration paid	(12.9)	(11.6)
Dividends paid	(5.9)	(5.5)
Other financing activities	(5.9)	(5.3)
Proceeds from and cash movement in relation to discontinued operations	42.7	(1.7)
Impact of foreign exchange	(0.6)	(0.6)
Net inflow/(outflow)	36.6	(94.0)
Decrease in unamortised borrowing costs	(0.9)	(0.1)
Decrease/(increase) in net debt	35.7	(94.1)

The Group's adjusted operating cash flow for continuing operations increased 20.1% to £103.5m (2024: £86.2m) primarily driven by an increase in adjusted EBITDA and a reduction in the impact from negative working capital movements year on year. The Group's adjusted operating cash conversion remained strong at 76.9%.

Free cash flow increased 22.2% to £72.2m (2024: £59.1m) due to favourable adjusted operating cash conversion and a decrease in tax paid for continuing operations of £0.4m offset by an increase in interest of £4.6m following our continued commitment to invest in our practices and acquisitions.

Net bank borrowings decreased by £36.6m to £131.4m from £168.0m mainly following the proceeds of the divestment of our Crematoria division during the year for which we received £42.3m. We continue to focus on investment in our practice facilities and during the year we spent £22.4m down from the prior year of £32.2m in the backdrop of the uncertainty from the CMA investigation. In addition, our investment in further acquisitions in Australia was down on the prior year to £30.6m from £96.2m following a strong investment year in 2024. Further cash outflows incurred in the year related to exceptional costs within other financing activities and an increase in contingent consideration, offset by a reduction in acquisition costs.

### Net debt

	2025 £m	2024 £m
Borrowings repayable:		
Within one year	—	—
After more than one year:		
Loan facility	147.5	184.5
Unamortised borrowing costs	(2.3)	(3.2)
Total borrowings	145.2	181.3
Cash and cash equivalents	(16.1)	(16.5)
Net debt	129.1	164.8

The Group's loan facility comprises a £87.5m term loan and £262.5m revolving credit facility. This facility is supported by eight banks and all facilities run until February 2028. The facility has two key financial covenants:

- > net debt to bank-test EBITDA of not more than 3.25x; and
- > the bank-test EBITDA to interest ratio of not less than 4.5x.

Bank-test EBITDA is based on the last twelve months' adjusted EBITDA performance annualised for the effect of acquisitions deducting costs relating to acquisition fees and adding back share option expense, prior to the adoption of IFRS 16.

The Group manages its banking arrangements centrally. Funds are swept daily from its various bank accounts into central bank accounts to optimise the Group's net interest payable position.

Interest rate risk is also managed centrally and derivative instruments are used to mitigate this risk. On 31 January 2024, the Group entered into two four-year fixed interest rate swap arrangements to hedge fluctuations in interest rates on £100.0m of its loan facility, which end on February 2028.

The Group continues to have a strong balance sheet coupled with the ability to generate cash, which enable it to effectively manage working capital. The Group targets a long-term net debt to EBITDA ratio of less than 2.0x and closely monitors this in line with acquisition investment opportunities. As at 30 June 2025, leverage was 1.18x (2024: 1.54x) and interest cover was 9.73x (2024: 14.06x).

### Goodwill and intangibles

The Group's goodwill and intangible assets of £337.6m (2024: £334.9m) arise from the various acquisitions undertaken. Each year, the Board reviews goodwill for impairment and, as at 30 June 2025, the Board believes there are no material impairments. The intangible assets arising from business combinations for customer relationships are amortised over an appropriate period.

# Financial review continued

## Divisional highlights

	2025 £m	2024 £m	Change %		2025 £m	2024 £m	Change %
<b>Revenue</b>				<b>Adjusted EBITDA</b>			
Veterinary Practices	616.1	577.5	+6.7%	Veterinary Practices	133.0	119.7	+11.1%
Laboratories	31.4	31.6	-0.6%	Laboratories	9.0	9.2	-3.0%
Online Retail Business	45.9	50.0	-8.2%	Online Retail Business	1.3	3.3	-59.4%
Central admin	(20.2)	(20.4)	-1.0%	Central admin	(8.7)	(9.2)	-4.8%
<b>Total Group revenue</b>	<b>673.2</b>	<b>638.7</b>	<b>+5.4%</b>	<b>Total Group EBITDA</b>	<b>134.6</b>	<b>123.0</b>	<b>+9.4%</b>

### Veterinary Practices division

# 88.9%

of Group revenue<sup>1</sup>

Our companion animal division forms the majority of our Veterinary Practices division. The focus of our companion animal division to deliver the best possible care for our patients continues and benefits from a growing market as customers continue to seek out veterinary care for their pet.

We continue to focus on the recruitment, retention and development of our highly skilled and dedicated colleagues.

It is pleasing the division delivered growth in the backdrop of softer trading conditions and increased wage and IT costs.

The division also includes referrals, equine, farm, Australia, Vet Direct, MiPet products and our Healthy Pet Club.

During the year, we completed the rollout of our new practice management system Provet and launched online booking providing further opportunities for clients to access our care for their animals.

Our Australian practices continue to perform in line with expectations and the practices acquired during the year continue to perform strongly.

### Laboratories

# 4.5%

of Group revenue<sup>1</sup>

Our Laboratories division provides diagnostic services and in-practice desktop analysers to both CVS and third-party practices and employs a national courier network to facilitate the collection and timely processing of samples from practices across the UK. We continue to develop our capability to ensure we can support the wider Group focus on growing diagnostic care.

Revenue performance in the year was impacted by the loss of a major customer, so whilst behind year on year it is pleasing to see this was only a -0.6% contraction. The revenue impact led to EBITDA being -£0.2m behind the prior year despite increased inflationary pressures. The volume of cases performed in the year declined 14.4% to c.424,000 tests.

### Online Retail Business

# 6.6%

of Group revenue<sup>1</sup>

Our online pet food and retailer "Animed Direct" focuses on supplying pet food and prescription and non-prescription veterinary medicines directly to customers.

During the year performance was impacted by the cost of living and the launch of a new website resulting in revenue decreasing 8.2% year on year.

Despite these challenges, we are confident the features to come on the new website will deliver future growth.

1. Revenue share for continuing operations before intercompany sales between practices and other divisions.

### Share price performance

At the year end, the Company's market capitalisation was £0.9bn (1,250p per share), compared to £0.7bn (1,008p per share) at the previous year end. The Board believes the share price continues to be impacted by the CMA investigation into the veterinary sector.

### Key contractual arrangements

The Directors consider that the Group has only two significant third-party supplier contracts, which are for the supply of veterinary medicines. In the event that these suppliers ceased trading, the Group would be able to continue in business without significant disruption in trading by purchasing from alternative suppliers.

### Forward-looking statements

Certain statements and arrangements described in the Annual Report and results release may be considered forward looking. Although the Board is comfortable that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will be proven to be correct. As these statements may involve risks and uncertainties, the actual results may differ materially from those expressed or implied by these forward-looking statements.

**Robin Alfonso**  
Chief Financial Officer  
7 October 2025

# A balanced approach to risk management

We continue to evolve our risk management framework being mindful that we operate in an ever-changing environment and therefore it is important to approach risk with an evolutionary approach.

Our approach allows the business to maintain an appropriate risk culture supporting our varied business operations whilst ensuring the business complies with its obligations under the Corporate Governance Code.

### Our framework

The Board has overall responsibility for risk and sets the risk appetite for the Group. It ensures risk is appropriately managed and is accountable for overseeing the effectiveness of risk management. During the year the Board conducted a robust assessment of the principal risks and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The framework is supported by ensuring core risk management is aligned to the Group's operating model, with each head of division being responsible for the identification, tracking and management of risk. Risk registers are maintained at divisional level and reviewed at least twice a year to ensure risks are appropriately identified, recorded and managed. Controls that are in place are assessed in order to determine the extent to which they mitigate risk and actions are taken where required to enhance control to reduce the risk further.

Where appropriate we have committees in place to effectively manage risk, including Health and Safety and Cyber Security and Data Protection Governance Risk Committees.

We operate a top-down, bottom-up governance approach to support our risk management process outlined below. Our approach is subject to review by divisional leaders, with Group risks then being discussed by our Senior Leadership Group and Executive Committee as part of our interim and year-end reporting activities. Group risks are then presented at each Audit and Risk Committee meeting for review and agreement with the Board having overall responsibility.

### Risk management process

Our risk management process is broken down into four simple steps:

#### 1. Identify

Each division identifies the risks associated with its divisional area, which will also include discussions and considerations for emerging risks. We also use risk categories to drive consistency:

- A) Strategic – risks which are both internal and external, associated with impacting the Group's strategy and long-term objectives.
- B) Operational – those risks derived from the Group's core operations, which rely on systems, people expertise, equipment and processes.
- C) Financial and regulatory compliance – risks associated with the Group's ability to raise and maintain access to capital, and to deliver profitable growth. It also reflects those risks associated with compliance with laws and regulations which impact the Group.
- D) People and culture – risks associated with the Group's ability to attract and retain key talent and how providing the appropriate culture and environment for those employees is key to the success of the Group's strategy.

#### 2. Assess

Using our standard scoring system of likelihood and impact, risks which have been identified are then given a risk rating which can be used to escalate risks based on a scoring output; this is used to consolidate them into the Group risk register for those rated highest.

#### 3. Address

Each divisional risk register will contain detailed mitigating factors and controls in place to help reduce the likelihood and impact of risks occurring. These are reviewed on at least a twice annual basis and each risk is allocated an owner who is responsible for ensuring the controls in place are sufficient to bring risk in line with our risk appetite levels across the Group.

#### 4. Report

The Group risk register is presented to the Board and Audit and Risk Committee at least three times annually. Risks are considered independently and alongside emerging risks. The Audit and Risk Committee ensures that risks are appropriately managed through deep dives via internal audit reviews to fully understand the potential impact on the Group and how to appropriately manage such risks. The principal risk and uncertainties are submitted to the Audit and Risk Committee (ARC) prior to Board approval to appropriately manage such risks.

**Board**

- > Overall responsibility for risk management
- > Sets risk appetite

**Audit and Risk Committee**

- > Sets the audit programme
- > Receives updates from the Executive Committee and the Senior Leadership Group
- > Monitors effective controls and audit recommendations

**Executive Committee**

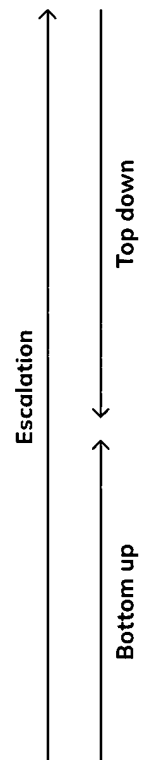
- > Ensures risk management is embedded across the Group at all levels
- > Reviews risk profile and twice annual risk assessment

**Senior Leadership Group**

- > Ensures principal risks are understood and effectively followed
- > Highlights and monitors significant risks

**Operational/Support function**

- > Proactive risk management at each functional level



**Three lines of defence**

**First line**

Our divisional leads in our Operational and Support functions ensure they provide oversight and manage risk at each operational level, ensuring our internal controls risk management framework is supported and adhered to at the operational levels of the business.

**Second line**

Our Senior Leadership Group helps support our first line of defence and our finance team ensures we monitor the internal controls we have in place and ensures our risk management framework is regularly reviewed and processes are implemented and improved.

**Third line**

We have external third-party internal auditors who take a risk-based approach to the internal audit plan, take a proactive approach to changing risks through the year if required and have a direct line to the Audit and Risk Committee.

**Risk appetite**

The effectiveness of the Group's risk management approach relies upon a culture of transparency and openness that is encouraged by both the Board and senior management.

The Group's appetite for risk is considered low; whilst some risk is accepted in order to develop the business and invest in future growth, the Group has no appetite for major risks which cannot be effectively mitigated through appropriate controls.

**Emerging risks**

We define emerging risks as those that can potentially have a significant impact on the Group, where the full extent of the scale, impact or likelihood may not be fully understood but needs to be tracked. Identification and review of emerging risks follow our risk management structure described.

**Key risk changes in the year**

**Reducing key employees risk**

We continue to remain focused on being the veterinary company people most want to work for and saw continuing positive decline in our vet vacancy rate.

**Reducing competition and consumer demand risk**

We continue to expand our footprint in Australia, opening up new markets for CVS and removing reliance on a single market. The COVID-19 puppy and kitten boom are ageing and as a result will require further veterinary intervention.

# Risk management continued

## Managing our principal risks

### 1. Key employees

**Owner:** Chief People Officer **Risk type:** People and culture **Risk profile:** M **Risk appetite:** M

[Link to strategy](#)

[Read more on pages 20 and 21](#)

#### Description

The risk that we fail to attract or retain staff, particularly veterinary staff and leaders/future leaders who are key to the successful delivery of our strategic objectives.

#### Context

Our colleagues are key to the success of our business, and our vision is to be the veterinary company people most want to work for. It is essential we attract and retain talent by providing the best possible career opportunities and working environment for our colleagues. They are key to the success of our business by driving clinical excellence, meeting our customers' needs and supporting in the delivery of our business strategy.

We employ over 8,500 passionate and talented colleagues; if this risk is not managed correctly this could lead to:

- > an inability to offer a full range of services required by our clients and their animals;
- > increased locum costs due to vacancies not being filled, leading to a negative impact on financial performance;
- > increasing legislation of overseas sponsorship leading to increased costs for skilled worker visas; and
- > failure to invest in our future leaders, impacting our ability to deliver on our strategy.

#### Mitigations

- > We have a market-leading graduate programme, with our summer and winter camps which help support the intake into the programme.
- > There is an increasing number of veterinary schools and graduate intakes ensuring future talent in the profession.
- > We ensure we maintain close relationships with UK veterinary schools.
- > We are focused on providing training programmes to cover clinical, customer service and management training, with 17 new vet and nurse practical courses added this year.
- > We ensure we offer and keep under regular review appropriate reward and benefits, including health cash plan and matching pension up to 6%.
- > We offer annual bonus schemes and a Group Long-Term Incentive Plan (LTIP) scheme for senior colleagues, alongside an annual Save As You Earn (SAYE) scheme which is in place for all colleagues.
- > We undertake regular colleague engagement surveys and regular tracking of eNPS to address common issues or concerns.
- > We offer career pathways for our colleagues to enable them to unlock their future leadership potential.

### 2. Geopolitical

**Owner:** Chief Executive Officer **Risk type:** Operational/strategic **Risk profile:** M **Risk appetite:** M

[Link to strategy](#)

[Read more on pages 20 and 21](#)

#### Description

The risk that macro geopolitical and external factors impact our performance in terms of customer demand or supply chain issues, adversely impacting our financial performance.

#### Context

We continue to operate in an uncertain environment with the ongoing cost of living pressures on consumers potentially impacting their decision on how they use their disposable income.

The potential impact of future geopolitical issues such as: cross-border policy changes; the potential introduction of tariffs; and ongoing and potential international conflicts, could impact supply chain demands and pricing of consumables such as gas and electricity.

#### Mitigations

- > We have a diverse range and provision of services across the Group to a wide range of animals in the UK and Australia.
- > Our Healthy Pet Club (HPC) preventative healthcare scheme provides options to our customers to spread the costs of healthcare for their animals. Membership increased by 3.2% to 519,000 members as at June 2025 from 503,000 at June 2024.
- > Our Online Retail Business protects the Group against changes in consumer spending habits.
- > We ensure we fix our energy pricing and review the market on an ongoing basis to ensure we protect ourselves from fluctuating energy prices.
- > We ensure we source supplies from a number of manufacturers by maintaining strong relationships with our suppliers and manufacturers.
- > We maintain well established operational reviews allowing us to have operational oversight and governance.

No change to risk    Increasing risk    Reducing risk    N New risk    L Low    M Medium    H High

### 3. Competition and consumer demand

Owner: Chief Executive Officer Risk type: Strategic Risk profile: M Risk appetite: M

Link to strategy

Read more on pages 20 and 21

#### Description

The risk that we fail to deliver on our purpose of providing the best possible care to animals through the delivery of high-quality service to our customers, remaining competitive in the market and understanding consumer demand which adversely impacts the financial performance of the Group.

#### Context

The Group operates in a competitive market and faces increased competition from not only other corporates but also independent practices; this competition also extends to the Laboratories division and also online retail.

It is vital for us as a Group to remain competitive in a moving landscape; we face competition from other large corporates but also locally from independent practices that face limited barriers to entry in offering veterinary services. We are committed to offering high-quality services to our customers and continue to focus on what our customers need. We also face tough competition from other laboratories, where we risk third-party practices using other laboratory services. The online pet market remains challenging as customers shop around for the best price, ease of website use and quick delivery and payment options.

#### Mitigations

- > The Group has a wide range of services to offer its clients.
- > We remain committed to continuous investment to maintain high-class facilities and equipment in order to provide excellent clinical service.
- > We are constantly reviewing what our clients want and recently introduced online booking for additional ways for clients to access our services.
- > We carefully assess each acquisition opportunity against measured and clear target criteria, to ensure we are adding high-quality practices to our service offering.
- > We regularly review pricing of products and services to ensure we remain competitive, with many seasonal promotional offerings.
- > We recently relaunched our Animed Direct website and continue to make further enhancements for ease of shopping experience for the customer.
- > Our Healthy Pet Club (HPC) scheme offers clients access to preventative healthcare for their pets while spreading the cost.
- > The Group continues to pause on acquisition activity in the UK pending the outcome of the CMA market investigation.
- > We continue to expand our footprint in the Australian veterinary services market acquiring an additional 15 veterinary practice sites in the financial year.
- > We are also conducting a consumer survey to ensure we know what our clients want, and our cNPS remains high.
- > The number of registered veterinary practices in the UK increased to 5,558 (2024: 5,439).

### 4. Adverse publicity and corporate reputation

Owner: Chief Executive Officer Risk type: Strategic Risk profile: M Risk appetite: M

Link to strategy

Read more on pages 20 and 21

#### Description

The risk that adverse publicity could damage our reputation and lead to a reduction in our customer base or our ability to attract and retain the best talent in the profession and our colleagues are pivotal to the success of our business.

#### Context

The Group operates in a professional environment where our vets and nurses are passionate about what they do. We are aware how trust and reputation of being a high-quality service provider are vital to our long term success. Negative publicity can be harmful not only to our colleagues but also to our reputation and corporate offering as a high-quality service provider which we pride ourselves on.

#### Mitigations

- > We ensure we have policies and procedures in place to monitor service delivery and ensure continued levels of high-class veterinary care for our clients and their animals.
- > We participate in the RCVS Practice Standards Scheme (PSS) and RCVS Knowledge QI Champion accreditation.
- > We have an established Clinical Advisory Committee to advise on clinical standards and preferred drug lists across the Group.
- > Our dedicated Communications Director allows us to respond swiftly to any issues, not only publicly but also for our colleagues.
- > We aim to maintain prominent representation on national bodies and at industry events to enhance the Group's reputation and credibility.
- > Our financial PR agency is in place to support with media communication, offering an enhanced level of support for the Group to deal with issues as they arise.
- > We continue to monitor and adapt our clinical standards against our quality improvement frameworks for clinicians and practices, including our Clinical Governance Framework.

# Risk management continued

## Managing our principal risks continued

### 5. Information technology and cyber

**Owner:** Director of Technology **Risk type:** Operational/strategic **Risk profile:** H **Risk appetite:** L

[Link to strategy](#)

[Read more on pages 20 and 21](#)

#### Description

The risk that a poor IT infrastructure could lead to loss of business critical systems impacting our operational effectiveness. Failure to maintain our IT systems may also lead to a cyber event significantly impacting our ability to not only operate but also ensure they remain compliant with data protection, through misuse or penetration of our IT systems, technology or data.

#### Context

The Group is committed to ensuring the IT infrastructure in which it operates is fit for purpose. The availability of systems is vital to everyday operational performance and ensuring our IT infrastructure remains operational at all times is critical. This includes but is not limited to ensuring our PMS systems, phone lines, websites and communication channels remain open to ensure we have a stable environment in which our colleagues can operate and offer our services to our customers.

The impact of a cyber incident could lead to an inability to use operating systems, causing disruption to our ability to provide a high-quality service to our customers. It may also lead to loss of client data and reputational damage, which may result in financial loss and failure to comply with regulations.

#### Mitigations

- > The Group has a number of policies in place that are aimed at ensuring the stability and security of its networks and systems.
- > Restricted access to systems, networks and applications wherever possible. We have introduced multi-factor authentication and Yubikeys for enhanced security.
- > We have a dedicated Head of Cyber Security, reporting directly to our Director of Technology.
- > We have a scheduled programme of network security enhancement in place with external reviews performed periodically.
- > We have a Cyber Security and Data Protection Governance Risk Committee in place to ensure appropriate governance is in place.
- > We ensure that we undertake full system testing of any new developments prior to live deployment.
- > We undertake regular backups and testing of the recovery of those system backups.
- > Regular updates are provided to the Executive Committee and the Board from our Director of Technology.
- > Network security is regularly enhanced with external reviews being performed periodically to identify areas of risk. A scheduled programme of equipment and software replacement takes place to help ensure that the latest security features are available.
- > Password policies are in place encouraging use of strong passwords. Forced password changes on a regular basis and multi-factor authentication are used where appropriate.
- > We ensure access is restricted across our systems, networks and applications wherever possible and have multi-factor authentication in place for all remote access users.
- > We have active directory hardening in place, which helps ensure our environment is secure against threats and attacks.
- > Our privileged accounts are kept under frequent review to ensure an appropriate level of restrictive access.

No change to risk    Increasing risk    Reducing risk    N New risk    L Low    M Medium    H High

## 6. Legal and regulatory change

**Owner:** Chief Executive Officer    **Risk type:** Operational/financial and regulatory compliance    **Risk profile:** M    **Risk appetite:** L

**Link to strategy**

**Read more on pages 20 and 21**

### Description

The risk that failure to comply with laws or regulations could lead to reputational damage, financial penalties or financial loss.

### Context

The Group is subject to a number of laws and regulations, including but not limited to the Corporate Governance Code, RCVS Code of Professional Conduct, HMRC guidelines for national minimum and national living wage, IR35, data protection and anti-slavery acts, and health and safety and competition laws and regulations. Failure to ensure we hold ourselves accountable to these laws and regulations could lead to financial consequences, reputational damage and other consequences for our business and its Directors.

Should the Group breach any law or regulation in place in the industry in which it operates it could be subject to material consequences either through damaged reputation or financial penalties.

### Mitigations

- > We have appropriate policies and procedures in place to monitor compliance and any developments or proposed changes. Our policies are reviewed and updated regularly and include topics such as whistleblowing, modern slavery as well as clinical guidance included within our Clinical Governance Framework led by our CVO.
- > We maintain regular engagement with regulatory and legislative bodies where appropriate to promote best practice and lobby for change where considered appropriate.
- > Our Chief Veterinary Officer (CVO) on the Board oversees all clinical quality improvement work to help enhance the care we provide to animals ensuring we remain compliant with industry regulations.
- > We continue to review and respond to evolving government and regulatory guidance and are able to adapt our services accordingly (e.g. use of tele-consultations).
- > We ensure we have robust health and safety procedures in place to ensure we are fully compliant with health and safety legislation, including mandatory employee training for all colleagues to ensure they know how to perform their duties safely.
- > We provide appropriate protective equipment to all employees in order for them to perform their duties safely and introduced mandatory PPE for all our equine vets.
- > We have a specialist health and safety team which regularly reviews risks and identifies areas for improvement including a platform to record compliance.
- > We participate in the RCVS Practice Standards Scheme to ensure the Group promotes the highest levels of clinical standards.
- > We engage suitable in-house and third-party experts to ensure compliance with matters such as GDPR.
- > We ensure we have appropriate insurance cover in place.
- > Mandatory training programmes for areas such as safety, information security, data privacy and anti-bribery and corruption.

## 7. Sourcing of pharmaceutical supplies

**Owner:** Chief Operating Officer    **Risk type:** Operational    **Risk profile:** M    **Risk appetite:** M

**Link to strategy**

**Read more on pages 20 and 21**

### Description

The risk of not securing our supply chain in order to provide treatments to our clients and their pets enabling us to source quality products at the right price could potentially lead to an adverse financial impact on Group performance.

### Context

The Group maintains key relationships with the veterinary wholesalers to ensure the continued supply and quality of product required to provide our clients with the high-quality service they expect to receive. Failure to source quality pharmaceutical supplies could lead to an inability to provide a service to our clients and also lead to adverse financial performance which can also impact our reputation.

### Mitigations

- > We ensure we have supply agreements in place with multiple major wholesalers and manufacturers to ensure we have appropriate stocking.
- > We supply our own-brand products in Group warehouses for onwards supply.
- > We ensure we conduct regular pricing reviews with all major suppliers across all divisions for best possible pricing.
- > We work closely with our Clinical Advisory Committee to ensure we are sourcing the best quality products for our clients and their pets.

# Risk management continued

## Managing our principal risks continued

### 8. Bank facilities

**Owner:** Chief Financial Officer **Risk type:** Financial and regulatory compliance **Risk profile:** L **Risk appetite:** L

#### Link to strategy

Read more on pages 20 and 21

#### Description

The risk that the Group fails to comply with its bank covenants or is not able to secure funding which could lead to adverse financial impacts through either inability to support future growth or increased finance costs.

#### Context

The Group's loan facility remains critical to the continued success and growth of the Group. Failure to maintain funding or failure to comply with bank covenants for our existing facility could lead to increased borrowing costs and lack of funding available to fulfil the Group's growth strategy and increase shareholder returns.

#### Mitigations

- > The Group maintains suitable facilities from a syndicate of leading banks with an appropriate term, which consist of a £350m facility which comprises term debt, revolving credit facility and an overdraft to February 2028.
- > We regularly report on the facility and covenant headroom and compliance to the Board and Executive Committee.
- > We have regular meetings with banking syndicate members to appraise performance, to ensure we maintain good working relationships and to support our business operations.
- > We monitor our cash daily and review a rolling three-month period forecast to enable working capital requirements to be understood and to optimise bank drawings and interest costs. We also forecast cash monthly, rolling 12-month and over a 5-year period.
- > We ensure we have appropriate hedging in place including a £100m interest rate hedge entered into on 31 January 2024 which runs to February 2028.
- > Strong cash generation continues; net debt has decreased following disposal of our Crematoria operations only partially offset by investments made.

### 9. Epidemiology and pandemic

**Owner:** Chief Veterinary Officer **Risk type:** Operational/financial and regulatory compliance **Risk profile:** L **Risk appetite:** L

#### Link to strategy

Read more on pages 20 and 21

#### Description

The risk that future diseases may enter the UK leading to animal deaths, which may include mass culling leading to a decline in the pet population. There is also the risk a future pandemic may lead to future lockdowns impacting the level of service we can offer impacting our revenue generation.

#### Context

The Group is mindful that operating in a sector which works closely with animals, it opens up the possibility of colleagues and animals being impacted by epidemics. These may occur through disease entering the UK due to importation of animals and present risks of diseases transferring to humans leading to operational disruption.

#### Mitigations

- > The Group continues to invest in research and development and closely monitors trends and concerns through its well-established Clinical Advisory Committee.
- > We continue to invest in ensuring we drive quality improvement and continue to publish our annual Quality Improvement Report.
- > We have a notification system in place to aid tracking and resolution of issues arising.
- > We ensure our colleagues have access to PPE to focus on increased protection if suspected cases are identified.
- > We support Clinical Research Awards in relation to projects which are open to both internal and external applicants via collaboration with universities and research institutions.
- > We are prioritising research related to antimicrobial stewardship, to support responsible antibiotic prescribing or infection control, as well as supporting research projects within CVS in line with our antimicrobial stewardship priorities.
- > We collaborate with the University of Liverpool to support the monitoring of infectious disease trends through surveillance generated from our companion animal practices, equine practices and our laboratories.

No change to risk    Increasing risk    Reducing risk    N New risk    L Low    M Medium    H High

## 10. Sustainability

**Owner:** Chief Executive Officer    **Risk type:** Operational/financial and regulatory compliance    **Risk profile:** L    **Risk appetite:** M

**Link to strategy**

**Read more on pages 20 and 21**

### Description

The risk that the Group fails to deliver on its ESG strategy "Care at our Heart". Not focusing on the long-term goals of our ESG strategy, ensuring we remain mindful of the effects and impacts of climate change and how they effect us, could impact our operational and financial performance.

### Context

The Group ensures that sustainability and climate change remain a key focus and our ESG strategy "Care at our Heart" continues to report on ESG via our ESG working groups. Failure to act responsibly could negatively impact our reputation and result in financial loss.

### Mitigations

- > We are committed to discussing sustainability and ESG at every Board meeting and it is a regular agenda item.
- > Our ESG strategy "Care at our Heart" is underpinned by four pillars: Care for the Planet, Care for our People, Care for our Clients and their Animals, and Care for our Communities.
- > Where possible our vehicles are electric vehicles and we use energy from renewable sources.
- > We have focused targets to reduce our emissions.
- > Our ESG advisors help us to assess our risks and to implement our ESG strategy, "Care at our Heart".
- > We publish an annual Sustainability Report with SASB-compliant data.
- > We continue to voluntarily adopt TCFD reporting.
- > We perform risk and opportunity assessments and scenario analysis in relation to climate change.
- > We ensure we include enhanced non-financial targets linked to our sustainability strategy for Executive Committee bonuses for the 2026 financial year.

## 11. Competition and Markets Authority (CMA)

**Owner:** Chief Executive Officer    **Risk type:** Operational/financial and regulatory compliance    **Risk profile:** H    **Risk appetite:** L

**Link to strategy**

**Read more on pages 20 and 21**

### Description

The risk that the outcome of the Competition and Markets Authority (CMA) market investigation into veterinary services for household pets could have an adverse impact on our operations leading to financial and operational disadvantages.

### Context

The veterinary industry is currently in the middle of a Competition and Markets Authority (CMA) market investigation into veterinary services for household pets, which has recently been extended for a period of six months to May 2026.

The CMA is currently reviewing the veterinary industry and, subject to findings, may lead to a number of additional obligations and requirements for our practices and for the Group as a whole, which may include measures around pricing transparency, enhanced customer communications and possibly a price comparison website. The Group is aware the CMA has broad powers and the outcome of the investigation may lead to financial impacts on the Group.

### Mitigations

- > We have expanded into Australia and have the ability to expand into other territories.
- > We proactively engage with the Australian Competition and Consumer Commission (ACCC) as we expand our footprint.
- > We recognise we still have significant opportunities for organic growth with continued investment in our practices.
- > The Group also operates farm, equine and laboratory services alongside its online website Animed Direct which provides diversification.
- > We have proactively engaged in the CMA process to help shape the outcome of the review.
- > This is a cross-market investigation and thus any remedies are likely to apply to CVS's competitors as well as CVS.

The Strategic Report is approved for issue by the Board of Directors.



**Scott Morrison**  
Company Secretary  
7 October 2025

# Appropriate governance and Board oversight of the Group's operations

David Wilton  
Chair

**“The Board recognises the importance of having a balance of skills, including clinical experience and diversity, to ensure decisions have been rigorously tested and to hold management to account.”**

## Dear Shareholders,

I am delighted to introduce our Corporate Governance Report for the year ended 30 June 2025 on behalf of the Board. This section of our Annual Report outlines the approach we have adopted in voluntarily complying with the principles of the UK Corporate Governance Code (the Code) over the year as well as outlining improvements we have made in our governance structure. The Board continues to play a crucial role in holding management to account, ensuring decisions have been rigorously tested and reviewed. We remain committed to ensuring an effective corporate governance regime in support of our strategy for growth.

## Board changes

Board succession has been a focus in the year. As I shared in our 2024 Annual Report, on 8 July 2024, Ben Jacklin resigned from the Board after a nine-year career at CVS to pursue new opportunities.

On 25 July 2024, Paul Higgs, Chief Veterinary Officer, was promoted to the Board to recognise his outstanding contribution to clinical care within the Group. Paul, who has advised the Executive Committee since September 2022 on clinical matters, now sits on the Executive Board and continues to lead the Group's clinical focus across the UK and Australia. More information on Board changes is on pages 74 and 75.

The Board recognises the importance of succession and talent mapping across the senior leadership of CVS and I am pleased with the diversity of skills and experience across our leaders.

## Dividend

The Board is proposing a final dividend of 8.5p per Ordinary share (2024: 8.0p), subject to shareholder approval. Please see page 5 for further information.

**Board tenure (as at year end)**

David Wilton	3 years 9 months
Deborah Kemp	7 years 6 months
Richard Gray	5 years
Joanne Shaw	2 years
Richard Fairman	6 years 11 months
Robin Alfonso	5 years 7 months
Paul Higgs	12 months

**Equity, Diversity and Inclusion**

Our vision is to be the veterinary company people most want to work for – regardless of who they are, how they identify or their background. Our colleagues tell us that feeling included and able to be yourself is vital to feeling engaged and therefore we continue to foster an inclusive and equitable workplace environment alongside cultivating a "just culture", with fairness, openness and learning, by helping people feel confident to speak up when things go wrong, rather than fearing blame. More details on our people and culture are set out on pages 16 to 18.

**Section 172 and stakeholder engagement**

The Board and I have held a number of meetings over the course of the year with our institutional shareholders. These meetings are helpful in understanding their priorities and in discussing our strategic focus, capital allocation priorities and any key developments in the business.

CVS has built a strong corporate culture with a focus on providing great care to our clients and their animals. We continue to invest in the development of our business and we remain focused on attracting and retaining the very best talent by developing our people. The Board considers the

interests of all stakeholders when taking decisions and we have set out some examples of how the Board has fulfilled its Section 172 duties and engaged with stakeholders during the course of the year on pages 26 to 29.

**Sustainability**

We take our ESG responsibilities seriously and sustainability continues to be a regular agenda item at each Board meeting, with the CEO delivering updates on activities, risks and progress against targets from each of our working groups.

In 2025 we updated our materiality assessment, ensuring that we continue to prioritise the sustainability topics which are most important to our stakeholders and have the biggest potential impact on our business. In response to this, we have refreshed our ESG strategy with the creation of four key pillars, Care for our Planet, Care for our People, Care for our Clients and their Animals, and Care for our Communities. Each of these groups is led by a member of the Executive Committee.

We are pleased to share more details on the progress we are making and our updated strategy, in our 2025 Sustainability Report, "The CVS Care Plan".

**Annual General Meeting (AGM)**

We will hold our 2025 AGM on 18 November 2025 at 11:00 am. Full details, including the resolutions to be proposed to shareholders, will be set out in the Notice of AGM, which will be made available in the Investor Centre on our website.

Outcomes of the resolutions put to the AGM, including poll results detailing votes for, against and withheld, will be published on the Company's website and the London Stock Exchange once the AGM has concluded.

**David Wilton**  
Chair  
7 October 2025

**Board diversity**

Gender		Ethnicity	
<b>2024/25</b>			
Male	71%	White	86%
Female	29%	Ethnic minority	14%
<b>2023/24</b>			
Male	71%	White	86%
Female	29%	Ethnic minority	14%

**Executive Committee diversity**

Gender		Ethnicity	
<b>2024/25</b>			
Male	60%	White	80%
Female	40%	Ethnic minority	20%
<b>2023/24</b>			
Male	60%	White	80%
Female	40%	Ethnic minority	20%

# Leading with experience

A R N

### David Wilton (62) Chair

#### Appointed<sup>1</sup>

Non-Executive Director:  
September 2021

Chair: May 2024

#### Career and experience

David is a qualified Chartered Accountant with more than 30 years' post-qualification experience as a Chief Financial Officer, Non-Executive Director (NED), Chair and consultant after many years in corporate finance, primarily in mid-cap M&A with Rothschild. David has held roles in both public and private equity backed companies including as Chief Financial Officer of Sumo Group plc, Group Finance Director of WYG plc and NED and Chair of the Audit Committee of Sweett Group plc. David was a NED and subsequently Chair at Frontier Developments plc until November 2023.

1. David ceased to be a member of the Audit Committee with effect from 6 October 2025.

#### Committee membership

- A Audit and Risk Committee
  - R Remuneration Committee
  - N Nomination Committee
- Chair of Committee

Read more about CVS within our Sustainability Report 2025 at [cvsukltd.co.uk](https://www.cvsukltd.co.uk)

A R N

### Deborah Kemp (64) Non-Executive Director and Senior Independent Director

#### Appointed

January 2018

#### Career and experience

Deborah has held a variety of Chief Executive Officer roles in the consumer and hospitality sector, including as a FTSE 100 main Board Director at Punch Taverns plc. Her career started at Bass plc as a Chartered Surveyor, subsequently holding key strategic roles in the evolution and growth of the Punch Taverns pub company. Following a period in private equity and a trade sale of Laurel Funerals, she now consults in the consumer-facing retail and hospitality sector and assists multi-site businesses through growth, change and transformation.

Deborah is the Senior Independent Director, Chair of the Remuneration Committee and Employee Engagement Director.

A R N

### Richard Gray (68) Non-Executive Director

#### Appointed

July 2020

#### Career and experience

Richard is a career investment banker who has extensive capital markets and corporate finance experience. He is Chair of CT Private Equity Trust PLC, a Non-Executive Director of Alpha Real Capital and Vice Chairman of Invescore Group. He has previously worked at Panmure Gordon, Lazard, Charterhouse and UBS.

Richard is Chair of the Nomination Committee.

A R N

### Joanne Shaw (62) Non-Executive Director

#### Appointed

July 2023

#### Career and experience

Joanne Shaw has significant healthcare experience and holds current roles as Trustee and Audit Committee Chair at Cancer Research UK, Chair at the Royal College of Paediatrics and Child Health, and Deputy Chair at Vitality UK. She has held a number of previous non-executive roles over the past 17 years, including as Non-Executive Director and Chair of the Audit and Risk Committee at NHS England and the National Audit Office, Chair of NHS Direct, Non-Executive Director at Kensington and Chelsea Primary Care Trust and Chair of the British Equestrian Federation. Joanne, a Chartered Accountant, was a management consultant at Boston Consulting Group and has previous executive roles at Medicines Partnership, the Audit Commission and Coopers & Lybrand.

Joanne is Chair of the Audit and Risk Committee.

**Richard Fairman (58)**  
Chief Executive Officer

**Appointed**

Director: August 2018

Chief Financial Officer: October 2018

Chief Executive Officer:  
November 2019

**Career and experience**

Richard spent six and a half years at the RAC Group, including as Chief Financial Officer. Prior to this, Richard qualified as a Chartered Accountant at EY, later working at PwC, following which Richard held roles including Finance Director of Virgin Money, Chief Financial Officer of Central Trust and Finance Director of Virgin Money Giving.

**Robin Alfonso (46)**  
Chief Financial Officer

**Appointed**

November 2019

**Career and experience**

Robin spent eight years at the RAC Group, initially as Group Financial Controller and then as Divisional Finance Director of its largest commercial division and profit centre, Consumer Roadside and Marketing. Prior to this, Robin qualified as a Chartered Accountant at PwC, following which he moved to Aviva where he performed a technical accounting role.

**Paul Higgs (43)**  
Chief Veterinary Officer

**Appointed**

July 2024

**Career and experience**

Paul is responsible for the clinical stewardship of all our veterinary practices across all our territories. He joined CVS in 2018 as Clinical Director of Highcroft Referrals, now Bristol Vet Specialists. Paul qualified from the University of Cambridge in 2006 and was accredited as an RCVS recognised and EBVS® European Veterinary Specialist in Small Animal Internal Medicine in 2014. Paul is also a Fellow of the Royal College of Veterinary Surgeons and has previously held the post of Congress Chair at the British Small Animal Veterinary Association.

**Scott Morrison (55)**  
Company Secretary

**Appointed**

June 2023

**Career and experience**

Scott qualified as a solicitor in 1998, working at Eversheds for some years before moving into in-house roles. Initially at Kwik-Fit as Legal Director, he later joined Craegmoor Group Limited (a healthcare business) as General Counsel and RAC Group where he had the role of General Counsel and Company Secretary.

**Essential skills and experience**

	Link to strategy	David Wilton	Deborah Kemp	Richard Gray	Joanne Shaw	Richard Fairman	Robin Alfonso	Paul Higgs
Strategy and leadership		✓	✓	✓	✓	✓	✓	✓
Brand and product development			✓		✓	✓	✓	
Operational expertise		✓	✓		✓	✓	✓	✓
E-commerce, sales and marketing		✓	✓		✓	✓	✓	
Technology development		✓			✓	✓	✓	✓
Risk management		✓	✓	✓	✓	✓	✓	✓
Financial		✓	✓	✓	✓	✓	✓	
Governance and legal		✓	✓	✓	✓	✓	✓	✓
Mergers and acquisitions		✓	✓	✓		✓	✓	
Sustainability		✓	✓		✓	✓	✓	✓

Read more about our strategy on pages 20 and 21

## Corporate governance statement

# Corporate governance in support of the Group's strategy

This Corporate Governance Statement explains how the Company is managed, the roles of the Board, its Committees and Directors as well as the Group's compliance with the standards set out in the UK Corporate Governance Code 2018 (the Code) for the financial year ended 30 June 2025. For further information about the Code set by the Financial Reporting Council (FRC), please visit the FRC's website at [www.frc.org.uk](http://www.frc.org.uk).

During the year to 30 June 2025, the Company fully complied with the provisions set out in the Code throughout the financial year and up to the date of this Annual Report and Accounts with the exception of Provision 38 as detailed on page 82. The Corporate Governance Report explains how the Company has applied the principles and provisions of the Code, and the guide below outlines where further information can be found within this report:

**Scott Morrison**  
Company Secretary

	Principles	Disclosure in the 2025 report
<b>Board leadership and Company purpose</b>	A, B, C, D and E	Page 3 and pages 60 and 61
<b>Division of responsibilities</b>	F, G, H and I	Pages 63 to 65
<b>Composition, succession and evaluation</b>	J, K and L	Pages 73 to 77
<b>Audit, risk and internal control</b>	M, N and O	Pages 69 to 72
<b>Remuneration</b>	P, Q and R	Pages 78 to 94

### Board activity during the financial year to 30 June 2025

<b>Strategy, business and operational performance</b>	<ul style="list-style-type: none"><li>&gt; Overseeing the development of the five-year strategic plan as communicated to shareholders at our November 2022 Capital Markets Day</li><li>&gt; Reviewing and monitoring the Group's performance against the targets set out in the annual budget and five-year plan</li><li>&gt; Reviewing and approving major investments in property, facilities, clinical equipment, acquisitions and strategic divestments</li><li>&gt; Monitoring trading and market conditions, competitor activity and regulatory requirements</li></ul>
<b>Financial performance</b>	<ul style="list-style-type: none"><li>&gt; Receiving Audit and Risk Committee Reports on full and half-year financial results</li><li>&gt; Reviewing and approving the Group's annual budget</li><li>&gt; Reviewing in-year forecasts prepared</li><li>&gt; Reviewing the capital allocation priorities including considering the Company's dividend policy and approving the allocation of capital for investment</li></ul>
<b>Risk management and internal control</b>	<ul style="list-style-type: none"><li>&gt; Review of the Group's risk register</li><li>&gt; Receiving reports from the Audit and Risk Committee on the effectiveness of internal controls</li><li>&gt; Liaising with KPMG as internal auditor and reviewing internal audit reports from KPMG</li><li>&gt; Receiving regular updates on legal and regulatory matters</li></ul>
<b>Board and Committee governance</b>	<ul style="list-style-type: none"><li>&gt; Receiving reports from the three Board Committees</li><li>&gt; Reviewing terms of reference for each Board Committee</li><li>&gt; Adopting the schedule of matters reserved to the Board</li><li>&gt; Receiving corporate governance updates</li><li>&gt; Conducting an annual review of Board effectiveness</li></ul>

## Our governance framework

The Group's governance framework includes a schedule of matters reserved to the Board and its Committees with clear terms of reference for each Committee. The Board has a delegated authority policy which ensures that decisions are made at the appropriate levels within the Group:

## The Board

### Four Non-Executive Directors

Our four Non-Executive Directors (including our Chair) provide independent oversight and constructive challenge to the Executive Directors.

### Three Executive Directors

Our CEO, CFO and Chief Veterinary Officer (CVO) are appointed to the Board.

## Board Committees

### Audit and Risk Committee

Key responsibilities:

- > reviewing and monitoring financial reporting;
- > ensuring an appropriate internal control and risk management framework;
- > monitoring internal and external audit arrangements (including auditor independence); and
- > maintaining appropriate whistleblowing procedures.

#### Membership:

Joanne Shaw  
(Chair from 25 July 2024)

David Wilton  
(Chair to 25 July 2024 and ceased to be a member from 6 October 2025)

Deborah Kemp

Richard Gray

### Nomination Committee

Key responsibilities:

- > making recommendations on all Board appointments and succession planning;
- > monitoring and reviewing Board composition; and
- > undertaking an annual evaluation of the effectiveness of the Board and its Committees.

#### Membership:

Richard Gray – Chair

Deborah Kemp

David Wilton

Joanne Shaw

### Remuneration Committee

Key responsibilities:

- > assisting the Board in ensuring appropriate remuneration policies are in place for the Group;
- > ensuring Executive Director remuneration is aligned to the strategic priorities of the Group and its performance; and
- > making recommendations regarding Long-Term Incentive Plan (LTIP) terms and conditions, and awards.

#### Membership:

Deborah Kemp – Chair

David Wilton

Richard Gray

Joanne Shaw

## Executive Committee

The Executive Committee (Exco) comprises the Group CEO, CFO, CVO, Chief Operations Officer and Chief People Officer. The Exco assists the CEO in managing the Group's day-to-day operations and in the implementation of its strategy. The Exco meets on a weekly basis to set performance targets, monitor key objectives and commercial plans, monitor risk, and evaluate opportunities and business initiatives. Exco members report annually to the Board in person as well as providing monthly updates through the CEO, CFO and CVO Board reports.

## Senior Leadership Group (SLG)

The SLG comprises of the heads of major business units and key service functions. The SLG meets on a monthly basis to collaborate, review Group performance and discuss major plans and developments.

## Corporate governance statement continued

### Key elements of our culture

Element	Overview	Board and Committee oversight
<b>Leading by example</b>	The Board sets the tone from the top.	The Directors, Executive Committee and Senior Leadership Group lead by example through informed decision making and ongoing management.
<b>Performance metrics</b>	The Board reviews a broad range of non-financial KPIs that support CVS's culture, through strong colleague development and succession planning, along with a focus on benefits and rewards that incentivise our people to excel.	The Board receives regular reports addressing a wide range of non-financial considerations to assist in its function of overseeing and monitoring our culture. These are monitored regularly at Board meetings.
<b>Employee voice</b>	<p>We are committed to nurturing a culture where everyone can contribute and we prioritise engagement with colleagues. We have a "What matters to you" framework which is aimed at increasing colleague wellbeing. We host an annual conference where many colleagues from across all areas of the business can engage with others.</p> <p>We actively monitor colleague satisfaction through our employee Net Promoter Score which is updated monthly. There are appropriate whistleblowing processes in place which allow reporting of wrongdoing on an anonymous basis. We are implementing a third-party whistleblowing system early in the next financial year.</p>	Results from ongoing colleague engagement are reported at the regular Board meetings. Non-Executive Directors attend the annual conference and also regularly meet with colleagues to discuss key issues. Any whistleblowing reports are reviewed by the Board.
<b>Policies, pay, diversity and inclusion</b>	<p>We provide competitive financial and non-financial rewards and we are committed to equal opportunities and equal pay to achieve an inclusive culture. Our policies and procedures also support this through, for example, a zero-tolerance policy towards abusive clients to ensure our colleagues feel safe at work.</p> <p>We have an ongoing EDI working group and we have been awarded a "Disability Confident Committed" certificate, reflecting our commitment to an accessible recruitment process, offering interviews to disabled people who meet minimum criteria for roles, anticipating reasonable adjustments and developing activities to make a difference for disabled people. We are always looking for ways to improve to ensure we are providing the best support to our colleagues and those in our recruitment process.</p>	The Board has led in its commitment to EDI and considers reports on our ongoing sustainability and ESG initiatives at each meeting. Providing valuable suggestions as to ways new initiatives can be implemented and ensuring a culture of diversity and inclusion are thoroughly embedded within the Group.
<b>Risk management</b>	<p>Our internal controls and risk management systems are integral to the delivery of our strategy in a safe and sustainable way.</p> <p>They translate into our day-to-day risk culture throughout the Group.</p>	The Audit and Risk Committee reviews internal controls and overall risk management of the Group including risk registers, as well as internal audit reports that are focused on risk management. It also provides guidance so risks are managed within appetite.
<b>The way we do business</b>	<p>We provide comprehensive policies, training and guidance to our colleagues, reflecting the standards we expect them to adhere to, to uphold our values.</p> <p>We engage with all our stakeholders, including industry bodies, suppliers and the wider community, to inform ethical decision making and to help foster a culture of honesty and integrity.</p>	Regular Board reporting includes updates on the wider veterinary community. Key policies are reserved for the Board's approval. The Audit and Risk Committee receives updates on compliance with policies.
<b>Health and safety</b>	Our priority is to provide a safe and secure workplace for all, and we have a dedicated health and safety team along with policies and procedures in place to support this. We are committed to ongoing investment in our premises and facilities.	The Board monitors health and safety performance and considers any issues, such as any Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reports, at each meeting.
<b>Sustainability</b>	Our care for our clients and their animals extends beyond the services we provide to considering our wider impact on the environment. We are always looking for ways to increase our sustainability and make changes for the better.	The Board monitors sustainability performance regularly at Board meetings and publishes an annual Sustainability Report. See page 30 for further information.

## Structure of the Board and Board Committees

At 30 June 2025, the Board of Directors consisted of seven members, including three independent Non-Executive Directors, alongside our Chair. Paul Higgs was appointed as Chief Veterinary Officer (CVO) on 25 July 2024. The responsibilities of the Board members are set out in the chart below. The Board and its Committees have access to management and external advisors to assist them in discharging their duties. During the year ending 30 June 2025, the Board and Board Committees received sufficient, reliable and timely information in order for them to perform their responsibilities effectively.

## Roles and responsibilities

There is a clear division of responsibilities between the Chair and the CEO, and all Board members have clearly defined roles and responsibilities as set out below. Board members have the range of skills and experience required to ensure the successful operation, growth and sustainability of the Group, as set out in their biographies on pages 60 and 61.

Role	Name	Responsibility
<b>Chair</b>	David Wilton	> The Chair is responsible for leading the Board and for ensuring its overall effectiveness in directing the Company. The Chair facilitates constructive Board relations and the effective contribution of all Non-Executive Directors. The Chair ensures that the Directors receive accurate, timely and clear information as well as overseeing the governance framework.
<b>CEO</b>	Richard Fairman	> The CEO is responsible for leading the Company's Executives in managing the day-to-day operations of the Group. The CEO is accountable for and reports to the Board and is assisted in his role by the Group's Exco, the members of which report directly or indirectly to the CEO.
<b>CFO</b>	Robin Alfonso	> The CFO reports to the CEO and is responsible for the day-to-day management of the Group's finances and support operations, development and implementation of financial strategy as well as supporting the CEO with developing and implementing Group strategy.
<b>CVO</b>	Paul Higgs	> The CVO reports to the CEO and is responsible for clinical care alongside learning, education and development. The CVO works with our veterinary regulators and provides essential specialised information to the Board on the veterinary industry.
<b>Senior Independent Director</b>	Deborah Kemp	> The Senior Independent Director (SID) provides advice and additional support and experience to the Chair.
<b>Non-Executive Directors</b>	Richard Gray Joanne Shaw	> Non-Executive Directors provide constructive challenge, strategic guidance and specialist advice as well as holding management to account and being available to work with the Chair to resolve any contentious issues.
<b>Company Secretary</b>	Scott Morrison	> The Company Secretary acts as Secretary to the Board and its Committees and is responsible for ensuring that the Board has the policies, processes, information, time and resources it requires in order to function effectively and efficiently as well as supporting the Chair in developing and overseeing the governance framework.

## Board and Committee meeting attendance

The Board met formally eight times in the financial year ended 30 June 2025 with meetings planned around key events in the corporate calendar including interim results, full-year results and the Annual General Meeting (AGM). The Non-Executive Directors confirm that they have sufficient time to devote in order to effectively discharge their Board responsibilities. In addition to the scheduled Board meetings and other Committee meetings, the Non-Executive Directors make themselves available for ad-hoc meetings and Board calls to receive regular updates and to deal with specific projects or matters arising throughout the year.

The Chair and Non-Executive Directors meet from time to time as appropriate without the Executive Directors present as well as meeting with the external auditor at least annually without the Executive Directors present.

The table below sets out attendance at Board meetings during the financial year ended 30 June 2025.

	Board	Audit and Risk Committee	Nomination Committee	Remuneration Committee
<b>Number of meetings</b>	8	4	3	3
D Wilton	8	4	3	3
D Kemp	7	3	2	2
R Gray	8	4	3	3
J Shaw	8	4	3	3
R Fairman	8	4*	3*	3*
R Alfonso	8	4*	3*	3*
P Higgs	7	3*	2*	2*

\* In attendance by invitation of the respective Committee.

# Corporate governance statement continued

## Board and Committee meeting attendance continued

During November 2024, the Chair, assisted by the Company Secretary, carried out an internal review of Board effectiveness which included a review of the information provided to the Board, the composition of the Board, the decision-making processes, the Board Committees and the Board's annual agenda.

The Board has committed to adopting an external review to be carried out every three years in accordance with best practice, which has been undertaken in the new financial year.

**Read more about our external Board evaluation on pages 76 and 77**

## Board composition

The Nomination Committee will continue to regularly review the diversity of the Board, the Executive Committee and the Senior Leadership Group. The Board is considered to have an appropriate mix of skills, experience and tenure. The Board believes that appointments should be made solely on merit, an ethos which applies across the business. The Board continues to ensure that it maintains an appropriate balance through a diverse mix of experience, background, skill, knowledge and insight. Further information on Board diversity is detailed on page 59.

Paul Higgs was appointed as a Director on 25 July 2024 and hence did not attend any Board meetings prior to this date.

## Board processes and effectiveness

The Board maintains a formal schedule of matters reserved for its approval which includes matters of strategy, structure and capital, financial reporting and internal controls, major contracts, Board membership, remuneration, delegation of authority and corporate governance. Matters that fall outside of those reserved to the Board or its Committees fall within the responsibility and authority of the CEO, CFO and the CVO and are either reserved to them or delegated further through the Group's delegated authorities policy.

Board and Committee papers are circulated well in advance of meetings and Directors have access to a Board portal containing Board packs and reference materials from previous meetings as well as all Board policies and procedures. In addition to formally scheduled meetings, the Chair maintains regular contact with the Non-Executive Directors, CEO, CFO, CVO and Company Secretary in performing his duties leading the Board.

**Read more about the Board evaluation conducted in the year on pages 76 and 77**

## Board induction and training

New Directors appointed to the Board undertake an induction programme to assist in developing their understanding and awareness of the business, its governance framework, employees and Group policies and procedures. Induction training is tailored to suit the requirements of each new Director and includes site visits to practices around the Group, meetings with the heads of Group functions and one-on-one meetings with fellow Board members, Executive Committee members and the Company's external advisors in addition to being provided with details of the Group's policies and procedures.

New Board members also receive appropriate training on the AIM and Market Abuse Regulations delivered by the Company's Nominated Advisor or external legal counsel.

## Independence

Deborah Kemp, Richard Gray and Joanne Shaw are all considered to be independent by the Board.

All Directors will offer themselves for re-election at the 2025 AGM of the Company.

## Relations with shareholders

Copies of the Annual Report and Financial Statements are issued to all shareholders where requested and copies are available on the Group's website [www.cvsukltd.co.uk/investor-centre/results-and-reports/](http://www.cvsukltd.co.uk/investor-centre/results-and-reports/). The Group also uses its website to provide information to shareholders and other interested parties. The Company deals with shareholder correspondence as and when it arises throughout the year.

The CEO, CFO and CVO have regular meetings with institutional investors, private client brokers, individual shareholders, fund managers and analysts to discuss information made public by the Group.

The Chair and the Non-Executive Directors are always available to shareholders on all matters relating to governance and strategy. They may be contacted through the Company Secretary by email at [company.secretary@cvsvets.com](mailto:company.secretary@cvsvets.com).

## Shareholder engagement

There has been considerable engagement with institutional and retail investors during the year ended 30 June 2025, including:

### July 2024

- > Trading update

### September 2024

- > Preliminary results
- > Annual Report and Accounts published
- > London investor roadshow
- > Jefferies Healthcare C-Suite Back to School Series

### October 2024

- > Peel Hunt Annual Investor Conference
- > Private client fund manager roadshow

### November 2024

- > CVS Group Conference
- > Investec UK CEO Conference
- > Trading update
- > Annual General Meeting

### December 2024

- > Berenberg European Conference

### January 2025

- > Trading update
- > Deutsche Numis UK&I Conference

### February 2025

- > Half-year results presentation
- > London investor roadshow

### March 2025

- > London investor roadshow
- > Retail investor webcast
- > US and Canada investor roadshow
- > Private client fund manager roadshow
- > Berenberg UK Corporate Conference

### April 2025

- > Davy-Peel Hunt UK and Ireland Equity Ideas Conference
- > RBC Sector Spotlight Vets & Pets

### June 2025

- > Peel Hunt FTSE 250 Conference

## The Audit and Risk Committee

Joanne Shaw chaired the Committee throughout the year under review after David Wilton stood down due to becoming Chair of the Company on 25 July 2024. David Wilton, Deborah Kemp and Richard Gray were members of the Committee during the year. David Wilton ceased to be a member of the Audit and Risk Committee with effect from 6 October 2025.

The Board considers that the members of the Audit and Risk Committee have recent and relevant financial expertise, and that the Committee as a whole has competence relevant to the sector in which the Company operates.

The Audit and Risk Committee's duties primarily concern financial reporting, internal control and risk management systems, whistleblowing procedures and internal audit and external audit arrangements (including auditor independence).

The Audit and Risk Committee Report can be found on pages 69 to 72.

## The Nomination Committee

Richard Gray chaired the Nomination Committee throughout the year under review. Deborah Kemp, Joanne Shaw and David Wilton were members of the Committee during the year.

The Nomination Committee is responsible for reviewing the structure, size and composition, including skills, independence, knowledge and experience, of the Board. It is also responsible for the co-ordination of the annual evaluation of the performance of the Board and of its Committees, and for ensuring appropriate succession plans are in place. During November 2024, the Chair, assisted by the Company Secretary, carried out an internal review of the above. All Directors engage in the internal evaluation and appropriate action is taken in light of the assessment. The Board has additionally committed to adopting an external review to be carried out every three years in accordance with best practice, starting in the next financial year.

The Committee is responsible for making recommendations to the Board on all Board appointments and on the succession plans for both Executive Directors and Non-Executive Directors.

The Nomination Committee Report can be found on pages 73 to 77.

## The Remuneration Committee

Deborah Kemp chaired the Remuneration Committee throughout the year under review. Richard Gray, Joanne Shaw and David Wilton were members of the Committee during the year.

The Remuneration Committee has delegated responsibility for designing and determining remuneration for the Chair, Executive Directors and for the next level of senior management, as well as the Company Secretary.

The CEO, CFO and CVO were invited to attend meetings as appropriate but do not participate in discussions relating to their own remuneration.

The Remuneration Committee Report can be found on pages 78 to 94.

# Corporate governance statement continued

## Management Committees

In addition to the Board Committees, the Group has a number of Management Committees to help support the Executive Committee members in the implementation of strategy and risk and governance oversight across their respective divisions.

- > Disclosure Committee
- > Acquisitions Committee
- > Capital Expenditure Committee
- > Healthy and Safety Committee
- > Clinical Advisory Committee
- > Pricing Committee
- > Technical Committee
- > Sustainability Committee

## The Company Secretary

The Company Secretary is responsible for ensuring that Board procedures are complied with, advising the Board on all governance matters, supporting the Chair and helping the Board and its Committees to function efficiently. All Directors have access to the advice of the Company Secretary.

Scott Morrison was Company Secretary throughout the year under review.

## Annual General Meeting (AGM) 2024 – voting results

In the 2024 result of AGM announcement, the Board of CVS noted that all the resolutions had been passed with the requisite majority. During the course of the year, the Board of Directors continued to actively engage with shareholders and to discuss and consider their feedback.

## Whistleblowing

The Group's whistleblowing policy is reviewed by the Board annually. The policy sets out the procedures for employees or third parties to raise concerns about any suspected wrongdoing. Employees also have access to a wide range of alternative and informal routes through which to raise concerns. This reflects the open culture and strong internal communication channels of the Group, in line with its strategy, and supports the formal whistleblowing policy it has in place.

The Board is notified of any whistleblowing reports received at the next Board meeting and will receive more detailed reports of any investigations that take place. There were no major issues reported to the Board under the whistleblowing policy during the year.

An external whistleblowing service is to be implemented in the first quarter of the next financial year, ensuring staff can raise their concerns with assurance of anonymity and allowing for greater transparency and oversight.

## Audit, risk and internal control

The Board is ultimately responsible for the Group's system of internal control and for reviewing its effectiveness on an ongoing basis.

The system is designed to manage rather than eliminate the risk of failure to achieve the Group's strategic objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key risk management processes and internal control procedures include the following:

- > the close involvement of the Executive Directors in all aspects of the day-to-day operations, including regular meetings with senior colleagues from across the Group and a review of the monthly operational reports compiled by senior management;

- > clearly defined responsibilities and limits of authority. The Board has responsibility for strategy and has adopted a schedule of matters which are required to be brought to it for decision;
- > a comprehensive system of financial reporting, forecasting and budgeting. Detailed budgets are prepared annually for all parts of the business. Reviews occur throughout the management structure culminating in a Group budget which is considered and approved by the Board. Group management accounts are prepared monthly and submitted to the Board for review. Variances from the budget and the prior year are closely monitored and explanations are provided for significant variances. Independent of the budget process, the Board regularly reviews revised profit, cash flow and bank covenant compliance forecasts, which are updated to reflect actual performance trends;
- > a continuous process for identifying, evaluating and managing significant risks across the Group together with a comprehensive annual review of risks which covers both financial and non-financial areas;
- > an independent internal audit function provided by KPMG that reports to the Chair of the Audit and Risk Committee;
- > a central team that checks clinical and health and safety compliance in all parts of the Group; and
- > the Company's Delegation of Financial Authority.

The Board is committed to maintaining high standards of business conduct and ethics and has an ongoing process for identifying, evaluating and managing any significant risks in this regard.

The internal control procedures are delegated to the Executive Directors and senior management and are reviewed in light of the ongoing assessment of the Group's significant risks.

## Remuneration

The Board considers that policies on executive remuneration should be transparent. They should be implemented in a manner which supports strategy and promotes long-term sustainable growth. In addition, remuneration should reflect the performance of both the Company as well as individuals. The Board has delegated to the Remuneration Committee responsibility for complying with these aspects of the Code and the work of the Committee is reported in full on pages 78 to 94 of this Annual Report. The Group's remuneration policies are fully in compliance with the principles and provisions of the Code save for pensions alignment per Provision 38 as disclosed on page 82.

## Annual General Meeting (AGM)

The Annual General Meeting of the Company will take place on 18 November 2025. Full details of resolutions to be proposed to our shareholders will be set out in the Notice of AGM which will be made available in the Investor Centre on our website.

Outcomes of the resolutions put to the AGM, including poll results detailing votes for, against and withheld, will be published on the website of the Company and the London Stock Exchange once the AGM has concluded.

By order of the Board

**Scott Morrison**  
Company Secretary  
7 October 2025

## Audit and Risk Committee report

# Enhancing our control framework

**Joanne Shaw**  
Audit and Risk Committee Chair

### Key responsibilities:

- > reviewing and monitoring financial reporting;
- > ensuring an appropriate internal control and risk management framework;
- > monitoring internal and external audit arrangements (including auditor independence); and
- > maintaining appropriate whistleblowing procedures.

The Committee comprises the three independent Non-Executive Directors and the Board Chair. With effect from 6 October 2025, the Board Chair is no longer a member of the Audit and Risk Committee but may attend meetings by invitation.

### Committee terms of reference

The Audit and Risk Committee's terms of reference were reviewed during the course of the year and were considered to be appropriate.

### Committee composition during the year to 30 June 2025

	Attendance
Joanne Shaw	✓
David Wilton	✓
Deborah Kemp	✓
Richard Gray	✓

### Introduction

I am pleased to present the Committee's report for the year ended 30 June 2025. The intention of this report is to provide shareholders with an insight on how as a Committee we have discharged our responsibilities over the year and to provide comfort about the integrity of the financial statements and the effectiveness of the overall financial control environment and risk management.

The Committee is responsible for ensuring that the financial performance of the Group is properly controlled, monitored and reported, including regular review of the internal control environment and risk management process. The Committee liaises with the external auditor and reviews its reports relating to the Annual Report and Financial Statements and internal control matters. The Committee is made up of Non-Executive Directors with considerable experience in senior roles, all of whom have the skills required to review financial statements and to oversee the control environment.

During the year, a key focus had been the Group's systems of internal control, the quality and effectiveness of the external and internal audit arrangements and a number of focus areas aligning with the Group's principal risks.

The agenda of each meeting is linked to the reporting requirements of the Group and the Group's financial calendar. Each Audit and Risk Committee member has the right to require reports on matters relevant to its terms of reference in addition to the regular items.

### Year in review

The Committee met four times during the year; a summary below represents the key Committee activities during the year:

- > reviewed external auditor planning paper and met with audit partner outside of meeting;
- > reviewed Deloitte's External Audit Report included within the 2024 Annual Report and Financial Statements;
- > reviewed the external auditor's audit findings memorandum, noting conclusions in respect of identified audit risks, materiality of adjusted and unadjusted misstatements and control observations and suggested improvements in the disclosures provided in the Annual Report and Financial Statements;
- > considered papers prepared by the CFO to support the Group's risk management framework, including review of ongoing and emerging risks;
- > considered papers prepared by the CFO to support going concern and impairment reviews;

# Audit and Risk Committee report continued

## Year in review continued

- > reviewed papers prepared by the CFO to support technical accounting conclusions and Annual Report disclosures;
- > reviewed the performance and independence of the external auditor and recommended their re-appointment;
- > reviewed counter-fraud effectiveness across the Group, including exceptions reports, and were updated on external fraud reports;
- > reviewed the effectiveness of KPMG as the internal audit services provider to the Group;
- > reviewed principal risks and uncertainties and Group risk appetite;
- > reviewed compliance with the UK Corporate Governance Code as presented annually by the Company Secretary;
- > received regular updates in relation to any related party conflicts and addressed these accordingly;
- > reviewed the terms of reference for the Audit and Risk Committee ensuring they are relevant and accurately reflect the Committee's responsibilities;
- > agreed the fees to be paid to the external auditor for its audit of the 2025 financial statements, including additional audit fees for the Australian audit;
- > reviewed and approved a paper prepared on alternative performance measures (APM) outlining the judgements applied in relation to their use and disclosure in the Annual Report and Financial Statements;
- > reviewed and approved the non-audit services policy, defining the services Deloitte can provide in relation to non-audit services; and
- > received updates in relation to specific tax updates including updates on open tax matters and the application of BEPS Pillar 2 and transfer pricing across the Group.

## Significant financial reporting risks and judgement areas considered during the year

During the year the Audit and Risk Committee considered a number of financial reporting risks and judgement areas in further detail as these are considered significant risks by our external auditor: the Committee concluded on all areas that it was satisfied the appropriate controls and processes are in place.

### Revenue recognition

We have reviewed the appropriateness of the revenue recognised according to the cost profile of delivering the performance obligations for our Healthy Pet Club scheme and considered feedback from the external auditor on any findings in this respect and are comfortable the approach taken remains appropriate.

### Management override

We have reviewed the potential for management override of controls, ensuring the controls in place are robust and, where appropriate, recommending areas for improvement. During the year a number of enhancements were made to strengthen the control environment providing comfort that the controls are robust in this respect.

## Research and Development Expenditure Tax Credit (RDEC) income

We have reviewed the appropriateness of the income recognised in relation to RDEC, along with the associated accounting estimates and judgements. During the year, we reviewed and further challenged management's assessment that the level of uncertainty inherent in RDEC claims was reducing, mainly by virtue of a longer history of uncontested claims and greater accuracy in estimating.

In respect of the above significant financial reporting risks and judgement areas, we concluded that the Group's accounting treatment and/or controls in place were appropriate.

## Presentation of financial statements

During the year the Committee formally approved the definitions and use of alternative performance measures (APMs) and the presentation of adjusting items in accordance with Group accounting policies. Management provided a detailed paper outlining the alternative performance measures to be used and the definitions of each measure. The paper also outlined the judgements applied in relation to the disclosure of these items. These measures were formally approved by the Committee during the year.

## Going concern and viability assessment

The Committee has reviewed the Group's assessment of going concern and viability over a period greater than 12 months. In assessing going concern and viability, the Committee has considered the Group's position presented in the approved budget, latest forecasts and five-year plan. In the context of the current economic environment as a result of the ongoing cost of living crisis and continued inflationary pressures on the business, a severe but plausible downside scenario was applied to the plan. This included assumptions such as a negative like-for-like growth and increased costs. The Committee has concluded that these assumptions are appropriate. The Committee has also reviewed the Group's reverse stress test that was applied to the model. The Committee has reviewed this with management and is satisfied that this is appropriate in supporting the Group as a going concern. See note 2 on page 115.

## Internal control framework

The Committee has delegated responsibility from the Board for reviewing the effectiveness of the Group's internal control environment. This includes the risk management process and overseeing the Group's risk appetite which is subsequently approved by the Board.

## Risk management

### Control environment and monitoring

The Group outsources its internal audit function to KPMG, which has a direct line of report into the Committee and is an important part of the independent assurance processes within the business.

Policies, procedures and controls are embedded within business processes. Compliance is monitored through regular review and via the internal audit plan for the year, which is developed to address key risks across the business as well as covering core governance, financial and commercial processes.

### Assurance framework

The Committee is responsible for overseeing the Group's risk management process including risk appetite. The Board then ensures risks are appropriately managed, identified and evaluated. An overview of the risk management framework adopted by the Group can be found on pages 50 and 51.

The Board and Committee review any significant fraudulent activity and whistleblowing by colleagues or other parties, and action is taken to remedy control weaknesses identified.

The Committee manages the internal audit plan which is a live document and remains under continuous review throughout the year to ensure that resources are directed towards the most significant control issues, in the light of changing circumstances. The Committee is responsible for ensuring that the internal audit plan covers key risks across the Group and includes a standing agenda of controls-based audits.

### Internal audit

The Group has an outsourced internal audit function with KPMG which attends each Audit and Risk Committee meeting and provides key updates from reviews undertaken during the period. Each report receives a rating which allows the Board to evaluate the effectiveness of the internal controls over key risks. The Board has the opportunity to challenge the outcome of the reports and request additional controls are put in place over key areas. During the year the Board was satisfied that the outcome of the reports issued resulted in appropriate controls across the Group.

KPMG provides additional oversight assurance to the Committee by discharging its responsibilities, performing internal audit reviews over key areas and identifying risks and gaps in controls which require mitigation.

The Committee Chair maintains regular contact with the internal audit partner and the Committee considered the effectiveness of the outsourced function during the year and is comfortable it remains appropriate.

Specific work performed during the year in our key risk areas included:

Risk area	Work undertaken
<b>Strategic/operational</b>	> Stock
<b>Financial</b>	> Controls validation (key financial controls) focusing on intangibles, consolidation and the month-end close process > Practice controls self-assessment > Follow-up reviews
<b>Legal and regulatory compliance</b>	> Data privacy, retention and GDPR > Health and safety

During the next financial year we propose to look at the following areas:

Proposed work	Mapped to Group risk register
> Cyber and IT governance follow-up review	> 5
> Senior Accounting Officer review	> 6
> Equal pay reporting	> 1 and 6
> Key controls validation	> 2 and 8
> Capital programmes	> 2
> Practice controls – self-assessment	
> Climate and ESG review	> 10
> Provision 29 – governance readiness review update	> 6

### External auditor

The external auditor was appointed with effect from the year ended 30 June 2017, giving a current tenure of nine years. A tender process was carried out prior to this change. From the year ending 30 June 2022, in line with guidance from the Auditing Standards Board, there has been an audit partner rotation and a new audit engagement partner has started working with the Committee. The appointment is reviewed and subject to a shareholder vote at the AGM on an annual basis. Details of the fees paid to Deloitte during the financial year are set out in note 6 to the financial statements.

The Audit and Risk Committee has primary responsibility for the supervision of the relationship with the external auditor, including overseeing its qualification, independence, expertise, performance and effectiveness, and the terms of its engagement and remuneration. The Committee is also responsible for ensuring the quality and efficiency of the external audit enabling the Committee to formally evaluate the effectiveness and quality of the auditor's output, which it does annually. After reviewing the external auditor's performance during the year, the Committee has concluded that it is satisfied with the effectiveness of the audit and the audit process and that Deloitte remains effective in its role as external auditor. Paul Schofield was appointed as the audit partner for the year ended 30 June 2022; Paul retired during the year and Julian Rae was appointed as audit partner with effect from the year ended 30 June 2025. The Committee has recommended to the Board that Deloitte be re-appointed for a further year and a resolution to this effect will be proposed at the AGM.

## Audit and Risk Committee report continued

### Non-audit services and fees

The Committee formally approved the Group's policy on non-audit services, which restricts the engagement of Deloitte in relation to non-audit services. The purpose of the policy is to ensure that any additional services provided by Deloitte do not impact the independence and objectivity of the external audit process. The policy clearly outlines the services which can be provided by Deloitte and those which are specifically excluded. It also outlines the engagement fee levels and those which require pre-approval from the Committee. It has been adopted to ensure Deloitte is only appointed where it is the most suitable supplier of that service. During the year Deloitte did not undertake any additional work beyond the statutory audit.

### Audit and Risk Committee effectiveness

During the year, a review was undertaken of the effectiveness of the Audit and Risk Committee which was performed as part of the annual Board performance review, which for the year in question was performed as an internal review. The Committee was found to be broadly effective and aims to mature its oversight of the technology risks as the Group becomes more digitally focused. Subsequent to the year end, the Board conducted an external effectiveness review. Further information on this year's review can be found on pages 76 and 77.

### Audit and Risk Committee minimum standards

The Committee notes the FRC's minimum standards for audit committees. Although not expected to apply to AIM companies, the Committee is committed to adopting any requirements as far as is practicable. The Committee seeks to ensure sufficient rigour and independence of the auditor and its process, and has committed to an audit tender at least every ten years. In addition, the Company manages its non-audit relationships with audit firms to ensure that it has a good choice of suitable external auditors at the next tender. The Committee also welcomes feedback from shareholders and is available for discussion of any matters of interest or concern.

### What we will do in 2026

During 2026, we will continue to build on our focus in 2025 and to discharge our responsibilities as set out in our terms of reference. We will continue to monitor emerging and maturing risks and will continue to develop and enhance the control environment of the Group. We will oversee the implementation and improvement of internal controls, taking the revised UK Corporate Governance Code reforms into consideration. We will continue to prepare for the introduction of Provision 29 material controls declaration well in advance of its introduction in January 2027, including reviewing the current framework and defining our material controls for the Group. We will continue to monitor any instances of fraud and the effectiveness of our controls across the business. We will continue to support the development of the Group's scenario planning and reporting in relation to TCFD, specifically relating to any new requirements and recommendations made by the FRC. We will continue to have a key focus on cyber security and resilience, and the Group's control in the continued defence of an ever-challenging IT environment, basing our long-term cyber defence on the National Institute of Standards and Technology (NIST) framework. With this in mind we have selected an additional review of our cyber and IT governance framework in the internal audit plan for FY26.

### Approval

The members of the Audit and Risk Committee have reviewed the financial statements and the content of the draft Annual Report and Financial Statements to ensure that they are fair, balanced and understandable and, accordingly, the Audit and Risk Committee resolved to recommend that the Board makes the Directors' Responsibilities Statement set out on page 98.

### Joanne Shaw

Audit and Risk Committee Chair  
7 October 2025

## Nomination Committee report

# Maintaining corporate governance standard and ensuring the Board has appropriate skills and experience

**Richard Gray**  
Nomination Committee Chair

### Key responsibilities:

- > making recommendations on all Board appointments and succession planning;
- > monitoring and reviewing the Board composition; and
- > undertaking an annual evaluation of the effectiveness of the Board and its Committees.

The Committee comprises the three independent Non-Executive Directors and the Board Chair.

### Committee terms of reference

The Nomination Committee's terms of reference were reviewed during the course of the year and were considered to be appropriate.

### Committee composition during the year to 30 June 2025

	Attendance
Richard Gray	
David Wilton	
Deborah Kemp	
Joanne Shaw	

The Board recognised that further steps could be taken to improve the diversity of the Group at all levels and across all business streams and continues to work towards this aim.

The primary purpose of the Committee is to lead the process for Board appointments, to ensure appropriate succession plans are in place, and to make recommendations to the Board to achieve the optimal composition of the Board having regard to:

- > its size and composition;
- > ensuring that it consists of individuals who are best able to discharge the responsibilities of Directors;
- > potential conflicts of interest;
- > the extent to which the required skills, experience or attributes are represented;
- > appropriate Board diversity; and
- > the need to maintain the highest standards of corporate governance.

### What we did in 2025

- > Reviewed the skills and experience of the Board and that they remain appropriate (see page 60 and 61 for further information).
- > Recommended reissuing letter of appointment for Deborah Kemp for a further one-year term.
- > Assessed Board composition and how it may be enhanced.
- > Reviewed and considered internal Board evaluation and effectiveness.
- > Reviewed the independence of the Non-Executive Directors.
- > Reviewed and considered Directors' conflicts of interest.
- > Reviewed and considered Executive and Senior Leadership Group succession plans.
- > Reviewed approach to talent mapping across the senior leadership team.
- > Reviewed the Committee's corporate governance obligations.

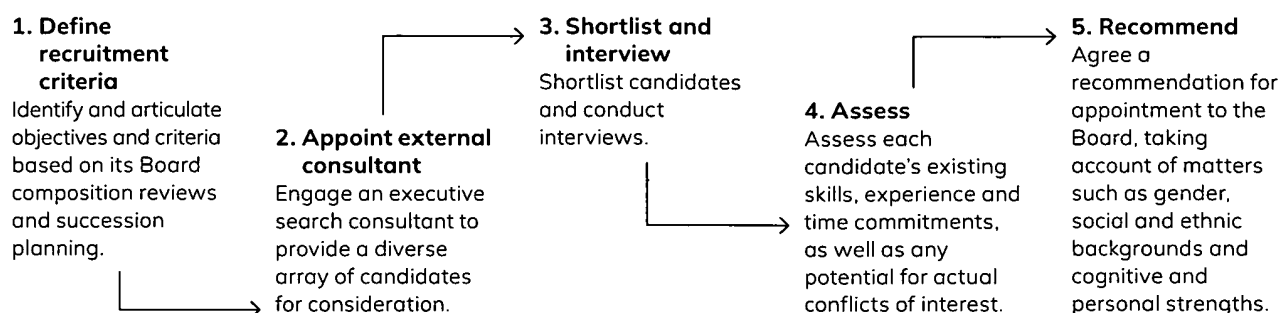
### What we will do in 2026

- > Continue to review Board composition and effectiveness.
- > Continue to review succession planning.
- > Make further appointments to the Board to increase diversity.
- > Review corporate governance obligations and updates.
- > Undertake a further Board evaluation of effectiveness with support from a third party.

# Nomination Committee report continued

## Director appointment process

When making a new appointment, the Committee takes the following steps:



## Director induction

Following appointment, all Directors receive a comprehensive and tailored induction programme. All newly appointed Directors are required to devote the time required to complete the induction programme. The time commitments are set out in their respective letters of appointment. Induction programmes are designed by the Company Secretary in conjunction with the Group Chair, Senior Independent Non-Executive Director and Group Chief Executive Officer.

Induction programmes are varied and include a selection of:

<b>Meetings with the Board</b>	One-to-one meetings with the Executive Directors, Non-Executive Directors, and the Group General Counsel and Company Secretary.
<b>Meetings with the Executive Committee and senior management</b>	One-to-one meetings with members of the Executive Committee, as well as meetings with key members of senior management from a variety of departments and business units, with the content of meetings varying depending on the Director being inducted and their background and individual experience.
<b>Meetings with the auditors</b>	Meetings with internal and the external audit partners (particularly for newly appointed Directors who are members of the Audit and Risk Committee).
<b>Self-study</b>	Documents provided via the electronic Board portal covering key information relating to the Group including financial performance, Board policies and procedures and governance matters. These documents are also available to all other Board members as continuing points of reference.
<b>Site visits and workforce engagements</b>	Visits to key operational sites, offering a chance to meet the workforce. Directors continue to make regular site visits throughout their tenures, gaining valuable insight into operations and feedback from the workforce.
<b>Meetings with key shareholders and stakeholders</b>	Supported by the Group Chair and the Company Secretary, the induction programme will, as appropriate, include a schedule of meetings with major shareholders and key stakeholders in order to support newly appointed Directors' understanding of shareholder and stakeholder views, and the discharge of their Directors' duties under Section 172 of the Companies Act 2006.
<b>Education and training</b>	If any gaps in skills or experience are identified within the interview process, internal and external training will be provided and tailored to the needs of the Director. Directors engage in an ongoing programme of education and training throughout their tenures to continually enhance their knowledge and skills. This is reviewed as part of the annual Board evaluation.

## Board appointments and resignations Chief Veterinary Officer

As disclosed in our 2024 Nomination Committee Report, the Nomination Committee oversaw the appointment of Paul Higgs to the newly created Board role of Chief Veterinary Officer with effect from 25 July 2024. Paul, a qualified vet and RCVS Small Animal Internal Medicine Specialist, joined CVS in August 2018 and became the Group's Chief Veterinary Officer in September 2022, which at the time was an Executive

Committee role only. Paul's career to date is marked by a commitment to advancing clinical quality and fostering professional development alongside being deeply involved in shaping the future of veterinary medicine through his work with professional bodies such as the Royal College of Veterinary Surgeons, British Veterinary Association and British Small Animal Veterinary Association. Paul will continue to be responsible for clinical care within CVS alongside its learning, education and development focus.

## Deputy CEO

The Nomination Committee accepted the resignation of Ben Jacklin, Deputy CEO, in June 2024 and subsequently strengthened the management team as detailed under succession planning.

## Board evaluation and effectiveness

The Nomination Committee scrutinises the performance of the Executive Directors, taking into account the performance of the business against agreed plans. The Nomination Committee also considers the other commitments of Directors and is satisfied that all Directors devote appropriate time to the Company's affairs.

The Nomination Committee undertook an internal Board evaluation and reviewed the findings of this in its meeting on 20 November 2024. Subsequently, in its meeting on 24 September 2025, the Nomination Committee evaluated the results of the external Board effectiveness review conducted by a third party, Gould Consulting, and was satisfied that the Board remains effective and has the right balance of skills and experience to provide continued effective stewardship of the Group.

Gould Consulting was appointed to undertake the external Board effectiveness review in 2025 following a tender process. The Committee considers the advice that it receives from Gould Consulting to be independent. There are no relationships between Gould Consulting and either the Company or individual Directors to be disclosed.

Find out more about the external Board review on pages 76 and 77.

## Succession planning

The Committee plays an important role in overseeing the development of a high-calibre, diverse pipeline for succession to the Board and Executive Committee across immediate, short and longer-term timescales. In doing so, it emphasises the importance of identifying candidates who will support delivering CVS's strategy, as well as increasing the diversity of the Board. The Nomination Committee considered contingency and succession plans in April 2025.

Following an external search, the Committee also recommended the appointment of Claire Slater to the Executive Committee as Chief Operating Officer with effect from 13 January 2025. Claire brings a wealth of operational and commercial experience from her previous roles including at IVC Evidensia and WH Smith.

It is important that a diverse pipeline for succession is developed in line with the Company's strategy on pages 20 and 21. During the year, the Committee reviewed the approach to talent mapping across the Senior Leadership Group to ensure the right balance of knowledge and skills, and identify key succession opportunities.

The Committee is responsible for keeping up to date and fully informed about strategic issues and commercial changes affecting the Group and the market in which it operates.

The Group competes with a number of private equity backed veterinary businesses and, in order to respond appropriately to changing and increasing competition, and to successfully execute accretive acquisitions, it is considered important that the Board contains Executive and Non-Executive Directors with both private equity and transaction experience.

## Board, Executive Committee and senior leadership diversity

The Board seeks to support and encourage a diverse and inclusive environment throughout CVS. The Group launched its Equity, Diversity and Inclusion (EDI) approach in 2021, of which more information can be found on page 59.

As at 30 June 2025, the Board has 28.6% female representation and one member of the Board is from an ethnic minority background.

The gender balance of those in senior management, which, in accordance with the Code, we consider to be the Executive Committee, is two women and three men being 40% female gender diversity.

CVS has a Senior Leadership Group which comprises 37 senior leaders from across the operational areas and support functions, including the Executive Committee. This Senior Leadership Group, which is important for succession planning, has a gender balance of 57% female and 43% male, and 49% of the Senior Leadership Group are clinicians.

## Conflicts of interest

The Board has established robust procedures for monitoring conflicts of interest in accordance with the Group's Articles of Association and conflicts of interest policy. All Directors are required to make the Board aware of any other commitments and potential conflicts of interest are approved by the Board where appropriate, and recorded in the conflicts register. The Board has delegated authority to the Nomination Committee to keep under review any actual or potential conflict of interest situations authorised by the Board, and to determine whether it is appropriate for such matter(s) to remain so authorised.

During the financial year to 30 June 2025, the Committee noted that none of the Directors have interests or external appointments which gave rise to material conflicts of interest.

## Electing and re-electing Directors

The Committee has reviewed the independence of the Non-Executive Directors and the Non-Executive Chair and concluded that all have sufficient time to meet their Board responsibilities in accordance with the criteria set out in the UK Corporate Governance Code. The Committee has also satisfied itself that all four Non-Executive Directors are independent.

The Committee will recommend to the Board and the shareholders that all serving Directors should be submitted for re-election at the Company's 2025 AGM.

## Ongoing review

Whilst the Committee will continue to review the composition of the Board, it is confident that the Board has the right balance of skills, experience and tenure to successfully steer the Group through the next stages of its growth and to respond appropriately to the strategic opportunities ahead.

## Richard Gray

Nomination Committee Chair  
7 October 2025

# Nomination Committee report continued

## Assessing Board effectiveness

An evaluation of the Board and its Committees is undertaken each year. This process helps to ensure that the Board and its Committees operate effectively, information supplied to Board and Committee meetings is appropriate, Directors spend sufficient time discussing key issues, the Board has the appropriate composition, and succession plans are in place.

An internal Board evaluation was undertaken by the Chair, Nomination Committee Chair and Company Secretary in the financial year with the findings considered by the Nomination Committee at its meeting on 20 November 2024.

The Board engaged Gould Consulting to undertake an external evaluation of the Board and its effectiveness in July and August 2025 with the findings presented to the Nomination Committee at its meeting on 6 October 2025.

The Chair engages with each individual Director during the year to discuss their contribution and the Chair and Non-Executive Directors meet separately each year without the Executive Directors present.

The Senior Independent Director also undertook a review of the Chair's contribution during August 2025 with input from the other Directors. A similar review will be undertaken each year.

### Internal assessment undertaken in November 2024

The Board's internal evaluation involved the completion by each individual Director of a tailored questionnaire which explored the following issues:

- > Board mix and composition;
- > the quality of information presented to Board and Committee meetings;
- > the effectiveness of Board and Committee decision making;
- > the frequency of Board and Committee meetings;
- > the time spent in Board and Committee meetings focused on key issues; and
- > the Board's relationship with Executives and senior management.

The findings from this review were that the Board and its Committees were effective and that appropriate information was supplied for effective Board and Committee discussion and ultimate decision making. The review also concluded that sufficient Board and Committee time was devoted to discussing key issues and to considering known and emerging risks.

Key outcomes from the internal evaluation and progress in addressing the recommendations are set out in the table below:

Area	Outcomes from November 2024 evaluation	Recommendations arising	Actions taken to address
Board mix and composition	<ul style="list-style-type: none"> <li>&gt; Board has an appropriate level of skill, background and experience.</li> <li>&gt; Clinical input to the Board has been strengthened with the appointment of Paul Higgs and Joanne Shaw.</li> <li>&gt; The Board promotes a positive culture which puts the Company's and stakeholders' interests above those of individual Directors.</li> <li>&gt; Board members are comfortable challenging Executive Directors.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Non-Executive Directors should regularly visit practices and other operational locations.</li> <li>&gt; The Board is to devote time to gain more experience and knowledge of digital, data and technology enablers.</li> <li>&gt; Further diversity of the Board is to be considered at an appropriate time.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; A number of practice visits and operations visits were undertaken by Non-Executive Directors.</li> <li>&gt; The Director of Technology presented to the Board in April 2025.</li> <li>&gt; Odgers was engaged in July 2025 to support with recruitment of additional Non-Executive Directors to further improve Board diversity.</li> </ul>
Quality of information	<ul style="list-style-type: none"> <li>&gt; Board reporting was considered to be a good standard.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Review KPIs used.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; KPIs were reviewed and considered appropriate.</li> </ul>
Effectiveness of decision making	<ul style="list-style-type: none"> <li>&gt; Information provided is appropriate for effective decision making.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; None.</li> </ul>	

Area	Outcomes from November 2024 evaluation	Recommendations arising	Actions taken to address
Frequency of Board meetings	<ul style="list-style-type: none"> <li>&gt; Frequency and length of Board meetings were considered appropriate.</li> <li>&gt; The Committee met appropriately through the year.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; None.</li> </ul>	
Board time focused on key issues	<ul style="list-style-type: none"> <li>&gt; Risks are appropriately reviewed.</li> <li>&gt; The Board engages openly with shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Risks should be kept under regular review.</li> <li>&gt; A further bid defence update is considered appropriate.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Risks were further considered by Audit and Risk Committee in May 2025.</li> <li>&gt; A bid defence discussion was held in November 2024 Board meeting.</li> </ul>
Board relationship with Executives and senior management	<ul style="list-style-type: none"> <li>&gt; The Board has an open and supportive relationship with management, whilst ensuring appropriate challenge and effective governance.</li> <li>&gt; Other members of senior management team were invited to present to the Board during the year.</li> <li>&gt; The Company Secretary is considered effective.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Succession plans are to be reviewed by Nomination Committee.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Succession plans were reviewed by the Nomination Committee in the April 2025 meeting.</li> </ul>

The terms of reference of each Board Committee were also reviewed during the year and were considered to be appropriate.

### External assessment undertaken in August 2025

The Board engaged Gould Consulting to undertake an external review of the Board effectiveness in July and August 2025.

This review involved a number of elements:

- > tailoring the scope of the review to CVS through discussions with the Chair and Company Secretary;
- > review of previous Board and Committee papers;
- > attendance at the Board and Remuneration Committee meetings held in July 2025 to observe Board discussions and interactions;
- > completion of tailored and comprehensive questionnaires by each individual Director and the Company Secretary;
- > completion of a tailored questionnaire by members of the Executive Committee;
- > individual interviews with the Directors and members of the Executive Committee and Company Secretary;
- > preparation of a detailed draft report for discussion with the Chair and Company Secretary;
- > final report setting out recommendations; and
- > discussion of key findings with the Nomination Committee.

The findings of this exercise were that the Board and its Committees were considered effective and well-functioning with a collegiate and generally effective dynamic.

Recommendations were made to further enhance Board effectiveness which were focused on:

- > creating a roadmap for a refreshed strategy and also re-orienting Board conversations onto matters of a more strategic nature; and
- > planning for successful transitions for the appointment of any new Non-Executive Directors.

The findings were endorsed by the Nomination Committee and it will seek to address these recommendations in the financial year to 30 June 2026.

# Maintaining remuneration policies in line with best practice

### Deborah Kemp

Remuneration Committee Chair

#### Key responsibilities:

- > assisting the Board in ensuring appropriate remuneration policies are in place for the Group;
- > ensuring Executive Director remuneration is aligned to the strategic priorities of the Group and its performance; and
- > making recommendations regarding Long-Term Incentive Plan (LTIP) terms and conditions and awards.

The Remuneration Committee comprises three independent Non-Executive Directors and the Board Chair.

The Remuneration Committee meets frequently throughout the year to consider remuneration matters of the Group, to consider feedback from shareholders on remuneration matters and to make appropriate recommendations to the Board.

As an AIM-listed company, the information provided is disclosed to fulfil the requirements of AIM Rule 19.

CVS Group plc is not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The information is unaudited.

#### Terms of reference

The full terms of reference for the Committee are reviewed and approved annually. These were last updated on 6 October 2025.

#### Committee composition during the year to 30 June 2025

	Attendance
Deborah Kemp	
David Wilton	
Richard Gray	
Joanne Shaw	

## Introduction

As Chair of the Remuneration Committee, I am delighted to present our Directors' Remuneration Report for the year ended 30 June 2025.

In this introductory statement, the key outcomes and decisions taken in the year are reviewed referring where appropriate to the provisions of the UK Corporate Governance Code which the Company has adopted.

The detailed policy is set out on pages 82 to 87. The Company will put its Remuneration Policy to a separate advisory vote at its 2025 AGM as well as its Remuneration Report. We have expanded the disclosures on our policy, including notes to the policy table and illustrations of the application of the Remuneration Policy. The Annual Report on Remuneration details how the Remuneration Policy was applied over the year ended 30 June 2025. We have also expanded our disclosures in the section to include items covered under the Directors' Remuneration Regulations. How the policy will be implemented for the year ending 30 June 2026 is set out at the bottom of this introductory statement on page 80.

In light of the Company putting its Remuneration Policy to an advisory vote, the Company proposes changes to this policy so it has flexibility to operate within the policy as the Company continues on its growth pathway. These changes entail increasing the maximum annual bonus opportunity from 100% to 150% of salary and providing that a portion of annual bonus may be paid in deferred shares. These changes are not expected to be applied for the financial year to 30 June 2026.

The membership and role of the Remuneration Committee are appointed by the Board comprise Deborah Kemp as Chair and David Wilton, Richard Gray and Joanne Shaw as members. The role of the Remuneration Committee is to determine and recommend to the Board the Remuneration Policy for the Executive Directors. This includes base salary, annual and long-term incentive awards and pension arrangements.

#### Year in review

In light of our continued growth, at the start of the year, the Committee ensured the performance targets set for the 2025 financial year were appropriately stretching, considering the forecast for the year, and to ensure alignment with shareholders' interests. As outlined on pages 44 to 49, we have delivered a 5.4% increase in revenue to £673.2m and a 9.4% increase in adjusted EBITDA to £134.6m; however, due to increased levels of finance expense and depreciation, largely as a result of investments we have made to drive future growth, profit before tax decreased by 7.4% to £32.6m.

Despite the challenging external environment and cost and economic headwinds, we have carefully assessed the outcomes to make sure they reflect the performance of the Group, while taking account of the external environment, current CMA investigation, stakeholder views and wider workforce pay.

### Remuneration Policy

The Remuneration Committee seeks to develop the Company's executive remuneration arrangements appropriately taking due account of matters specified in the UK Corporate Governance Code and the Investment Association Principles of Remuneration in light of the Company's growth and its status as an AIM 50 company.

The Remuneration Committee considers it important that remuneration policies for Executive Directors are aligned to the shareholders' interests and the Group's long-term strategy and that a meaningful portion of Executive Director reward is linked to long-term performance. In light of this, remuneration for Executive Directors comprises base salary, an annual bonus and a Long-Term Incentive Plan (LTIP) for which performance criteria are based on earnings per share and total shareholder return.

In respect of basic salary, the objective is to ensure that the Group attracts and retains high-calibre executives with the skills, experience and motivation necessary to lead and manage the affairs of the Group. The annual bonus scheme is designed to reward exceptional performance with criteria aligned to the annual budget approved by the Board along with non-financial targets to align Directors' interests with other important metrics and the Group's sustainability and ESG ambitions. Long-Term Incentive Plans are seen as an important part of Executive Directors' total remuneration and are designed to drive and reward exceptional performance aligned with shareholder returns over the long term.

The policy also provides for post-retirement benefits through contributions to Executive Directors' personal pension schemes, together with other benefits such as a company car, life and medical insurance.

### 2024 Annual General Meeting

At the AGM in 2024, the Remuneration Report was approved by 85.8% of the shareholders who voted.

The Company believes that the adverse voting was associated with concerns expressed by one proxy advisor with the level of disclosure in respect of Executive Director salary increases made effective 1 January 2024. The Company communicated with the major shareholders who voted adversely.

At the time of the salary increases, the Company pushed back the date of the annual senior team pay review to 1 July, with the next review due 18 months later on 1 July 2025.

A pay review with effect from 1 July 2025 has been postponed for Directors, Executive Committee members and other members of the Group's management team. CVS colleagues have received a review with effect from 1 July 2025.

### Directors' remuneration in respect of 2025

The Directors' Remuneration Policy continues to ensure the alignment of long-term performance with remuneration of Executive Directors.

#### Annual salary

Executive salaries are reviewed annually with changes effective annually. As noted above, the annual pay review date was changed to align with wider colleagues whose pay is reviewed annually with effect from 1 July with the next review due 1 July 2025. As such, there were no changes to Executive Directors' salaries during the financial year to 30 June 2025.

The salary of the CEO and CFO remained unchanged throughout the year at £493,210 and £337,870 respectively.

On 25 July 2024, Paul Higgs, Chief Veterinary Officer, was promoted to the Board. His approved starting salary was £290,000 with no subsequent change during the year and until the date of this report.

The former Deputy CEO resigned, effective 8 July 2024, and served notice until 17 June 2025. His annual salary was £382,408.

#### Annual bonus

The annual bonus scheme in which the Executive Directors participate is based on a combination of financial and non-financial targets. 80% of the bonus is payable on achievement of adjusted EBITDA, in comparison to the annual budget approved by the Board, and 20% is payable based on non-financial targets linked to key metrics and the Group's sustainability strategy.

For the year ended 30 June 2025, the maximum bonus for the CEO, CFO and CVO was 100% of salary.

# Remuneration Committee report – unaudited continued

## Supporting our colleagues

CVS colleagues continue to work tirelessly to ensure CVS gives the best possible care to animals. FY25 has been a challenging year, with the continued uncertainty brought on by the Competition and Markets Authority market investigation and sustained weakness in the macro-economic environment. Our focus throughout has been to protect jobs and focus on the long-term growth that can be delivered. That being said we believe it is important to recognise the dedication and professionalism of colleagues. During the year the Remuneration Committee, in conjunction with the Board, made the following changes:

- > the Board approved an average annual colleague pay review effective from 1 July 2025, with a further review planned for 1 July 2026; and
- > the Board approved discretionary bonus payments in respect of the 2024 financial year for over 1,500 colleagues.

In line with the applicable bonus scheme terms and conditions, colleague bonuses will also be payable for 2025.

## Directors' remuneration in respect of 2025 continued Annual bonus continued

In relation to the year ended 30 June 2025, the financial and non-financial targets were partially achieved (see page 90 for further details) and therefore, the Remuneration Committee proposes that the CEO, CFO and CVO achieve 34.9% of their bonus entitlement.

## Long-Term Incentive Plan (LTIP) LTIP awards

In October 2024, the Company granted awards under its LTIP scheme to the CEO with a value of 125% of salary, and to the CFO and CVO with a value of 100% of salary. These awards are subject to an adjusted EPS real growth performance condition measured over three years and a relative total shareholder return performance condition benchmarked against the FTSE 250 Index (less investment trusts) measured over three years. These awards are subject to a two-year hold period post vesting. Details of the performance conditions are set out later in this report.

LTIP awards for the three-year performance period ended 30 June 2025 due to vest in October 2025 (LTIP16) will lapse in full. The vesting of these awards was subject to meeting adjusted EPS and total shareholder return targets that were not met.

## Departure terms for Ben Jacklin

Ben Jacklin stepped down from the Board on 8 July 2024. Ben continued to receive his normal remuneration in terms of salary, pension and company benefits in accordance with his service agreement, up to and including 17 June 2025. He did not participate in any discretionary bonus or LTIP schemes with effect from 1 July 2024.

## Appointment terms for Paul Higgs

In addition to his base salary, the Chief Veterinary Officer receives a pension allowance at 8% of salary along with other benefits offered to the wider workforce. His maximum bonus opportunity is 100% of salary and normal LTIP award level is 100% of base salary.

## Share ownership across our colleagues

CVS is a proud advocate of employee share ownership. The Board believes this supports colleagues sharing in CVS's success, being owners of our business, and aligns with our shareholders' interests.

The Group operates a savings scheme for all colleagues, including the Executive Directors, being the CVS Save As You Earn (SAYE) plan. A SAYE scheme is operated for each calendar year. Under the SAYE17 scheme, launched in November 2024, the awards were made at a 10% discount to the closing mid-market price on the day preceding the date of invitation. Under the SAYE16 and SAYE15 schemes, the awards were made at a 20% discount to the closing mid-market price on the day preceding the date of invitation. There are no performance conditions attached to any of the SAYE schemes.

Across our UK colleagues, CVS has a number of participants in all-employee share schemes. Around 2,500 colleagues hold over £14.0m SAYE options in our CVS SAYE plan.

The Remuneration Committee is pleased that despite the external economic environment the take-up of its SAYE17 scheme remained strong with 1,656 colleagues being members of this latest scheme (SAYE16: 2,101 colleagues).

In light of the competitive landscape and the continued shortage of veterinary professionals in the UK and Australia, the Remuneration Committee in support of the Board will continue to consider rewards and benefits across the Group to ensure that CVS remains well positioned to attract and retain talent.

## Shareholder guideline

The shareholding guideline was increased to 200% of salary with effect from 1 July 2023 for Executive Directors. The Remuneration Committee recognises the Directors will take time to bring their respective holdings to this level and is comfortable with the level of current holding and each Director's commitment to continue to increase this.

## Directors' remuneration in respect of 2026 Annual salary

A pay review has taken place with effect from 1 July 2025 for CVS colleagues; however, no pay increase was awarded to Directors, the Executive Committee or other members of the Group's management team at that time. This decision remains under review for this 2026 financial year.

## Pension

No changes are proposed to Executive Director pensions for 2026.

### Annual bonus

The Remuneration Committee has made an award to Executive Directors for the financial year to 30 June 2026 on a basis consistent with previous years. The targets for the financial element of the bonus are deemed commercially sensitive, and therefore the Committee has decided that the targets will not be disclosed for the current financial year. The Committee intends to retrospectively publish the annual bonus targets in the Annual Report and Financial Statements for the year to 30 June 2026.

### Long-Term Incentive Plan (LTIP)

The Remuneration Committee made further awards in July 2025 for the 2026 financial year with performance targets consistent with those made in the 2025 financial year. The Committee brought forward the issue from the normal October issue date due to the Competition and Markets Authority extending its timetable of the review into the veterinary sector. The timing of this announcement may have created complications in relation to the timing of LTIP grants during calendar Q4 2025.

The Committee issued awards to the CEO, CFO and CVO of 200% of their salary, the maximum amount specified under our policy, to incentivise the Executive Directors over the medium term and align their interests with shareholders and the Group. The Committee determined to make awards above the normal award level to provide enhanced incentivisation and retention to its Executive Directors in light of the impact of the CMA investigation has had on the Company and its recent LTIP awards.

### Chair and Non-Executive Director fees

Non-Executive Directors, save for the Chair, received a pay review with effect from 1 January 2025 of 4.2%. The Chair and Non-Executive Director fees as at 30 June 2025 are stated in the table below:

	£
Group Chair	155,000
NED base salary	51,419
Audit and Risk/Remuneration Committee Chair fee	6,640
Nomination Committee Chair fee	3,566

As the Company is now putting its Remuneration Policy to a vote, the Company is increasing its policy bonus maximum from 100% to 150% of salary and allowing a portion of the annual bonus to be paid in deferred shares as outlined above. These changes are not expected to be applied for the financial year to 30 June 2026.

### Gender pay gap

In our latest Gender Pay Report, published in April 2025, we reported a significant decrease in the median gender pay gap to 37.6% (from 42.2%). This reduction in the pay gap is supported through our ongoing Equity, Diversity and Inclusion initiatives, opportunities for career development for all colleagues, and improved pay transparency through our published salary ranges.

<https://www.cvsukltd.co.uk/careers/gender-pay-gap-report/>

### Conclusion and ongoing review

We believe that implementation of the Remuneration Policy will continue to deliver a robust link between strategy, reward and performance, supporting the Group's drive to deliver profitable managed growth and sustainable cash generation. The Company's remuneration policies have been, and will continue to be, implemented rigorously, aligned with the Group's strategic goals and culture.

The Committee intends to keep remuneration policies under review and will continue to consider and develop its approach to remuneration on an ongoing basis.

In relation to bonus deferral, the Remuneration Committee continues to see merit in a clear distinction between annual bonus and long-term incentives and does not propose this should be introduced at this point. The maximum annual bonus for the financial year ending 30 June 2026 is capped at 100% of salary for each Executive Director.

I trust that you find the report helpful and informative. We hope you will support the Remuneration Report and the Remuneration Policy at the 2025 AGM, and I look forward to receiving further feedback on the information presented.

**Deborah Kemp**  
Remuneration Committee Chair  
7 October 2025

# Remuneration Committee report – unaudited continued

## Directors' Remuneration Policy

This part of the Directors' Remuneration Report sets out the detailed Remuneration Policy of the Company with regard to its Executive and Non-Executive Directors.

### Purpose and strategic rationale for remuneration policies and structures

The Group's Remuneration Policy is designed to ensure that it can attract, retain and motivate executives and senior management of the right quality to enable it to fulfil its strategic objectives and deliver long-term sustainable growth. The retention of key management and the alignment of management incentives with the creation of shareholder value are key objectives of this policy. In addition, the Committee seeks to keep Executive Director remuneration consistent with the Company's culture and to take account of the effects of Executive Directors' remuneration on the workforce and other stakeholders.

Setting base salary for Executive Directors at an appropriate level is key to attracting and retaining high-quality management. Therefore, the Remuneration Committee seeks to ensure that base salaries are market competitive to those of comparable companies. In addition to base salary, there are market-competitive benefits and pension contributions.

A significant proportion of total remuneration is performance-based using a structure which is common among AIM traded and Main Market companies. This aids discussion with

shareholders and proxy agents for whom the structures are familiar. The Group's strategy is set out on pages 20 and 21 and is designed to enable the business to grow both its revenues and profitability. We seek to provide the best clinical care, to create a great place to work and have a career and to provide great facilities and equipment. We take our environmental, health and safety, people and professional responsibilities seriously.

The performance-based remuneration has two elements: a discretionary annual bonus scheme and an LTIP scheme. The annual bonus scheme is intended to incentivise the achievement of annual financial and other near-term objectives. In common with listed company practice, the bonus scheme has one-year targets. The LTIP scheme is designed to incentivise long-term performance and align Executive Director reward with shareholder value. Objective Group targets with a minimum period of three years are applied to LTIP awards.

In addition, the Company applies a policy of using share incentives across the Group. This includes a Save As You Earn scheme (SAYE), participation in which is open to all UK employees including Executive Directors.

We believe these policies help the Company to continue to grow profitably through the successful execution of its strategy as well as providing alignment between the interests of shareholders and all employees who can share in the Company's success.

Purpose and link to strategy	Operation	Potential remuneration	Performance metrics
<b>Base salary</b>			
<p>Base pay is designed to reflect Executive Directors' experience, capabilities and role within the business.</p> <p>To be set at a level which is sufficiently competitive to recruit and retain individuals of the appropriate calibre to deliver the Group's strategy.</p>	<p>Salaries are reviewed periodically and benchmarked against listed companies of similar size and complexity. The review takes into account:</p> <ul style="list-style-type: none"> <li>&gt; Company performance and increase in scale and complexity;</li> <li>&gt; the role, experience and performance of the individual Director; and</li> <li>&gt; average workforce salary adjustments within the Company.</li> </ul>	<p>The actual base salaries paid to the Executive Directors and those set for the current year are disclosed in the Annual Report on Remuneration.</p>	<p>Not applicable.</p>
<b>Benefits</b>			
<p>To complement basic salary by providing market-competitive benefits to attract and retain Executive Directors.</p>	<p>Reviewed from time to time to ensure that benefits, when taken together with other elements of remuneration, remain market competitive.</p> <p>Benefits for the Executive Directors currently include the provision of a company car and medical and life insurance.</p>	<p>The cost of providing these benefits varies year on year depending on the schemes' premiums. The Remuneration Committee monitors the overall cost of the benefits package.</p>	<p>Not applicable.</p>
<b>Pension</b>			
<p>To provide retirement benefits which, when taken together with other elements of the remuneration package, will enable the Company to attract and retain appropriately qualified Executive Directors.</p>	<p>The CEO, CFO and CVO participated in a defined contribution pension arrangement and received payments partly in lieu of pension.</p> <p>Pension arrangements, including contribution rates, for any new externally appointed Executive Directors will be aligned with those of the majority of the UK workforce.</p> <p>Only basic salary is pensionable.</p>	<p>The pension provision for all Executive Directors is 8% of salary.</p>	<p>Not applicable.</p>

Purpose and link to strategy	Operation	Potential remuneration	Performance metrics
<b>Annual bonus</b>			
To drive and reward exceptional performance.	<p>The Executive Directors are eligible to participate in a discretionary, annual, performance related bonus scheme. Targets are set at the beginning of each year based on the recommendations of the Remuneration Committee linked to the annual budget approved by the Board, with a proportion of the bonus linked to sustainability and ESG.</p> <p>Bonuses are paid in cash based on audited financial results. Annual bonus payments are subject to malus and clawback provisions.</p> <p>For annual bonuses paid after the year ending 30 June 2026, a portion of annual bonuses may be paid in shares deferred for two or three years.</p>	<p>During the year ending 30 June 2026, the current maximum bonus potential for the CEO, CFO and CVO is 100% of salary.</p> <p>For annual bonuses paid after the year ending 30 June 2026, the policy maximum potential bonus opportunity will be 150% of salary.</p>	<p>Bonus awards are based on annual performance against stretching Company financial targets and non-financial targets. Targets are set by the Committee at the beginning of each year. The Committee has the discretion to vary targets and weightings from year to year.</p> <p>The level of payment commences from zero at the threshold target increasing on a straight-line basis to full payment at the maximum target.</p>

<b>Long-Term Incentive Plan (LTIP)</b>			
To drive and reward exceptional performance over the medium term and to align the interests of Executive Directors and shareholders.	<p>The Executive Directors are entitled to be considered for the grant of awards under the Group's LTIP scheme. The awards take the form of nominal cost options over a specified number of Ordinary shares. Awards are not transferable or assignable.</p> <p>Awards are released to participants after a performance period of three years, subject to certain performance and service conditions being met.</p> <p>25% of awards vest at threshold performance for each target, being for the year ending 30 June 2026, adjusted EPS growth and total shareholder return, with a maximum award being 100%. If the minimum performance targets are not met, then no awards will vest.</p> <p>Participation is at the discretion of the Remuneration Committee. Awards will typically be made annually based on a percentage of annual salary.</p> <p>The Remuneration Committee sets performance conditions at the time of the award. The 2017 plan rules, amongst other things, include clawback provisions and a limitation to ensure that new shares issued, when aggregated with all other employee share awards, must not exceed 10% of issued share capital over any ten-year period.</p> <p>For schemes granted from 2021, there is a two-year holding period for LTIPs for Executive Directors, other than for settling related tax liabilities.</p>	<p>The Remuneration Committee would in normal circumstances expect to make annual LTIP awards to the CEO of 125% of salary and the CFO and CVO of 100% of salary.</p> <p>The maximum award permissible under the 2017 plan rules is 200% of salary per financial year.</p>	<p>The vesting of LTIP awards is conditional upon the successful achievement of financial performance conditions over the performance period, which are set at the time of the award. 25% of awards vest at threshold performance.</p> <p>Performance conditions and weightings may be varied from year to year. Each year the Committee assesses what performance conditions and associated weightings it considers appropriate in supporting the Company's strategy and longer-term objectives.</p> <p>In addition, and irrespective of the targets, no award will vest unless, in the opinion of the Remuneration Committee, the underlying performance of the Group has been satisfactory over the measurement period.</p> <p>An amendment to the 2017 plan was made in 2019 to ensure that the Committee has discretion to vary award vesting in the event of exceptional negative events and to override formulaic outcomes.</p>

<b>Save As You Earn (SAYE)</b>			
Encourage all employees, including Executive Directors, to save and invest in the Company's shares in a tax-efficient way. Align interests of employees and shareholders.	The Group operates a savings scheme for all colleagues, including Executive Directors, through the CVS SAYE plan. A new SAYE scheme is launched each calendar year. In the past, awards have been made at either a 10% or 20% discount to the closing mid-market price on the day before the invitation date.	Maximum participation level aligned to HMRC limits.	Not applicable.

<b>Shareholding guideline</b>			
To incentivise Executives to achieve the Company's long-term strategy and create sustainable shareholder value. To align with shareholder interests.	Executive Directors are expected to build a shareholding in the Company with a value equal to a specified percentage of salary over five years from the later of 1 July 2023 and their appointment to the Board.	The target value to be achieved over five years for Executive Directors is 200% of salary.	Not applicable.

# Remuneration Committee report – unaudited continued

## Directors' Remuneration Policy continued

### Purpose and strategic rationale for remuneration policies and structures continued

Purpose and link to strategy	Operation	Potential remuneration	Performance metrics
<b>Non-Executive remuneration</b>			
Fees are set at a level to attract and retain high-quality and experienced Non-Executive Directors at an appropriate cost.	<p>Non-Executive Directors are paid a basic annual fee. Additional fees may be paid to Non-Executive Directors who chair the Board and chair a Committee to reflect additional responsibilities, as appropriate. Fees are reviewed periodically.</p> <p>The Company's approach to setting Non-Executive Directors' fees is by reference to fees paid at similar companies and reflects the time commitment and responsibilities of each role.</p> <p>The Chair and the other independent Non-Executive Directors are entitled to be reimbursed for reasonable expenses.</p>	The level of fees paid in 2024 and 2025 is shown in the Annual Report on Remuneration.	Not applicable.

### Performance condition explanation

Performance conditions applied to annual bonus and long-term incentives are intended to support sustainable profitable growth through the successful execution of strategy and to align Executives to long-term Company performance and the experience of shareholders.

Annual bonus targets are set for a one-year period and balance financial and non-financial targets. The Committee has chosen one financial metric for the bonus scheme, adjusted EBITDA, because it is deemed to be the key measure of financial performance. The bonus scheme also has non-financial components. These allow the Board to set specific strategically important objectives for the Executive Directors.

LTIP performance conditions include demanding adjusted earnings per share growth targets.

Targets are set to align with objectives with pitching of threshold and maximum targets in light of the Company's outlook, balancing achievability and stretch. The Committee retains the discretion to set different performance measures and/or to set different weightings on the performance goals from year to year for annual bonus and LTIP awards.

### Remuneration Committee discretion

In line with market practice and the various scheme rules, the Committee retains discretion relating to operating and administering the annual bonus and the LTIP. This discretion includes, but is not limited to, the matters below.

**The Annual Bonus Plan:** the scheme participants; the review, setting and weighting of annual performance targets; the determination and calculation of any bonus payment; the timing of any bonus payments; determination of the treatment of leavers depending on the circumstances; determination of bonuses for new joiners during the year depending on the circumstances; and the determination of bonuses in the event of a change in control.

**The LTIP:** the scheme participants for recommendation to the Board; the form and timing of the grant of an award; the size of awards made within the specified limits; the setting of appropriate performance measures; determining the treatment of leavers depending on the circumstances; discretion relating to vesting in the event of a change of control of the Company;

recommending that the Board substitutes a cash equivalent in place of shares; making appropriate adjustments to awards required in certain circumstances, e.g. demerger, special dividend or other similar event which affects the value of any award; determining if it would be appropriate to amend, waive or replace any performance condition applying to an award if events happen which cause the Committee to reasonably consider that it would be a fairer measure of performance to amend or waive the conditions to ensure that they achieve their original purpose, provided that any amended conditions are no more difficult to achieve than those previously imposed; and determining if participants shall bear some or all of the cost of Employers National Insurance.

In line with the UK Corporate Governance Code, in respect of both annual bonus and LTIP awards, the Remuneration Committee may exercise its discretion to override formulaic outcomes derived from performance conditions. This may include, without limitation, to reflect overall corporate performance, the experience of shareholders of the Company in terms of value creation and if the business has suffered an exceptional negative event.

### Malus and clawback

In respect of the annual bonus and LTIP, the Remuneration Committee has the authority to apply malus and clawback within three years of payment or vesting. This authority may be exercised in cases, inter alia, of financial misstatement, calculation errors in performance assessments, misconduct or fraud, conduct which resulted in significant losses to the Group or is likely to bring the Group into material disrepute, failure to meet appropriate standards of fitness and propriety, breach of contract that is a fair reason for dismissal, breach of fiduciary duties or a Group company, a business suffering a material failure in risk management, or acts or omissions which would be grounds for summary dismissal.

Under this authority the Committee may require, as applicable, any awards which have not vested to lapse in whole or in part immediately, and/or may require Executives to repay to the Company the after-tax value of some or all of the value received under annual bonus or LTIP schemes during the relevant period in such form as the Remuneration Committee may determine.

### Service contracts and letters of appointment

The service contracts and letters of appointment of the Directors include the following terms:

Executive Directors	Initial contract/service agreement commencement	Most recent service agreement	Notice
R Fairman	1 August 2018	10 September 2020	12 months
R Alfonso	8 July 2019	22 September 2020	12 months
P Higgs	14 August 2018	25 July 2024	12 months

Non-Executive Directors	Date of appointment	Most recent service agreement	Term	Notice
D Wilton	24 September 2021	1 May 2024	3 years	3 months
D Kemp	2 January 2018	2 January 2025	1 year	3 months
R Gray	16 July 2020	16 July 2023	3 years	3 months
J Shaw	1 July 2023	1 July 2023	3 years	3 months

The maximum notice period for an Executive Director is 12 months.

### Differences in Remuneration Policy for employees vs Executive Directors

The principles behind the Remuneration Policy for Executive Directors are cascaded down through the Group. They aim to attract and retain the best people and to focus their remuneration on the delivery of long-term sustainable growth by using a mix of salary, benefits, bonus and longer-term incentives. As a result, no element of the Executive Director Remuneration Policy is operated exclusively for Executive Directors other than the two-year post vesting holding period and the shareholding guideline:

- > The annual bonus scheme for Executive Directors is largely the same as that of the rest of the Executive Committee.
- > Participation in the LTIP is extended to the rest of the Executive Committee and Senior Leadership Group.
- > A pension scheme is operated for all permanent employees. The contribution levels for existing Executive Directors are higher than the level of contribution for the majority of other UK employees. The contribution levels for new Executive Directors will be aligned to those of the majority of other UK employees.

The main difference in pay between Executive Directors and employees is that, for Executive Directors, the variable element of total remuneration is greater while the total remuneration opportunity is also higher to reflect the increased responsibility of the role.

### How the views of employees are taken into account

The Board has established a Designated Non-Executive Director (DNED) for Employee Engagement as a direct response to the UK Corporate Governance Code, giving the workforce a voice in Board matters.

The role of the Employee Engagement Director is to review and monitor employee insight informed by engagement activities and employee engagement surveys. The DNED, who is Deborah Kemp, engaged with the workforce during 2025 at practice visits and at our Annual Employee Conference, and feedback was sought across these forums.

### Policy on recruitment

When hiring a new Executive Director, the Committee will consider the overall remuneration package with reference to the Remuneration Policy set out in this report. Salary and annual bonus levels will be set so as to be competitive with comparable roles in companies in similar sectors, and also taking into account the experience, seniority and the scope of responsibility of the appointee coming into the role. New Executive Directors will be able to participate in the annual bonus scheme on a pro-rated basis for the portion of the financial year for which they are in post. New Executive Directors may receive benefits and pension contributions in line with the Company's existing policy. LTIP awards are made on an ongoing basis in line with our policy for Executive Directors and other senior Executives. In the year of recruitment, a higher award may be made to the new recruit within the limits of the Remuneration Policy. The maximum level of variable remuneration which may be granted to a new recruit (excluding the value of any buy-out award) is in line with the policy limits.

The approach in respect of compensation for forfeited remuneration from a previous employer will be considered on a case-by-case basis taking into account all relevant factors, such as the form of compensation forfeited, performance achieved or likely to be achieved, and the proportion of the performance period remaining. If any compensation for forfeited remuneration is paid, it may be awarded outside the LTIP (provided it is settled with market-purchase shares or cash) and may be made with non-standard performance conditions, or without performance conditions and with a shorter vesting period and without a holding period to reflect the profile of forfeited awards. Any such arrangements would be disclosed in the following year's Annual Report. This discretion reflects that available to Main Market companies under UK Listing Rule 9.3.2.

In the case of an internal appointment to an Executive Director role, any variable pay element, annual bonus or LTIP awarded in respect of a prior non-Board role would be allowed to pay out according to its terms.

Discretion to vary from the policy may also be exercised in the following circumstances: (1) for a short-term/interim appointment; (2) where the Chair or a Non-Executive Director is appointed for a short period; (3) where an Executive Director is appointed mid-year, performance conditions for annual bonus and LTIP may be tailored for this or amounts transferred pro-rata by month to the following year; (4) where an Executive Director is hired from a location with different benefits that the Remuneration Committee sees appropriate to buy out (but not variable remuneration which is covered above); (5) relocation expenses – one-off and/or ongoing including tax equalisation; and (6) legal and similar expenses.

# Remuneration Committee report – unaudited continued

## Directors' Remuneration Policy continued

### Policy on payments for loss of office

#### Leaver provisions

The following sets out the Company's policy in normal circumstances with regard to exit payments for each remuneration element for Executive Directors. The Group will pay any amounts it is required to in accordance with or in settlement of a Director's statutory employment rights and in accordance with their service contract. A Director's service contract may be terminated without notice and without any further payment or compensation, except for sums accrued up to the date of termination, on the occurrence of certain events such as serious dishonesty, gross misconduct, incompetence, or wilful neglect of duty.

**Basic salary:** This will be paid over the contractual notice period. However, the Company has the discretion to make a lump sum payment for termination in lieu of notice.

**Benefits and pension contributions:** These will normally continue to be provided over the notice period; however, the Company has the discretion to make a lump sum payment on termination equal to the value of the benefits payable during the notice period.

**Annual bonus:** If an employee ceases employment before the bonus payment date, their entitlement to an annual bonus will generally lapse. However, in the case of a "good leaver", the Remuneration Committee may exercise discretion to award a pro-rata bonus based on the period worked and performance achieved before the termination date. Any bonus payment to a good leaver is subject to the usual performance conditions and Company discretion and may not become payable until the normal payment date.

**LTIP:** If an award holder leaves employment before their award vests, the award will ordinarily lapse. However, in good leaver circumstances, a portion of the award may still vest, subject to performance assessment and time apportionment, unless the Remuneration Committee determines that a lesser reduction is appropriate. The remaining award will either vest at the normal vesting date or at an earlier date if the Remuneration Committee determines so.

#### Consideration of employment conditions elsewhere in the Company

The Committee considers the pay and conditions of employees throughout the Group when determining the remuneration arrangements for Directors although no direct comparison metrics are applied. In particular, the Committee considers the relationship between general changes to UK employees' remuneration and Executive Director reward. While the Committee does not directly consult with employees as part of the process of determining executive pay, the Board does receive feedback from employee surveys that take into account remuneration in general.

### Statement of consideration of shareholder views

Shareholder views are considered when evaluating and setting remuneration strategy. The Company welcomes dialogue with its shareholders over matters of remuneration. When significant changes or decisions are in contemplation, the Chair of the Remuneration Committee may consult major shareholders in advance. The Chair of the Remuneration Committee is available for contact with institutional investors concerning the approach to remuneration.

### Legacy arrangements

The Company will honour existing awards, incentives, benefits and contractual arrangements made to individuals prior to their promotion to the Board and/or prior to the approval and implementation of this policy. This will last until the existing incentives vest (or lapse) or the benefits or contractual arrangements no longer apply.

### External appointments

Executive Directors may accept one external non-executive directorship with the prior written agreement of the Board, provided it does not conflict with the Group's interests and the time commitment does not impact upon the Executive Director's ability to perform their primary duty. The Executive Directors may retain the fee from external directorships. Currently no Executive Directors have external appointments.

### Illustrations of the application of the Remuneration Policy

The charts opposite represent estimates under four performance scenarios ("Minimum", "Target", "Maximum" and "Maximum assuming a 50% share price appreciation" between award and vesting under the LTIP) of the potential remuneration outcomes for each Executive Director resulting from the application of the 2025 base salaries to awards made in accordance with the proposed policy. The majority of Executive Directors' remuneration is delivered through variable pay elements, which are conditional on the achievement of stretching targets.

The Remuneration Committee will review the actual remuneration outcomes taking into account the quality of performance outcomes and, if appropriate, use its discretion to adjust these, taking into account CVS's performance, the operation of the remuneration structures and any other relevant factors, to ensure that the highest variable pay outcomes are only achieved in years with the highest performance.

The scenario charts are based on the proposed policy award levels and are calculated on the same basis as the single figures of remuneration. The pay scenarios are forward looking and only serve to illustrate the proposed policy. The scenarios are based on the current CEO, CFO and CVO roles.



# Remuneration Committee report – unaudited continued

## Annual Report on Remuneration

### Introduction

This Annual Report on Remuneration sets out information about the remuneration of the Directors of the Company for the year ended 30 June 2025.

### Alignment with Provision 41 of the Corporate Governance Code

Code requirements	Our approach
<b>Simplicity and clarity</b> Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce. Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	The remuneration framework is made up of three key elements: fixed pay (including base salary, pension and benefits), annual bonus and a separate long-term incentive (LTIP). The framework is simple to understand for both participants and shareholders and the incentive elements are aligned to the strategic priorities for the business.
<b>Risk</b> Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	Identified risks have been mitigated as follows: <ul style="list-style-type: none"><li>&gt; Variable remuneration targets are set at levels which reward high performance but which do not encourage inappropriate business risk.</li><li>&gt; The holding period required on any LTIP award ensures variable remuneration is linked to sustainable performance and discourages short-term behaviours.</li><li>&gt; All bonus and LTIP awards to Executive Directors include provisions for malus and clawback.</li><li>&gt; The Committee has the discretion to vary formulaic outcomes for incentive vesting should outcomes not reflect the underlying performance of the Company.</li></ul>
<b>Predictability</b> The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.	The Committee is comfortable that the discretions available to it are sufficient.
<b>Proportionality</b> The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	A significant proportion of an Executive Director's reward is linked to performance through the incentive framework, with a clear line of sight between performance and the delivery of long-term shareholder value. Performance measures and the underlying targets are reviewed regularly by the Committee to ensure that they are directly aligned to the Group's strategic priorities, and targets are calibrated to reward for strong performance over the performance period. Executive Directors are required to build material shareholdings in the Company and are subject to post-cessation shareholding requirements which will ensure that their interests are aligned to the Group's long-term performance.
<b>Alignment to culture</b> Incentive schemes should drive behaviours consistent with Company purpose, values and strategy.	The Committee is focused on ensuring that the Company's cultural framework, with its values and behaviours, is reflected across the entire business and believes that the Executive Directors are rewarded on both what they deliver and how that is delivered.

### Remuneration received by Directors for the year ended 30 June 2025 – audited

The following table sets out the Directors' remuneration for the year ended 30 June 2025 (or for performance periods ended in that year in respect of long-term incentives) together with comparative figures for the year ended 30 June 2024.

#### Directors' emoluments

		Fixed pay				Variable pay				Total pay £'000
		Basic salary allowance and fees £'000	Benefits in kind £'000	Pension £'000	Total Fixed pay £'000	Performance related bonus £'000	Value of share LTIP awards vested during the year <sup>3</sup> £'000	Total Variable pay £'000		
<b>Executive Directors</b>										
R Fairman	2025	493	17	39	549	172	—	172	721	
	2024	468	20	46	534	59	—	59	593	
R Alfonso	2025	338	11	27	376	118	—	118	494	
	2024	313	13	25	351	41	—	41	392	
P Higgs <sup>1</sup>	2025	267	6	21	294	99	—	99	393	
	2024	—	—	—	—	—	—	—	—	
B Jacklin <sup>2</sup>	2025	394	10	32	436	—	—	—	436	
	2024	395	15	34	444	—	—	—	444	
<b>Non-Executive Directors</b>										
D Wilton	2025	155	—	—	155	—	—	—	155	
	2024	71	—	—	71	—	—	—	71	
D Kemp	2025	57	—	—	57	—	—	—	57	
	2024	109	—	—	109	—	—	—	109	
R Gray	2025	54	—	—	54	—	—	—	54	
	2024	51	—	—	51	—	—	—	51	
J Shaw	2025	56	—	—	56	—	—	—	56	
	2024	48	—	—	48	—	—	—	48	
R Connell <sup>4</sup>	2025	—	—	—	—	—	—	—	—	
	2024	75	—	—	75	—	—	—	75	

1. P Higgs was appointed to the Board with effect from 25 July 2024.

2. B Jacklin resigned from the Board with effect from 8 July 2024, and concluded his notice period on 17 June 2025.

3. In respect of 2024 and 2025, no LTIP awards vested and therefore the value is £nil.

4. R Connell resigned from the Board with effect from 27 October 2023.

# Remuneration Committee report – unaudited continued

## Annual Report on Remuneration continued

### Remuneration received by Directors for the year ended 30 June 2025 – audited continued

#### Salaries

There were no changes to Executive Directors' salaries during the year.

#### Benefits

Benefits include the provision of a company car and medical and life insurance.

#### Discretionary bonus

For 2025, the maximum bonus entitlement for the Executive Directors was 100% of base salary, weighted 80% on adjusted EBITDA and 20% on four non-financial components, each representing up to 5% of bonus payable on a straight-line basis.

The bonus scheme targets for the financial year were as follows:

> The adjusted EBITDA target range (with targets increased to reflect acquisitions and disposals) was set between £130.7m for zero bonus and £145.1m for maximum bonus. Actual adjusted EBITDA was £134.6m and therefore 30.7% of this bonus element was achieved.

The four non-financial components each present 5% of the bonus entitlement:

> Client NPS – a 5.0% improvement in client Net Promoter Score from June 2024 to at least 71.7. Client NPS increased by 10.9% in the year to 78.9 and therefore this target was met.

> Attrition – 5.0% reduction from June 2024. Attrition stabilised and therefore this target was not met.

> Clinical waste – 5.0% reduction in gross tonnage of clinical waste (measured across UK CVS sites and excluding acquisitions in the year). Total clinical waste reduced 0.3% and therefore this target was partially met.

> Return on capital employed (ROCE) – target of 12% measured as adjusted EBITA divided by (equity plus right-of-use liability plus debt plus deferred tax) excluding greenfield sites and contingent consideration for acquisitions. ROCE was 16.4% and therefore this target was met.

Two of the four non-financial targets were met and one of the four was partially met. Overall, non-financial targets were met at 51.5% of the 20% non-financial weighting.

In light of the above, the Committee determined to make a bonus payment of 34.9% of maximum entitlement (2024: 12.0%) in line with the bonus scheme calculation, on the basis that the financial and non-financial measures were partially achieved. The bonus will be awarded in cash and is payable in October 2025.

#### Loss of office

As previously announced, Ben Jacklin resigned as Deputy CEO on 18 June 2024 and stepped down from the Board and ceased to be a Director on 8 July 2024. In line with the Group's loss of office policy (detailed on page 86), Ben continued to receive his normal remuneration in terms of salary, pension and company benefits during his garden leave, in accordance with his service agreement, up to and including 17 June 2025. Ben did not participate in any bonus or LTIP schemes with effect from 1 July 2024.

No payments were made during the prior year in respect of loss of office.

#### LTIP vesting

LTIP awards for the three-year performance period ended 30 June 2025 due to vest in October 2025 (LTIP16) will lapse in full. The vesting of these awards was subject to meeting adjusted EPS and total shareholder return targets as set follows:

##### > Adjusted EPS (50% weighting)

Adjusted EPS for the year ended 30 June 2025 was 80.1p. This compares to adjusted EPS of 85.8p for the year ended 30 June 2022, a compound annual growth rate (CAGR) of 8.2% below inflation. The target CAGR for threshold and full vesting of LTIPs issued in October 2022 was 1.0% and 5.0% above inflation, respectively. This target has not been met.

##### > Total shareholder return (TSR) (50% weighting)

Total shareholder return for the three years to 30 June 2025 was -22.1%, and in the lower quartile when benchmarked against the FTSE 250 Index (less investment trusts), measured over the same period. The Remuneration Committee believes sentiment has impacted the share price due to the CMA investigation. The target has not been exceeded and therefore none of the options granted have vested (max 50%).

As a result of neither the adjusted EPS nor TSR targets being met no options have vested for LTIP16.

#### LTIP awards

On 4 October 2024, the Company granted awards under LTIP18 to its Executive Directors as detailed in the tables below. The face value of these awards is £616,513 for the CEO, £337,870 for the CFO and £290,000 for the CVO. The face value was calculated by multiplying the average share price on the five dealing days prior to the date of grant by the number of shares awarded with the share price of £11.09.

The Committee considers that the performance measures are aligned to long-term business strategy and appropriately stretching reflecting the prevailing environment.

## Share scheme interests as of 30 June 2025

Details of plans at the reporting date that have not yet vested are set out below:

Award	Grant date	Vesting period		
LTIP16	30 September 2022	3 years	<p>The performance targets for award LTIP16, LTIP17 and LTIP18 are based on achieving adjusted EPS growth in excess of inflation and total shareholder return in comparison to the FTSE 250.</p> <p><b>Adjusted EPS growth (50% weighting)</b> 50.0% of the awards will vest if adjusted EPS growth in excess of inflation is achieved as follows:</p> <ul style="list-style-type: none"> <li>&gt; less than 1.0% CAGR – no award subject to this condition;</li> <li>&gt; 1.0% to 6.0% CAGR – awarded on a straight-line basis between 25.0% and 100.0% of total award subject to this condition; or</li> <li>&gt; more than 6.0% CAGR – full award subject to this condition.</li> </ul>	<p><b>Total shareholder return (TSR) (50% weighting)</b> 50.0% of the awards will vest if TSR in comparison to the FTSE 250 Index (excluding investment trusts) is achieved as follows:</p> <ul style="list-style-type: none"> <li>&gt; below median comparable performance – no award subject to this condition;</li> <li>&gt; median comparable performance – 25.0% of awards subject to this condition;</li> <li>&gt; median to upper quartile comparable performance – 25.0% to 100.0% of awards subject to this condition measured on a straight-line basis; or</li> <li>&gt; upper quartile comparable performance – 100.0% of awards subject to this condition.</li> </ul>
LTIP17	30 September 2023	3 years		
LTIP18	4 October 2024	3 years		

Options over Ordinary shares awarded to Executive Directors under the LTIP and SAYE schemes in place on 30 June 2025 are as follows:

Scheme	Date of grant	Market price of shares on date of grant	Earliest exercise date and date of vesting of shares	Exercise price	Number of shares <sup>1</sup>
<b>R Fairman</b>					
LTIP16	30 September 2022	1,690p	30 June 2025	0.2p	30,773
LTIP17	29 September 2023	1,630p	30 June 2026	0.2p	34,419
LTIP18	04 October 2024	1,058p	30 June 2027	0.2p	55,581
SAYE15	25 November 2022	1,515p	01 January 2026	1,515p	380
SAYE16	24 November 2023	1,530p	01 January 2027	1,146p	550
SAYE17	26 November 2024	798p	01 January 2028	847p	722
<b>R Alfonso</b>					
LTIP16	30 September 2022	1,690p	30 June 2025	0.2p	15,990
LTIP17	29 September 2023	1,630p	30 June 2026	0.2p	17,884
LTIP18	04 October 2024	1,058p	30 June 2027	0.2p	30,460
SAYE15	25 November 2022	1,515p	01 January 2026	1,515p	403
SAYE16	24 November 2023	1,530p	01 January 2027	1,146p	550
SAYE17	26 November 2024	798p	01 January 2028	847p	680
<b>P Higgs</b>					
LTIP16	30 September 2022	1,690p	30 June 2025	0.2p	4,732
LTIP17	29 September 2023	1,630p	30 June 2026	0.2p	6,212
LTIP18	04 October 2024	1,058p	30 June 2027	0.2p	26,144
SAYE16	24 November 2023	1,530p	01 January 2027	1,146p	517
SAYE17	26 November 2024	798p	01 January 2028	847p	722

1. Share price for the purposes of calculating number of shares to grant is the average of closing share price for preceding five days in line with scheme rules.

# Remuneration Committee report – unaudited continued

## Annual Report on Remuneration continued

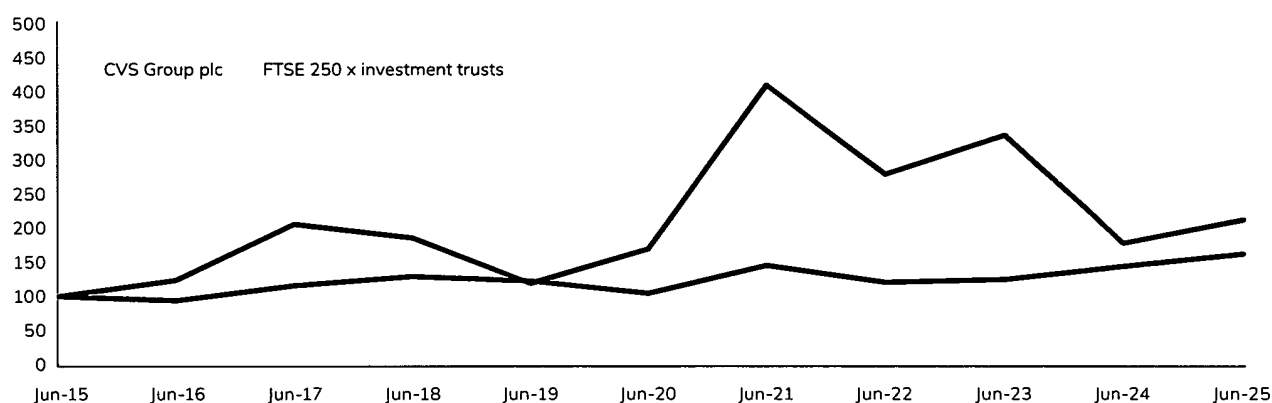
### Share scheme interests as of 30 June 2025 continued

During the year the following share options lapsed:

<b>R Fairman</b>					
LTIP15	06 October 2021	2,407p	30 June 2024	0.2p	21,188
SAYE14	25 November 2021	2,230p	01 January 2025	1,974p	310
<b>B Jacklin</b>					
LTIP15	06 October 2021	2,407p	30 June 2024	0.2p	12,712
<b>R Alfonso</b>					
LTIP15	06 October 2021	2,407p	30 June 2024	0.2p	11,009
<b>P Higgs</b>					
SAYE14	25 November 2021	2,230p	01 January 2025	1,974p	310

### Performance graph

The graph below illustrates CVS Group plc's TSR performance against the FTSE 250 (excluding investment trusts) since 1 July 2015. Given the Company's market capitalisation the Remuneration Committee considers this an appropriate peer group.



### Chief Executive's historical remuneration (audited)

The table below sets out the total remuneration of the individual undertaking the role of Chief Executive Officer over the last ten years for the period such individual was undertaking the CEO role, valued using the methodology applied to the single total figure remuneration (shown in the Directors' emolument table on page 89).

	CEO	Total remuneration £'000	Annual bonus payment level achieved (% of maximum opportunity)	LTIP vesting level achieved (% of maximum opportunity)
2025	<b>Richard Fairman</b>	721	34.9%	Nil
2024	Richard Fairman	593	12%	Nil
2023	Richard Fairman	1,564	90.4%	100%
2022	Richard Fairman	1,808	98.4%	100%
2021	Richard Fairman	1,622	100%	100%
2020	Richard Fairman*	378	Nil	N/A
2020	Simon Innes*	790	Nil	Nil
2019	Simon Innes	780	Nil	66%
2018	Simon Innes	885	Nil	100%
2017	Simon Innes	1,606	100%	100%
2016	Simon Innes	1,860	100%	100%

\* Simon Innes left the role of CEO in November 2019 from which point Richard Fairman was appointed CEO.

## CEO pay ratio

### Pay ratio information in relation to the total remuneration of the Director undertaking the role of CEO

The table below sets out the ratio of the total remuneration received by the Group CEO during the year ended 30 June 2025 to the total remuneration received in the same period by our UK employees at the median, 25th and 75th percentiles.

Year	Methodology	25th percentile pay ratio	50th percentile pay ratio	75th percentile pay ratio
2025*	Option B	28:1	23:1	16:1
2024	Option B	25:1	20:1	14:1
2023	Option B	69:1	56:1	37:1
2022	Option B	89:1	69:1	45:1

\* The gender pay gap reporting for the period to 5 April 2025 is yet to be published and therefore the CEO pay ratio had been completed against the three colleagues identified in the 5 April 2024 gender pay reporting.

	2025		2024	
	Basic salary £'000	Total pay and benefits £'000	Basic salary £'000	Total pay and benefits £'000
Group CEO	493	721	468	593
UK employees 25th percentile	25	26	24	24
UK employees 50th percentile	31	32	29	29
UK employees 75th percentile	43	45	42	43

Given that the majority of our workforce are practice based, with a significant number of part-time colleagues, calculating a full-time equivalent rate is complex. Consequently, under option B of the legislation this methodology means that we use gender pay gap data, which is readily available, to identify the 25th, 50th and 75th percentile of UK colleagues using the 5 April 2024 snapshot date. A full-time equivalent total pay figure is then derived using the single figure methodology for the three colleagues. To ensure these are representative colleagues, we have also analysed the total pay of colleagues adjacent to the three colleagues.

For the CEO pay ratio, we have used the CEO's total pay as detailed in the Directors' emolument table on page 89. The CEO's remuneration package includes a significant variable component to align outcomes to Company performance. Therefore, the pay ratio can fluctuate year to year based on business performance and incentive outcomes. The increase in the pay ratio this year is attributed to Company performance and the bonus being partially payable.

The Remuneration Committee considers the pay ratios alongside other reference points. It believes the median pay ratio this year aligns with our pay, reward and progression policies for UK colleagues, reflecting our pay for performance philosophy.

### Percentage change in Executive and Non-Executive Director remuneration

The table below sets out the change in salary, benefits and bonus of the Board compared to UK employees over the last four-year period.

Director	Appointed to Board	Resigned from Board	2024–2025			2023–2024			2022–2023			2021–2022		
			Salary/ fees	Benefits	Bonus	Salary/ fees	Benefits	Bonus	Salary/ fees	Benefits	Bonus	Salary/ fees	Benefits	Bonus
R Fairman	01/08/18	n/a	5.3%	-16.8%	190.8%	9.0%	76.2%	-85.2%	4.3%	0.1%	-2.2%	2.0%	0.8%	0.4%
R Alfonso	28/11/19	n/a	8.0%	-11.6%	190.8%	12.1%	31.8%	-84.4%	4.3%	0.1%	-2.2%	24.5%	0.9%	0.4%
P Higgs	05/07/24	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
B Jacklin	28/11/19	08/07/24	—	-33.6%	—	22.5%	190.4%	-100%	8.5%	24.5%	-2.2%	-2.0%	-57.6%	0.4%
R Connell	04/10/07	23/10/23	n/a	n/a	n/a	-39.8%	n/a	n/a	6.9%	n/a	n/a	2.5%	n/a	n/a
D Wilton	24/09/21	n/a	119.7%	n/a	n/a	39.1%	n/a	n/a	38.6%	n/a	n/a	N/A	n/a	n/a
D Kemp	02/01/18	n/a	-47.6%	n/a	n/a	114.0%	n/a	n/a	6.6%	n/a	n/a	2.5%	n/a	n/a
R Gray	16/07/20	n/a	5.3%	n/a	n/a	6.5%	n/a	n/a	6.7%	n/a	n/a	6.7%	n/a	n/a
J Shaw	1/07/23	n/a	18.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
UK employees			3.8%	0.9%	-41.3%	6.5%	8.3%	-10.7%	6.5%	-0.4%	-48.0%	2.0%	2.5%	53.3%

D Kemp was interim Chair from 27 October 2023 to 30 April 2025 and received additional fees during this time.

D Wilton was promoted from Non-Executive Director to become Chair effective 1 May 2024.

# Remuneration Committee report – unaudited continued

## Annual Report on Remuneration continued

### Relative importance of spend on pay (audited)

The following table shows the Group's actual spend on pay for all Group employees (continuing operations) relative to dividends and pre-tax profit.

	2025 £m	2024 £m	Change %
Overall spend on pay, including Executive Directors	325.9	305.1	+6.8%
Adjusted EBITDA for continuing operations	134.6	123.0	+9.4%
Profit before tax for continuing operations	32.6	35.2	-7.4%
Capital expenditure <sup>1</sup>	34.2	43.1	-20.6%
Dividends	5.7	5.4	+5.6%

1. Capital expenditure has been included in the above table as it represents a key expenditure, being the Group's investment in infrastructure to drive future growth.

### Advisors to the Remuneration Committee

During the year, h2g Remuneration Advisory (h2g) advised the Committee on certain aspects of remuneration matters. Fees of £23,555 exclusive of VAT were paid to h2g on a time incurred basis. h2g is a member of the Remuneration Consultants Group and, as such, voluntarily adheres to its Code of Conduct. h2g was appointed as advisor to the Remuneration Committee from 2017 following a tender process. The Committee considers the advice that it receives from h2g to be independent and h2g solely advises the Company on remuneration matters. There are no relationships between h2g and either the Company or individual Directors to be disclosed.

### Directors' interests in shares

The interests of the current Directors when combined with their spouses' holdings as of 30 June 2025 in the shares of the Company were:

	Ordinary number of 0.2p shares		% of basic salary	Shareholder guideline met
	2025	2024		
D Wilton	10,000	9,000	N/A	N/A
D Kemp	10,453	10,453	N/A	N/A
R Gray	7,600	6,000	N/A	N/A
J Shaw	1,562	1,548	N/A	N/A
R Fairman	78,107	78,107	198%	No
R Alfonso	24,377	24,377	92%	No
P Higgs	3,696	—	16%	No

Apart from the interests in shares disclosed above, and share options disclosed on page 91, the Directors had no other interest in shares of Group companies. Since the year end, R Fairman has purchased a further 1,644 Ordinary shares, bringing his total interests in Ordinary shares to 79,751, being >200% of salary.

The shareholding guideline was increased to 200% of salary with effect from 1 July 2023. The Remuneration Committee recognises the Directors will take time to bring their respective holdings to this level and is comfortable with the level of current holding and each Director's commitment to continue to increase this.

On 30 June 2025, the market price of the Ordinary shares was 1,250p.

### Statement of voting

At the Annual General Meeting on 20 November 2024, the total number of shares in issue with voting rights was 71,840,244. The resolution to approve the Remuneration Report received the following votes from shareholders:

To approve the Directors' Remuneration Report for the year ended 30 June 2024	
Votes for <sup>1</sup>	45,983,230
% <sup>2</sup>	85.8%
Votes against	7,598,191
%	14.2%
Votes total	53,581,421
% of issued share capital <sup>3</sup>	74.69%
Votes withheld <sup>4</sup>	10,722

1. Votes "for" include discretionary votes.
2. Percentages above are rounded to one decimal place.
3. Issued share capital at meeting date: 71,840,244.
4. A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes "for" or "against" a resolution.

The reasons for the adverse voting and the Company's response are covered in the introduction to this report.

### Annual General Meeting

Our Remuneration Report and our Remuneration Policy will be subject to an advisory vote at our AGM to be held on 18 November 2025.

**Deborah Kemp**  
Remuneration Committee Chair  
7 October 2025

## Directors' report

The Directors present their Annual Report and Financial Statements together with the audited consolidated financial statements for the year ended 30 June 2025.

### Principal activities and results

The principal activities of the Group are to operate animal veterinary practices, complementary veterinary diagnostic businesses and an online retail business. Until 19 May 2025, the Group also operated a pet Crematoria division which was divested so as to take advantage of the Group's significant growth opportunities. The principal activity of CVS Group plc is that of a holding company.

The Group made a profit after taxation of £53.0m (2024: £6.4m).

Particulars of events which have occurred since the end of the financial year have been disclosed in note 33 to the financial statements.

### Business review

The information that fulfils the requirements of the business review, including details of the 2025 results, key performance indicators, principal risks and uncertainties and the outlook for future years, is set out in the Chair's Statement (pages 4 and 5), the Chief Executive Officer's Review (pages 6 to 8), and the Financial Review (pages 44 to 49), including key performance indicators (pages 22 to 25) and principal risks and uncertainties (pages 50 to 57).

### Dividends

In respect of the year under review, the Directors recommend a dividend payment of 8.5p, amounting to £6.1m (2024: £5.7m).

The aggregate dividends recognised as distributions in the year ended 30 June 2025 amounted to £5.7m (2024: £5.7m). No interim dividends (2024: £nil) have been paid during the year.

### Dividend policy

The Group has established an ordinary dividend policy that is both progressive and sustainable, based on growing the ordinary dividend per share over time. The rate of growth of the ordinary dividend will be decided by the Board in light of the circumstances at the time. The Board also gives due consideration to the return of capital through the use of special dividends or share buybacks.

The ability of the Group to pay a dividend is also subject to constraints including the availability of distributable reserves and the Group's financial and operating performance. Distributable reserves are determined as required by the Companies Act 2006 by reference to a company's individual financial statements.

### Directors

The following Directors held office during the year and up to the date of signing the financial statements unless otherwise stated:

R Fairman	B Jacklin (resigned 8 July 2024)
D Wilton	R Gray
R Alfonso	J Shaw
D Kemp	
P Higgs (appointed 25 July 2024)	

Biographical details of the Directors are provided on pages 60 and 61.

### Re-election of Directors

The Articles of Association of the Company require all Directors to be re-elected at intervals of not more than three years. The Board has decided that it is appropriate for all Directors to be re-appointed each year, so in accordance with that decision all Directors will stand for re-election at the Annual General Meeting.

### Directors' remuneration and interests

The Remuneration Committee Report is set out on pages 78 to 94. It includes details of Directors' remuneration, interests in the shares of the Company, share options and pension arrangements.

### Environment

The Group recognises the significance of environmental responsibility and undertakes clinical compliance reviews to ensure environmental standards are conformed with in addition to providing training to its employees to ensure compliance.

Although the Group's activities do not have a major impact on the environment, every effort is made to reduce any effect.

Details of the Group's approach to sustainability and ESG are set out on pages 30 to 41.

### Health and safety

The Group is fully aware of its obligations to maintain high health and safety standards at all times, and the safety of our colleagues and customers is of paramount importance.

The Group's operations are managed at all times in such a way as to ensure, as far as is reasonably practicable, the health, safety and welfare of all of our colleagues and all other people who may be attending our premises.

### Corporate governance

The Board's Corporate Governance Statement is set out on pages 62 to 68.

## Directors' report continued

### Going concern

In adopting the going concern basis for preparing the financial statements, the Directors have considered the Group's projections, forecasts and business activities as set out on pages 1 to 49, the financial position of the Group, its cash flows, liquidity position and borrowing facilities as set out in the Financial Review on pages 44 to 49, the Group's financial risk management objectives and exposures to liquidity and financial risks as set out in note 3 to the financial statements, as well as the Group's principal risks and uncertainties as set out on pages 50 to 57.

Based on the Group's projections and cash flow forecasts, the Board expects the Group to have adequate resources to continue in operation, meet its liabilities as they fall due, retain sufficient available liquidity and not breach covenants under its loan facilities for the foreseeable future, being a period of at least 12 months from the approval of the financial statements. The Board therefore considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

See note 24 to the financial statements for more information on our loan facilities.

### Viability statement

The process includes financial forecasting, risk assessment, regular budget reviews as well as scenario planning incorporating industry trends, considering any emerging issues and economic conditions. Our strategy aims to enhance our long-term prospects by making sure our operations and finances are sustainable.

The UK Corporate Governance Code requires the Directors to issue a "viability statement" declaring whether we believe the Group can continue to operate and meet its liabilities, considering its current position and principal risks and uncertainties. The overriding aim is to encourage Directors to focus on the longer term and be more actively involved in risk management and internal controls. In assessing viability, the Board considered several key factors, including our business model (see page 14), our strategy (see pages 20 and 21), our approach to risk management (see pages 50 and 51) and our principal risks and uncertainties (see pages 52 to 57).

### Assessment of viability period

The Board is required to assess the Group's viability period over a longer period than 12 months required by the "going concern" provision and in keeping with the way the Board views developments of the business over the longer term. A period of five years is believed to be appropriate for this assessment since this is consistent with the Group's long-term strategic planning, other assessment periods included within the Annual Report, for example impairment reviews and typically the initial term it finances its debt over.

### Assessment approach

The Directors' assessment has been made by reference to the Group's financial position as at 30 June 2025, its prospects, the Group's strategy, the Board's risk appetite and the Group's principal risks, all of which are described in the Strategic Report. The assessment also considers scenario analysis over the key principal risks to the business, how the Group is resilient to those risks and how the Group can mitigate the effects of those risks.

The Directors' assessment of the Group's viability is underpinned by a paper prepared by management. The paper is supported by comprehensive and detailed analysis and modelling, containing financial projections for a detailed one-year plan and extended five-year period. The longer-term plan is reviewed each year by the Board as part of the strategy review process. Once approved by the Board, the plan is cascaded across the Group and provides the basis for setting all detailed financial budgets and strategic actions that are subsequently used by the Board to monitor performance.

The five-year plan provides a robust planning tool against which strategic decisions can be made. In making the viability assessment, the Board has taken into consideration that financing facilities are maintained for the duration of the forecast. During the viability period, on 21 February 2028, the loan facility totalling £350m of which £202.5m is undrawn will expire. As such, this assessment is made on the assumption that some or all of the facilities will be refinanced.

For the purposes of assessing the Group's viability, the Directors have reviewed the risks as detailed on pages 50 to 57, whilst all the risks identified could have an impact on the Group's performance, most risks could be aggregated to have a similar impact of reduced revenue or additional cost.

### Viability assessment

The outputs of the above have been reviewed against the Group's current and projected future cash and liquidity position. At the year end, the Group had cash and cash equivalents of £16.1m, a drawn term loan of £87.5m, an unutilised RCF of £202.5m and an unutilised overdraft facility of £5.0m. The Directors have considered the available cash, the undrawn overdraft facility and cash flow forecasts, and consider that the Group will be able to meet its liabilities in full as they fall due but may need to refinance a smaller facility to continue with its growth strategy. The Group monitors cash flow on a daily basis, and maintains sufficient cash reserves to ensure both solvency and liquidity within the Group.

In making this assessment, the Board has assumed that there is no material adverse change in the legislative or operational environment in the practice of veterinary medicine as a result of the CMA investigation. It is recognised however, that such future assessments are subject to a level of uncertainty that increases with time and therefore future outcomes cannot be guaranteed or predicted with certainty. On this basis and in conjunction with other matters considered and reviewed by the Board during the year, the Board has reasonable expectations that the Group will be able to continue in operation and meet its liabilities as they fall due over the five financial years used for its assessment.

## Financial instruments

Details of the Group's financial risk management objectives and policies are included in note 3 to the financial statements.

## Share capital and substantial shareholdings

Fund manager	Shares	% at 10 September 2025
Global Alpha Capital Management	7,738,309	10.8
Tweedy Browne	6,180,731	8.6
Kempen Capital Management	4,355,584	6.1
Octopus Investments Limited	4,169,233	5.8
Aberdeen Group plc	3,635,306	5.1
BlackRock Inc	3,377,314	4.7
Invesco	2,480,605	3.5

Details of the share capital of the Company as at 30 June 2025 are set out in note 26 to the financial statements. Each share carries the right to one vote at general meetings of the Company.

At 10 September 2025, the Company has been notified of the substantial shareholdings detailed in the table above comprising 3.0% or more of the issued Ordinary share capital of the Company.

The Board is satisfied that no major shareholder presents a conflict of interest or exerts undue influence over the Board's independent judgement.

## Employees

Consultation with employees takes place through a number of regional meetings throughout the year and an annual colleague survey. The aim is to ensure that employees' views are taken into account when decisions are made which are likely to affect their interests and that all employees are aware of the general progress of their business units and of the Group as a whole.

To enhance communication within the Group, a Committee is in place which is constituted of regional members from all areas of the business with the aim of improving consultation and communication levels and has been well received.

Deborah Kemp is the Board's dedicated Non-Executive Director for employee engagement and during the year Deborah has consulted with employees through online meetings with the Company's Senior Leadership Group, visits to our businesses and regular reviews of the Group's monthly employee Net Promoter Score. The business has further reviewed its monthly employee survey and additional questions have been added to this to obtain more detailed feedback from employees in addition to calculating the employee Net Promoter Score.

The Group regularly consults with, and seeks feedback from, employees and the Board monitors employee engagement.

Applications for employment by disabled people are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should be, as far as possible, identical to that of a person who does not have a disability.

The Group operates a Long-Term Incentive Plan for Executive Directors and those part of the Senior Leadership Group. Details are included in note 8. The Group also has a Save As You Earn scheme, now in its 16th year, under which employees are granted an option to purchase Ordinary shares in the Company in three years' time, dependent upon them entering into a contract to make monthly contributions to a savings account over the relevant period. These savings are used to fund the option exercise value. The exercise price in respect of options issued in the year was at a 10% discount to the shares' market value at the date of invitation. The scheme is open to all UK Group employees, including the Executive Directors. Details of the scheme are included in the Remuneration Committee Report on pages 78 to 94.

## Directors' third-party indemnity provision

A qualifying third-party indemnity provision as defined in Section 234 of the Companies Act 2006 was in force during the year and also at the consolidated and Company statement of financial position date for the benefit of each of the Directors in respect of liabilities incurred as a result of their office with the Company and any associated company to the extent permitted by law. In respect of those liabilities for which Directors may not be indemnified, the Company maintained a Directors' and Officers' (D&O) liability insurance policy throughout the financial year.

## Research and development

In the course of their ordinary work, our colleagues perform work which advances the overall knowledge in the veterinary field and seeks to resolve scientific and technological uncertainties, some of this expenditure is recognised as research and development expenditure.

## Directors' report continued

### Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations. Company law required Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with the United Kingdom-adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The Directors have also chosen to prepare the parent company financial statements under United Kingdom-adopted International Accounting Standards. Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Company and the Group for that period.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- > properly select and apply accounting policies;
- > present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- > provide additional disclosures when compliance with the specific requirements of the financial reporting framework is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- > make an assessment of the Company's ability to continue as a going concern.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Responsibility statement

We confirm that to the best of our knowledge:

- > the financial statements, prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- > the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- > the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

### Disclosure of information to auditor

Each of the persons who is a Director at the date of approval of this Annual Report and Financial Statements confirms that:

- > so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- > the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Resolutions concerning the re-appointment of Deloitte LLP as auditor and authorising the Audit and Risk Committee to set its remuneration will be proposed at the AGM.

### Approval

The Strategic Report on pages 1 to 57 and Directors' Report on pages 95 to 98 were approved by the Board of Directors on 7 October 2025.

Authorised by order of the Board



**Scott Morrison**  
Company Secretary  
7 October 2025

# Independent auditor's report

to the members of CVS Group plc

## Report on the audit of the financial statements

### 1. Opinion

In our opinion:

- > the financial statements of CVS Group plc (the parent company) and its subsidiaries (the Group) give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 June 2025 and of the Group's profit for the year then ended;
- > the Group financial statements have been properly prepared in accordance with United Kingdom-adopted International Accounting Standards;
- > the parent company financial statements have been properly prepared in accordance with United Kingdom-adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006; and
- > the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- > the consolidated income statement;
- > the consolidated statement of comprehensive income;
- > the consolidated and Company statements of financial position;
- > the consolidated and Company statement of changes in equity;
- > the consolidated and Company statement of cash flow; and
- > the related notes 1 to 35.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom-adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

### 2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 3. Summary of our audit approach

- Key audit matters**
- The key audit matters that we identified in the current year were:
- > Revenue Recognition – Healthy Pet Club
  - > Valuation of the Research and Development Expenditure Credit (RDEC)
  - > Business Combinations

Within this report, key audit matters are identified as follows:

Similar level of risk

Decreased level of risk

- Materiality**
- The materiality that we used for the Group financial statements was £4.0m (2024: £4.0m) which represents 5.1% (2024: 5.1%\*) of adjusted profit before tax from continuing operations and was determined by reference to a range of income statement measures. The materiality represents 3.5% (2024: 6.4%) of adjusted profit before tax from all operations.

\* Please note the FY24 comparative has been restated to show the adjusted profit before tax excluding the Crematoria operations disposed of in FY25 to show a like-for-like comparative.

- Scoping**
- We have scoped in components for procedures on one or more classes of transactions, account balances or disclosures that together represent 85% of revenue (2024: 83%), 87% of expenses (2024: 87%) and 91% of net assets (2024: 94%). The remainder of the Group were subject to analytical procedures at Group level. These components have a range of performance materialities between £1.1m and £2.2m.

- Significant changes in our approach**
- We note the risk with respect to the valuation of the Patient Data Records intangible asset recognised on business combination has decreased in the current year due to a reduction in acquisitions in the current year and it being the second year of CVS's expansion into the Australian market. However, we have not changed our audit approach on the area. There have been no other significant changes to our audit approach in the current year.

# Independent auditor's report continued

## to the members of CVS Group plc

### 4. Conclusions relating to going concern

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

Our evaluation of the Directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- > assessment of the available financing facilities of £350.0m and evaluation of repayment terms and covenant requirements;
- > evaluation of the assumptions used in the forecasts such as revenue growth, gross margin changes and cash flow movements, and whether these are appropriate in line with historical performance;
- > assessment of the level of headroom in the financing facilities under the base case forecast;
- > assessment of the arithmetical accuracy of the forecast model confirming consistent calculations are used throughout;
- > assessment of the historical accuracy of forecasts through comparing actual performance to forecast;
- > assessment of the reasonable downturn case scenario performed by management against all relevant risks, including consideration of mitigations, and consideration of whether the adverse variance in cash flows required to produce a covenant breach represents a remote possibility;
- > independently applied additional downturn case scenarios; and
- > assessment of the appropriateness of the going concern disclosures in the financial statements.

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

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

### 5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### 5.1. Revenue Recognition – Healthy Pet Club

<b>Key audit matter description</b>	The Group earns revenue via the Healthy Pet Club (HPC) scheme whereby customers sign up for a monthly or annual direct debit arrangement in exchange for a programme of preventative products and treatments. The Group recognised £92.2m (2024: £84.7m) of HPC revenue during the year and has approximately 519,000 (2024: 503,000) active members as at the year end.
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The revenue recognition for this scheme is judgemental since IFRS 15, 'Revenue from Contracts with Customers' requires revenue to be recorded either at a point in time or over time according to when the performance obligation is satisfied. In the case of HPC revenue, satisfaction of the performance obligation is not aligned to the timing of cash receipts due to the weighting of treatments towards the earlier months of the scheme. Revenue must also be adjusted for anticipated animal deaths (whereby outstanding fees will be waived) and irrecoverable debts. Additional adjustments are also required where a customer does not receive their treatment during the scheduled month and hence forgoes the service, or where cash has been received from the customer, but the service has not yet been provided.

The Group's accounting policy is to record revenue according to the cost profile associated with providing the services offered in the scheme, as disclosed in note 2 to the financial statements.

The Audit Committee also considered this as a significant matter as discussed in the Audit Committee Report on pages 69 to 72 with the accounting policy discussed in note 2 to the financial statements.

## 5. Key audit matters continued

### 5.1. Revenue Recognition – Healthy Pet Club continued

<b>How the scope of our audit responded to the key audit matter</b>	<p>Our procedures to address this key audit matter included the following:</p> <ul style="list-style-type: none"> <li>&gt; obtained an understanding of relevant controls over HPC revenue recognition, including controls over supporting data and assumptions;</li> <li>&gt; assessed the appropriateness of allocating revenue according to the cost profile of treatments offered;</li> <li>&gt; assessed the methodology used in calculating the adjustments to revenue for treatments which are missed, future cancellations and deferral of treatments;</li> <li>&gt; validated the accuracy and completeness of the membership data that drives the HPC revenue calculation;</li> <li>&gt; validated the accuracy and completeness of the available data of the assumed cost profiles for the different types of pet that can be added to the scheme;</li> <li>&gt; performed a recalculation of accrued revenue based on member data and assumed cost profiles;</li> <li>&gt; performed a recalculation of revenue subsequently deferred due to missed treatments, based on operational and sales data used to estimate the level of missed treatments occurring across the Group;</li> <li>&gt; evaluated assumptions around animal deaths and cancellations through comparison and benchmarking against direct debit collection rates and operational data around animal life expectancy;</li> <li>&gt; gained an understanding and agreed the appropriateness of changes in the methodology of the calculation of HPC revenue to be recognised in the year; and</li> <li>&gt; evaluated the appropriateness of the disclosures in the financial statements.</li> </ul>
<b>Key observations</b>	<p>Based on the audit procedures performed, we concluded that revenue recognition in respect of the HPC scheme is appropriate. We also consider the disclosures in note 2 to be reasonable.</p>

### 5.2. Valuation of the Research and Development Expenditure Credit (RDEC)

<b>Key audit matter description</b>	<p>The Group continues to submit claims for RDEC arising from qualifying R&amp;D expenditure, having previously submitted claims in respect of FY19 through to FY24. The scheme rules are subjective and, for claims where the HMRC enquiry window has not yet elapsed, there remains the possibility of challenge and clawback of some or all of the balance claimed should HMRC determine that some or all of the expenditure is non-qualifying. Significant judgement is therefore required when determining the level of discounting to apply against claims already submitted, and the estimate of amounts that should be accrued in respect of qualifying expenditure in financial periods where a claim has not been submitted.</p> <p>Due to the use of specialist advisors, the historical RDEC claims being successful in claiming the full submitted amount, and the number of years the claims have been submitted with no challenge from HMRC in all window enquiries thus far, management has reduced the discounting applied to the unsubmitted claims. The impact in FY25 is recognition of an additional £3m of income relating to FY25. Refer to note 2 for details.</p> <p>In the current year, the Group recognised £9.2m in respect of their estimated claim for FY25, £3.7m in respect of claims submitted for FY24, and a further £3.8m in respect of earlier years. The total RDEC in the consolidated income statement is therefore £16.7m (2024: £14.2m), which is presented in note 6 net of associated R&amp;D costs. £6.2m of the calculated claims remains unrecognised.</p> <p>The Audit Committee also considered this as a significant matter as discussed in the Audit Committee Report on pages 69 to 72 with the accounting policy discussed in note 2 of the financial statements. The Directors have included RDEC as a source of estimation uncertainty in note 2 to the financial statements.</p>
<b>How the scope of our audit responded to the key audit matter</b>	<p>Our procedures to address this key audit matter included the following:</p> <ul style="list-style-type: none"> <li>&gt; obtained an understanding of relevant controls over the determination of the RDEC provision, including supporting data and assumptions;</li> <li>&gt; with the involvement of our internal RDEC tax specialists, inspected certain documentation in respect of claims made during the year, evaluating the appropriateness of the underlying methodology against HMRC requirements;</li> <li>&gt; evaluated the appropriateness of the reduction in the discount percentage through inspection of the revised RDEC methodology and communication with HMRC in respect of prior-year submitted claims;</li> <li>&gt; assessed the methodology and input to estimate the FY25 claim using the FY24 claim as the basis for the current-year expenditure;</li> <li>&gt; validated the status of each submitted claim to supporting evidence such as bank statements, HMRC communications and submitted tax computations; and</li> <li>&gt; evaluated the appropriateness of the disclosures in the financial statements, including in respect of estimation uncertainties.</li> </ul>

# Independent auditor's report continued

to the members of CVS Group plc

## 5. Key audit matters continued

### 5.2. Valuation of the Research and Development Expenditure Credit (RDEC) continued

<b>Key observations</b>	Based on the audit procedures performed, we concluded that the downwards revision of the discounting percentage to the FY25 unsubmitted claim and the valuation of the Research and Development expenditure credit and the disclosures made are appropriate.
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### 5.3. Business combinations – valuation of Patient Data Record (PDR) intangibles

<b>Key audit matter description</b>	The group has completed 7 (2024: 27) acquisitions in the current year, all in Australia, for a consideration totalling £29.3m (2024: £96.8m) net of cash acquired. In accordance with IFRS 3, 'Business Combinations', CVS recognises the identifiable customer contracts and related customer relationships and order backlog, known as the patient data records (PDR) assumed when the entities are acquired as an intangible asset. Of the consideration paid, £15.7m (2024: £45.4m) represents the fair value of PDR acquired. See note 15 for further details.
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Significant estimation and judgement are required in determining the valuation of the PDR intangible asset upon acquisition, including the long-term growth rate, attrition rate, useful economic life, and discount rate. Based on the continued acquisition activity and magnitude, including the estimation and judgement involved, we deem the valuation of the Patient Data Record intangible a key audit matter.

<b>How the scope of our audit responded to the key audit matter</b>	<p>Our procedures to address this key audit matter included the following:</p> <ul style="list-style-type: none"> <li>&gt; obtained an understanding of relevant controls over the valuation of the PDR intangibles upon acquisition;</li> <li>&gt; assessed management's valuation models to ensure intangible assets have been identified and valued in accordance with the requirements of IFRS 3, 'Business Combinations' and IAS 38, 'Intangible Assets';</li> <li>&gt; with the involvement of our valuation specialists, determined the appropriateness of management's discount rate applied in the PDR valuation model;</li> <li>&gt; assessed the appropriateness of management's determined long-term growth rate, attrition rate, and useful economic life, used in the valuation of acquired PDR intangibles for all acquisitions made during the year. This included performing benchmarking of the long-term growth rate used to independent third-party economic projections, testing the attrition rate to internal customer data, and comparing the useful economic lives against peer companies;</li> <li>&gt; considered the potential impact of external economic and other factors;</li> <li>&gt; assessed the mechanical accuracy and integrity of the PDR valuation model prepared by management; and</li> <li>&gt; assessed the appropriateness of the disclosures in the financial statements.</li> </ul>
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<b>Key observations</b>	Based on the audit procedures performed, we concluded that the valuation of Patient Data Record (PDR) intangibles and the disclosures made are appropriate.
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## 6. Our application of materiality

### 6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

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

	Group financial statements	Parent company financial statements
<b>Materiality</b>	£4.0m (2024: £4.0m)	£2.2m (2024: £2.2m)
<b>Basis for determining materiality</b>	<p>5.1% (2024: 5.1%*) of adjusted profit before tax from continuing operations.</p> <p>* Please note the FY24 comparative has been restated to show the adjusted profit before tax excluding the Crematoria operations disposed of in FY25 to show a like-for-like comparative.</p>	Parent company materiality equates to 1.5% (2024: 1.5%) of net assets, capped at 55% of Group materiality.
<b>Rationale for the benchmark applied</b>	We have considered, adjusted pre-tax profit of £78.9m from continuing operations, adjusted pre-tax profit of £112.8m from all operations, and revenue of £673.2m. Adjusted pre-tax profit is calculated as profit before tax adjusted for amortisation, costs associated with business combinations and exceptional items. These are the metrics that are deemed to be of most importance to stakeholders as disclosed in note 10.	As a holding company, net assets were considered the most relevant benchmark to users of the parent company financial statements.

## 6. Our application of materiality continued

### 6.1. Materiality continued

Adjusted PBT* £112.8m	Group materiality £4.0m	
	Component performance materiality range £1.1m to £2.2m	
	Audit Committee reporting threshold £0.2m	Adjusted PBT* Group materiality * Please note adjusted PBT shown is adjusted PBT from all operations.

### 6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
<b>Performance materiality</b>	70% (2024: 70%) of Group materiality	70% (2024: 70%) of parent company materiality
<b>Basis and rationale for determining performance materiality</b>	We have assessed the quality of the Group's overall control environment and whether we were able to rely on controls, as well as the number and nature of uncorrected misstatements in previous audits.	

### 6.3. Error reporting threshold

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £200,000 (2024: £200,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

## 7. An overview of the scope of our audit

### 7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement.

CVS Group plc consists of entities across the UK and Australia. Our scoping of our Group audit focuses on a risk-based approach by developing an appropriate audit plan for each significant account (determined in reference to performance materiality and qualitative factors). We have subjected one component to a full-scope audit and a further eleven components to audits of specified classes of transactions, account balances or disclosures that together cover 85% of revenue (2024: 83%), 87% of expenses (2024: 87%) and 91% (2024: 94%) of net assets. The remainder of the Group were subject to analytical procedures at the Group level. Testing was performed to component materiality ranging from £1.1m and £2.2m (2024: £1.1m to £2.2m).

All audit work, bar the audit of two Australia components subject to audit of specified classes of transactions, account balances or disclosures that was carried out by the Australian component auditors, was carried out by the UK Group engagement team. The involvement of Australian component auditors is new in the current year.



Scoped in    Review at Group level

# Independent auditor's report continued

## to the members of CVS Group plc

### 7. An overview of the scope of our audit continued

#### 7.2. Our consideration of the control environment

We obtained an understanding of the control environment, including the underlying key IT systems (Navision, and Provet). The Navision IT system is the main financial reporting system adopted by the Group. The Robovet IT system, the Group's historically adopted practice management software which reports all transactions within individual practices, has moved to the cloud-based Provet IT system. The transition to Provet started in the prior year and finished in the current year.

We also obtained an understanding of the relevant controls over the revenue cycle and other key estimates including RDEC valuation, rebate valuation, valuation of acquired Patient Data Record intangibles, and impairment. We performed a fully substantive audit without control reliance and note the Audit Committee's discussion of the control environment in their report on pages 69 to 72.

#### 7.3. Our consideration of climate-related risks

We have obtained an understanding of management's process and related controls to consider and identify the impact of climate risks. The risks identified during the period are complete and consistent with our understanding of the Group's operations.

The key climate risks disclosed by management in the Principal Risks section of the Strategic Report include the following:

- > disruptions to supply chain leading to stock shortage and financial loss;
- > adverse weather conditions leading to a decline in client demand; and
- > changes in regulations increasing the cost of operations.

With the involvement of our climate change specialists, we:

- > considered the impact of climate issues on our key audit matters;
- > reviewed and challenged the Group's climate risk assessment, including consideration of the impact of climate matters on other areas of the financial statements. Management have assessed that there is currently no material impact arising from climate change on the judgements and estimates within the financial statements;
- > evaluated the financial statements disclosures to assess whether climate risk assumptions underpinning specific account balances were appropriately disclosed; and
- > read the climate change-related statements (as disclosed in the Strategic Report) and considered whether the information included in the narrative reporting is materially consistent with the financial statements and our knowledge obtained in the audit.

#### 7.4. Working with other auditors

The group audit was conducted by the UK Group audit team supported by a component team in Australia. The component auditors tested specified account balances under the direction, supervision and review of the Group audit team. The extent of our involvement which commenced from the planning phases included:

- > setting the scope of the component auditor's work and assessment of the component auditor's independence;

- > designing the audit procedures for areas to be addressed by the component auditor and issuing Group audit instructions detailing the nature and form of the reporting required by the Group engagement team;
- > holding frequent calls and meetings with the component audit team led by the Group engagement team;
- > providing direction on enquiries made by the component auditors through online and telephone conversations; and
- > reviewing the component auditor's engagement file by a senior member of the Group engagement team.

### 8. Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### 9. Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

### 10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## 10. Auditor's responsibilities for the audit of the financial statements continued

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

### 11. Extent to which the audit was considered capable of detecting irregularities, including fraud

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

#### 11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- > the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- > the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- > results of our enquiries of management, internal audit, the Directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- > any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - > identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - > detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - > the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- > the matters discussed among the audit engagement team, including the component audit team, and relevant internal specialists, including tax, valuations, IT, analytics and ESG specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition – Healthy Pet Club and valuation of the Research and Development Expenditure Credit "RDEC". In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Australian Corporations Act 2001, AIM listing rules, Corporate Governance Code, and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Group's compliance with the Royal College of Veterinary Surgeons regulations applicable to all practices and qualified nurses in the UK, The Australian and New Zealand College of Veterinary Scientists applicable in Australia, General Data Protection Regulations, UK Veterinary Surgeons Act 1966, UK Animal Welfare Act 2006, UK Veterinary Medicines Regulations 2013, UK The Animal Act 1986, and Australian Prevention of Cruelty to Animals Act.

#### 11.2. Audit response to risks identified

As a result of performing the above, we identified Revenue Recognition – Healthy Pet Club and Valuation of the Research and Development Expenditure Credit (RDEC) as key audit matters related to the potential risk of fraud.

The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters. In addition to the above, our procedures to respond to risks identified included the following:

- > reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- > enquiring of management, the Audit Committee and external legal counsel concerning actual and potential litigation and claims;
- > performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- > reading minutes of meetings of those charged with governance, reviewing internal audit reports and meeting with internal audit, and reviewing correspondence with HMRC and regulators including the Competition Markets Authority (CMA); and
- > in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and the component audit team, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

# Independent auditor's report continued

to the members of CVS Group plc

## Report on other legal and regulatory requirements

### 12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- > the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- > the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

### 13. Corporate Governance Statement

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- > the Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 96;
- > the Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 96;
- > the Directors' statement on fair, balanced and understandable set out on page 98;
- > the Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 50 to 57;
- > the section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 50 and 51; and
- > the section describing the work of the Audit Committee set out on page 69.

## 14. Matters on which we are required to report by exception

### 14.1. Adequacy of explanations received and accounting records

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

- > we have not received all the information and explanations we require for our audit; or
- > adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- > the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

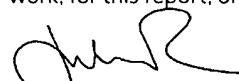
### 14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

## 15. Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Julian Rae (Senior Statutory Auditor)**

For and on behalf of Deloitte LLP  
Statutory Auditor  
Cambridge, United Kingdom  
7 October 2025

# Consolidated income statement

for the year ended 30 June 2025

Continuing operations	Note	2025 £m	2024 <sup>1</sup> £m
<b>Revenue</b>	4	673.2	638.7
Cost of sales		(387.5)	(370.0)
<b>Gross profit</b>		285.7	268.7
Administrative expenses		(235.9)	(220.9)
<b>Operating profit</b>		49.8	47.8
Finance expense	5	(17.2)	(12.6)
<b>Profit before tax</b>	4	32.6	35.2
Tax expense	9	(13.5)	(10.5)
<b>Profit from continuing operations</b>		19.1	24.7
Profit/(loss) from discontinued operations	32	33.9	(18.3)
<b>Profit for the year</b>		53.0	6.4
<b>Profit attributable to:</b>			
Owners of CVS Group plc		52.8	6.2
Non-controlling interests		0.2	0.2
		53.0	6.4
<b>Earnings per Ordinary share (EPS) for profit from continuing operations attributable to the ordinary equity holders of the Company:</b>			
Basic	10	26.3p	34.2p
Diluted	10	26.2p	34.2p
<b>Earnings per Ordinary share (EPS) for profit attributable to the ordinary equity holders of the Company:</b>			
Basic	10	73.7p	8.6p
Diluted	10	73.6p	8.6p

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 32 for further details.

# Consolidated income statement continued

for the year ended 30 June 2025

## Reconciliation of alternative performance measures

The Directors believe that adjusted measures, including adjusted EBITDA, adjusted PBT and adjusted EPS, provide additional useful information for shareholders. These measures are used by the Board and management for planning, internal reporting and setting Director and management remuneration. In addition, they are used by the investor analyst community and are aligned to our strategy and KPIs. These measures are not defined by IFRS and therefore may not be directly comparable with other companies' adjusted measures.

Alternative performance measures are defined in the glossary on pages 160 to 164. The following table provides the calculation of adjusted EBITDA:

Alternative performance measure: adjusted EBITDA	Note	2025 £m	2024 <sup>1</sup> £m
<b>Profit before tax from continuing operations</b>		<b>32.6</b>	<b>35.2</b>
Adjustments for:			
Finance expense	5	17.2	12.6
Amortisation of intangible assets	12	26.0	24.8
Depreciation of property, plant and equipment	13	20.4	17.7
Depreciation of right-of-use assets	14	18.1	16.0
Loss/(profit) on disposal of property, plant and equipment and right-of-use assets	4	1.1	(0.3)
Depreciation, amortisation and profit on disposal attributable to discontinued operations	4	(1.7)	(3.9)
Costs relating to business combinations <sup>2</sup>	15	14.9	15.1
Exceptional items	6	6.0	5.8
<b>Adjusted EBITDA</b>	<b>4</b>	<b>134.6</b>	<b>123.0</b>
<b>Adjusted earnings per share (EPS):</b>			
Adjusted EPS	10	80.1p	83.3p
Diluted adjusted EPS	10	80.1p	83.2p

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 32 for further details.

2. Includes amounts accrued in respect of contingent consideration in relation to acquisitions in prior years expensed to the income statement and acquisition fees.

## Consolidated statement of comprehensive income

for the year ended 30 June 2025

	Note	2025 £m	2024 <sup>1</sup> £m
<b>Profit for the year</b>		<b>53.0</b>	<b>6.4</b>
<b>Other comprehensive (expense)/income – items that will or may be reclassified to profit or loss in future periods</b>			
Cash flow hedges:			
Net movement on cash flow hedge	17	(0.1)	(1.2)
Deferred tax on cash flow hedge	25	—	0.3
Exchange differences on translation of foreign operations		(9.0)	0.6
Other comprehensive expense for the year, net of tax		(9.1)	(0.3)
<b>Total comprehensive income for the year</b>		<b>43.9</b>	<b>6.1</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of CVS Group plc		43.6	5.9
Non-controlling interest		0.3	0.2
		<b>43.9</b>	<b>6.1</b>
<b>Total comprehensive income/(loss) for the year attributable to owners of CVS Group plc:</b>			
Continuing operations		9.7	24.2
Discontinued operations	32	33.9	(18.3)
		<b>43.6</b>	<b>5.9</b>

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 32 for further details.

# Consolidated and Company statement of financial position

as at 30 June 2025

Company registration number: 06312831

	Note	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
<b>Non-current assets</b>					
Intangible assets	12	337.6	334.9	—	—
Property, plant and equipment	13	124.0	123.0	—	—
Right-of-use assets	14	98.4	102.6	—	—
Investments	16	—	—	79.2	78.0
Amounts owed by Group undertakings	34	—	—	64.0	70.9
Derivative financial instruments	17	0.8	0.9	—	—
		560.8	561.4	143.2	148.9
<b>Current assets</b>					
Inventories	19	28.5	31.8	—	—
Trade and other receivables	20	69.4	67.7	—	—
Current tax receivable		21.4	12.6	—	—
Cash and cash equivalents	21	16.1	16.5	—	—
		135.4	128.6	—	—
<b>Total assets</b>	4	696.2	690.0	143.2	148.9
<b>Current liabilities</b>					
Trade and other payables	22	(105.0)	(102.6)	—	—
Provisions	23	(0.5)	(0.9)	—	—
Current tax liabilities		(2.6)	(0.7)	—	—
Lease liabilities	14	(15.2)	(13.9)	—	—
		(123.3)	(118.1)	—	—
<b>Non-current liabilities</b>					
Trade and other payables	22	(0.4)	—	—	—
Borrowings	24	(145.2)	(181.3)	—	—
Lease liabilities	14	(88.4)	(92.6)	—	—
Deferred tax liabilities	25	(37.2)	(37.5)	—	—
		(271.2)	(311.4)	—	—
<b>Total liabilities</b>	4	(394.5)	(429.5)	—	—
<b>Net assets</b>		301.7	260.5	143.2	148.9
<b>Shareholders' equity</b>					
Share capital	26	0.1	0.1	0.1	0.1
Share premium	27	109.1	109.0	109.1	109.0
Capital redemption reserve		0.6	0.6	0.6	0.6
Treasury reserve		—	—	—	—
Cash flow hedge reserve		0.4	0.5	—	—
Merger reserve		(61.4)	(61.4)	—	—
Foreign exchange translation reserve		(8.7)	0.4	—	—
Retained earnings		259.7	211.2	33.4	39.2
		299.8	260.4	143.2	148.9
Non-controlling interest	35	1.9	0.1	—	—
<b>Total equity</b>		301.7	260.5	143.2	148.9

The Company reported a total comprehensive loss for the financial year ended 30 June 2025 of £1.3m (2024: £0.9m). The notes on pages 115 to 158 are an integral part of these consolidated and Company financial statements.

The financial statements on pages 107 to 158 were authorised for issue by the Board of Directors on 7 October 2025 and were signed on its behalf by:

  
**Richard Fairman**  
 Director

  
**Robin Alfonso**  
 Director

## Consolidated statement of changes in equity

for the year ended 30 June 2025

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Treasury reserve £m	Cash flow hedge reserve £m	Merger reserve £m	Foreign exchange translation reserve £m	Retained earnings £m	Total £m	Non- controlling interest £m	Total equity £m
<b>At 1 July 2024</b>		0.1	109.0	0.6	—	0.5	(61.4)	0.4	211.2	260.4	0.1	260.5
Profit for the year		—	—	—	—	—	—	—	52.8	52.8	0.2	53.0
<b>Other comprehensive income and loss</b>												
Cash flow hedges:												
Fair value loss	17	—	—	—	—	(0.1)	—	—	—	(0.1)	—	(0.1)
Exchange differences on translation of foreign operations		—	—	—	—	—	—	(9.1)	—	(9.1)	0.1	(9.0)
<b>Total other comprehensive (loss)/income</b>		—	—	—	—	(0.1)	—	(9.1)	—	(9.2)	0.1	(9.1)
<b>Total comprehensive (loss)/income</b>		—	—	—	—	(0.1)	—	(9.1)	52.8	43.6	0.3	43.9
<b>Transactions with owners</b>												
Issue of Ordinary shares	26	—	0.1	—	—	—	—	—	—	0.1	—	0.1
Credit to reserves for share-based payments	11	—	—	—	—	—	—	—	1.2	1.2	—	1.2
Deferred tax relating to share-based payments	25	—	—	—	—	—	—	—	0.2	0.2	—	0.2
Non-controlling interest on acquisition of subsidiary	15	—	—	—	—	—	—	—	—	—	1.7	1.7
Dividends paid	26	—	—	—	—	—	—	—	(5.7)	(5.7)	(0.2)	(5.9)
<b>Total transactions with owners</b>		—	0.1	—	—	—	—	—	(4.3)	(4.2)	1.5	(2.7)
<b>At 30 June 2025</b>		0.1	109.1	0.6	—	0.4	(61.4)	(8.7)	259.7	299.8	1.9	301.7

# Consolidated statement of changes in equity continued

for the year ended 30 June 2025

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Treasury reserve £m	Cash flow hedge reserve £m	Merger reserve £m	Foreign exchange translation reserve £m	Retained earnings £m	Total £m	Non- controlling interest £m	Total equity £m
<b>At 1 July 2023</b>		0.1	107.0	0.6	—	1.4	(61.4)	(0.2)	209.1	256.6	—	256.6
Profit for the year		—	—	—	—	—	—	—	6.2	6.2	0.2	6.4
<b>Other comprehensive income and loss</b>												
Cash flow hedges:												
Fair value loss	17	—	—	—	—	(1.2)	—	—	—	(1.2)	—	(1.2)
Deferred tax on cash flow hedge	25	—	—	—	—	0.3	—	—	—	0.3	—	0.3
Exchange differences on translation of foreign operations		—	—	—	—	—	—	0.6	—	0.6	—	0.6
<b>Total other comprehensive (loss)/income</b>		—	—	—	—	(0.9)	—	0.6	—	(0.3)	—	(0.3)
<b>Total comprehensive (loss)/income</b>		—	—	—	—	(0.9)	—	0.6	6.2	5.9	0.2	6.1
<b>Transactions with owners</b>												
Issue of Ordinary shares	26	—	2.0	—	—	—	—	—	—	2.0	—	2.0
Purchase of Treasury shares	26	—	—	—	(0.9)	—	—	—	—	(0.9)	—	(0.9)
Disposal of Treasury shares	26	—	—	—	0.9	—	—	—	(0.5)	0.4	—	0.4
Credit to reserves for share-based payments	11	—	—	—	—	—	—	—	2.4	2.4	—	2.4
Deferred tax relating to share-based payments	25	—	—	—	—	—	—	—	(0.6)	(0.6)	—	(0.6)
Dividends paid	26	—	—	—	—	—	—	—	(5.4)	(5.4)	(0.1)	(5.5)
<b>Total transactions with owners</b>		—	2.0	—	—	—	—	—	(4.1)	(2.1)	(0.1)	(2.2)
<b>At 30 June 2024</b>		0.1	109.0	0.6	—	0.5	(61.4)	0.4	211.2	260.4	0.1	260.5

## Company statement of changes in equity

for the year ended 30 June 2025

	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
<b>At 1 July 2024</b>		0.1	109.0	0.6	39.2	148.9
<b>Total comprehensive loss for the year</b>		—	—	—	(1.3)	(1.3)
<b>Transactions with owners</b>						
Issue of Ordinary shares	26	—	0.1	—	—	0.1
Credit to reserves for share-based payments	11	—	—	—	1.2	1.2
Dividends to equity holders of the Company	26	—	—	—	(5.7)	(5.7)
<b>Total transactions with owners</b>		—	0.1	—	(4.5)	(4.4)
<b>At 30 June 2025</b>		0.1	109.1	0.6	33.4	143.2
	Note	Share capital £m	Share premium £m	Capital redemption reserve £m	Retained earnings £m	Total equity £m
<b>At 1 July 2023</b>		0.1	107.0	0.6	43.1	150.8
<b>Total comprehensive loss for the year</b>		—	—	—	(0.9)	(0.9)
<b>Transactions with owners</b>						
Issue of Ordinary shares	26	—	2.0	—	—	2.0
Credit to reserves for share-based payments	11	—	—	—	2.4	2.4
Dividends to equity holders of the Company	26	—	—	—	(5.4)	(5.4)
<b>Total transactions with owners</b>		—	2.0	—	(3.0)	(1.0)
<b>At 30 June 2024</b>		0.1	109.0	0.6	39.2	148.9

# Consolidated and Company statement of cash flow

for the year ended 30 June 2025

	Note	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
<b>Cash flows from operating activities</b>					
Cash generated from operations	29	114.1	95.9	5.6	3.4
Taxation paid		(15.5)	(15.7)	—	—
Interest paid		(16.5)	(12.4)	—	—
<b>Net cash generated from operating activities</b>		<b>82.1</b>	<b>67.8</b>	<b>5.6</b>	<b>3.4</b>
<b>Cash flows from investing activities</b>					
Business combinations (net of cash acquired)	15	(30.9)	(97.0)	—	—
Purchase of property, plant and equipment	13	(26.4)	(39.5)	—	—
Proceeds from sale of property, plant and equipment		—	0.2	—	—
Purchase of intangible assets	12	(7.8)	(3.6)	—	—
Receipts/(payments) for financial assets at amortised cost		0.1	(0.6)	—	—
Proceeds from sale of discontinued operation	32	42.3	—	—	—
<b>Net cash used in investing activities</b>		<b>(22.7)</b>	<b>(140.5)</b>	<b>—</b>	<b>—</b>
<b>Cash flows from financing activities</b>					
Dividends paid to Company's shareholders	26	(5.7)	(5.4)	(5.7)	(5.4)
Dividends paid to non-controlling interests in subsidiaries	26	(0.2)	(0.1)	—	—
Proceeds from issue of Ordinary shares	26	0.1	2.0	0.1	2.0
Proceeds from sale of treasury shares	26	—	0.4	—	—
Purchase of Treasury shares	26	—	(0.9)	—	—
Repayment of obligations under right-of-use assets		(16.4)	(15.6)	—	—
Debt issuance costs		—	(0.8)	—	—
Repayment of borrowings	28	(117.0)	(0.3)	—	—
Increase in borrowings	28	80.0	89.0	—	—
<b>Net cash (used in)/generated from financing activities</b>		<b>(59.2)</b>	<b>68.3</b>	<b>(5.6)</b>	<b>(3.4)</b>
<b>Effects of exchange rate changes loss</b>		<b>(0.6)</b>	<b>(0.6)</b>	<b>—</b>	<b>—</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(0.4)</b>	<b>(5.0)</b>	<b>—</b>	<b>—</b>
Cash and cash equivalents at the beginning of the year		16.5	21.5	—	—
<b>Cash and cash equivalents at the end of the year</b>		<b>16.1</b>	<b>16.5</b>	<b>—</b>	<b>—</b>

Cash flows from discontinued operations are shown in note 32.

# Notes to the consolidated financial statements

## for the year ended 30 June 2025

### 1. General information

The principal activity of CVS Group plc, together with its subsidiaries (the Group), is to operate veterinary practices, complementary veterinary diagnostic businesses, pet crematoria (which was disposed during the year) and an online pharmacy and retail business. The principal activity of CVS Group plc (the Company) is that of a holding company.

CVS Group plc is a public limited company, limited by shares, incorporated under the Companies Act 2006 and domiciled in England and Wales and its shares are listed on AIM of the London Stock Exchange (CVSG). Its company registration number is 06312831 and registered office is CVS House, Owen Road, Diss, Norfolk IP22 4ER.

### 2. Summary of material accounting policies

#### Basis of preparation

The consolidated and Company financial statements of CVS Group plc have been prepared in accordance with United Kingdom-adopted International Accounting Standards as applied in accordance with the provisions of the Companies Act 2006 and applicable law. The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except for certain financial instruments that have been measured at fair value.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these financial statements. The accounting policies which follow relate to the Group and are applied by the Company as appropriate.

#### Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the Board has considered the business activities as set out on pages 1 to 49, the financial position of the Group, its cash flows, liquidity position and borrowing facilities as set out in the Financial Review on pages 44 to 49, the Group's financial risk management objectives and exposures to liquidity and other financial risks as set out in note 3 and the principal risks and uncertainties as set out on pages 50 to 57. Management have considered the appropriate assessment period taking into account all available information. Whilst there is a requirement to refinance debt over the longer term to fund the growing acquisition programme, this is part of our inorganic growth strategy and management are confident in the ability to refinance debt given the proven track record and strong credit ratings. Therefore, management do not believe there to be a need to extend the period any further than 12 months.

The Group continues to maintain a robust financial position, providing it with sufficient access to liquidity, through a combination of cash and committed facilities, to meet its needs in the short and medium term. At 30 June 2025, At the year end the Group had cash balances of £16.1m and an unutilised overdraft facility of £5.0m. Total facilities of £350.0m are available to support the Group's organic and acquisitive growth initiatives over the coming years, comprising a term loan of £87.5m and an RCF of £262.5m, of which £202.5m is undrawn. The Group is fully compliant with all covenants in respect of these facilities. The Directors consider that the £5.0m overdraft and the £350.0m facility enable the Group to meet all current liabilities as they fall due. The loan facility contains two financial covenants which are tested quarterly, further information is available in note 24.

In adopting the going concern basis of preparation, the Board has assessed the Group's cash flow forecasts. While trading continues to be good, in forming its outlook on the future financial performance, the Board considered a variety of downsides that the Group might experience in the context of the current economic environment as a result of the ongoing cost of living crisis, continued inflationary pressures on the business and the ongoing Competition and Markets investigation, a severe but plausible downside scenario was applied to the plan. This included assumptions such as a negative like for like growth and increased costs. Under these latest forecasts, when adjusting for linked variable costs, the Group is able to continue to operate within its current liquidity headroom. The forecast cash flows also indicate that the Group will comply with all relevant banking covenants during the forecast period, being at least 12 months from the approval of the financial statements.

In addition, reverse stress testing has been applied to the model to determine the decline in sales that the Group could absorb before exhausting the Group's total liquidity or breaching banking covenants. Such a scenario, and the sequence of events which could lead to it, is considered to be extremely remote. As a result, the Board expects the Group to have adequate resources to continue in operation, meet its liabilities as they fall due, retain sufficient available liquidity and not breach the covenant under the loan facilities for the foreseeable future, being a period of at least 12 months from the approval of the financial statements. The Board therefore considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

#### Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects that period, or in the period of the revision and future periods if the revision affects both current and future periods. Due to the inherent uncertainty involved in making assumptions and estimates, actual outcomes will differ from those assumptions and estimates.

There are no key sources of uncertainty or critical accounting judgements in the company only accounts.

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 2. Summary of material accounting policies continued

### Critical accounting estimates and judgements continued

#### Judgement: leases

Management exercises judgement in determining the likelihood of exercising break or extension options in determining the lease term.

When determining the lease term in accordance with IFRS 16, 'Leases', paragraphs 18–21, management has applied the following policy for all leases:

- for properties in contract, the lease term has been determined to be the period to the end of the contractual lease term;
- for properties out of contract and therefore occupied on a rolling basis in accordance with legislation that permits this, the lease term has been determined to be 7.5 years from the end of the contractual lease term; and
- for properties where management has committed to close the site, the lease term is determined to be until the next break clause. Refer to note 14 for additional disclosures related to leases.

#### Accounting estimate: Research and Development Expenditure Tax Credit (RDEC)

Certain companies within the Group may be entitled to claim tax credits in relation to the Research and Development Expenditure Tax Credit (RDEC) scheme in the UK. Tax credits receivable under this scheme are determined to have the substance of a Government grant and accordingly these tax credits are accounted for under IAS 20. Further information can be found in the Government grants accounting policy.

Management's policy remains to discount the amount of RDEC claim recognised to reflect uncertainty, and to recognise the remainder of any submitted RDEC claim when the uncertainty has been removed through the expiry of the enquiry window. During the current and prior years management assessed that the level of uncertainties inherent in making an RDEC claim were reduced, mainly by virtue of an increased history of making claims and therefore appropriate to change the accounting estimate. Consequently, the Group has applied a reduced discount to the amount it recognises.

Under the previous recognition, the Group would have recognised £13.7m as follows:

Claim year	Total claim value £m	Recognised in previous periods £m	Recognised in 2025 £m	Provision outstanding £m
2022	6.4	4.7	1.7	—
2023	8.4	6.3	2.1	—
2024	12.2	5.5	3.7	3.0
<b>2025</b>	<b>12.4</b>	<b>—</b>	<b>6.2</b>	<b>6.2</b>
<b>Total</b>	<b>39.4</b>	<b>16.5</b>	<b>13.7</b>	<b>9.2</b>

Under the new recognition, the Group has recognised £16.7m as follows:

Claim year	Total claim value £m	Recognised in previous periods £m	Recognised in 2025 £m	Provision outstanding £m
2022	6.4	4.7	1.7	—
2023	8.4	6.3	2.1	—
2024	12.2	5.5	3.7	3.0
<b>2025</b>	<b>12.4</b>	<b>—</b>	<b>9.2</b>	<b>3.2</b>
<b>Total</b>	<b>39.4</b>	<b>16.5</b>	<b>16.7</b>	<b>6.2</b>

The net benefit of the RDEC scheme in the year was £15.1m after associated costs (2024: £12.8m).

The enquiry window for the 2024 claim year remains open, and the claim in relation to the 2025 year is yet to be submitted and therefore the maximum amount that could be disallowed in the event of challenge from HMRC is £24.6m. Alternatively, the maximum income that will be recorded in future periods in relation to research and development expenditure that has already taken place is estimated to be £6.2m, which would arise if all previously submitted claims were paid in full, and the estimate for 2025 which is yet to be filed with HMRC was also recovered in full.

## 2. Summary of material accounting policies continued

### Changes in accounting policies and disclosure

#### Standards adopted by the Group for the first time

Four new and revised standards, including the following, are effective for annual periods beginning on or after 1 January 2024:

- > Amendments to Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- > Amendments to IFRS 16, 'Lease Liability in Sale and Leaseback'
- > Amendments to IAS 7 and IFRS 7, 'Supplier Finance Arrangements'
- > Amendments to Non-current Liabilities with Covenants (Amendments to IAS 1)

Adoption of these amendments to the standards has not had an impact on the Group's financial statements.

#### Standards and interpretations of existing standards which are not yet effective and are under review as to their impact on the Group

The following standards and interpretations of existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2025 or later periods but which the Group has not early adopted:

- > IFRS S1, 'General Requirement for Disclosure of Sustainability-related Financial Information' (effective 1 January 2024)
- > IFRS S2, 'Climate-related Disclosures' (effective 1 January 2024)
- > IFRS 18, 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027)
- > IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027)
- > Amendments to IAS 21, 'Lack of Exchangeability' (effective 1 January 2025)
- > Amendments to SASB standards to enhance their international applicability (effective 1 January 2025)
- > Amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments (effective 1 January 2026)

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are not expected to have an impact on the Group's reported financial position or performance.

### Basis of consolidation

The consolidated financial statements include the financial information of the Company and its subsidiary undertakings as at, and for the year ended, 30 June 2025.

Subsidiaries are all entities over which the Group has control. The results of companies and businesses acquired are included in the consolidated income statement from the date control passes. They are deconsolidated from the date that control ceases. Where the Group does not control a subsidiary, it is not consolidated. On acquisition of a company or business, all assets and liabilities that exist at the date of acquisition are recorded at their fair values, reflecting their condition at that date. Changes that arise during the measurement period that inform about conditions at the date of the acquisition are adjusted via goodwill, and changes that arise after the measurement period are credited or charged to the income statement.

Intra-Group transactions and profits are eliminated fully on consolidation. Accounting policies of subsidiaries have been aligned to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of Changes in equity and consolidated statement of financial position respectively.

### Segment reporting

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be the Board of Directors, as it is primarily responsible for the allocation of resources to segments and the assessment of the performance of segments. The Group has three operating segments: Veterinary Practices, Laboratories and Online Retail Business. Further details of the Group's operating segments are provided in note 4 to the financial statements.

### Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group and liabilities incurred by the Group to the former owners of the acquiree. Acquisition-related costs are recognised in the income statement as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognised immediately in the income statement as a bargain purchase gain.

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 2. Summary of material accounting policies continued

### Business combinations continued

When the consideration transferred by the Group in a business combination includes an asset or liability resulting from a contingent or deferred consideration arrangement, this additional consideration is either measured at its acquisition date fair value and included as part of the consideration transferred in a business combination or recorded in line with IAS 19, 'Employee Benefits'. Where included as part of the consideration transferred, changes in fair value of the contingent or deferred consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Contingent or deferred consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, 'Financial Instruments: Recognition and Measurement' and IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets'.

Where contingent consideration is recorded in line with IAS 19, 'Employee Benefits', the expense is recognised in accordance with the plans benefit formula and over the period of the employment service and recognised in the income statement.

### Property, plant and equipment

Property, plant and equipment are stated at cost (being the purchase cost, together with any incidental costs of acquisition) less accumulated depreciation and any accumulated impairment losses. The assets' residual values and useful lives are reviewed annually and adjusted as appropriate. Depreciation is provided so as to write off the cost of property, plant and equipment, less their estimated residual values, over the expected useful economic lives of the assets in equal annual instalments at the following principal rates:

Freehold buildings	2% straight line
Leasehold improvements	Straight line over the life of the lease
Fixtures, fittings and equipment	6–33% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated on the basis that it has an unlimited life.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

### Intangible assets

#### Goodwill

With the exception of the acquisition of CVS (UK) Limited, which was accounted for using the principles of merger accounting, all business combinations are accounted for by applying the acquisition method. Goodwill arising on acquisitions that have occurred since 1 July 2004 is stated after separate recognition of intangible assets and represents the difference between the fair value of the purchase consideration and the fair value of the Group's share of the identifiable net assets of an acquired entity. In respect of acquisitions prior to 1 July 2004, goodwill is included on the basis of its deemed cost, which represents the amount recorded under previous Generally Accepted Accounting Practice. Goodwill is carried at cost less accumulated impairment losses and is subject to annual impairment testing.

#### Patient data records and trade names

Acquired patient data records and trade names are recognised as intangible assets at the fair value of the consideration paid to acquire them and are carried at historical cost less provisions for amortisation and impairment.

The fair value attributable to these items acquired through a business combination is determined by discounting the expected future cash flows to be generated from that asset at the risk-adjusted post-tax weighted average cost of capital for a market participant. The residual values are assumed to be £nil. Patient data records and trade names are reviewed for impairment if conditions exist that indicate a review is required. Amortisation is provided so as to write off the cost over the expected economic lives of the assets in equal instalments at the following principal rates:

Patient data records	10% per annum
Trade names	10% per annum

Amortisation is charged to administrative expenses.

## 2. Summary of material accounting policies continued

### Intangible assets continued

#### Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. These costs are amortised over their estimated useful lives of three to five years and charged to administrative expenses. Costs associated with maintaining computer software programs are recognised as incurred.

#### Impairment of non-current assets

Assets that have indefinite useful lives are not subject to amortisation but are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

As permitted by IAS 36, 'Impairment of Assets', for the purposes of assessing impairment, individual cash-generating units (CGUs) are grouped at a level consistent with the Group's operating segments. Recoverable amounts for CGUs are based on value in use, which is calculated from cash flow projections using data from the Group's latest internal forecasts, being a one-year detailed forecast and extrapolated forecasts thereafter, the results of which are approved by the Board. The key assumptions for the value-in-use calculations are those regarding discount rates and growth rates. The Group has considered the Task Force on Climate-Related Financial Disclosures (TCFD) scenario analysis conducted in undertaking this assessment and concluded no changes were required to the Group's estimates or judgements in this area.

In respect of assets other than goodwill, 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. Impairment losses in respect of goodwill are not reversed.

#### Discontinued operations

Cash flows and operations that relate to a major component of the business or geographical region that has been sold or is classified as held for sale are shown separately from continuing operations.

#### Inventories

Inventories comprise goods held for resale and are stated at the lower of cost and net realisable value on a first-in, first-out basis. Net realisable value is based on estimated selling price less costs expected to be incurred on disposal. Where necessary, a provision is made for obsolete, slow moving or defective inventory.

#### Financial instruments

Financial assets and financial liabilities are recognised on the Group's consolidated and Company statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

#### Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade and other receivables is recognised if there are considered to be expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. Losses arising from impairment are recognised in the income statement within administration expenses.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there may be no reasonable expectation of recovery include the failure of the debtor to engage in a payment plan and failure to make contractual payments within 90 days past due.

#### Investments

In the Company's financial statements, investments in subsidiary undertakings are initially stated at cost. Provision is made for any permanent impairment in the value of these investments.

#### Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are recorded initially at fair value and subsequently at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance cost in the income statement. A financial liability is derecognised only when the obligation is extinguished. An equity instrument is any contract that gives a residual interest in the assets of the Group after deducting all of its liabilities.

# Notes to the consolidated financial statements continued

## for the year ended 30 June 2025

### 2. Summary of material accounting policies continued

#### Financial instruments continued

##### Interest-bearing borrowings

Interest-bearing bank loans and overdrafts are initially recorded as the proceeds received, net of associated transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the consolidated and Company statement of financial position date.

##### Trade and other payables

Trade and other payables are non-interest bearing and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

##### Derivative financial instruments and hedging activities

The Group uses derivative financial instruments to hedge its exposure to interest rate risks arising from financing activities. The Group does not hold or issue derivative financial instruments for trading purposes; however, if derivatives do not qualify for hedge accounting they are accounted for as such.

Derivative financial instruments are recognised and stated at fair value. The fair value of derivative financial instruments is determined by reference to market values for similar financial instruments, by discounted cash flows, or by the use of option valuation models. The fair value of interest rate swap arrangements is calculated as the present value of the estimated future cash flows. Where derivatives do not qualify for hedge accounting, any gains or losses on remeasurement are immediately recognised in the income statement.

Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship and the item being hedged.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives, the strategy for undertaking various hedging transactions, the nature of the risks being hedged and the economic relationship between the item being hedged and the hedging instrument. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether or not the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than twelve months and as a current asset or liability when the remaining maturity of the hedged item is less than twelve months.

##### Cash flow hedging

Derivative financial instruments are classified as cash flow hedges when they hedge the Group's exposure to variability in cash flows that are either attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecasted transaction.

The effective element of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement where material. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects the income statement. The classification of the effective portion when recognised in the income statement is the same as the classification of the hedged transaction. Any element of the remeasurement of the derivative instrument which does not meet the criteria for an effective hedge is recognised immediately in the income statement within finance costs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the income statement when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits with maturities of three months or less from inception. 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 consolidated and Company statement of cash flow.

## 2. Summary of material accounting policies continued

### Current and deferred tax

The tax expense represents the sum of the current tax payable, deferred tax and any adjustments in respect of previous periods.

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes some items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or tax deductible. The Group's liability for current tax is calculated on the basis of tax laws and tax rates that have been enacted or substantively enacted by the consolidated and Company statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities used in computation of taxable profits and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is also not accounted for if it arises from initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the consolidated and Company statement of financial position date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Current and deferred tax is charged or credited in the income statement, except where it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also recognised in other comprehensive income or equity respectively.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis, or to realise the asset and settle the liability simultaneously.

### Revenue recognition

Revenue is measured in accordance with relevant accounting standards. For all contracts within the scope of IFRS 15, 'Revenue from Contracts with Customers', the Group determines whether enforceable rights and obligations have been created with the customer and recognises revenue based on total transaction price as estimated at the contract inception, being the amount which the Group expects to be entitled to and has present enforceable rights to under contract. Revenue is allocated proportionately across the contract performance obligations and recognised either over time or at a point in time as appropriate.

#### Service revenue

Revenue represents sales of veterinary services and laboratory diagnostic services which are recognised in accordance with IFRS 15, at the point in time when the performance obligation is satisfied. Revenue is recognised when the veterinary consultation, veterinary procedure, cremation or laboratory test is completed.

Members of customer membership schemes, for example the Healthy Pet Club, pay annually or monthly subscription fees and receive preventative consultations and treatments over a twelve-month period, being the life of the contract. Annual subscription fees are received annually in advance and monthly subscription fees are received evenly over a twelve-month period. Revenue is recognised in line with the cost profile of individual performance obligations as they are completed in accordance with the contract and not in line with the receipt of subscription fees. For the majority of customers who pay monthly, this results in revenue recognised in advance of cash received as performance obligations are weighted towards the beginning of the twelve-month contract.

The adjustments are made through deferred and accrued income and the contract asset and contract liability for this are shown in note 20 and note 22, respectively. Revenue is recognised net of the provision to reflect cancellations as a result of animal deaths, due to our policy not to invoice our customers in such an event. The provision is calculated based on historical membership data. All other cancellations are accounted for as an impairment of receivables within administration expenses.

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 2. Summary of material accounting policies continued

### Revenue recognition continued

#### Products

Revenue relating to the sale of veterinary products is recognised according to the terms of sale at the point in time when the performance obligations are satisfied.

#### Rebates received from manufacturers

Consistent with standard industry practice, the Group has agreements with suppliers whereby volume-related allowances and various other fees are received in connection with the purchase of goods from those suppliers in the form of rebates. Rebates received from drug and consumable manufacturers in respect of the Group's purchases relating to inventories are held by the Group at the reporting date; the rebate is included within the cost of those inventories and recognised in cost of sales upon sale of those inventories.

Rebates negotiated on behalf of our buying group members, MiVetClub and VetShare, are recorded in the statement of financial position as a receivable and the corresponding liability for the rebate due to the member is recorded as a payable. The associated commission receivable by the Group is recorded as revenue in the income statement when all obligations attached to the rebate have been discharged and the rebate can be measured reliably based on the terms of the contract which is taken as at the point at which the buying Group member purchases the drugs and consumables.

#### Leases

##### The Group as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as operating expenses on a straight-line basis over the terms of the leases unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- > fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- > variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- > the amount expected to be payable by the lessee under residual value guarantees;
- > the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- > payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- > the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- > the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- > a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

## 2. Summary of material accounting policies continued

### Leases continued

#### The Group as a lessee continued

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the property, plant and equipment policy on page 118.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as expenses in the period in which the event or condition that triggers those payments occurs and are included in administration expenses in the income statement.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

### Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the income statement on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the income statement in the period in which they become receivable.

Certain companies within the Group may be entitled to claim tax credits in relation to the Research and Development Expenditure Tax Credit (RDEC) scheme in the UK. Tax credits receivable under this scheme are determined to have the substance of a Government grant and accordingly these tax credits are accounted for under IAS 20, 'Accounting for Government Grants', as described above. The tax credits are recognised within administration expenses within the income statement when there is reasonable assurance that the Group will comply with the relevant conditions and that the tax credits will be received. Given the uncertainty surrounding the claim, a discount is applied against the full RDEC claim and the remaining balance is recognised when the uncertainty has been removed by either formal acceptance of the claim or the expiry of the enquiry window.

### Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event and 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.

### Share-based payments

Certain employees of the Group receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). UK employees may also acquire shares in the Company through an HMRC-approved employee Save As You Earn (SAYE) scheme, where the employee makes monthly savings over a three-year period and has the option to purchase shares at the end of the period.

The fair values of equity-settled transactions are measured indirectly at the dates of grant using Monte Carlo or Black Scholes option pricing models, taking into account the terms and conditions upon which the awards are granted. The fair value of share-based payments under such schemes is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted at each reporting date for the effect of non-market-based vesting conditions. The fair value of options awarded to employees of subsidiary undertakings is recognised as a capital contribution and recorded in investments on the Company statement of financial position.

# Notes to the consolidated financial statements continued

## for the year ended 30 June 2025

### 2. Summary of material accounting policies continued

#### Foreign currency translation

##### Functional and presentational currency

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in Sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements, rounded to the nearest £0.1m.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each year end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the income statement in the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the consolidated and Company statement of financial position date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions before the date of transition to IFRS as Sterling-denominated assets and liabilities. Exchange differences arising are recognised in other comprehensive income.

#### Research and development

Costs in relation to research and development are expensed to the income statement as incurred.

#### Retirement benefit costs

The Group makes contributions to stakeholder and employee personal pension defined contribution schemes in respect of certain employees. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the period to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

#### Employment benefits

Provision is made in the financial statements for all employee benefits. Liabilities for wages and salaries, including annual leave and long-service leave recognised in Australia, are recognised in accruals.

#### Financing costs

Financing costs comprise interest payable on borrowings, debt finance costs, finance costs on the right-of-use lease liability, and gains and losses on derivative financial instruments that are recognised in the income statement. Interest expense is recognised in the income statement as it accrues, using the effective interest method.

#### Share premium

The share premium reserve comprises the premium received over the nominal value of shares issued.

#### Treasury reserve

The treasury reserve comprises shares held by an Employee Benefit Trust (EBT) for the purposes of satisfying the exercise of certain share options vesting under the Group's Long-Term Incentive Plan (LTIP) and SAYE schemes.

#### Capital redemption reserve

Upon cancellation of redeemable Preference shares on redemption, a capital redemption reserve was created representing the nominal value of the shares cancelled. This is a non-distributable reserve.

#### Merger reserve

The merger reserve resulted from the acquisition of CVS (UK) Limited and represents the difference between the value of the shares acquired (nominal value plus related share premium) and the nominal value of the shares issued.

#### Loss for the financial year

As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own income statement or statement of comprehensive income for the year. The loss attributable to the Company is disclosed in the footnote to the consolidated and Company statement of financial position.

### 3. Financial risk management

#### Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (being foreign currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative instruments to manage its exposure to interest rate movements. It is not the Group's policy to actively trade in derivatives.

The Board monitors financial risk management. The policies set by the Board of Directors are implemented by the Group's finance department.

#### a) Market risk

##### i) Foreign exchange currency rate risk

The Group has a policy to minimise foreign exchange currency rate risk through the regular monitoring of foreign currency flows. The Group is largely able to manage the exchange rate risk arising from operations through the natural matching of payments and receipts denominated in the same currencies. Currency exposures are reviewed regularly and all significant foreign exchange transactions are approved by Group management.

For subsidiaries incorporated in Australia, a natural hedge is applied where both revenue and expenditure are denominated in Australian Dollars. Aside from this, the Group does not hedge any foreign currency transactions but continues to keep this approach under review.

The following tables illustrate the effect of changes in foreign exchange rates relative to the GBP on the profit before tax and net assets. The amounts are calculated retrospectively by applying the current-year exchange rates to the prior-year results so that the current-year exchange rates are applied consistently across both periods. Changing the comparative result illustrates the effect of changes in foreign exchange rates relative to the current-year result.

Applying the current-year exchange rates to the results of the prior year has the following effect on profit before tax and net assets:

	2024 £m	Revised 2024 £m	Impact £m	Impact %
AUD				
Loss before tax	8.1	7.4	(0.7)	-9.3%
Net assets	68.0	61.7	(6.3)	-9.3%

If the Australian dollar strengthened or weakened by 10% against the pound sterling, the Group's functional currency, the effect on the income statement and items that are recognised directly in equity would be +/-£0.7m. The analysis covers only financial assets and liabilities held at the balance sheet date and assumes that all other variables, in particular interest rates, remain constant. The impact is prior to the effect of tax.

##### ii) Cash flow and fair value interest rate risk

The Group has interest-bearing assets and liabilities. The Group's income and operating cash inflows are substantially independent of changes in market interest rates. The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

At the year end, the Group had interest hedging arrangements in place covering £100.0m (2024: £100.0m) which expire in February 2028 at an average fixed rate of 3.8310%. This allows the Group to minimise its exposure to significant interest rate increases whilst enabling the Group to take advantage of interest rate reductions. The strategy for undertaking the hedge is to match a portion of the loan liability with a derivative that allows interest to float within an agreed range and thereby limits the cash flow exposure relating to interest. The remaining of the drawn down of £47.5m (2024: £84.5m) is unhedged.

Excluding the impact of the interest rate swap arrangement, bank borrowings bear interest at 1.45% to 2.70% above SONIA. The applicable interest rate is dependent upon the bank test net debt to bank test EBITDA ratio. During the year the bank borrowings carried a rate averaging 1.8% above SONIA.

At 30 June 2025, the Group has considered the impact of movements in interest rates over the past year and has concluded that a 1% movement is a reasonable benchmark. At 30 June 2025, if interest rates on Sterling-denominated borrowings had been 1% higher or lower, with all other variables held constant, post-tax profit and the movement in net assets for the year would have been approximately £0.7m (2024: £0.5m) lower or higher, mainly as a result of the movement in interest rates on the floating rate borrowings, net of the hedging derivative instrument in place.

#### b) Credit risk

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables is recognised on trade receivables if there are considered to be expected credit losses. The amount of expected credit losses is calculated using the simplified approach as allowable under IFRS 9 and is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset.

Losses arising from impairment are recognised in the statement of comprehensive income in administrative expenses.

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 3. Financial risk management continued

### Financial risk factors continued

#### b) Credit risk continued

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's diverse customer base. Sales made other than on a cash basis are limited to a small part of the Group's overall business, and within these business areas the Group has appropriate credit checking facilities and procedures in place. Customer accounts are also monitored on an ongoing basis and appropriate action is taken where necessary to minimise any credit risk. The Directors therefore believe there is no further credit risk provision required in excess of the normal provision for impaired receivables.

The maximum exposure to credit risk at 30 June 2025 is the fair value of each class of receivable as disclosed in note 20 to the financial statements.

#### c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Group actively maintains cash balances and a mix of long-term and short-term finance facilities that are designed to ensure the Group has sufficient available funds for operations and acquisitions. Management monitors rolling forecasts of the Group's liquidity reserve on the basis of expected cash flow.

The table below summarises the remaining contractual maturity for the Group's financial liabilities. The amounts shown are the contractual undiscounted cash flows, which include estimated interest, analysed by contractual maturity. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

30 June 2025	Note	In less than one year £m	In more than one year but not more than two years £m	In more than two years but not more than three years £m	In more than three years but not more than five years £m	In more than five years £m	Total £m
<b>Non-derivative financial liabilities</b>							
Borrowings		7.9	7.9	152.8	—	—	168.6
Trade and other payables <sup>1</sup>	22	66.2	—	—	—	—	66.2
Lease liabilities	14	19.9	19.0	17.6	28.6	41.6	126.7
		94.0	26.9	170.4	28.6	41.6	361.5

1. Trade and other payables exclude deferred income, social security and other taxes and employee benefit expense.

30 June 2024 (restated)	Note	In less than one year £m	In more than one year but not more than two years £m	In more than two years but not more than three years £m	In more than three years but not more than five years £m	In more than five years £m	Total £m
<b>Non-derivative financial liabilities</b>							
Borrowings		10.7	10.1	10.1	191.3	—	222.2
Trade and other payables <sup>1</sup>	22	69.1	—	—	—	—	69.1
Lease liabilities	14	19.0	18.5	16.3	28.5	47.5	129.8
		98.8	28.6	26.4	219.8	47.5	421.1

1. Trade and other payables exclude deferred income, social security and other taxes and employee benefit expense.

The 2024 note has been restated so the unpaid interest is included in borrowings.

### 3. Financial risk management continued

#### Capital risk management

The Group's policy is to maintain a strong capital base, defined as bank facilities plus total shareholders' equity, so as to maintain investor, creditor and market confidence and to sustain future development of the business. Within this overall policy, the Group seeks to maintain an optimum capital structure with a mixture of debt and retained earnings.

The bank facilities include financial covenants and a number of general undertakings. There have been no breaches of the terms of the respective loan agreements, breaches of covenants or defaults during the current or comparative years.

Funding needs are reviewed periodically and also each time a significant acquisition is made. A number of factors are considered which include the bank test net debt/bank test EBITDA ratio, future funding needs (usually potential acquisitions) and Group banking arrangements.

	2025 £m	2024 £m
Bank test net debt	131.4	168.0
Bank test EBITDA	111.4	109.2
<b>Ratio</b>	<b>1.18</b>	<b>1.54</b>

The ratio above is calculated for the bank covenants as bank test net debt divided by bank test EBITDA.

Please refer to the Alternative performance measures glossary from page 160 for the calculation of bank test net debt and bank test EBITDA.

#### Bank test net debt/net bank borrowings

Is defined as: drawn bank debt less cash and cash equivalents.

#### Bank test EBITDA

Is defined as: adjusted EBITDA annualised for the effect of acquisitions, deducting costs relating to acquisition fees and adding back share option costs, on an accounting basis prior to the adoption of IFRS 16. Refer to the Alternative performance measures glossary from page 160 for the calculation of adjusted EBITDA.

There were no changes to the Group's approach to capital management during the year.

The primary sources of funding for the Group are internally generated cash and syndicated borrowings. The Group's £5.0m overdraft facility was undrawn at 30 June 2025 (2024: undrawn) and £202.5m of the revolving credit facility was undrawn at 30 June 2025 (2024: £165.5m revolving credit facility undrawn).

#### Fair value measurement

The Group's financial assets and liabilities that are measured at fair value at 30 June 2025 by level of fair value hierarchy are:

- > quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- > inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- > inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group does not have available-for-sale financial assets (2024: no available-for-sale financial assets).

### 4. Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format, operating segments, is based on the Group's management and internal reporting structure and monitored by the Group's Chief Operating Decision Maker (CODM).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Trade between operating segments is eliminated through the Central administration segment. Unallocated items comprise mainly interest-bearing borrowings and associated costs, tax-related assets and liabilities, acquisition costs which are included within costs relating to business combinations, and Head Office salary and premises costs.

Revenue comprises £473.1m of fees and £200.1m of goods (2024: £461.3m and £177.4m respectively).

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 4. Segment reporting continued

### Operating segments

The Group is split into three operating segments (Veterinary Practices, Laboratories and Online Retail Business) and a centralised support function (Central administration) for business segment analysis. In identifying these operating segments, management generally follows the Group's service lines representing its main products and services.

Each of these operating segments is managed separately as each segment requires different specialisms, marketing approaches and resources. Intra-Group sales eliminations are included within the Central administration segment. Central administration includes costs relating to the employees and property and other overhead costs associated with the centralised support function together with finance costs arising on the Group's borrowings.

Year ended 30 June 2025	Veterinary Practices £m	Laboratories £m	Online Retail Business £m	Central administration £m	Group £m	Discontinued operations £m
Revenue	616.1	31.4	45.9	(20.2)	673.2	7.9
Adjusted EBITDA	133.0	9.0	1.3	(8.7)	134.6	3.5
Profit/(loss) before tax	56.7	7.6	0.7	(32.4)	32.6	0.2
Total assets	572.7	58.3	20.2	45.0	696.2	—
Total liabilities	(194.2)	(2.7)	(15.2)	(182.4)	(394.5)	—
<b>Reconciliation of adjusted EBITDA</b>						
Profit/(loss) before tax	56.7	7.6	0.7	(32.4)	32.6	0.2
Finance expense/(income)	4.7	—	(0.1)	12.6	17.2	—
Amortisation of intangible assets	24.6	0.1	0.7	—	25.4	0.6
Depreciation of property, plant and equipment	17.9	1.2	—	0.5	19.6	0.8
Depreciation of right-of-use assets	17.4	0.1	—	0.6	18.1	—
(Profit)/loss on disposal of property, plant and equipment and right-of-use assets	(0.2)	—	—	1.0	0.8	0.3
Costs relating to business combinations	10.6	—	—	4.3	14.9	1.6
Exceptional items	1.3	—	—	4.7	6.0	—
<b>Adjusted EBITDA</b>	<b>133.0</b>	<b>9.0</b>	<b>1.3</b>	<b>(8.7)</b>	<b>134.6</b>	<b>3.5</b>
<b>Year ended 30 June 2024 (restated)</b>						
Revenue	577.5	31.6	50.0	(20.4)	638.7	26.1
Adjusted EBITDA	119.7	9.2	3.3	(9.2)	123.0	2.2
Profit/(loss) before tax	57.3	8.0	3.2	(33.3)	35.2	(2.5)
Total assets	567.6	49.3	21.2	26.0	664.1	25.9
Total liabilities	(190.0)	(2.2)	(15.5)	(219.5)	(427.2)	(2.3)
<b>Reconciliation of adjusted EBITDA</b>						
Profit/(loss) before tax	56.9	8.0	3.2	(32.9)	35.2	(2.5)
Finance expense	3.9	—	—	8.7	12.6	0.8
Amortisation of intangible assets	22.8	—	0.1	—	22.9	1.9
Depreciation of property, plant and equipment	14.9	1.0	—	0.4	16.3	1.4
Depreciation of right-of-use assets	14.6	0.1	—	0.6	15.3	0.7
Profit on disposal of property, plant and equipment and right-of-use assets	(0.2)	—	—	—	(0.2)	(0.1)
Costs relating to business combinations	6.1	—	—	9.0	15.1	—
Exceptional items	0.7	0.1	—	5.0	5.8	—
<b>Adjusted EBITDA</b>	<b>119.7</b>	<b>9.2</b>	<b>3.3</b>	<b>(9.2)</b>	<b>123.0</b>	<b>2.2</b>

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation: see note 32 for further details.

2. Discontinued operations for 2024 include Crematoria operations and the Netherlands and Republic of Ireland operations.

**4. Segment reporting** continued  
**Geographical segments**

The business operates predominantly in the UK. As at 30 June 2025, it has 43 veterinary practice sites in Australia (2024: 28). It performs a small amount of laboratory work and teleradiology work for Europe-based clients and a small amount of teleradiology work for clients based in the rest of the world. In accordance with IFRS 8, 'Operating Segments', no segment results are presented for operations in Australia as it meets the aggregation criteria, or trade with clients in Europe or the rest of the world which is not considered material for separate disclosure. Neither Australian nor trade with clients in Europe and the rest of the world are reported separately for management reporting purposes.

Revenue and non-current assets (excluding financial instruments) split between the United Kingdom and Australia are shown below:

<b>Revenue</b>		<b>Non-current assets</b>	
2025		2025	
UK	£621.1m	UK	£436.8m
Australia	£52.1m	Australia	£123.2m
2024		2024	
UK	£616.6m	UK	£458.9m
Australia	£22.1m	Australia	£101.6m

**5. Finance expense**

	2025 £m	2024 £m
Interest expense on bank loans and overdraft	11.2	7.4
Interest expense on lease liabilities	5.1	4.3
Amortisation of debt arrangement fees	0.9	0.9
<b>Finance expense</b>	<b>17.2</b>	<b>12.6</b>

Finance expense relating to discontinued operations is £nil (2024: £0.8m).

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 6. Expenses/(income) by nature

	Note	2025 £m	2024 <sup>1</sup> £m
Amortisation of intangible assets	12	26.0	24.8
Depreciation of property, plant and equipment	13	20.4	17.7
Depreciation of right-of-use assets	14	18.1	16.0
Loss/(profit) on disposal of property, plant and equipment and right-of-use assets	4	1.1	(0.3)
Depreciation, amortisation and (profit)/loss on disposal attributable to discontinued operations	4	(1.7)	(3.9)
Employee benefit expenses	7	325.9	305.1
Cost of inventories recognised as an expense (included in cost of sales)		138.5	135.7
Repairs and maintenance expenditure on property, plant and equipment		8.1	7.4
Movement in provision for expected credit losses	20	1.4	1.5
Exceptional items		6.0	5.8
RDEC income <sup>2</sup>		(15.1)	(12.8)
Other expenses		94.7	93.9
<b>Total cost of sales and administrative expenses</b>		<b>623.4</b>	<b>590.9</b>

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 32 for further details.

2. In the course of their ordinary work, our colleagues perform work which advances the overall knowledge in the veterinary field and seeks to resolve scientific and technological uncertainties. In the current year, claims were submitted in respect of the 2024 financial year under the Research and Development Expenditure Credits (RDEC) scheme to the HMRC. The amount of qualifying expenditure in relation to 2025 is yet to be determined, in part due to the uncertainty around all claims made to date, which is explained more fully in note 2. However, an estimate has been recognised of £12.4m with a provision against this of £3.2m, resulting in a net £9.2m being recognised. The amount of research and development expenditure within cost of sales and administrative expenses is therefore not separately disclosed. RDEC income of £15.1m is made up of gross RDEC of £16.7m less directly associated costs of £1.6m (2024: £12.8m made up of gross RDEC of £14.2m less directly associated costs of £1.4m).

### Exceptional items

	2025 £m	2024 <sup>1</sup> £m
Competition and Markets Authority <sup>2</sup>	3.9	1.6
Restructuring costs <sup>3</sup>	1.9	—
Cyber incident <sup>4</sup> :		
Legal costs	0.2	2.2
Additional IT infrastructure	—	0.3
Security risk management software	—	0.5
Staff and consultant costs	—	0.7
Property cost provision	—	0.5
	<b>6.0</b>	<b>5.8</b>

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 32 for further details.

2. Cost incurred regarding engagement with the Competition and Markets Authority including legal and economist fees.

3. Cost incurred regarding restructuring costs includes costs in relation to the Deputy CEO who was paid his notice in line with his service agreement whilst on gardening leave which resulted in additional costs and employment costs in relation to the closure of our Careline operations.

4. Costs in relation to the cyber incident which occurred in the prior financial year primarily include legal and specialist adviser costs.

### Services provided by the Company's auditor and associates

During the year the Group obtained the following services from the Company's auditor at costs as detailed below:

	2025 £'000	2024 £'000
<b>Audit services</b>		
Fees payable to the Group's auditor for:		
The audit of the parent company and consolidated financial statements	263	260
The audit of the Company's subsidiaries pursuant to legislation	638	590
	<b>901</b>	<b>850</b>

## 7. Employee benefit expense and numbers Group

Employee benefit expense for the Group	Note	2025 £m	2024 <sup>1</sup> £m
Wages and salaries		284.0	268.9
Social security costs		29.0	26.0
Other pension costs	31	11.7	7.8
Share-based payments	11	1.2	2.4
		325.9	305.1

1. 2024 has been re-presented following the classification of Crematoria operations as a discontinued operation; see note 32 for further details.

The employee benefit expense included within cost of sales is £241.9m (2024: £226.9m). The balance is recorded within administrative expenses. Contingent consideration of £10.6m (2024: £6.1m), accounted for under IAS 19 Employee benefits, is expensed to the income statement and included within other expenses in note 6 of the financial statements.

The average monthly number of people employed by the Group, for continuing operations, (including Executive and Non-Executive Directors) during the year, analysed by category, was as follows:

	2025 Number	2024 <sup>1</sup> Number
Veterinary surgeons and pathologists	2,447	2,313
Nurses, practice ancillaries and technicians	6,127	6,098
Central support	290	297
	8,864	8,708

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 32 for further details.

### Company

The average monthly number of people employed by the Company is four (2024: four), being the Non-Executive Directors. The Executive Directors received remuneration in respect of their services to the Company from a subsidiary company.

## 8. Directors' remuneration and key management compensation

	Highest paid Director		Directors' emoluments	
	2025 £m	2024 £m	2025 £m	2024 £m
Salaries and other short-term employee benefits	0.7	0.6	1.8	1.8
Company contributions to money purchase schemes	—	—	—	—
	0.7	0.6	1.8	1.8

Retirement benefits are accruing to three Directors (2024: two) under a personal pension plan. The remuneration of the Executive Directors, amounting to £1.5m (2024: £1.4m), is borne by the subsidiary company CVS (UK) Limited, without recharge. The remuneration of the Non-Executive Directors, amounting to £0.3m (2024: £0.1m), is borne by the subsidiary company CVS (UK) Limited and recharged to the Company. Directors' remuneration is disclosed on an individual basis in the Remuneration Committee Report on pages 78 to 94.

### Share options

Under the Company's SAYE schemes the Directors have the following options at the year end:

	SAYE scheme	Date of grant	Earliest exercise date and vesting date	Exercise price	Number of shares
R Fairman	SAYE15	25 November 2022	01 January 2026	1,515p	380
R Alfonso	SAYE15	25 November 2022	01 January 2026	1,515p	403
R Fairman	SAYE16	24 November 2023	01 January 2027	1,146p	550
R Alfonso	SAYE16	24 November 2023	01 January 2027	1,146p	550
P Higgs	SAYE16	24 November 2023	01 January 2027	1,146p	517
R Fairman	SAYE17	26 November 2024	01 January 2028	847p	722
R Alfonso	SAYE17	26 November 2024	01 January 2028	847p	680
P Higgs	SAYE17	26 November 2024	01 January 2028	847p	722

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 8. Directors' remuneration and key management compensation continued

### Share options continued

Under the Company's Long-Term Incentive Plans (LTIPs) the Directors have the following options at the year end:

	LTIP	Date of grant	Market price on date of grant	Earliest exercise date and vesting date	Number of shares
R Fairman	LTIP16	30 September 2022	1,690p	30 June 2025	30,773
R Alfonso	LTIP16	30 September 2022	1,690p	30 June 2025	15,990
P Higgs	LTIP16	30 September 2022	1,690p	30 June 2025	4,732
R Fairman	LTIP17	29 September 2023	1,630p	30 June 2026	34,419
R Alfonso	LTIP17	29 September 2023	1,630p	30 June 2026	17,884
P Higgs	LTIP17	29 September 2023	1,630p	30 June 2026	6,212
R Fairman	LTIP18	04 October 2024	1,058p	30 June 2027	55,581
R Alfonso	LTIP18	04 October 2024	1,058p	30 June 2027	30,460
P Higgs	LTIP18	04 October 2024	1,058p	30 June 2027	26,144

The exercise price for all shares awarded under LTIPs is 0.2p.

No LTIPs vested in the year; for further details of the above schemes see the Remuneration Committee Report on pages 78 to 94.

### Key management compensation

Key management is considered to be those on the Executive Committee (being the Executive Directors and other senior management) and the Non-Executive Directors. The employment costs of key management are as follows:

	2025 £m	2024 £m
Salaries and other short-term employee benefits	2.4	2.7
Post-employment benefits	0.1	0.1
Share-based payments	1.1	1.0
	<b>3.6</b>	<b>3.8</b>

## 9. Tax expense

### a) Analysis of tax expense recognised in the income statement

	Note	2025 £m	2024 <sup>1</sup> £m
<b>Current tax</b>			
Current tax on profits for the year		17.2	14.6
Adjustments in respect of previous years		(1.4)	(2.0)
<b>Total current tax charge</b>		<b>15.8</b>	<b>12.6</b>
<b>Deferred tax</b>			
Origination and reversal of temporary differences		(4.6)	(1.8)
Adjustments in respect of previous years		2.1	1.0
<b>Total deferred tax credit</b>	25	<b>(2.5)</b>	<b>(0.8)</b>
<b>Total tax expense</b>		<b>13.3</b>	<b>11.8</b>
<b>Income tax expense attributable to:</b>			
Profit from continuing operations		13.5	10.5
Profit/(loss) from discontinued operations	32	(0.2)	1.3
		<b>13.3</b>	<b>11.8</b>

1. 2024 has been re-presented following the classification of the Crematorio operations as a discontinued operation; see note 32 for further details.

**9. Tax expense** continued**b) Reconciliation of effective tax charge**

The UK corporation tax rate is calculated using the UK standard rate of tax for the year of 25.0% (2024: 25.0%). Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The total taxation charge for the year differs from the theoretical amount that would arise using the standard rate of UK corporation tax of 25.0% (2024: 25.0%) as explained below:

	2025 £m	2024 <sup>1</sup> £m
<b>Profit before tax for continuing operations</b>	<b>32.6</b>	<b>35.2</b>
<b>Profit/(loss) before tax for discontinued operations</b>	<b>33.7</b>	<b>(17.0)</b>
<b>Profit before tax</b>	<b>66.3</b>	<b>18.2</b>
Effective tax charge of 25.0% (2024: 25.0%)	16.6	4.5
Effects of:		
Expenses not deductible for tax purposes	4.0	3.3
(Exempt gain)/non-allowable loss on sale of subsidiaries	(8.4)	3.6
Adjustments to deferred tax charge in respect of previous years	2.1	1.0
Adjustments to current tax charge in respect of previous years	(1.4)	(2.0)
Current-year tax losses not recognised/utilisation of brought forward losses previously unrecognised	—	1.3
Impact of tax rates in overseas jurisdictions	0.4	0.1
<b>Total tax expense</b>	<b>13.3</b>	<b>11.8</b>

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 32 for further details.

**Factors affecting the current tax charge**

The effective tax rate on reported profits is 20.1% (2024: 65.1%) and has decreased from the prior year mainly due to the combined impact of the disposal of subsidiaries in the current year resulting in non-taxable gains and the disposal of subsidiaries in the prior year resulting in non-allowable tax losses, as the conditions of substantial shareholding exemption were met in respect of the disposals of subsidiaries in both years.

Total tax expense of £13.5m (2024: £10.5m) on continuing operations would represent an effective tax rate on profit before tax for continuing operations of 41.4% (2024: 29.8%). The increase is due to an increase in expenses not deductible for tax purposes.

**Changes in tax rates**

The Group's future tax charge, and effective tax rate, could be affected by several factors including changes in tax laws and rates in the respective jurisdictions. There has been no impact in the current year from tax rate changes.

**Uncertain tax position**

The Group recognises taxation based on estimates of whether taxes will be due. No material uncertain tax positions exist at 30 June 2025.

**OECD Pillar Two – global minimum tax**

The OECD Pillar Two global minimum tax model rules of the OECD's Inclusive Framework on Base Erosion and Profit Shifting (the "Pillar Two" rules) legislation came into effect in the UK for accounting periods from 1 January 2024, making it effective for the Group from 1 July 2024.

The Group has applied the temporary exception from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two.

Under the Pillar Two rules, a top-up tax arises where the effective tax rate of the Group's operations in any individual jurisdiction, calculated using principles set out in Pillar Two legislation, is below a 15% minimum rate. Any resulting tax would be payable by CVS Group plc to the UK tax authority (HMRC) being the Group's ultimate parent. The Group has performed an assessment of the Group's exposure to Pillar Two income taxes. The assessment is based on the most recent tax filings, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in all jurisdictions in which the Group operated are above 15% and consequently no top-up tax liability has been recognised in the total tax charge in the year.

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 10. Earnings per Ordinary share

### a) Reconciliation of earnings

	2025 £m	2024 <sup>1</sup> £m
Profit from continuing operations	19.1	24.7
Less: Profit attributable to non-controlling interest	(0.2)	(0.2)
Profit for the year from continuing operations attributable to equity holders of the Company	18.9	24.5
Profit/(loss) for the year from discontinued operations attributable to equity holders of the Company	33.9	(18.3)
Profit for the year attributable to equity holders of the Company	52.8	6.2

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 32 for further details.

### b) Basic

	2025	2024 <sup>1</sup>
Weighted average number of Ordinary shares in issue	71,739,444	71,595,871
Basic earnings per share from continuing operations attributable to the ordinary equity holders of the Company (pence)	26.3	34.2
Basic earnings/(loss) per share from discontinued operations attributable to the ordinary equity holders of the Company (pence)	47.4	(25.6)
<b>Total basic earnings per share attributable to the ordinary equity holders of the Company (pence)</b>	<b>73.7</b>	<b>8.6</b>

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 32 for further details.

### c) Diluted

For diluted earnings per share, the weighted average number of Ordinary shares in issue is adjusted to assume conversion of all dilutive potential Ordinary shares. The Group has two types of dilutive potential Ordinary shares, being: those share options granted to employees where the exercise price is less than the average market price of the Company's Ordinary shares during the year (SAYE) and unvested shares within the LTIP scheme that have met the relevant performance conditions at the end of the reporting period.

	2025	2024 <sup>1</sup>
Weighted average number of Ordinary shares in issue	71,739,444	71,595,871
Adjustment for contingently issuable shares – LTIPs	—	—
Adjustment for contingently issuable shares – SAYE schemes	9,187	60,844
Weighted average number of Ordinary shares for diluted earnings per share	71,748,631	71,656,715
Diluted earnings per share from continuing operations attributable to the ordinary equity holders of the Company (pence)	26.2	34.2
Diluted earnings/(loss) per share from discontinued operations attributable to the ordinary equity holders of the Company (pence)	47.4	(25.6)
<b>Total diluted earnings per share attributable to the ordinary equity holders of the Company (pence)</b>	<b>73.6</b>	<b>8.6</b>

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 32 for further details.

## 10. Earnings per Ordinary share continued

### d) Alternative performance measure: adjusted earnings per share

	Note	2025 £m	2024 <sup>1</sup> £m
Profit before tax for continuing operations		32.6	35.2
Adjustments for:			
Amortisation of intangible assets	12	26.0	24.8
Amortisation of intangible assets attributable to discontinued operations	4	(0.6)	(1.9)
Costs relating to business combinations	15	14.9	15.1
Exceptional items	6	6.0	5.8
<b>Adjusted profit before tax</b>		<b>78.9</b>	<b>79.0</b>
Tax expense amended for the above adjustments		(21.2)	(19.1)
<b>Adjusted profit after tax</b>		<b>57.7</b>	<b>59.9</b>
Less: adjusted profit after tax attributable to non-controlling interest		(0.2)	(0.2)
<b>Adjusted profit after tax attributable to the parent</b>		<b>57.5</b>	<b>59.7</b>
Weighted average number of Ordinary shares in issue		71,739,444	71,595,871
Weighted average number of Ordinary shares for diluted earnings per share		71,748,631	71,656,715
		Pence	Pence
Adjusted earnings per share		80.1	83.3
Diluted adjusted earnings per share		80.1	83.2

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation; see note 32 for further details.

## 11. Share-based payments

### Long-Term Incentive Plans (LTIP)

The Group operates incentive schemes for certain senior Executives, the CVS Group Long-Term Incentive Plans.

Under the LTIP schemes, awards are made at an effective nil cost, vesting over a three-year performance period conditional upon the Group's adjusted earnings per share growth and total shareholder return (TSR). The LTIP scheme arrangements are a mixture of equity settled and cash settled. Cash-settled LTIP schemes are linked to a number of shares, the value of which is settled in cash upon exercise.

Details of the share options outstanding during the year under the LTIP schemes are as follows:

	July 2024 scheme (LTIP18/18(c)/18(d)) Number of share awards	July 2023 scheme (LTIP17) Number of share awards	July 2022 scheme (LTIP16/16(b)) Number of share awards	July 2021 scheme (LTIP15/15(b)) Number of share awards
Outstanding at 1 July 2024	—	133,815	108,402	46,765
Granted during the year	217,149	—	—	—
Expired during the year	—	—	—	(46,765)
Forfeited during the year	(1,352)	(27,276)	(24,970)	—
Exercised during the year	—	—	—	—
<b>Outstanding at 30 June 2025</b>	<b>215,797</b>	<b>106,539</b>	<b>83,432</b>	<b>—</b>
<b>Exercisable at 30 June 2025</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

Options are exercisable at 0.2p per share. The weighted average exercise price was 0.2p at the beginning and end of the period.

The options outstanding at the year end under LTIP18, LTIP18(c), LTIP18(d), LTIP17, LTIP16 and LTIP16(b) have a weighted average remaining contractual life of two years, two years, two years, one year, nil years and nil years, respectively.

# Notes to the consolidated financial statements continued

## for the year ended 30 June 2025

### 11. Share-based payments continued

#### Long-Term Incentive Plans (LTIP) continued

The share-based payment charge for the year in respect of the options issued under the LTIP schemes amounted to £0.1m (2024: £1.1m) and has been charged to administrative expenses. Employers National Insurance Contributions and dividend equivalent payments of £nil (2024: £nil) have been charged to administrative expenses in respect of the LTIP scheme transactions and are treated as cash-settled transactions.

Further details of the above schemes, to the extent that they relate to statutory Directors, are included in the Remuneration Committee Report on pages 78 to 94. Details of LTIP16(b), LTIP16(c), LTIP18(c) and LTIP18(d) are shown below:

During the year ended 30 June 2023, the Group issued 5,915 options under an equity-settled LTIP scheme, LTIP16(b), where the only vesting condition is for an employee, who is not a Director, to remain employed until 30 September 2025.

During the year ended 30 June 2023, the Group issued 5,915 options under a cash-settled LTIP scheme, LTIP16(c), which is linked to a number of shares, the value of which is settled in cash upon exercise. The carrying amount included within trade and other payables is £0.1m (2024: £nil).

During the year, the Group issued 1,352 options under a cash-settled LTIP scheme, LTIP18(b), which is linked to a number of shares, the value of which is settled in cash upon exercise. The carrying amount included within trade and other payables is £nil (2024: £nil).

During the year, the Group issued 3,181 options under an equity-settled LTIP scheme, LTIP18(c), and 16,148 options under an equity-settled LTIP scheme, LTIP18(d), where the vesting conditions are the same as LTIP18.

Scheme	Date of grant	Market price of shares on date of grant	Earliest exercise date and date of vesting shares	Exercise price	Number of shares	Settlement
LTIP16(b)	30 September 2022	£16.90	30 June 2025	0.2p	5,915	Equity settled
LTIP16(c)	12 October 2022	£17.53	30 June 2025	0.2p	5,915	Cash settled
LTIP18(b)	4 October 2024	£11.51	30 June 2027	0.2p	1,352	Cash settled
LTIP18(c)	4 November 2024	£9.43	30 June 2027	0.2p	3,181	Equity settled
LTIP18(d)	13 January 2025	£8.26	30 June 2027	0.2p	16,148	Equity settled

#### Save As You Earn (SAYE)

The Group operates an incentive scheme for all UK employees, the CVS Group SAYE plan, an HM Revenue & Customs approved scheme. Details of the share options outstanding during the year under the SAYE schemes are as follows:

	SAYE17 Number of share awards	SAYE16 Number of share awards	SAYE15 Number of share awards	SAYE14 Number of share awards	SAYE13 Number of share awards
Outstanding at 1 July 2024	—	526,831	290,795	119,038	31,589
Granted during the year	612,781	—	—	—	—
Forfeited during the year	(31,420)	(116,762)	(98,463)	(24,777)	(23,538)
Exercised during the year <sup>1</sup>	—	—	—	—	(8,051)
<b>Outstanding at 30 June 2025</b>	<b>581,361</b>	<b>410,069</b>	<b>192,332</b>	<b>94,261</b>	<b>—</b>
<b>Exercisable at 30 June 2025</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>94,261</b>	<b>—</b>

1. The weighted average share price at the date of exercise was £10.46.

Further information on the SAYE schemes is shown in the table below:

	SAYE17	SAYE16	SAYE15	SAYE14
Date opened for subscription	November 2024	November 2023	November 2022	November 2021
Date options granted	January 2025	January 2024	January 2023	January 2022
Discount on closing mid-market price	10%	20%	20%	20%
Exercise price	£8.47	£11.46	£15.15	£19.74
Remaining contractual life	2 years 5 months	1 years 5 months	5 months	nil

All of the SAYE schemes vest over a three-year period. There are no performance conditions attached to the SAYE scheme.

The weighted average exercise price at the beginning of the period for the options outstanding was £13.54 and at the end of the period was £11.26.

## 11. Share-based payments continued

### Save As You Earn (SAYE) continued

The share-based payment charge for the year in respect of the options issued under the SAYE schemes amounted to £1.1m (2024: £1.3m) and has been charged to administrative expenses.

Options for all schemes were valued using either the Monte Carlo or Black Scholes option pricing model. The fair value per option granted in the year and the assumptions used in the calculation are as follows:

	LTIP18(b)	LTIP18/(c)/(d)	SAYE17
Grant date	4 October 2024	4 October 2024	26 November 2024
Share price at grant date	£10.58	£10.58	£7.98
Fair value per option	£8.66	£8.66	£2.36
Exercise price	0.2p	0.2p	£8.47
Number of employees	1	36	1,656
Shares under option at date of grant	1,352	217,149	612,781
Vesting period/option life/expected life	3 years	3 years	3 years
Weighted average remaining contractual life	2 years	2 years	2 years 5 months
Expected volatility <sup>1</sup>	44.2%	44.2%	41.1%
Expected dividends expressed as a dividend yield	—	—	1.0%
Settlement	Cash settled	Equity settled	Equity settled

1. Expected volatility has been determined by reference to the historical share return volatility of CVS Group plc.

## 12. Intangible assets

Group	Note	Goodwill £m	Trade names £m	Patient data records £m	Computer software and websites £m	Total £m
<b>Cost</b>						
At 1 July 2023		162.5	1.5	289.5	10.9	464.4
Exchange differences		0.1	—	0.1	—	0.2
Additions arising through business combinations		64.6	—	45.4	—	110.0
Fair value adjustments in respect of prior periods		0.7	—	—	—	0.7
Other additions		—	—	—	3.6	3.6
Disposals		(6.2)	—	(12.5)	—	(18.7)
At 30 June 2024		221.7	1.5	322.5	14.5	560.2
Exchange differences		(5.9)	—	(4.5)	—	(10.4)
Additions arising through business combinations	15	17.6	—	15.7	—	33.3
Fair value adjustments in respect of prior periods	15	0.9	—	(0.1)	—	0.8
Other additions		—	—	—	7.8	7.8
Disposals		(2.6)	—	(7.6)	(1.4)	(11.6)
<b>At 30 June 2025</b>		<b>231.7</b>	<b>1.5</b>	<b>326.0</b>	<b>20.9</b>	<b>580.1</b>
<b>Accumulated amortisation</b>						
At 1 July 2023		—	1.5	200.7	6.1	208.3
Exchange differences		—	—	(0.1)	—	(0.1)
Amortisation for the year		—	—	23.7	1.1	24.8
Disposals		—	—	(7.7)	—	(7.7)
At 30 June 2024		—	1.5	216.6	7.2	225.3
Exchange differences		—	—	(0.3)	—	(0.3)
Amortisation for the year		—	—	24.0	2.0	26.0
Disposals		—	—	(7.4)	(1.1)	(8.5)
<b>At 30 June 2025</b>		<b>—</b>	<b>1.5</b>	<b>232.9</b>	<b>8.1</b>	<b>242.5</b>
<b>Net book amount</b>						
<b>At 30 June 2025</b>		<b>231.7</b>	<b>—</b>	<b>93.1</b>	<b>12.8</b>	<b>337.6</b>
At 30 June 2024		221.7	—	105.9	7.3	334.9
At 1 July 2023		162.5	—	88.8	4.8	256.1

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 12. Intangible assets continued

Amortisation is charged to administrative expenses in the income statement.

The patient data records and trade names were acquired as a component of business combinations. See note 15 for further details of current-year acquisitions.

There are no intangible assets that are individually material to the financial statements.

The components of goodwill are disclosed according to the group of CGUs to which they have been allocated. Due to the integrated nature of the Group, although each veterinary practice and laboratory is considered to be an individual CGU, the monitoring of goodwill is performed on an aggregated basis for groups of CGUs that are no larger than the operating segments, as determined in accordance with IFRS 8.

The majority of other assets are tested at the CGU level, to the extent that an impairment review is triggered following identification of an indicator of impairment by management. A small number of assets (typically patient data records acquired in a business combination with multiple sites or locations) are shared between sub-groups of CGUs and are tested for impairment when there are indicators of impairment at that level.

### Goodwill per operating segment

	2025 £m	2024 £m
Veterinary Practices	229.6	217.0
Laboratories	2.1	2.1
Crematoria	—	2.6
Total	231.7	221.7

### Impairment tests

The pre-tax discount rate applied to the cash flow projections is derived from the Group's pre-tax weighted average cost of capital. The risks relating to each of the CGUs are considered to be the same as a result of the Group's operations being entirely focused in the veterinary market and, as such, the discount rate applied to each CGU is the same. The use of the Group's weighted average cost of capital is consistent with the valuation methodology used when determining the offer price for business combinations and, therefore, is considered an appropriate discount rate.

### Value in use

In assessing value in use, being the net present value of future cash flows, the Group uses budgeted adjusted EBITDA for the next financial year adjusted for an assumption of capital expenditure as an approximation of cash flows. No adjustment is made for working capital as the impact of such adjustment is insignificant. A growth rate, which is considered to be broadly consistent between CGUs, is applied based on past experience and expectations of future changes to the market. Growth rate forecasts are extrapolated based on estimated long-term average growth rates for the markets in which the CGU operates (estimated at 4.0% for years one to five and a 3.0% long-term rate). The pre-tax discount rate used to calculate value in use is 12.5% at 30 June 2025 (2024: 12.2%).

A sensitivity analysis using reasonably possible changes in key assumptions has been performed. None of these changes result in the value of goodwill allocated to the CGUs being in excess of its recoverable amount and therefore no sensitivity analysis is presented.

### 13. Property, plant and equipment

Group	Note	Freehold land and buildings £m	Leasehold improvements £m	Fixtures, fittings and equipment £m	Motor vehicles £m	Total £m
<b>Cost</b>						
At 1 July 2023		24.5	67.7	89.8	8.2	190.2
Additions arising through business combinations		—	—	2.3	—	2.3
Additions		1.0	17.4	19.6	1.5	39.5
Disposals		—	(0.6)	(5.7)	(0.9)	(7.2)
At 30 June 2024		25.5	84.5	106.0	8.8	224.8
Exchange differences		—	(0.1)	(0.1)	—	(0.2)
Additions arising through business combinations	15	—	—	2.1	—	2.1
Fair value adjustments in respect of prior periods	15	—	—	0.3	—	0.3
Additions		0.3	13.8	10.1	2.2	26.4
Disposals		(4.8)	(1.6)	(5.5)	(3.3)	(15.2)
<b>At 30 June 2025</b>		<b>21.0</b>	<b>96.6</b>	<b>112.9</b>	<b>7.7</b>	<b>238.2</b>
<b>Accumulated depreciation</b>						
At 1 July 2023		2.9	25.7	55.7	4.4	88.7
Depreciation for the year		0.5	4.1	11.4	1.7	17.7
Disposals		—	(0.2)	(3.8)	(0.6)	(4.6)
At 30 June 2024		3.4	29.6	63.3	5.5	101.8
Depreciation for the year		0.5	5.2	13.1	1.6	20.4
Disposals		(1.0)	(0.3)	(4.8)	(1.9)	(8.0)
<b>At 30 June 2025</b>		<b>2.9</b>	<b>34.5</b>	<b>71.6</b>	<b>5.2</b>	<b>114.2</b>
<b>Net book amount</b>						
<b>At 30 June 2025</b>		<b>18.1</b>	<b>62.1</b>	<b>41.3</b>	<b>2.5</b>	<b>124.0</b>
At 30 June 2024		22.1	54.9	42.7	3.3	123.0
At 1 July 2023		21.6	42.0	34.1	3.8	101.5

Freehold land amounting to £1.7m (2024: £1.7m) has not been depreciated.

Included within the above classes of assets is £8.2m (2024: £9.6m) of assets which are under construction, of which £5.8m was incurred in the year and £2.4m is carried forward from the previous year.

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 14. Leases

### Group as a lessee

The majority of the Group's veterinary practices, specialist referral centres and support offices are leased, with remaining lease terms of between 1 and 20 years. The Group also has a number of non-property leases relating to vehicle, equipment and material handling equipment, with remaining lease terms of between one and nine years. Additions to right-of-use assets include new leases; extensions and amendments to existing lease agreements are disclosed as remeasurements.

### Right-of-use assets

Group	Note	Property £m	Equipment £m	Motor vehicles £m	Total £m
<b>Cost</b>					
At 1 July 2023		149.6	4.2	3.2	157.0
Acquired through business combinations		8.1	—	—	8.1
Remeasurement of lease term		5.9	—	—	5.9
Additions		5.7	1.8	1.7	9.2
Disposals		(12.6)	—	(0.5)	(13.1)
At 30 June 2024		156.7	6.0	4.4	167.1
Exchange differences		(0.6)	—	—	(0.6)
Acquired through business combinations	15	2.4	—	—	2.4
Remeasurement of lease term		9.7	—	—	9.7
Additions		2.2	1.1	1.2	4.5
Disposals		(4.4)	(1.7)	(1.4)	(7.5)
<b>At 30 June 2025</b>		<b>166.0</b>	<b>5.4</b>	<b>4.2</b>	<b>175.6</b>
<b>Accumulated depreciation</b>					
At 1 July 2023		50.6	1.8	1.7	54.1
Depreciation for the year		14.2	0.8	1.0	16.0
Disposals		(5.1)	—	(0.5)	(5.6)
At 30 June 2024		59.7	2.6	2.2	64.5
Depreciation for the year		15.9	1.0	1.2	18.1
Disposals		(2.3)	(1.8)	(1.3)	(5.4)
<b>At 30 June 2025</b>		<b>73.3</b>	<b>1.8</b>	<b>2.1</b>	<b>77.2</b>
<b>Net book amount</b>					
<b>At 30 June 2025</b>		<b>92.7</b>	<b>3.6</b>	<b>2.1</b>	<b>98.4</b>
At 30 June 2024		97.0	3.4	2.2	102.6
At 1 July 2023		99.0	2.4	1.5	102.9
<b>Lease liabilities</b>					
Group				2025 £m	2024 £m
Current				15.2	13.9
Non-current				88.4	92.6
<b>Total discounted lease liabilities</b>				<b>103.6</b>	<b>106.5</b>
<b>Maturity analysis – contractual undiscounted lease payments</b>					
Less than one year				19.9	19.0
Between one and five years				65.2	63.3
More than five years				41.6	47.5
<b>Total undiscounted lease payments</b>				<b>126.7</b>	<b>129.8</b>

Total cash outflow for leases during the year is £21.5m (2024: £20.2m).

## 15. Business combinations

Details of business combinations in the year ended 30 June 2025 are set out below. The reason for each acquisition was to expand the CVS Group business through acquisitions aligned to our strategic goals.

Name of business combination	% share capital acquired	Date of acquisition	Country of incorporation
Pet Universe Veterinary Centre	Trade and asset	2 July 2024	Australia
Direct Vet Services	Trade and asset	2 September 2024	Australia
Northcote Animal Hospital	Trade and asset	18 November 2024	Australia
Cessnock Veterinary Hospital, Vetcare Aberglasslyn & Vetcare Kurri	Trade and asset	21 November 2024	Australia
Ripley Valley Veterinary Hospital Pty Ltd	100%	21 November 2024	Australia
VPP Group Pty Ltd t/a Veterinary Practice Partners	70%	24 April 2025	Australia
Beach Street Veterinary Clinic	Trade and asset	28 May 2025	Australia

The table below summarises the total assets acquired through business combinations in the year ended 30 June 2025:

	Note	Book value of acquired assets £m	Fair value adjustments £m	Fair value £m
Property, plant and equipment	13	2.1	—	2.1
Patient data records	12	—	15.7	15.7
Right-of-use assets	14	2.4	—	2.4
Inventories		0.2	—	0.2
Deferred tax asset/(liability)	25	0.2	(4.7)	(4.5)
Trade and other receivables		0.1	—	0.1
Cash		0.2	—	0.2
Trade and other payables		(1.3)	—	(1.3)
Lease liabilities		(2.4)	—	(2.4)
<b>Total identifiable assets</b>		<b>1.5</b>	<b>11.0</b>	<b>12.5</b>
Less: non-controlling interests				(0.6)
Add: goodwill	12			17.6
<b>Total purchase consideration</b>				<b>29.5</b>

### Purchase consideration – cash outflow

	2025 £m	2024 £m
Total purchase consideration	29.5	100.9
Less:		
Deferred consideration payable	(0.1)	(1.6)
Cash acquired	(0.2)	(4.1)
<b>Cash outflow for in-year acquisitions</b>	<b>29.2</b>	<b>95.2</b>
Add:		
Deferred consideration paid on prior period acquisitions	1.4	1.0
Contingent consideration paid on prior-period acquisitions	0.3	0.8
<b>Net outflow of cash – investing activities</b>	<b>30.9</b>	<b>97.0</b>

The total consideration of £29.5m is prior to the agreement of the completion accounts. The amounts recognised are subject to adjustment in line with IFRS 3 for up to twelve months from acquisition, with goodwill being adjusted accordingly.

Goodwill and intangible assets recognised in the year relating to business combinations are not expected to be deductible for tax purposes.

# Notes to the consolidated financial statements continued

## for the year ended 30 June 2025

### 15. Business combinations continued

#### Acquired receivables

The fair value of acquired trade receivables is £0.1m. The gross contractual amount for trade receivables due is £0.1m with a loss allowance of £nil recognised on acquisition.

#### Acquisitions with non-controlling interests

On 24 April 2025, the Group acquired a 70% interest in VPP Group Pty Limited (included above) in Australia for consideration of £5.0m. The identifiable net assets at acquisition were valued at £2.1m, of which 30% will be attributed to non-controlling interest (NCI). NCI is measured at the proportionate share of the identifiable net assets at the date of acquisition. The acquisition comprised net assets (being principally patient data records) with a fair value of £2.1m, resulting in goodwill of £3.5m.

Goodwill recognised represents the excess of purchase consideration over the fair value of the identifiable net assets. Goodwill reflects the synergies arising from the combination of the businesses; this includes the assembled workforce and clinical knowledge, cost synergies arising from shared support functions as well as buying power synergies. Goodwill includes the recognition of an amount equal to the deferred tax that arises on non-qualifying fixed assets acquired under a business combination.

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in VPP Group Pty Limited, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 2 for the Group's accounting policies for business combinations.

#### Revenue and profit contribution

If the acquisitions made in the period had been owned for the full year it is estimated that revenue would have been £16.9m and adjusted EBITDA £5.1m for the acquired businesses.

Post-acquisition revenue and post-acquisition adjusted EBITDA were £8.5m and £2.9m respectively. The post-acquisition period is from the date of acquisition to 30 June 2025. Post-acquisition adjusted EBITDA represents the direct operating result of practices from the date of acquisition to 30 June 2025 prior to the allocation of central overheads on the basis that it is not practicable to allocate these.

#### Acquisition-related costs (costs relating to business combinations)

Acquisition costs of £4.3m (2024: £9.0m) are included within other expenses in note 6 of the financial statements, of which £0.5m relates to stamp duty paid (2024: £0.8m).

Contingent consideration, expensed to the income statement, of £10.6m (2024: £6.1m) is included within other expenses in note 6 of the financial statements.

The Directors do not consider any individual in-year acquisition to be material to the Group and therefore have not separately disclosed these.

#### Contingent consideration

At the acquisition date of each acquisition, contingent consideration of £nil is recognised. Contingent consideration is expensed to the income statement for a period of up to three years subject to meeting fixed profitability and employment targets. If these targets are met, an aggregated £3.3m of contingent consideration would be payable on the first anniversary of the acquisitions, an aggregated £3.3m would be payable on the second anniversary of the acquisitions and an aggregated £1.8m would be payable on the third anniversary of the acquisitions.

#### Business combinations in previous years

Details of business combinations in the comparative year are presented in the consolidated financial statements for the year ended 30 June 2024. Adjustments to the provisional amounts during the measurement period have resulted in an increase in goodwill of £0.9m, increase in property, plant and equipment of £0.3m offset by a reduction in patient data records of £0.1m, recognition of non-controlling interest of £1.1m and reduction in net assets of £0.1m resulting in a reduction in consideration payable of £0.1m.

During the year, £1.4m (2024: £1.0m) was paid to settle deferred consideration payable from the prior year and £0.3m was paid to settle contingent consideration payments (2024: £0.8m).

Contingent consideration of £0.3m paid relates to a business combination made in the year ended 30 June 2023 where consideration is payable over a three-year period based on the veterinary practice reaching certain adjusted EBITDA targets. This is held at fair value and it is expected that this will be payable. As at 30 June 2025, £0.4m remains payable (2024: £0.7m).

## 15. Business combinations continued

### Business combinations subsequent to the year end

Details of business combinations made subsequent to the year end are set out below. The reason for each acquisition was to expand the CVS Group business through acquisitions aligned to our strategic goals.

Name of business combination	% share capital acquired	Date of acquisition	Country of incorporation
Toorak Rd Vet Clinic & Caulfield Veterinary Hospital	Trade and asset	2 July 2025	Australia
Sydney Animal Hospital incorporating: Avalon Vet Pty Ltd, Sydney Animal Hospitals – Northern Beaches Pty Ltd, Inner West Veterinary Hospital Pty Ltd, Sydney Animal Hospitals Pty Ltd, Sydney Animal Hospitals – Norwest Pty Ltd AND Sydney Animal Hospitals – Kellyville Pty Ltd.	75%	1 September 2025	Australia

The table below summarises the total assets acquired through business combinations subsequent to the year end:

	Book value of acquired assets £m	Fair value adjustments £m	Fair value £m
Property, plant and equipment	1.4	—	1.4
Patient data records	—	14.1	14.1
Right-of-use assets	2.2	—	2.2
Inventories	0.3	—	0.3
Deferred tax liability	0.1	(4.3)	(4.2)
Trade and other receivables	0.1	—	0.1
Trade and other payables	(1.4)	—	(1.4)
Lease liabilities	(2.2)	—	(2.2)
Total identifiable assets	0.5	9.8	10.3
Less: non-controlling interests			(2.3)
Add goodwill			15.6
Total purchase consideration			23.6

### Purchase consideration – cash outflow

The net outflow of cash is equal to the total purchase consideration and therefore no reconciliation is necessary.

The total consideration of £23.6m is prior to the agreement of the completion accounts. The amounts recognised are subject to adjustment in line with IFRS 3 for up to twelve months from acquisition, with goodwill being adjusted accordingly.

Goodwill and intangible assets recognised in the year relating to business combinations are not expected to be deductible for tax purposes.

### Acquisitions subsequent to the year end with non-controlling interests

On 1 September 2025, the Group acquired a 75% interest in six Sydney Animal Hospital practices (included above) in Australia for consideration of £21.2m. The identifiable net assets at acquisition were valued at £9.1m, of which 25% will be attributed to non-controlling interest (NCI). NCI is measured at the proportionate share of the identifiable net assets at the date of acquisition. The acquisition comprised net assets (being principally patient data records) with a fair value of £9.1m, resulting in goodwill of £14.5m.

For the non-controlling interests in Sydney Animal Hospital practices, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 2 for the Group's accounting policies for business combinations.

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 16. Investments

### Shares in subsidiary undertakings

Company	Note	£m
<b>Cost and net book amount</b>		
At 1 July 2023		75.6
Options granted to employees of subsidiary undertakings	11	2.4
At 30 June 2024		78.0
Options granted to employees of subsidiary undertakings	11	1.2
<b>At 30 June 2025</b>		<b>79.2</b>

The principal trading subsidiary undertakings of CVS Group plc are set out below:

Name of subsidiary	Principal business	Country of incorporation
Albavet Limited	Veterinary services and buying club	Scotland
Ark Animal Services Limited	Veterinary services	England and Wales
Animed Direct Limited	Online dispensary	England and Wales
Axiom Veterinary Laboratories Limited	Veterinary diagnostic services	England and Wales
Biome Vet Pty Ltd	Veterinary services	Australia
Brunker Road Veterinary Centre Pty Ltd	Veterinary services	Australia
B&W Equine Group Limited	Veterinary services	England and Wales
Cattle Dog Health Pty Ltd	Veterinary services	Australia
CVS (Australia) Holdings Proprietary Limited	Holding company	Australia
CVS Vets (Australia) Proprietary Limited	Veterinary services	Australia
CVS (UK) Limited	Veterinary and diagnostic services	England and Wales
East of England Veterinary Specialists Limited	Veterinary services	England and Wales
Endell Veterinary Group Limited	Veterinary services	England and Wales
Fernside Veterinary Centre limited	Veterinary services	England and Wales
GVHCO Pty Ltd	Veterinary services	Australia
Highcroft Pet Care Limited	Veterinary services	England and Wales
McDowall Veterinary Hospital Pty Ltd	Veterinary services	Australia
Mi Vet Club Limited	Veterinary goods and services buying club	England and Wales
Okeford Veterinary Centre Limited	Veterinary services	England and Wales
Pet Doctors Limited	Veterinary services	England and Wales
Pet Emergency Treatment Services Limited	Veterinary services	England and Wales
Pet Vaccination Clinic Limited	Veterinary services	England and Wales
Precision Histology International Limited	Veterinary diagnostic services	England and Wales
Ripley Veterinary Hospital Pty Ltd	Veterinary services	Australia
Ruddington and East Leake Veterinary Centre Limited	Veterinary services	England and Wales
Selwood House Vets Pty Ltd (80% owned)	Veterinary services	Australia
Severn Edge Equine Limited	Veterinary services	England and Wales
Severn Edge Farm Limited	Veterinary services	England and Wales
Severn Edge Veterinary Group Limited	Veterinary services	England and Wales
Silverton Veterinary Practice Limited	Veterinary services	England and Wales
Southside Animal Hospital Pty Ltd	Veterinary services	Australia
Sustainable Developments (SW) Limited	Property development	England and Wales
Vetright Pty Ltd (75% owned)	Veterinary services	Australia
Vet Referral Pty Ltd	Veterinary services	Australia
Vet Direct Services Limited	Veterinary instrumentation supply	England and Wales
VPP Group Pty Ltd (70% owned)	Veterinary services	Australia
Werrington Vets Limited	Veterinary services	England and Wales
Woodlands Veterinary Clinic Limited	Veterinary services	England and Wales

## 16. Investments continued

### Shares in subsidiary undertakings continued

The dormant subsidiary undertakings included within the consolidation are as follows:

Name of subsidiary	Country of incorporation
Ambivet Ltd*	England and Wales
Animal Health Centre Limited*	England and Wales
Anton Vets Ltd*	England and Wales
Astonlee Limited*	England and Wales
AT Animal Care Limited*	England and Wales
Bridge Veterinary Practice Limited	England and Wales
Charter Veterinary Hospital Group Limited*	England and Wales
Cinder Hill Equine Clinic Limited*	England and Wales
Corner House Equine Clinic Limited*	England and Wales
Darboe and Baily Limited	England and Wales
Enterprise Veterinary Services Limited	England and Wales
Greendale Veterinary Diagnostics Limited	England and Wales
Greensands Veterinary Clinic Limited*	England and Wales
Gurka Animal Care Limited*	England and Wales
Insight Laboratory Services Limited	England and Wales
Masefield Veterinary Services Ltd	England and Wales
Matt Smith Pet Care Limited*	England and Wales
Newlands Veterinary Group Limited*	England and Wales
OCVC Limited*	England and Wales
Pet Vaccination UK Limited	England and Wales
Pets Holding Limited	England and Wales
Pharmsure UK Limited*	England and Wales
Seadown Veterinary Services LTD	England and Wales
Severn Edge Holdings Limited	England and Wales
Slate Hall Veterinary Practice Limited*	England and Wales
Slate Hall Veterinary Services Limited*	England and Wales
Superstar Pets Limited*	England and Wales
The Harrogate Vet Limited	England and Wales
The Liverpool Vets Limited	England and Wales
Top Vets Limited	Scotland
Total Veterinary Services Limited*	England and Wales
Vet Direct Holdings Limited	England and Wales
Veterinary Enterprises & Trading Limited	England and Wales
Weighbridge Referral Service Limited*	England and Wales
Western Counties Equine Hospital Limited*	England and Wales
White Lodge Veterinary Centre Ltd*	England and Wales
Wyatt Poultry Veterinary Services Limited*	England and Wales
Your Vets (Holdings) Limited	England and Wales
3Tab Holdings Limited	England and Wales

Company marked with a \* are in liquidation.

CVS Group plc owns 100% of the Ordinary share capital of CVS (UK) Limited and the remaining subsidiaries above are indirectly held by CVS Group plc.

Unless otherwise indicated, 100% of the Ordinary share capital is owned for all equity shareholdings and therefore all are wholly owned.

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 16. Investments continued

### Shares in subsidiary undertakings continued

The registered office for all United Kingdom registered subsidiary undertakings is CVS House, Owen Road, Diss, Norfolk, IP22 4ER, with the exception of the following companies:

Name of subsidiary	Registered office address
Albavet Limited	24 Nicol Street, Kirkcaldy, Fife KY1 1NY
Axiom Veterinary Laboratories Limited	The Manor House, Brunel Road, Newton Abbot, Devon TQ12 4PB
Precision Histology International Limited	The School House, One Eyed Lane, Weybread, Diss, Norfolk IP21 5TT
Top Vets Limited	Riverside Vet Practice Howden South Lodge, Howden, Livingston EH54 6AD

The registered office for all Australian subsidiary undertakings is BDO Offices – BDO Services Pty Ltd, Level 10, 12 Creek Street, Brisbane Queensland 4000.

## 17. Derivative financial instruments

Derivatives are used for hedging in the management of exposure to market risks. This enables the optimisation of the overall cost of accessing debt capital markets, and the mitigation of the market risk which would otherwise arise from movements in interest rates.

The ineffective element of cash flow hedges in 2025 was immaterial (2024: immaterial).

### Cash flow hedges

On 31 January 2024, the Group entered into two interest rate swap arrangements limiting the Group's exposure to interest rate increases. The arrangement exposed the Group to Sterling SONIA within a cash flow hedge accounting relationship.

At 30 June 2025, £100.0m of debt was hedged (2024: £100.0m); the remainder of the debt was unhedged at the year end.

Below are details of the hedging instruments and hedged items in scope of the IFRS 9 amendments due to interest rate benchmark reform. The terms of the hedged items listed match those of the corresponding hedging instruments.

Hedge type	Instrument type	Maturing in	Nominal	Hedged item
Cash flow hedge	Receive SONIA, pay Sterling fixed interest rate swaps	2028	£100.0m	Sterling fixed rate issued debt of the same maturity and nominal of the swap

The Group classifies its interest rate swap arrangement as a cash flow hedge and utilises hedge accounting to minimise income statement volatility in relation to movements in the value of the swap arrangement.

The fair values of the Group's interest rate derivatives are established using valuation techniques, primarily discounted cash flows, based on assumptions that are supported by observable market prices or rates (level 1).

The fair values of derivative financial instruments have been disclosed in the Group consolidated statement of financial position as follows:

Group	2025		2024	
	Non-current assets £m	Liabilities £m	Non-current assets £m	Liabilities £m
Interest rate swap arrangements – cash flow hedges	0.8	—	0.9	—

### Movements in fair values

Group	Interest rate swap arrangements £m
Fair value at 1 July 2023	2.1
Fair value loss through reserves – hedged	(1.2)
At 30 June 2024	0.9
Fair value loss through reserves – hedged	(0.1)
<b>At 30 June 2025</b>	<b>0.8</b>

## 17. Derivative financial instruments continued

### Movements in fair values continued

The cash flow hedge reserve represents the cumulative amount of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is recognised in the income statement only when the hedged transaction impacts the profit or loss, or is included directly in the initial cost or other carrying amount of the hedged non-financial items.

The cost of the hedging reserve includes the effects of the changes in fair value of the time value of the option when only the intrinsic value of the option is designated as the hedging instrument.

The changes in fair value of the time value of an option in relation to a transaction-related hedged item accumulated in the cost of hedging reserve are reclassified to the income statement only when the hedged transaction affects profit or loss, or included as a basis adjustment to the non-financial hedged item. The changes in fair value of the time value of an option in relation to a time-period related hedged item accumulated in the cash flow hedging reserve are amortised to the income statement on a rational basis over the term of the hedging relationship.

## 18. Financial instruments

### Financial assets

Group	Note	2025			2024		
		FVTPL – derivatives designated in hedge relationships £m	Amortised cost £m	Total £m	FVTPL – derivatives designated in hedge relationships £m	Amortised cost £m	Total £m
Trade and other receivables <sup>1</sup>	20	—	56.0	56.0	—	55.5	55.5
Cash and cash equivalents	21	—	16.1	16.1	—	16.5	16.5
Derivative financial instruments	17	0.8	—	0.8	0.9	—	0.9
<b>Total financial assets</b>		<b>0.8</b>	<b>72.1</b>	<b>72.9</b>	<b>0.9</b>	<b>72.0</b>	<b>72.9</b>

1. Trade and other receivables exclude non-financial assets e.g. prepayments.

### Financial liabilities

Group	Note	2025			2024		
		FVTPL – contingent consideration £m	Amortised cost £m	Total £m	FVTPL – contingent consideration £m	Amortised cost £m	Total £m
Borrowings	24	—	(145.2)	(145.2)	—	(181.3)	(181.3)
Trade and other payables <sup>2</sup>	22	(0.4)	(66.2)	(66.6)	(0.7)	(68.4)	(69.1)
Lease liabilities	14	—	(103.6)	(103.6)	—	(106.5)	(106.5)
<b>Total financial liabilities</b>		<b>(0.4)</b>	<b>(315.0)</b>	<b>(315.4)</b>	<b>(0.7)</b>	<b>(356.2)</b>	<b>(356.9)</b>

2. Trade and other payables exclude deferred income, social security and other taxes and employee benefit expense.

Company	Note	2025 £m	2024 £m
Amounts owed by Group undertakings	34	64.0	70.9

Amounts owed by Group undertakings are unsecured and interest free and have no fixed date of repayment. Amounts owed by Group undertakings are measured at amortised cost.

## 19. Inventories

All inventories are finished goods held for resale. The Directors do not consider the difference between the purchase price of inventories and their replacement cost to be material.

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 20. Trade and other receivables

	Group 2025 £m	Group 2024 £m	Company 2025 £m	Company 2024 £m
Trade receivables:				
Within their due period	18.1	16.3	—	—
Past due:				
Not impaired	11.2	13.8	—	—
Fully impaired	3.5	3.3	—	—
<b>Total trade receivables</b>	<b>32.8</b>	<b>33.4</b>	<b>—</b>	<b>—</b>
Less: provision for impairment of receivables	(3.5)	(3.3)	—	—
Trade receivables – net	29.3	30.1	—	—
Other receivables	11.2	12.9	—	—
Prepayments	13.4	12.2	—	—
Accrued income	15.5	12.5	—	—
<b>Total trade and other receivables</b>	<b>69.4</b>	<b>67.7</b>	<b>—</b>	<b>—</b>

### Group

The carrying amount of trade and other receivables is deemed to be a reasonable approximation to fair value. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable above with the exception of prepayments which hold no credit risk. The Group does not hold any collateral as security. The Group's trade and other receivables are denominated primarily in Sterling, with small amounts in Australian Dollars for Australian operations.

A provision for expected credit losses has been recognised at the reporting date through consideration of the ageing profile of the Group's trade receivables and the perceived credit quality of its customers reflecting net debt due. The carrying amount of trade receivables, net of expected credit losses, is considered to be an approximation to their fair value. The amount of the expected losses was £3.5m (2024: £3.3m). The Group has not disclosed the expected loss rate as this varies by type of customer. The Group assesses its expected credit loss by reviewing historical cash flows of the ageing profile of the trade receivables. No further adjustments are applied in the review and the Group does not consider any future economic conditions to impact the expected credit loss.

The Group does not consider that any financial asset, other than those provided for above, is credit impaired.

Aggregate movements on the Group's expected losses of trade receivables are as follows:

	2025 £m	2024 £m
At the beginning of the year	3.3	3.5
Charged to the income statement within administrative expenses	1.6	1.3
Utilisation of the provision during the year	(1.4)	(1.5)
<b>At the end of the year</b>	<b>3.5</b>	<b>3.3</b>

Other receivables do not contain impaired assets.

At 30 June 2025, there is a contract asset recorded as accrued income of £14.7m (2024: £12.5m, 2023: £10.9m), relating to customer membership schemes including the Healthy Pet Club (HPC) contract. The contract asset arises from customers having received consultations and treatments which are weighted towards the beginning of the twelve-month scheme, in advance of cash payments, which are received in twelve equal instalments, as detailed more fully in note 2. Due to the nature of the scheme, the accrued income amount brought forward has been fully utilised in the year.

The remaining accrued income balance of £0.8m (2024: £nil), relates to veterinary services procedures performed but not invoiced.

## 21. Cash and cash equivalents

	Group		Company	
	2025 £m	2024 £m	2025 £m	2024 £m
<b>Total cash and cash equivalents</b>	<b>16.1</b>	<b>16.5</b>	<b>—</b>	<b>—</b>

## 22. Trade and other payables

	Group		Company	
	2025 £m	(Restated <sup>3</sup> ) 2024 £m	2025 £m	2024 £m
<b>Current</b>				
Trade payables	49.3	50.1	—	—
Social security and other taxes	23.7	19.3	—	—
Employee benefit obligations <sup>1</sup>	13.5	11.9	—	—
Deferred income <sup>2</sup>	1.6	2.3	—	—
Accruals	16.9	19.0	—	—
<b>Total current trade and other payables</b>	<b>105.0</b>	<b>102.6</b>		
<b>Non-current</b>				
Employee benefit obligations <sup>1</sup>	0.4	—	—	—
<b>Total non-current trade and other payable</b>	<b>0.4</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total trade and other payables</b>	<b>105.4</b>	<b>102.6</b>	<b>—</b>	<b>—</b>

1. Employee benefit obligations relate to leave obligations, expected bonus payments and contingent consideration, accounted for under IAS19.

2. Deferred income relates to the contract liability relating to the Healthy Pet Club (HPC) contract:

3. The 2024 note has been restated to classify balances accounted for under IAS 19 Employee benefits.

At 30 June 2025, the total fair value of contingent consideration included within accruals has been valued at £8.5m (2024: £7.1m, 2023: £3.5m). With the exception of a single agreement for contingent consideration noted below, the final payments depend upon the future profitability of the veterinary practices acquired alongside the vendors remaining in employment and therefore is accounted for under IAS 19, 'Employee Benefits' as a long-term employee benefit. The expense is recognised in accordance with the plans benefit formula and over the period of the employment service. The maximum amount payable for contingent consideration is £27.8m (2024: £29.0m), on an undiscounted basis. The minimum amount payable for contingent consideration is £nil. The fair value of contingent consideration is based on estimations of future trading performance in comparison to fixed targets.

In 2023, the Group entered a contingent consideration arrangement for £1.5m which has been booked to goodwill. £0.3m (2024: £0.8m) has been paid during the year, and £0.4m (2024: £0.7m) remains payable subject to the veterinary practice meeting fixed profitability targets.

## 23. Provisions

	2025 £m	2024 £m
At the beginning of the year	0.9	0.7
Charged to the income statement within administration expenses	0.1	0.6
Utilised in the period	(0.5)	(0.4)
<b>At the end of the year</b>	<b>0.5</b>	<b>0.9</b>

Provisions relate to costs set aside for properties including site closures and other property maintenance obligations. It is anticipated these will be utilised in the next twelve months.

# Notes to the consolidated financial statements continued

## for the year ended 30 June 2025

### 24. Borrowings

Borrowings comprise bank loans and are denominated in Sterling. The repayment profile is as follows:

Group	2025 £m	2024 £m
Within one year or on demand	—	—
Between one and two years	—	—
After more than two years	145.2	181.3
	145.2	181.3

The balances above are shown net of issue costs of £2.3m (2024: £3.2m), which are being amortised over the term of the bank loan. The carrying amount of borrowings is deemed to be a reasonable approximation to fair value.

The Group has total facilities of £350.0m to 21 February 2028, provided by a syndicate of eight banks: AIB, Barclays, Danske, HSBC, JP Morgan, Lloyds, NatWest and Virgin Money. The facility comprises the following elements:

- > a fixed-term loan of £87.5m, repayable on 21 February 2028 via a single bullet repayment;
- > a revolving credit facility of £262.5m, available to 21 February 2028; and
- > we retain our £5.0m overdraft facility, renewable annually.

The two financial covenants associated with these facilities are based on the ratios of bank test net debt to bank test EBITDA and bank test EBITDA to interest. The bank test net debt to bank test EBITDA ratio must not exceed 3.25x. The bank test EBITDA to interest ratio must not be less than 4.5x. The facilities require cross-guarantees from the most significant of CVS Group's trading subsidiaries but are not secured on the assets of the Group.

Bank test EBITDA is based on the last twelve months' adjusted EBITDA performance annualised for the effect of acquisitions deducting costs relating to business combinations and adding back share option expense, prior to the impact of IFRS 16.

Bank covenants are tested quarterly and the Group has considerable headroom in both financial covenants and in its undrawn but committed facilities as at 30 June 2025. More information can be found in note 3.

Bank borrowings bear interest at 1.45% to 2.70% above SONIA. The applicable interest rate is dependent upon the bank test net debt to bank test EBITDA ratio. During the year the bank borrowings carried a rate averaging 1.8% above SONIA.

Interest rate risk is also managed centrally and derivative instruments are used to mitigate this risk. On 31 January 2024, the Group entered into a four-year interest rate fixed swap arrangement to hedge fluctuations in interest rates on £100.0m of its term loan.

At the year end, £100.0m (2024: £100.0m) of the combined term loan and revolving credit facility was hedged using an interest rate swap. The remainder of the debt is not hedged. Further information on the cash flow hedge can be found in note 17.

#### Undrawn committed borrowing facilities

At 30 June 2025, the Group has a committed overdraft facility of £5.0m (2024: £5.0m) and an RCF of £262.5m (2024: £262.5m). The overdraft was undrawn at 30 June 2025 (2024: undrawn) and the RCF was £202.5m undrawn (2024: £165.5m undrawn). A commitment fee is paid on undrawn loan facilities.

### 25. Deferred tax

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. Deferred tax balances are calculated using tax rates expected to apply in the period when the liability or asset is expected to be realised based on rates enacted or substantively enacted by the reporting date.

Deferred tax assets comprised:

Group	2025 £m	2024 £m
Tax effect of temporary differences:		
Share-based payments	0.6	0.3
Other	1.4	1.1
	2.0	1.4

The Group's deferred tax assets have been recognised based on historical performance and future budgets. The recoverability of deferred tax assets is supported by the expected level of future profits. The Group believes that it is probable that there will be sufficient taxable profits against which the deferred tax assets will reverse.

## 25. Deferred tax continued

Deferred tax liabilities comprise the excess of carrying value over the tax base.

Group	2025 £m	2024 £m
Tax effect of temporary differences:		
Excess of qualifying amortisation and intangible fixed assets acquired via a business combination	26.5	28.8
Derivative financial instruments	0.3	0.3
Capital allowances in excess of depreciation	12.4	9.8
	<b>39.2</b>	<b>38.9</b>

The movement in the net deferred tax assets and liabilities is explained as follows:

Group	At 1 July 2024 £m	Credited/ (charged) to the income statement £m	Credited to other comprehensive income £m	Charged to the statement of changes in equity £m	Foreign exchange £m	Acquisition of subsidiaries and deferred tax recognised in goodwill £m	Disposal of subsidiaries and deferred tax recognised in goodwill £m	At 30 June 2025 £m
Share-based payments	0.3	0.1	—	0.2	—	—	—	0.6
Tax losses	—	—	—	—	—	—	—	—
Other temporary differences	1.1	0.2	—	—	—	0.2	(0.1)	1.4
Intangible fixed assets acquired via a business combination	(28.8)	5.6	—	—	1.4	(4.7)	—	(26.5)
Derivative financial instruments	(0.3)	—	—	—	—	—	—	(0.3)
Property, plant and equipment	(9.8)	(3.4)	—	—	—	—	0.8	(12.4)
	<b>(37.5)</b>	<b>2.5</b>	<b>—</b>	<b>0.2</b>	<b>1.4</b>	<b>(4.5)</b>	<b>0.7</b>	<b>(37.2)</b>

Group	At 1 July 2023 £m	(Charged)/ credited to the income statement £m	Credited to other comprehensive income £m	Credited to the statement of changes in equity £m	Foreign exchange £m	Acquisition of subsidiaries and deferred tax recognised in goodwill £m	Disposal of subsidiaries and deferred tax recognised in goodwill £m	At 30 June 2024 £m
Share-based payments	1.5	(0.6)	—	(0.6)	—	—	—	0.3
Tax losses	0.2	0.1	—	—	—	—	(0.3)	—
Other temporary differences	0.2	0.5	—	—	—	0.6	(0.2)	1.1
Intangible fixed assets acquired via a business combination	(20.8)	5.2	—	—	—	(13.5)	0.3	(28.8)
Derivative financial instruments	(0.6)	—	0.3	—	—	—	—	(0.3)
Property, plant and equipment	(5.3)	(4.4)	—	—	—	(0.1)	—	(9.8)
	<b>(24.8)</b>	<b>0.8</b>	<b>0.3</b>	<b>(0.6)</b>	<b>—</b>	<b>(13.0)</b>	<b>(0.2)</b>	<b>(37.5)</b>

The deferred tax balance is non-current.

Deferred tax balances are calculated using tax rates expected to apply in the period when the liability of asset is expected to be realised based on rates enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities have been offset where they relate to the same taxation authority the Group had a legally enforceable right to offset and the Group intends to settle the liability and realise the asset simultaneously.

# Notes to the consolidated financial statements continued

## for the year ended 30 June 2025

### 25. Deferred tax continued

The Group's deferred tax assets have been recognised based on historical performance and future budgets. The recoverability of deferred tax assets is supported by the expected level of future profits. The Group believes that it is probable that there will be sufficient taxable profits against which the deferred tax assets will reverse.

The Group has carried forward unutilised tax losses of £14.6m (2024: £14.6m) that are available indefinitely for offsetting against future taxable profits of Group companies within the tax jurisdiction in which the losses arose. No deferred tax asset has been recognised (2024: £nil) in respect of these losses as it is not probable that sufficient future taxable profits will arise against which the asset will reverse.

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of the temporary difference, and it is probable that such differences will not reverse in the foreseeable future. The Group expects the majority of earnings to be continuously reinvested by the Group. It is not practicable to estimate the amount of unrecognised deferred tax liabilities in respect of these unremitted earnings.

### 26. Share capital

Company	2025 £m	2024 £m
<b>Issued and fully paid</b>		
2025: 71,740,184 Ordinary shares of 0.2p each (2024: 71,732,133 Ordinary shares of 0.2p each)	0.1	0.1

During the year, shares were issued for a total consideration of £0.1m (2024: £2.0m) as follows:

	2025 shares	2024 shares
LTIP14	—	107,903
SAYE12	—	5,857
SAYE13	8,051	194,471
<b>Total</b>	<b>8,051</b>	<b>308,231</b>

Details of shares under option are provided in note 11 to the financial statements.

The authorised share capital of the Company is 352,000,000 Ordinary shares of 0.2p each.

#### Dividends

The Directors have proposed a final dividend of 8.5p (2024: 8.0p) per share, giving a total of £6.1m (2024: £5.7m). During the year, the 2024 final dividend totalling £5.7m was paid (2024: final 2023 dividend paid £5.4m).

Dividends paid to non-controlling interests amount to £0.2m (2024: £0.1m).

#### EBT own shares

The Group operates an EBT which holds 164 shares (2024: 164 shares).

In the year ended 30 June 2017, the Group established an EBT for the purposes of satisfying the exercise of certain share options vesting under the Group's LTIP and SAYE schemes. The Group has accounted for the purchase of the shares held by the EBT as Treasury shares and has deducted these from reserves.

During the year, the EBT bought no shares at open market value for £nil (2024: 56,896 shares at open market value for £0.9m).

During the year, the EBT sold no shares (2024: 6,733 shares) to satisfy shares vesting under LTIP schemes. The EBT sold no shares (2024: 50,383 shares) to satisfy shares vesting under SAYE schemes for proceeds of £nil (2024: £0.4m).

### 27. Share premium

The share premium reserve comprises the premium received over the nominal value of shares issued.

## 28. Analysis of movement in liabilities from financing activities

Group	At 1 July 2024 £m	Cash flow £m	New leases £m	Liabilities on disposed leases £m	Non-cash movement £m	At 30 June 2025 £m
Lease liabilities	(106.5)	21.5	(16.7)	3.1	(5.0)	(103.6)
Bank loans	(181.3)	37.0	—	—	(0.9)	(145.2)
<b>Total liabilities from financing activities</b>	<b>(287.8)</b>	<b>58.5</b>	<b>(16.7)</b>	<b>3.1</b>	<b>(5.9)</b>	<b>(248.8)</b>

Group	At 1 July 2023 £m	Cash flow £m	New leases £m	Liabilities on disposed leases £m	Non-cash movement £m	At 30 June 2024 £m
Lease liabilities	(106.9)	20.2	(23.2)	8.0	(4.6)	(106.5)
Bank loans	(92.2)	(88.7)	—	—	(0.4)	(181.3)
<b>Total liabilities from financing activities</b>	<b>(199.1)</b>	<b>(68.5)</b>	<b>(23.2)</b>	<b>8.0</b>	<b>(5.0)</b>	<b>(287.8)</b>

Non-cash movements on right-of-use assets mainly comprise interest on right-of-use lease liabilities. Non-cash movements on borrowings and bank loans mainly include amortisation of issue costs on bank loans and bank debt acquired.

## 29. Cash flow generated from operations

	Group		Company	
	2025 £m	(Restated) 2024 £m	2025 £m	2024 £m
Profit/(loss) for the year	53.0	6.4	(1.3)	(0.9)
Tax expense	13.3	11.8	—	—
Finance expense	17.2	13.4	—	—
(Profit)/loss on sale of discontinued operation	(33.5)	14.3	—	—
Amortisation of intangible assets	26.0	24.8	—	—
Depreciation of property, plant and equipment	20.4	17.7	—	—
Depreciation and impairment of right-of-use assets	18.1	16.0	—	—
Loss/(profit) on sale of property, plant and equipment and right-of-use assets	1.1	(0.3)	—	—
Decrease/(increase) in inventories	2.9	(3.0)	—	—
(Increase)/decrease in trade and other receivables <sup>1</sup>	(9.9)	(17.4)	6.9	4.3
Increase in trade and other payables	4.7	10.1	—	—
Decrease in provisions	(0.4)	(0.3)	—	—
Share option expense	1.2	2.4	—	—
<b>Total net cash flow generated from operations</b>	<b>114.1</b>	<b>95.9</b>	<b>5.6</b>	<b>3.4</b>

1. The movement in trade and other receivables includes movement in Research and Development Expenditure Tax Credit receivable of £7.4m (2024: £7.4m) where the balance sits in corporation tax receivable.

## 30. Guarantees and other financial commitments

### Capital commitments

The Group had no capital commitments as at 30 June 2025 (2024: £nil).

### Bank guarantees

The Company is a member of the Group's banking arrangement, under which it is party to unlimited cross-guarantees in respect of the banking facilities of other Group undertakings, amounting to £355.0m at 30 June 2025 (2024: £355.0m). The Directors do not expect any material loss to the Company to arise in respect of the guarantees.

### Contingent liabilities

A letter of support has been provided to certain subsidiaries indicating the intention of the Company to support them, if required, for a period of a minimum of twelve months from the date of signing their financial statements.

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 30. Guarantees and other financial commitments continued

### Exemption from audit by parent company guarantee

The following wholly owned subsidiaries of the Company are covered by a guarantee provided by CVS Group plc and are consequently entitled to an exemption under Section 479A 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. The Group has deemed it not practical to quantify the possible outflow and no liability is expected to arise under the guarantee. The entities covered by this guarantee are disclosed overleaf.

Name of subsidiary	Company number
3Tab Holdings Limited	11111944
Albavet Limited	SC275059
Animed Direct Limited	07007357
Ark Animal Services Limited	06135863
Axiom Veterinary Laboratories Limited	02526935
B & W Equine Group Limited	06777468
Bridge Veterinary Practice Limited	05629768
Darboe and Baily Limited	07328167
East of England Veterinary Specialists Limited	10722594
Endell Veterinary Group Limited	08078309
Enterprise Veterinary Services Limited	07640364
Fernside Veterinary Centre Limited	05025485
Greendale Veterinary Diagnostics Limited	05138112
Highcroft Pet Care Limited	07238070
Insight Laboratory Services limited	06353163
Masefield Veterinary Services Limited	06511948
Mi Vet Club Limited	08365201
Okeford Veterinary Centre Limited	05984705
Pet Doctors Limited	03769799
Pet Emergency Treatment Services Limited	03586933
Pet Vaccination Clinic Limited	03252801
Pet Vaccination UK Limited	05391973
Pets Holding Limited	11161672
Precision Histology International Limited	02161963
Ruddington and East Leake Veterinary Centre Limited	04551334
Seadown Veterinary Services LTD	05377692
Severn Edge Equine Limited	09524486
Severn Edge Farm Limited	09521408
Severn Edge Holdings Limited	09522086
Severn Edge Veterinary Group Limited	09523786
Silverton Veterinary Practice Limited	08101117
Sustainable Developments (SW) Limited	05174372
The Harrogate Vet Limited	11333183
The Liverpool Vets Limited	10711911
Top Vets Limited	SC441172
Vet Direct Services Limited	05167635
Vet Direct Holdings Limited	06746630
Veterinary Enterprises & Trading Ltd	03495054
Werrington Vets Limited	11201583
Woodlands Veterinary Clinic Limited	07680917
Your Vets (Holdings) Limited	07071834

### 31. Pension schemes

The Group contributes to certain employees' personal pension schemes in accordance with their service contracts. The amounts are charged to the income statement as they fall due. The amounts charged during the year amounted to £11.7m (2024: £7.8m). The amount outstanding at the year end included in trade and other payables was £1.6m (2024: £1.5m).

### 32. Discontinued operations

On 24 April 2025 the Group announced the disposal of its Crematoria operations. The subsidiary entities were sold on 15 May 2025 and it is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

#### Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 15 May 2025 (2025 column) and the year ended 30 June 2024.

	2025 £m	2024 £m
Revenue	7.9	8.6
Expenses	(7.7)	(5.6)
Profit before tax	0.2	3.0
Tax credit/(expense)	0.2	(1.3)
Profit after tax of discontinued operations	0.4	1.7
Profit on sale of the subsidiaries after tax	33.5	—
<b>Profit from discontinued operations</b>	<b>33.9</b>	<b>1.7</b>
Exchange differences on translation of discontinued operations	—	—
<b>Other comprehensive profit from discontinued operations</b>	<b>33.9</b>	<b>1.7</b>
Net cash outflow from operating activities	0.3	1.8
Net cash outflow from investing activities	(1.0)	(0.9)
Net cash outflow from financing activities	—	—
<b>Net (decrease)/increase in cash generated by the discontinued operation</b>	<b>(0.7)</b>	<b>0.9</b>

#### Details of the sale of the discontinued operation

	2025 £m	2024 £m
Consideration received	42.3	—
Consideration to be received	0.4	—
Carrying amount of net assets sold	(9.2)	—
<b>Profit on sale before income tax and reclassification of foreign currency translation reserve</b>	<b>33.5</b>	<b>—</b>
Tax on gain	—	—
<b>Profit on sale after tax</b>	<b>33.5</b>	<b>—</b>

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 32. Discontinued operations continued

### Details of the sale of the discontinued operation continued

The carrying amounts of assets and liabilities as at the date of sale (15 May 2025) were:

	15 May 2025 £m
Intangible assets	3.1
Property, plant and equipment	5.8
Right-of-use assets	0.1
Inventories	0.6
Trade receivables	0.8
<b>Total assets</b>	<b>10.4</b>
Trade and other payables	(0.3)
Lease liabilities	(0.1)
Deferred tax	(0.8)
<b>Total liabilities</b>	<b>(1.2)</b>
<b>Net assets</b>	<b>9.2</b>

In the prior year, on 21 May 2024, the Group announced the disposal of its Netherlands and Republic of Ireland operations. The subsidiary entities were sold on 29 May 2024 and this is reported in the prior period as a discontinued operation. Details of this can be found in the 2024 Annual Report.

## 33. Events after the reporting period

Since 30 June 2025, the Group has completed two acquisition comprising eight practice sites for total consideration of £23.6m (Australian \$48.8m), detailed below. This is aligned with the Group's strategic goals.

Name of business combination	% share capital acquired	Date of acquisition	Country of incorporation
Toorak Rd Vet Clinic & Caulfield Veterinary Hospital	Trade and asset	2 July 2025	Australia
Sydney Animal Hospital (Avalon Vet Pty Ltd, Sydney Animal Hospitals – Northern Beaches Pty Ltd, Inner West Veterinary Hospital Pty Ltd, Sydney Animal Hospitals Pty Ltd, Sydney Animal Hospitals – Norwest Pty Ltd and Sydney Animal Hospitals – Kellyville Pty Ltd)	75%	1 September 2025	Australia

Further information on these business combinations can be found in note 15.

In addition the Group has exchanged contracts in respect of a further acquisition of an additional small animal primary care veterinary practices in Australia, with completion expected in due course.

On 31 July 2025, the Group granted option awards over a total of 276,364 of the Company's Ordinary shares of 0.2p each under the CVS Group Long-Term Incentive Plan 2025 (LTIP19). The awards will vest in three years' time, subject to performance criteria being satisfied. These vesting criteria relate to the Company's earnings per share growth and total shareholder return over the three-year period between 1 July 2025 and 30 June 2028.

## 34. Related party transactions

Directors' and key management's compensation is disclosed in note 8.

### Company

During the year, the Company had the following transactions with CVS (UK) Limited, the Group's immediate subsidiary:

	2025 £m	2024 £m
Recharge of expenses incurred by CVS (UK) Limited on behalf of the Company	(1.3)	(0.9)
Repayment of cash from share proceeds	0.1	2.0
Cash advanced to fund payment of dividend	(5.7)	(5.4)

### 34. Related party transactions continued

#### Company continued

The following balances were owed by related companies:

	2025		2024	
	Receivable £m	Payable £m	Receivable £m	Payable £m
CVS (UK) Limited	64.0	—	70.9	—

Amounts owed by CVS (UK) Limited are in the normal course of trading, are unsecured and interest free and have no fixed date of repayment.

#### Transactions with Directors and key management

On 24 November 2022, the Group completed the purchase of 100.0% of the share capital of The Harrogate Vet Limited, a company registered in England and Wales, comprising one companion animal veterinary practice site in the UK. Prior to acquisition, the company was partially owned by the spouse of one of the Executive Directors of the Group at that date, and as such the acquisition was considered a related party transaction. The terms of the acquisition, including consideration paid, were on an arm's length basis and consistent with acquisitions of other unrelated entities.

During the year, £0.3m contingent consideration was paid and £0.4m remains payable to the related party contingent on fixed adjusted EBITDA targets within the practice acquired. The related party remained in part-time employment within the Group and received a salary in 2025 of £32,885 (2024: £23,556) which is on an arm's length basis.

During the prior year, the Group divested its operations in the Netherlands and the Republic of Ireland to a member of key management personnel who was not a Director of the Company and ceased to be an employee of the Group following divestment. A short-term interest-bearing loan on an arm's length basis was made to Global Veterinary Excellence Limited, a company owned by the member of key management personnel, for £600,000, repayable in May 2025. £150,000 was repaid in May 2025 with an extension granted on the remaining £450,000, repayable November 2025.

The following dividends were paid to the Directors of the Group:

	2025 £	2024 £
R Connell	—	12,675
R Gray	608	450
D Kemp	837	601
D Wilton	720	488
R Fairman	5,280	4,904
R Alfonso	1,592	1,183
P Higgs	510	—
B Jacklin	—	2,662
J Shaw	132	124
Spouse of R Gray	281	264
Spouse of R Fairman	969	908
Spouse of B Jacklin	—	92
Spouse of R Alfonso	359	261

#### Ultimate controlling party

The Directors consider there is no ultimate controlling party.

# Notes to the consolidated financial statements continued

for the year ended 30 June 2025

## 35. Non-controlling interest (NCI)

Set out below is summarised financial information for an aggregated view of subsidiaries that have non-controlling interests. These are not deemed material to the Group. The amounts disclosed are before intercompany eliminations.

Name of subsidiary	Principal place of business	Proportion of ownership interests held by NCI
Vetright Pty Ltd	Queensland, Australia	25%
Selwood House Vets Pty Ltd	Sydney, Australia	20%
VPP Group Pty Ltd	Victoria, Australia	30%

### Summarised statement of financial position

	2025 £m	2024 £m
Current assets	3.0	1.7
Current liabilities	(2.9)	(1.4)
<b>Current net assets</b>	<b>0.1</b>	<b>0.3</b>
Non-current assets	5.8	3.4
Non-current liabilities	(0.9)	—
<b>Non-current net assets</b>	<b>4.9</b>	<b>3.4</b>
<b>Net assets</b>	<b>5.0</b>	<b>3.7</b>
Accumulated NCI	1.9	0.8

### Summarised statement of comprehensive income

	2025 £m	2024 £m
Revenue	5.2	3.0
<b>Profit for the period</b>	<b>0.8</b>	<b>1.0</b>
Other comprehensive income	—	—
<b>Total comprehensive income</b>	<b>0.8</b>	<b>1.0</b>
Profit allocated to NCI	0.2	0.2
Dividends paid to NCI	0.2	0.1

### Summarised cash flows

	2025 £m	2024 £m
Cash flows from operating activities	1.2	2.1
Cash flows from investing activities	—	—
Cash flows from financing activities	(1.0)	(0.6)
<b>Net increase in cash and cash equivalents</b>	<b>0.2</b>	<b>1.5</b>

## Five-year history – unaudited

for the year ended 30 June 2025

	2025 £m	2024 <sup>1</sup> £m	2023 <sup>2</sup> £m	2022 £m	2021 £m
Revenue	673.2	638.7	588.9	554.2	510.1
Gross profit	285.7	268.7	258.1	239.1	221.9
Operating profit	49.8	47.8	68.4	42.8	40.1
Finance expense	(17.2)	(12.6)	(7.7)	(6.8)	(7.0)
Profit before tax	32.6	35.2	60.7	36.0	33.1
Tax expense	(13.5)	(10.5)	(12.6)	(10.3)	(13.8)
Profit from continuing operations	19.1	24.7	48.1	25.7	19.3
Profit/(loss) from discontinued operations	33.9	(18.3)	(6.2)	—	—
Profit for the year	53.0	6.4	41.9	25.7	19.3
Adjusted EBITDA	134.6	123.0	121.6	107.4	97.5
Adjusted profit before tax	78.9	79.0	87.9	75.5	66.2
Cash generated from operations	114.1	95.9	107.9	93.1	80.3
Taxation paid	(15.5)	(15.7)	(14.9)	(11.2)	(13.0)
Interest paid	(16.5)	(12.4)	(7.2)	(6.4)	(7.1)
Business combinations (net of cash acquired)	(30.9)	(97.0)	(54.6)	(8.4)	(19.4)
Loans and borrowings acquired through business combinations	—	(0.3)	(0.8)	(0.1)	(1.0)
Purchase of property, plant and equipment and intangible assets	(34.2)	(13.1)	(45.7)	(24.5)	(16.6)
Proceeds from sale of property, plant and equipment and intangible assets	—	0.2	0.3	0.2	0.6
Purchase of finance assets held at cost/other investments	0.1	(0.6)	—	(21.4)	—
Proceeds from sale of other investments	42.3	—	0.1	9.0	—
Dividends paid	(5.9)	(5.5)	(5.0)	(4.6)	—
Proceeds from issue of Ordinary shares	0.1	2.0	1.6	2.3	1.2
Proceeds from the sale of Treasury shares	—	0.4	0.5	—	0.3
Purchase of Treasury shares	—	(0.9)	(1.2)	—	—
Repayment of obligations under right-of-use assets	(16.4)	(15.6)	(14.1)	(12.7)	(13.0)
Amortisation of debt issuance costs	(0.9)	(0.9)	(1.0)	(0.4)	(0.4)
Exceptional items	—	—	(1.3)	—	—
Foreign exchange gain	(0.6)	(0.6)	—	—	—
Decrease/(increase) in net debt	35.7	(94.1)	(35.4)	14.9	11.9
Year-end net debt	129.1	164.8	70.7	35.3	50.2
	Pence	Pence	Pence	Pence	Pence
Basic earnings per share	73.7	8.6	58.8	36.2	27.3
Adjusted earnings per share	80.1	83.3	98.9	85.8	75.1

1. 2024 has been re-presented following the classification of the Crematoria operations as a discontinued operation. 2023 and prior years have not been re-presented for this classification.

2. 2023 was re-presented last year following the classification of the Netherlands and Republic of Ireland operations as a discontinued operation. 2022 and prior years have not been re-presented for this classification.

# Alternative performance measures 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.

The Directors believe that alternative performance measures provide additional useful information for shareholders. These measures are used by the Board and management for planning, internal reporting and setting Director and management remuneration. In addition, they are used by the investor analyst community and are aligned to our strategy and KPIs. These measures are not defined by International Financial Reporting Standards (IFRS) and therefore may not be directly comparable with other companies' adjusted measures. They are not intended to be a substitute for, or superior to, IFRS measurements of profit or earnings per share.

The key APMs used by the Group are:

APM	Definition	Reconciliation																																																
<b>Like-for-like sales</b> Closest equivalent statutory measure: Revenue growth	Like-for-like sales show revenue generated from like-for-like continuing operations compared to the prior year, adjusted for the number of working days and on a constant currency basis. For example, for a practice acquired in September 2023, revenue is included from September 2024 in the like-for-like calculations.	It is defined as a percentage; no reconciliation is applicable.																																																
<b>Adjusted EBITDA</b> Closest equivalent statutory measure: Operating profit	Adjusted EBITDA is calculated by reference to profit before tax for continuing operations, adjusted for net finance expense, depreciation, profit or loss on disposal of property, plant and equipment, amortisation, costs relating to business combinations and exceptional items.  Business combination costs include costs in relation to acquisitions made and contingent consideration expensed to the income statement.  An exceptional item contains certain costs or incomes that derive from events or transactions that fall outside the normal activities of the Group and/or are excluded by virtue of their size or nature in order to reflect management's view of the performance of the Group.	<table border="1"> <thead> <tr> <th></th> <th>Note</th> <th>2025 £m</th> <th>2024 £m</th> </tr> </thead> <tbody> <tr> <td><b>Profit before tax from continuing operations</b></td> <td></td> <td>32.6</td> <td>35.2</td> </tr> <tr> <td>Adjustments for:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Finance expense</td> <td>5</td> <td>17.2</td> <td>12.6</td> </tr> <tr> <td>Amortisation of intangible assets</td> <td>12</td> <td>26.0</td> <td>24.8</td> </tr> <tr> <td>Depreciation of property, plant and equipment</td> <td>13</td> <td>20.4</td> <td>17.7</td> </tr> <tr> <td>Depreciation of right-of-use assets</td> <td>14</td> <td>18.1</td> <td>16.0</td> </tr> <tr> <td>Profit/(loss) on disposal of property, plant and equipment and right-of-use assets</td> <td>4</td> <td>1.1</td> <td>(0.3)</td> </tr> <tr> <td>Depreciation and amortisation attributable to discontinued operations</td> <td>4</td> <td>(1.7)</td> <td>(3.9)</td> </tr> <tr> <td>Costs relating to business combinations</td> <td>15</td> <td>14.9</td> <td>15.1</td> </tr> <tr> <td>Exceptional items</td> <td>6</td> <td>6.0</td> <td>5.8</td> </tr> <tr> <td><b>Adjusted EBITDA</b></td> <td>4</td> <td>134.6</td> <td>123.0</td> </tr> </tbody> </table>		Note	2025 £m	2024 £m	<b>Profit before tax from continuing operations</b>		32.6	35.2	Adjustments for:				Finance expense	5	17.2	12.6	Amortisation of intangible assets	12	26.0	24.8	Depreciation of property, plant and equipment	13	20.4	17.7	Depreciation of right-of-use assets	14	18.1	16.0	Profit/(loss) on disposal of property, plant and equipment and right-of-use assets	4	1.1	(0.3)	Depreciation and amortisation attributable to discontinued operations	4	(1.7)	(3.9)	Costs relating to business combinations	15	14.9	15.1	Exceptional items	6	6.0	5.8	<b>Adjusted EBITDA</b>	4	134.6	123.0
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**Alternative performance measures continued**

APM	Definition	Reconciliation	
<b>Adjusted EBITDA</b> continued	<p>In determining whether an item should be presented as an allowable adjustment to IFRS measures, the Group considers items which are significant because of either their size or their nature, and which are non-recurring. For an item to be considered as an allowable adjustment to IFRS measures, it must initially meet at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>&gt; It is a significant item, which may cross more than one accounting period.</li> <li>&gt; It has been directly incurred as a result of either an acquisition or a divestment or arises from termination benefits without condition of continuing employment related to a business change or restructuring programme.</li> <li>&gt; It is unusual in nature, e.g. outside the normal course of business.</li> </ul> <p>If an item meets at least one of the criteria, management, through the Audit and Risk Committee, then exercises judgement as to whether the item should be classified as an allowable adjustment to IFRS performance measures and as such included within business combination costs or exceptional item definition.</p>		
<b>Adjusted EBITDA margin</b>	Adjusted EBITDA margin is calculated as adjusted EBITDA divided by revenue.	2025 £m	2024 £m
Closest equivalent statutory measure: None		Revenue 673.2	638.7
		Adjusted EBITDA 134.6	123.0
		<b>Adjusted EBITDA margin (%)</b>	<b>20.0%    19.3%</b>



### Alternative performance measures continued

APM	Definition	Reconciliation	
		2025 £m	2024 £m
<b>Adjusted operating cash conversion</b>	Adjusted operating cash conversion is defined as cash generated from operating activities adjusted for discontinued operations, acquisition fees and contingent consideration paid, lease liability repayment and maintenance capital expenditure; divided by adjusted EBITDA. Adjusted operating cash conversion is used to understand underlying cash flows that arise compared to adjusted EBITDA.		
Closest equivalent statutory measure:			
Cash generated from operations			
		Cash generated from operations	114.1
		Add: Acquisition fees paid	4.3
		Add: Contingent consideration paid	8.3
		Add: Exceptional items	6.0
		Less: Lease liability repayment	(16.4)
		Less: Capex – maintenance	(10.8)
		Less: Operating cash flow from discontinued operations	(2.0)
		<b>Adjusted operating cash flow</b>	<b>103.5</b>
		<b>Adjusted EBITDA</b>	<b>134.6</b>
		<b>Adjusted operating cash conversion (%)</b>	<b>76.9%</b>
			95.9
			9.0
			1.9
			5.9
			(14.8)
			(9.3)
			(2.4)
			86.2
			123.0
			70.1%
<b>Free cash flow</b>	Free cash flow is defined as adjusted operating cash flow less interest and taxation paid in respect of continuing operations.		
Closest equivalent statutory measure:			
Net cash from operating activities			
		<b>Adjusted operating cash flow</b>	<b>103.5</b>
		Less: Taxation paid	(14.7)
		Less: Interest paid	(16.6)
		<b>Free cash flow</b>	<b>72.2</b>
			86.2
			(15.1)
			(12.0)
			59.1
<b>Total shareholder return</b>	Total shareholder return is a performance measure which indicates the total amount that an investor gains from an investment. It is expressed as a percentage and reflects both dividends that have been paid and share price growth (or decrease) compared to the total shareholder return of the FTSE 250, excluding investment trusts.	It is defined as a percentage; no reconciliation is applicable.	
Closest equivalent statutory measure:			
None			

## Alternative performance measures glossary continued

### Alternative performance measures continued

APM	Definition	Reconciliation			
<b>Return on capital employed (ROCE)</b> Closest equivalent statutory measure: None	Return on capital employed is a profitability ratio and measures how efficiently a company is using its capital to generate profits. It is calculated as adjusted EBITA* divided by capital employed.  * Excluding greenfield sites and contingent consideration for acquisitions.  Adjusted EBITA is profit before tax for continuing operations, adjusted for net finance expense, amortisation, costs relating to business combinations and exceptional items.  Capital employed is equity plus right-of-use liability plus debt plus deferred tax.		2025	2024	
		Adjusted EBITA (£m)	96.1	91.6	
		Capital employed (£m)	585.8	585.8	
		<b>Ratio (%)</b>	<b>16.4%</b>	<b>15.6%</b>	
			Note	2025 £m	2024 £m
		Profit before tax from continuing operations		32.6	35.2
		Adjusted for:			
		Finance expense		17.2	12.6
		Amortisation of intangible assets	12	26.0	24.8
		Amortisation of intangible assets attributable to discontinued operations	4	(0.6)	(1.9)
Costs relating to business combinations	15	14.9	15.1		
Exceptional items	6	6.0	5.8		
		<b>Adjusted EBITA</b>	<b>96.1</b>	<b>91.6</b>	
		Note	2025 £m	2024 £m	
Equity			299.8	260.5	
Right-of-use liability	14		103.6	106.5	
Bank borrowings			145.2	181.3	
Deferred tax liability	25		37.2	37.5	
		<b>Capital employed</b>	<b>585.8</b>	<b>585.8</b>	

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