THE RALPH®
centre of excellence + compassion

REFLECTING ON YEAR THREE

The Ralph Veterinary Referral Centre Plc

Report and Financial Statements

for the year ended 31 March 2022

Registered number: 09905661

COMPANY INFORMATION

The Ralph Veterinary Referral Centre Plc

DIRECTORS

Iqbal Dhanji
Shailen Jasani
Andrew Zychowski

SECRETARY

Iqbal Dhanji

AUDITORS

Saffery Champness LLP
Chartered Accountants and Statutory Auditors
St John's Court
High Wycombe
HP11 1JX

SOLICITORS

Kingsley Napley LLP
20 Bonhill Street
London
EC2A 4DN

REGISTERED OFFICE

The Ralph
Fourth Avenue
Globe Business Park
Marlow
Buckinghamshire
SL7 1YG

REGISTERED NUMBER

09905661

WE CARE FOR EVERY ANIMAL AS WE WOULD OUR OWN

WE ACT WITH COMPASSION, INTEGRITY AND HUMILITY

WE TREAT OURSELVES AND OTHERS WITH PATIENCE AND GRATITUDE

WE VALUE OUR PEOPLE AND PRIORITISE THEIR WELLBEING

WE ARE A TEAM THAT PAVES OUR OWN WAY AND LEADS BY EXAMPLE

WE CHAMPION A COMMUNITY THAT NURTURES A SHARED VISION

WE EMBRACE A LEARNING MINDSET WHICH HAS CREATIVITY AT ITS CORE

CHAIRMAN'S STATEMENT

The Chairman's Statement forms part of the Strategic Report

This is the third full year of trading since The Ralph commenced seeing patients in February 2019. Despite the challenges of the Covid-19 pandemic, The Ralph has made excellent progress in building the team of specialists and support staff, embedding the values of the company and increasing awareness amongst first opinion vets that has led to a steady increase in cases referred.

On behalf of the Board, I would like to thank all members of Team Ralph who have worked tirelessly and been hugely supportive during this challenging year in dealing with the impact of the Covid-19 pandemic while also providing the very best care to our patients and their carers.

FINANCIAL PERFORMANCE

The Ralph generated revenue of £11.7M (2021: £8.5M), a 38% year-on-year increase. This is an impressive performance for such an early-stage business despite the challenges of the Covid-19 pandemic on our people.

Costs have also increased as staff numbers grew across all disciplines and departments to meet increasing demand and some infrastructure investments were made to improve clinical standards and efficiency. In addition, as mentioned within the fundraising section below, it was essential to rebuild one of the clinical disciplines to ensure future sustainability.

As is common with businesses in this sector, investment in people and facilities takes time to implement and generate sufficient cash from increasing turnover to cover ongoing expenses and for the business to become profitable. Post year-end, we are seeing positive results from this action.

The Ralph managed to reduce its pre-tax loss from £1.6M to £1.2M while its post-tax loss reduced from £619K to £97K mainly due to two years of R&D tax credits claimed in 2022. A key objective for the current financial year is for the company to be consistently profitable and cashflow positive, an objective we are seeing coming to fruition post year-end.

£11.7m

The Ralph generated revenue of £11.7M (2021: £8.5M), a 38% year-on-year increase.

200+

The number of team members working at The Ralph at the end of June 2022 (190 at the end of March 2022 and 150 at the end of March 2021)

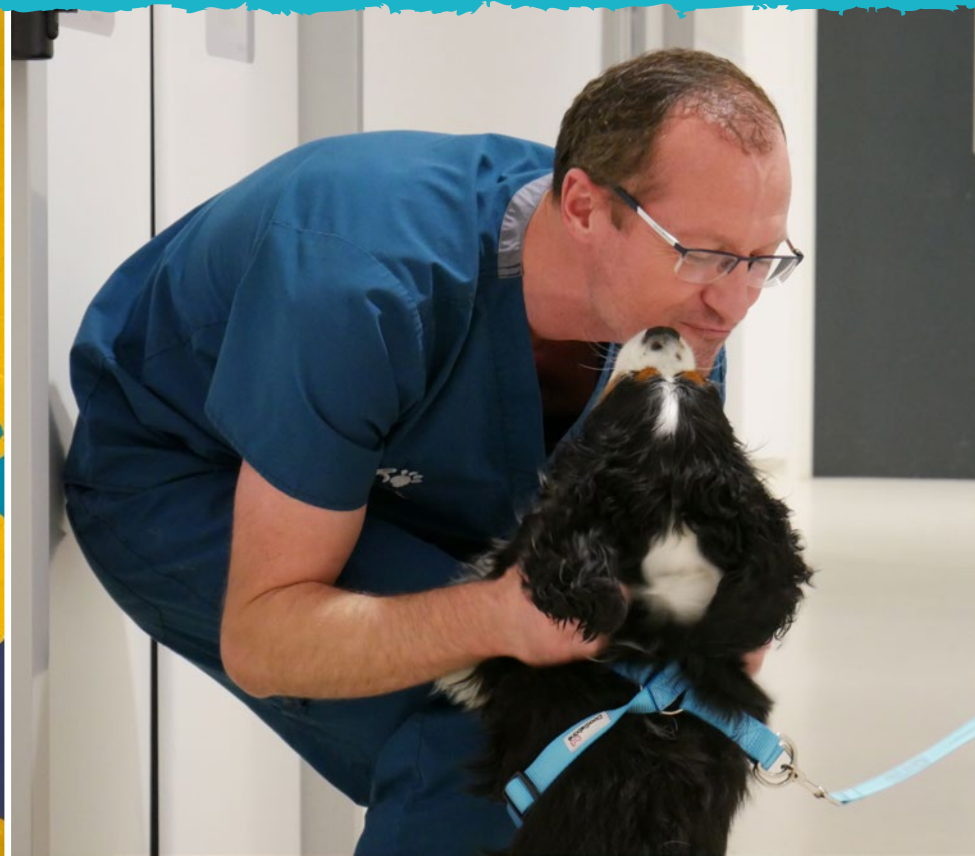
FUNDRAISING

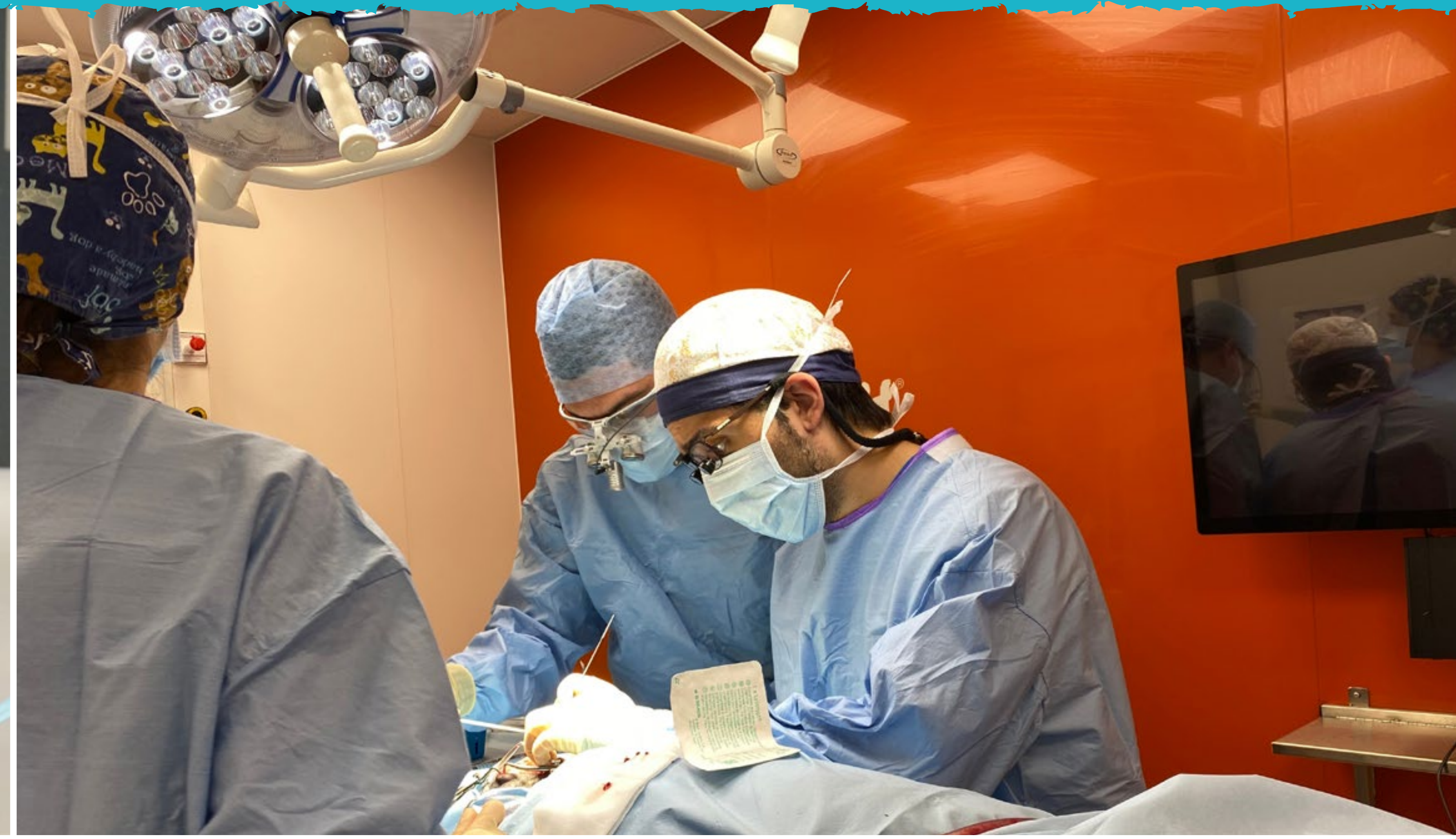
At the end of 2021/early 2022 The Ralph raised some £350K at 12.5p a share. The money was raised to rebuild one of the disciplines, enhance the capacity of several others so that they may deliver their expected level of performance and to purchase some additional clinical instruments that could not be asset financed. The fundraise was fully supported by existing shareholders and the monies raised have been successfully deployed.

INFRASTRUCTURE DEVELOPMENTS

Three notable investments have been undertaken – one during the financial year and the other two, post year-end:

- The sterilisation area has had a revamp to incorporate a washer disinfector. This has helped raise clinical standards and the operational efficiency of the surgical area.
- The Air Handling Unit that serves the front of the building has been replaced. The previous unit that we inherited with the building was energy inefficient and had come to the end of its useful life.
- An additional consult room for cats has been constructed to provide more consulting capacity.





OUR PEOPLE AND THE IMPACT OF COVID-19

Our people are at the heart of our business and we are committed to investing in their continued development and well-being, whilst continuing to provide the very best care to our patients.

Despite the Covid restrictions being lifted by the Government during the year, The Ralph continued with several protective measures implemented including only allowing limited and controlled admissions into the building (for euthanasia appointments, visiting critical patients or to use the washrooms), encouraging admin staff to work from home where possible, internal hygiene and physical distancing protocols, and specialists providing consultations in the car park where a larger shelter was erected to facilitate outdoor face-to-face consultations.

These measures have since been lifted post year-end and patient consults are now taking place in our consulting rooms.

STRATEGIC PRIORITIES AND GROWTH INITIATIVES

The Ralph now has specialists in all disciplines and is currently recruiting selectively, additional specialists and support clinicians to build depth only where required, to manage demand and to ensure sustainability of a 24-7-365 offering. Recruitment of support staff is also ongoing where required.

The current financial year is focussed on the following key priorities:

- Becoming cashflow positive from day-to-day operations
- Achieving consistent profitability
- Optimising patient safety
- Improving operational infrastructure (systems, processes, facilities), both clinical & non-clinical
- Expanding Team Ralph selectively, in line with our needs and finances
- Improving team performance and efficiency
- Deepening the foundations of our culture and embedding our core values

AGM

The AGM will be held on 8 September at 11:00am at the offices of the Company. For shareholders who cannot attend physically but would like to follow the presentations virtually, the Board has decided to stream the AGM using the Zoom platform once again. Please note that attendance virtually will not count towards a quorum. Hence, all shareholders are requested to submit their proxy forms electronically at least two days in advance of the meeting. Further details have been provided in the cover letter.

OUTLOOK

The Ralph operates in a sector with favourable market and consumer trends, with pet carers increasingly willing to spend money on their pets. An estimated 10-20% of UK households have also adopted a new pet during the pandemic.

The Board remains confident that the business model is appropriate and we look forward to the future with confidence.

Our core values lie at the heart of who we are and what we do. They are vital to how The Ralph operates day-to-day, how we care for the patients we treat, and how we work with one another. The Board would once again like to thank all members of Team Ralph and our stakeholders for their belief in The Ralph, their support and their contribution to the past financial year.

Iqbal Dhanji

Iqbal Dhanji
Chairman of the Board

STRATEGIC REPORT

The Ralph Veterinary Referral Centre Plc (The Ralph) is an established, state-of-the-art, multidisciplinary, small animal specialist veterinary referral hospital located in Marlow, Buckinghamshire.

The Ralph opened its doors to patients in February 2019 and its clinical staff is led by Board-certified Diplomates and Advanced Practitioners. They are supported by Residents, Interns and other vets, a team of nurses, patient care assistants and support staff in customer care, finance, community engagement and administration. As of 30 June 2022, The Ralph had 200+ team members.

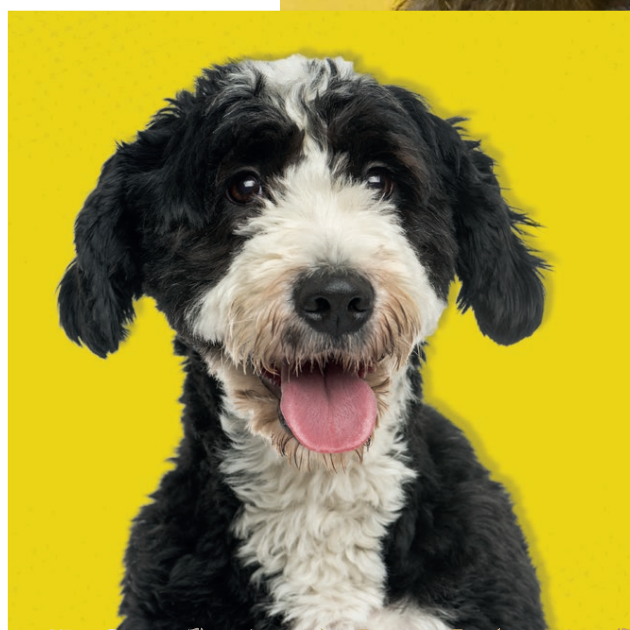
Chairman's Statement
Strategic Report
CEO Reflections
Case Studies
Director's Report
Independent Auditors
Figures

The Ralph provides one of the largest Emergency and Critical Care (ECC) services in the United Kingdom alongside key clinical services such as Orthopaedics, Soft Tissue Surgery, Internal Medicine, Neurology & Neurosurgery, Ophthalmology, Oncology, Cardiology and Dentistry.

The Ralph aims to be a top tier tertiary referral centre on a par with, and indeed at times exceeding both University-grade small animal hospitals and a very small number of other comparable referral centres. Geographically, other than a small referral hospital located about five miles away that offers some similar disciplines, the nearest comparable multidisciplinary referral hospitals considered to be significant competitors are an hour's drive away.

WIDER VETERINARY SECTOR

The UK veterinary sector has continued to experience consolidation of primary care practices and specialist multidisciplinary referral hospitals by corporate providers backed by private equity. However, the Directors are also aware of a number of independent start-up veterinary practices. In the referral space, The Ralph is one of the few remaining independent top tier multidisciplinary small animal specialist referral centres in the United Kingdom. It is well placed to serve the needs of not only primary care vets who prefer to support the independent segment of this sector but also corporate owned practices that may not have a vertical referral hospital in their proximity or where their vertical referral centre does not have the capacity to see their patients in a timely manner.



BUSINESS PERFORMANCE

This has been The Ralph's third full year of operation since opening. This third year has had its challenges with the impact of the pandemic, particularly on our people. However, the hospital has continued to grow in caseload, turnover and people while providing a full service in all disciplines throughout the year. As with all early-stage businesses, The Ralph has had many challenges and it has been very much a process of taking calculated risks and investing ahead of plan to meet the opportunities arising.

Key Performance Indicators (KPIs)

The Directors monitor a number of KPIs which they consider are effective in measuring delivery of their strategy and which assist in the management of the business. The main KPIs are:

- Turnover – £11.7M (2021 - £8.5M) – an increase of 38%
- Gross profit - £2.9M (2021 - £1.7M) – an increase of 65%
- Pre-tax loss – £1.2M (2021 - £1.6M) – a decrease of 26%; and
- Staff numbers – For a growing business a key KPI was to ensure that we could recruit the people/staff to safely deliver a quality service to our patients across all clinical disciplines. The growth in staff numbers shown below helps to demonstrate how we have achieved this goal.

	March 2021	March 2022	June 2022
Referral Clinicians	32	35	35
Other vets including Residents and Interns	15	15	17
Nurses	55	74	80
Patient Care Assistants and Other Clinical Staff	19	28	35
Customer Care Team	11	14	15
Management and other Admin Staff	19	24	24
Total	151	190	206

Taken together, these KPIs are trending towards The Ralph achieving an appropriate balance of its people and facilities while striving to achieve consistent profitability and positive cashflow generation from day-to-day operations.

The current financial year will be focussed on the following key priorities:

- Becoming cashflow positive from day-to-day operations and achieving consistent profitability
- Optimising patient safety
- Continuing to improve operational systems and processes – both clinical & non-clinical – to improve team performance and efficiency
- Deepening the foundations of The Ralph culture and embedding the core values

FINANCIALS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements. The Directors report a pre-tax loss on ordinary activities of £1,167,667 (2021: £1,579,811).

DIRECTORS' DUTIES

The directors of the company, as those of all UK companies must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

'A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regarded (amongst other matters) to:

- The likely consequences of any decisions in the long-term
- The interest 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 environment
- The desirability of the company to maintain a reputation for high standards of business conduct; and
- The need to act fairly as between shareholders of the company.'

The following paragraphs summarise how the Directors' fulfil their duties:

Risk management – the Board maintains a Risk Register that it reviews regularly. The major identified risks are disclosed in more detail in the section under 'principal risks' later in this Strategic Report.

Our people – are what make The Ralph. Without them and their dedication, The Ralph would not be able to make the progress it has done so far. Their welfare and alignment to the vision of The Ralph are paramount to the long-term success of The Ralph. Their welfare is discussed under the section entitled 'our people and the impact of Covid-19' in the Chairman's Statement and their alignment with the vision of The Ralph is discussed further within the 'principal risks' section below under 'recruitment and retention of staff'.

Business relationships – with referring vets, with suppliers and other stakeholders, are crucial to the long-term success of The Ralph. One of the principal risks identified is the loss of reputation which would impact the referrals The Ralph gets from first opinion vets and this is discussed within the relevant section under principal risks below. The Ralph ensures it keeps to agreed credit terms with suppliers to ensure we get the best service and price for materials and services.

Community and environment – The Ralph has a dedicated Community Engagement team whose sole responsibility is to engage with, respond to and seek feedback from our referral community of vet practices. The team also provide updates to carers of their pets who are inpatients.

Shareholders – The Ralph engages regularly with shareholders via Investor Updates, publication of the Annual Report and Accounts, hosting the Annual General Meeting and welcomes contact by email, with the Chairman.

ENVIRONMENTAL SOCIAL GOVERNANCE

The Ralph seeks to conduct its affairs responsibly and to consider environmental, human rights, social and community issues. No penalties were imposed on the company for failure to comply with any regulatory or human rights issues.

In consideration of the environment, various steps have been taken to reduce The Ralph's energy consumption with the biggest investment being the new Air Handling Unit servicing the front of the building. In addition, we have a staged programme to replace all the lighting to energy efficient units.

The hospital has built a strong reputation for its acts of kindness. This has been detailed further in the CEO's report.

PRINCIPAL RISKS

The Directors have identified a number of principal risks facing The Ralph and have strategies to mitigate them.

Chairman's Statement
Strategic Report
CEO Reflections
Case Studies
Director's Report
Independent Auditors
Figures

LOSS OF REPUTATION

A key risk to the Company is the loss of reputation related to clinical performance and standards of patient care. The Clinical Director and all the senior clinicians are acutely aware of this risk and monitor this closely. This risk is mitigated by frequent internal reviews, on-going continuous improvement processes and with all employed staff being awarded Enterprise Management Incentive (EMI) share options to ensure they have a vested interest in the success of the hospital. The hospital has also built a reputation for its kindness and compassion as detailed in the CEO's report.

RECRUITMENT AND RETENTION OF STAFF

The success of The Ralph is dependent on recruiting and retaining appropriate personnel. To that end, The Ralph has a recruitment process that is complemented by a comprehensive on-boarding procedure once an employee commences work. This is to ensure all new employees understand the core values and culture of The Ralph. In addition, The Ralph offers excellent working conditions and all employees are awarded share options that can be exercised from the end of year four to year ten from the date they were granted. This should help recruit, motivate and retain quality personnel.

The Ralph employs veterinary surgeons, nurses and other members of staff that are citizens of other EU countries. There is therefore a risk of a shortage of skilled staff in the future with referral hospitals being set up in the EU, attracting qualified EU staff from the UK. While in the short term, the Home Office has permitted citizens of other EU countries currently working in the UK to continue to do so, in the medium term, the current UK government having added veterinary surgeons to the Shortage Occupation List mitigates the risk. In addition, The Ralph has applied for and been granted approval by the Home Office to be a licensed sponsor under Tier 2 of the immigration points-based system. This should enable The Ralph to recruit appropriately from other countries when required.

FINANCIAL

Credit risk - The Ralph operates a debtor's policy with the vast majority of debtors covered by pet insurance which is generally settled within 30 days of a claim being raised with the relevant insurance company.

Where carers do not have insurance for their pets, they either pay the full invoice for treatment at the end of a course of treatment or apply for credit finance from a finance company we have made arrangements with. In the rare instances where carers do not have pet insurance or do not qualify for a credit facility, carers are encouraged to find alternative means of meeting their bills.

Liquidity and cashflow risks - the Management of the Company monitor the cashflow position regularly. The Board meets monthly to discuss the Management Accounts and review the cashflow forecasts of the Company. Where required, capital expenditure has mostly been funded through asset finance while the working capital requirements to fund the growth of The Ralph as it moves towards profitability has been funded by equity.

CONTINUITY OF REFERRALS

The long-term success and viability of The Ralph is dependent on first opinion vets continuing to refer cases to The Ralph. To this end, relationships with first opinion vets and staff will continue to be developed and nurtured through professional support, hosting Continuing Professional Development (CPD) sessions and providing excellent care, communication and acts of kindness. This continued relationship building, support and care should create a strong foundation for the long-term success of The Ralph.

FINANCIAL HARDSHIP DUE TO THE COST-OF-LIVING CRISIS AND INFLATION

Although the Covid-19 pandemic encouraged many households to take the plunge and adopt a pet, the return to work, cost of living crisis and inflation is likely to have an impact on the future growth of the sector.

While the original thesis for The Ralph remains – that during times of uncertainty, pets will continue to receive the very best care from their carers – the Directors remain cautious about growth. The cost of living crisis may lead to an increase in euthanasia or an increase in pets in rescue centres leading to a drop in caseload/turnover.

The Directors will continue to monitor this closely and take action as appropriate.

This report was approved by the Board on 28th July 2022 and signed by its order.

Iqbal Dhanji
Chairman

CEO REFLECTIONS

> Nothing ever happens quickly (except when it does). Nothing is ever, ever easy (except when it is). And, most of all, nothing ever goes perfectly according to plan (except in the movies).
>
> \- Ally Carter

I spent a significant part of 2014 with my head down preparing the first draft of the business plan for The Ralph. I did as much research as possible. I tried to include as much as I could think of in what ended up being a 60-70 page document. After joining forces, Iqbal and I refined this document further. What could we not have foreseen?

Chairman's Statement ▶
Strategic Report ▶
CEO Reflections ▶
Case Studies ▶
Director's Report ▶
Independent Auditors ▶
Figures ▶

Well, among other things, there was no way of foreseeing the Brexit referendum and especially its outcome. An outcome which has undoubtedly affected the veterinary sector. More colleagues from Europe are now choosing to stay in their home nations rather than move to work in the United Kingdom. There are also increasing opportunities as veterinary corporatisation spreads across Europe. Even more significantly, who could have foreseen that one year after opening, we would face the impact of a pandemic with all that it has brought. And now, for various reasons, some of which pre-date and were exacerbated by the pandemic, we find ourselves with hot inflation and rising interest rates.

I had a sense back in 2014 about some of the ways the companion animal part of the veterinary sector was changing. In 2014 only one of the sizable private referral centres had been acquired by a corporate entity. Most of the rest had followed suit by The Ralph's opening in February 2019. At the time of writing, The Ralph is one of very few independent sizable private referral centres left in the United Kingdom. Over the last few years, the veterinary sector has found itself in a recruitment crisis and a retention crisis. The Covid-19 pandemic and Brexit have somewhat accelerated both situations.

To my knowledge, The Ralph is the biggest veterinary referral start-up to date, at least in the United Kingdom. It will soon be three and a half years since The Ralph opened its doors. We now see ourselves more as a young, established and maturing centre than a start-up. At a time when recruitment and retention are such a challenge, Team Ralph has more than tripled in size to meet the demand for our services. The team has grown from sixty-five Ralphers at launch to 200+, with low staff turnover and little spent on direct recruitment costs. Key contributors to the considerable growth that we have achieved include our authentic commitment to treating our patients as if they are our own pets and to doing what we can to care for our people.

It is my belief that people, in general, want to feel a part of something bigger than themselves. They want to work somewhere that resonates with their personal values. Somewhere authentic that makes them feel happy, proud and inspired. This applies equally and perhaps even more to veterinary folk in a vocational care-based sector. At The Ralph, doing what we can to 'walk the walk', not just 'talk the talk' in these respects is part of the fabric and DNA of our hospital. This is perhaps no more evident than in The Ralph's acts of kindness and goodwill. Being willing to at times show financial discretion in our fees allows us, for example, to help colleagues in practice with animals they have rescued from death. It allows us to support rescue centres and organisations in their similar endeavours. And sometimes, it allows us to keep families together by avoiding the unnecessary euthanasia of their companions with curable or manageable conditions.

Our caseload has grown significantly, and we have treated thousands of patients. It is great to see new practices joining our referral community every month. It is also great to see our clinical research, teaching and training progress. We have Veterinary Interns in all disciplines and a growing number of Residents (Specialists-in-training). We are very grateful to the Senior Clinicians who have volunteered to act as Resident & Intern Support Officers. After the undeniable success of our first programme, our second cohort of Referral Nurse Interns is well into their 12-month training. All these are indicators of our ongoing process of maturation.

Of particular note over the last twelve months is that with the easing of Covid restrictions, we have reopened our doors to pet carers and visitors. This transition went smoothly with no major hiccups. We will soon restart our popular on-site CPD events for our referral community.

After a couple of relative false starts, our Internal Medicine service continues to go from strength to strength. The service now includes five specialists, three Veterinary Interns and three Medicine nurses. We have also recently started to trial an Internal Medicine teleconsultation service. Our Emergency & Critical Care (ECC) service continues to thrive and remains one of the biggest in the United Kingdom. After an extended period of searching, I am delighted to say that we have added a second Oncologist to our busy Oncology service. One of the clinical services that we have found most challenging to establish has been Neurology & Neurosurgery. I am pleased to report that we have made significant progress here in 2022. This service now consists of an expanded, stable and high-performing team of clinicians and nurses. The service is increasingly busy, we have just appointed our first Resident (Specialist-in-training) in this discipline, and we continue to expand our advanced neurosurgical capabilities.

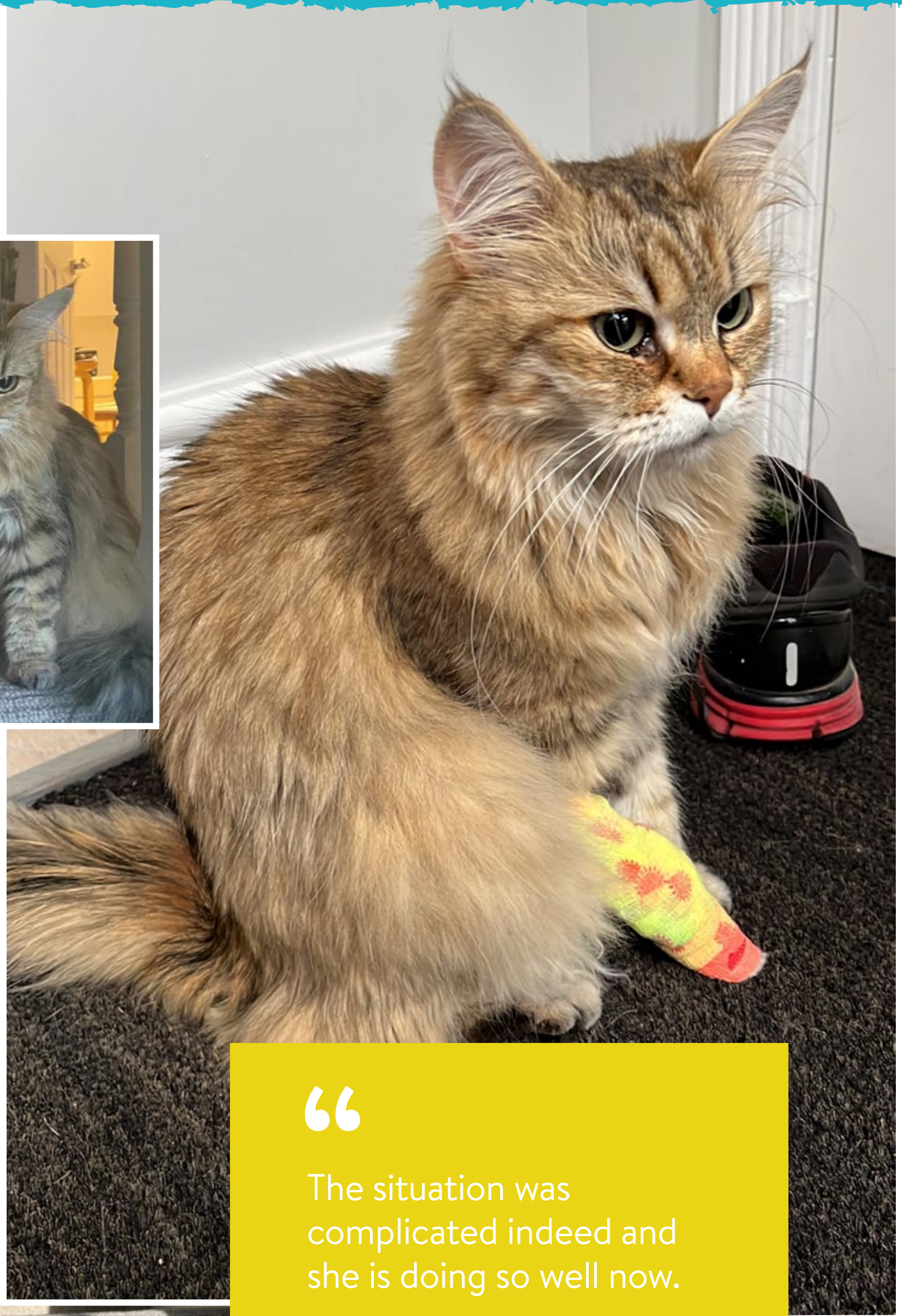
Operationally there will always be things to improve. This is the same in all businesses. We have similar operational challenges to all referral centres! Above all, we are pushing hard to become cashflow positive and ensure sustained profitability. We have made encouraging progress in this respect, especially post-year end. Thereafter I envisage a period of consolidation where we start to build up cash reserves and continue to mature operationally. Many projects and processes have been on the backburner while we have remained focused on growth and achieving consistent profitability. These projects and processes have not been critical to our operations. Yet they will enhance the service we provide to all our communities. Some are very dear to my heart, and I look forward to them coming to fruition. That said, what happens in the next twelve months largely depends on the ongoing growth in the demand for our services. We will undertake further expansion in terms of recruitment and facilities to meet demand as it arises.

The Ralph still has more maturing to do, and there remains much to achieve. There is no let-up in our focus and effort. Yet I also wanted to take this opportunity to reflect upon and acknowledge what has been achieved. This is especially the case in the face of external challenges and headwinds that we could not have foreseen and over which we have little or no control.

As always, thank you to all our communities for your part in our journey. To Team Ralph for being who you are and doing what you do. To our pet carers for trusting us with your beloved family members. To our shareholders for your ongoing belief. To our referring practices for your support. To the rest of the veterinary community for your endorsement of our vision. Last and definitely not least, to our patients for helping us push ourselves to deliver the safest, most compassionate, clinically excellent care we can.

Shailen

Shailen Jasani MA VetMB MRCVS DACVECC
Founder, CEO & Clinical Director



CASE STUDY

Chloe's story

Beautiful Chloe, a five year-old Siberian cat, was rushed to The Ralph as an emergency for acute breathing difficulties.

> "The situation was complicated indeed and she is doing so well now.
>
> **Chloe's carer**

Chloe had a long history of noisy breathing, but her sudden deterioration was a shock; she was exhausted as she couldn't lie down without compromising her breathing. After being hospitalised overnight in an oxygen chamber, Chloe was assessed by our Internal Medicine Team, who were concerned for a problem affecting the airflow through Chloe's nose.

Chloe was carefully anaesthetised by our specialist team, and the back of her nose was assessed via a flexible camera (nasopharyngoscopy). This showed almost complete closure of the normal passage between Chloe's nose and throat, a problem called "nasopharyngeal stenosis". This condition can occur for a number of reasons, and in Chloe's case it was suspected to be due to chronic gastroesophageal reflux (reflux of stomach acid which burns the back of the nose and throat) based on the presence of irritation of her oesophagus (food pipe). Full investigations of Chloe's gastrointestinal system were not carried out at this time, due to concerns for her stability under anaesthetic. Chloe underwent a highly specialised procedure with a combination of a medical laser to cut through the scar tissue at the back of her nose followed by an inflatable balloon catheter to expand the constricted area.

Chloe experienced almost immediate relief, and was discharged a few days later. Although she initially did very well, a gradual recurrence of her noisy breathing was noted. Chloe therefore returned for a repeat procedure a month later. The repeat expansion of her nasopharynx went well, and on this occasion Chloe was healthy enough to also undergo endoscopy of her gastrointestinal tract. This revealed multiple large fur balls lodged in her stomach and small intestine: the likely cause of the chronic reflux! These fur balls were successfully removed with minimally invasive endoscopic techniques and Chloe went home the following day.

One month later Chloe made a fantastic recovery. She is breathing well, has gained weight, and is back to causing mischief with her brother, Casper!

Top left: Chloe and Casper.

Above, left: Chloe at home recovering.

Far right: Chloe at home recovering.

“He is excited to walk twice a day, has swum in the river locally and enjoys the beach at our local Bay

Freddie’s carer

CASE STUDY

Freddie’s story

Freddie, a nine year old rescue dog, was rushed to his local veterinary practice after his carers found him collapsed on the floor at home and unable to stand or walk.

Freddie was seen by our Neurology and Neurosurgery Service who performed a thorough examination and an MRI scan. At this time Freddie could not move any of his legs, and was only able to lift his head with encouragement.

The MRI scan revealed a lesion was compressing the spinal cord, a result of a type of intervertebral disc disease (IVDD). Initially a conservative approach, including physiotherapy, was attempted as many dogs in this situation tend to recover without surgery. Freddie had a very low mood and lacked motivation to participate in his physical exercises. That was, until his daily physiotherapy sessions were taken outside in the garden. Freddie enjoyed watching the wildlife and other dogs in the garden, lifting his head to take it all in. Unfortunately despite our best efforts Freddie did not show signs of improving, therefore the decision was made to perform surgery to remove the disc material that was causing the lesion on his spine.

Post-surgery Freddie’s motivation and mood still remained low. However small steps were made each day. This started with a tail wag when eating his favourite treats, building to exercises with his companion Riley (a Cavapoo who lives with one of Team Ralph) by his side. Freddie was fitted with a cart so that he could adventure outside and to encourage him to start moving his legs. A week after his surgery, flickers of movement were seen in his left back leg, and by the end of the week he was able to stand with minimal support. During the second week post-surgery Freddie took his first steps using his back legs. He then quickly progressed to walking on his own during hydrotherapy, as the water gave him extra buoyancy and support. Freddie’s confidence grew everyday and he now had the motivation he needed to get back on his feet.

Following weeks of intensive rehabilitation Freddie returned home to his family able to walk with just a theraband (a type of resistance band) and harness for support. A truly remarkable recovery.

Top: Freddie outside in his cart.

Top right: Freddie in hospital watching TV to help his spirits.

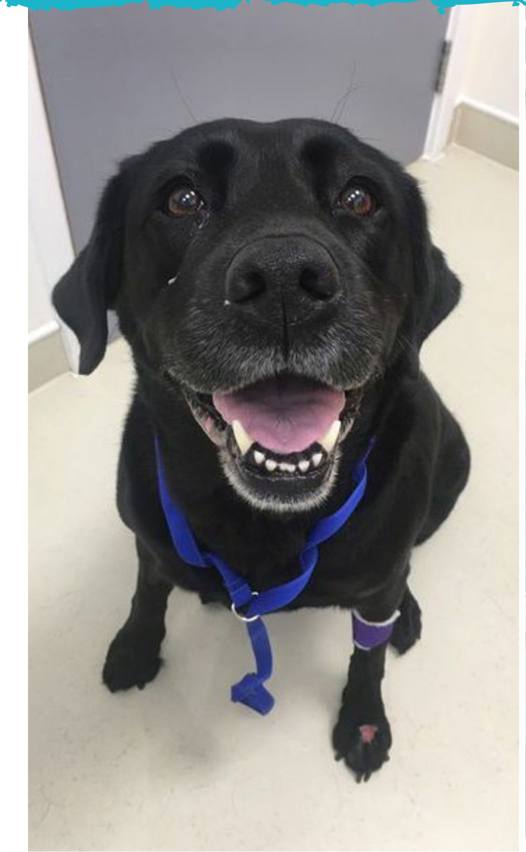
Bottom left: Freddie with his pal Riley during a physiotherapy session.

DIRECTORS' REPORT

The Ralph Veterinary Referral Centre Plc

The directors present their report and financial statements for the year ended 31 March 2022.

Registered number: 09905661



- Chairman's Statement
- Strategic Report
- CEO Reflections
- Case Studies
- Director's Report
- Independent Auditors
- Figures

PRINCIPAL ACTIVITIES

The company's principal activity during the year continued to be veterinary activities.

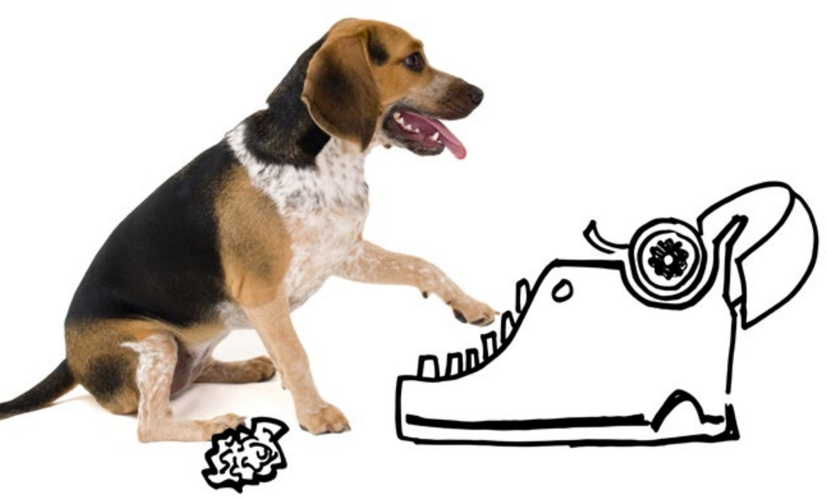
DIRECTORS

The following persons served as directors during the year:

Iqbal Dhanji

Shailen Jasani

Andrew Zychowski



DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STRATEGIC REPORT:

The company has chosen to set out in the company's strategic report certain information that is required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. This is in accordance with the Companies Act 2006, Section 414C(11). The matters dealt with in the Strategic report include director's duties to stakeholders, financial instrument risk and future developments.

DISCLOSURE OF INFORMATION TO AUDITORS

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the Board on 28th July 2022 and signed on its behalf.

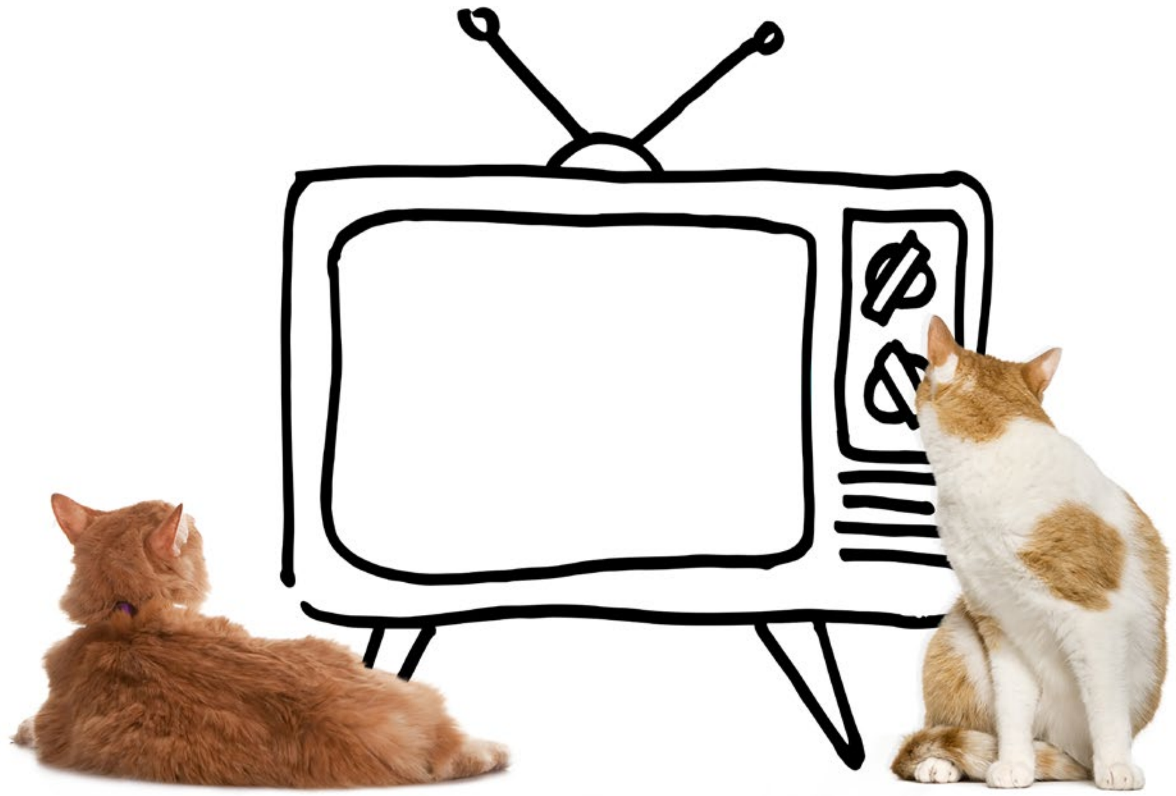
Iqbal Dhanji

Iqbal Dhanji

Director

INDEPENDENT AUDITORS REPORT

to the members of The Ralph Veterinary Referral Centre Plc



OPINION

We have audited the financial statements of The Ralph Veterinary Referral Plc for the year ended 31 March 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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.

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 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.

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

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

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 Chairman's Report, Strategic Report and the Directors' Report and report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Chairman's Report, Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

- Chairman's Statement
- Strategic Report
- CEO Reflections
- Case Studies
- Director's Report
- Independent Auditors
- Figures

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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, UK Tax legislation and The Misuse of Drugs Act 1971.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditor's report.

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.

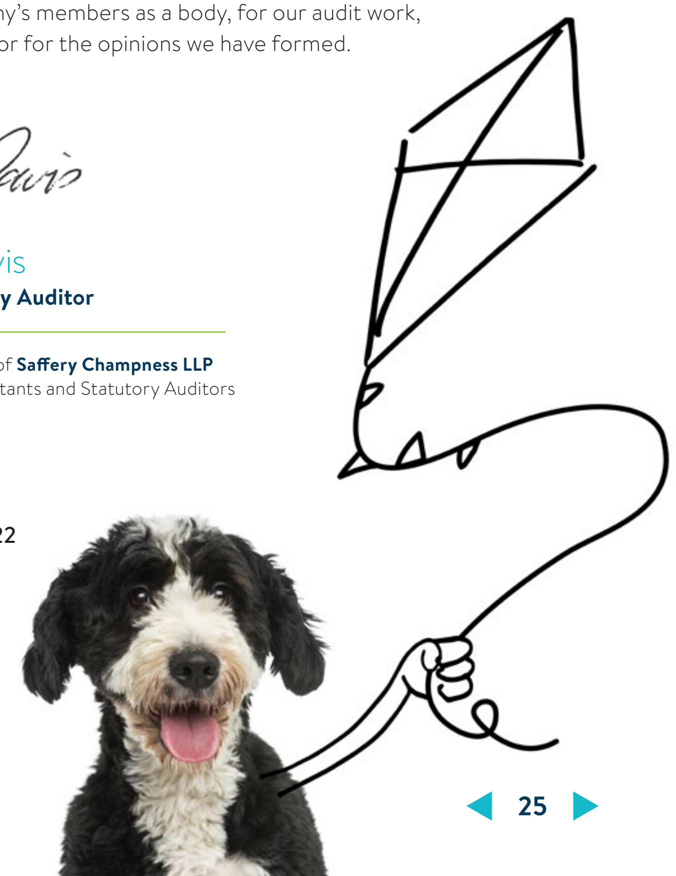
Sheryl Davis

Sheryl Davis
Senior Statutory Auditor

For and on behalf of **Saffery Champness LLP**
Chartered Accountants and Statutory Auditors

St John's Court
High Wycombe
HP11 1JX

2nd August 2022



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022	2021
		£	£
Turnover	2	11,665,165	8,468,845
Cost of sales		(8,798,265)	(6,735,022)
Gross profit		**2,866,900**	**1,733,823**
Administrative expenses		(3,980,518)	(3,377,396)
Other operating income	2	9,142	105,155
Operating loss	3	**(1,104,476)**	**(1,538,418)**
Profit on sale of fixed assets		1,944	–
Interest receivable		2,088	498
Interest payable	6	(67,223)	(41,891)
Loss on ordinary activities before taxation		**(1,167,667)**	**(1,579,811)**
Tax on loss on ordinary activities	7	1,070,302	960,903
Loss for the financial year		**(97,365)**	**(618,908)**
Other comprehensive income		–	–
Total comprehensive income for the year		**(97,365)**	**(618,908)**

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Notes	2022	2021 (Reclassified)
		£	£
Fixed assets			
Tangible assets	8	3,330,241	3,640,887
Current assets			
Stocks	9	312,938	241,083
Debtors	10	1,634,103	917,863
Cash at bank and in hand		422,722	476,483
		2,369,763	1,635,429
Creditors: amounts falling due within one year	12	(2,491,507)	(1,991,429)
Net current liabilities		(121,744)	(356,000)
Debtors: amounts falling due after more than one year	11	1,454,265	960,903
Total assets less current liabilities		4,662,762	4,245,790
Creditors: amounts falling due after more than one year	13	(1,733,146)	(1,606,131)
Net assets		**2,929,616**	**2,639,659**
Capital and reserves			
Called up share capital	20	127,166	124,442
Share premium	21	7,715,749	7,394,098
Share-based payment reserve		165,932	102,985
Profit and loss account	24	(5,079,231)	(4,981,866)
Total equity		**2,929,616**	**2,639,659**

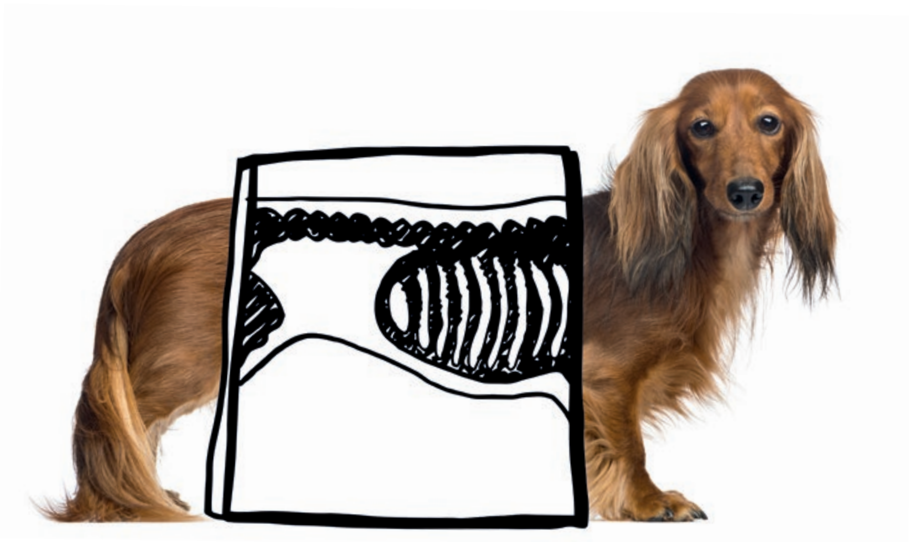
Iqbal Dhanji
Director

Approved by the Board on 28th July 2022.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital	Share premium	Share-based payment reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 April 2020	118,994	6,741,096	47,340	(4,362,958)	2,544,472
Loss for the financial year	–	–	–	(618,908)	(618,908)
Movement during the year	–	–	55,645	–	55,645
Shares issued	5,448	653,002	–	–	658,450
At 31 March 2021	**124,442**	**7,394,098**	**102,985**	**(4,981,866)**	**2,639,659**
At 1 April 2021	124,442	7,394,098	102,985	(4,981,866)	2,639,659
Loss for the financial year	–	–	–	(97,365)	(97,365)
Movement during the year	–	–	62,947	–	62,947
Shares issued	2,724	321,651	–	–	324,375
At 31 March 2022	**127,166**	**7,715,749**	**165,932**	**(5,079,231)**	**2,929,616**



STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022	2021
		£	£
Operating activities			
Loss for the financial year		(97,365)	(618,908)
Adjustments for:			
Profit on sale of fixed assets		(1,944)	–
Interest receivable		(2,088)	(498)
Interest payable		67,223	41,891
Tax on loss on ordinary activities		(1,070,302)	(960,903)
Depreciation		362,101	347,227
Share-based payments		62,947	55,645
Increase in stocks		(71,855)	(24,492)
Increase in debtors		(139,079)	(325,188)
Increase in creditors		524,872	1,227,235
		(365,490)	**(257,991)**
Interest received		1,867	498
Interest paid		(36,449)	(23,955)
Interest element of finance lease payments		(30,774)	(17,937)
Cash used in operating activities		**(430,846)**	**(299,385)**
Investing activities			
Payments to acquire tangible fixed assets		(113,993)	(52,383)
Proceeds from sale of tangible fixed assets		64,482	–
Cash used in investing activities		**(49,511)**	**(52,383)**
Financing activities			
Proceeds from the issue of shares		324,375	658,450
Repayment of bank loan		(49,168)	–
Capital element of finance lease payments		(242,522)	(18,750)
Proceeds of loans		393,911	(291,419)
Cash generated by financing activities		**426,596**	**348,281**
Net cash used			
Cash used in operating activities		(430,846)	(299,385)
Cash used in investing activities		(49,511)	(52,383)
Cash generated by financing activities		426,596	348,281
Net cash used		**(53,761)**	**(3,487)**
Cash and cash equivalents at 1 April		476,483	479,970
Cash and cash equivalents at 31 March		**422,722**	**476,483**
Cash and cash equivalents comprise:			
Cash at bank		**422,722**	**476,483**

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

Chairman's Statement
Strategic Report
CEO Reflections
Case Studies
Director's Report
Independent Auditors
Figures

1. Summary of significant accounting policies

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

GOING CONCERN

The company made a loss after tax credits of £97,365 (2021: £618,908) and has net current liabilities of £121,744 (2021: £356,000 after reclassification).

The directors have prepared cash flow forecasts for a period of 12 months from the date of signing these financial statements, based on recent levels of activity and availability of resources to facilitate an increase trade. These forecasts indicate that the company will continue to meet its liabilities as they fall due for the foreseeable future.

On this basis the directors believe that it remains appropriate to prepare the company financial statements on a going concern basis.

TURNOVER

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services. Turnover from the rendering of services is recognised when the company is legally entitled to the income and the amount can be measured reliably.

TANGIBLE FIXED ASSETS

Tangible fixed assets are measured at cost less cumulative depreciation and any accumulated impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold land and buildings	over the lease term
Plant and machinery	over 10 years
Fixtures, fittings, tools and equipment	25% reducing balance

STOCKS

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

DEBTORS

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

CREDITORS

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

GOVERNMENT GRANTS

Government grants receivable as compensation for expenses are recognised as other operating income when there is reasonable assurance that the grant conditions will be met and the grants will be received.

TAXATION

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

PROVISIONS

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

LEASED ASSETS

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

SHARE-BASED PAYMENTS FOR EMPLOYEE SHARE SCHEMES

The company has granted share options to employees at various dates under the Enterprise Management Incentives employee share option scheme. The company's policy is to offer participation in the employee share option scheme to all employees at the time of recruitment. These options must be measured at fair value and recognised as an expense in the profit and loss account with a corresponding increase in shareholders' funds. The fair value of the options has been estimated at the date of grant using the Black-Scholes option-pricing model. The fair value will be charged as an expense in the profit and loss account over the vesting period. The charge is adjusted each year to reflect the expected and actual level of vesting. The credit entry is contained within a separate reserve called the Share-Based Payment Reserve in the company's reserves and is shown in the Movement in Shareholders' Funds.

PENSIONS

Contributions to defined contribution plans are expensed in the period to which they relate.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

2. Analysis of turnover

	2022	2021
	£	£
Services rendered	11,665,165	8,468,845
By geographical market:		
UK	**11,665,165**	**8,468,845**

GOVERNMENT GRANT

The company received £9,142 (2021: £105,155) during the year under the Job Retention Scheme from the government which has been recognised as government grant income. The grant has been recognised as other operating income in the financial statements.

3. Operating loss

	2022	2021
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	237,220	228,602
Depreciation of assets held under finance leases and hire purchase contracts	124,881	118,625
Operating lease rentals - plant and machinery	270,034	201,285
Operating lease rentals - land and buildings	394,290	394,291
Share-based payment accounting charge	62,947	55,645
Auditors' remuneration for audit services	16,000	12,950

4. Staff costs

	2022	2021
	£	£
Wages and salaries	6,804,900	4,435,342
Social security costs	676,334	493,097
Other pension costs	121,213	92,156
	7,602,447	**5,020,595**
Average number of employees during the year	**Number**	**Number**
	175	120

5. Directors' Emoluments

	2022	2021
	£	£
Remuneration for qualifying services	466,920	14,375
Company pension contributions to defined contributions schemes	2,642	–
Director's fee paid via service company	–	373,994
	469,562	**388,369**

Remuneration disclosed above includes the following amount paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	268,774	N/a
Company pension contributions to defined contribution schemes	1,321	N/a
Emoluments etc	**270,095**	–

For the year ended 31 March 2021 directors' remuneration were processed though professional service companies.

	2022	2021
The number of directors to whom retirement benefits were accruing	2	–

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

Chairman's Statement
Strategic Report
CEO Reflections
Case Studies
Director's Report
Independent Auditors
Figures

6. Interest payable

	2022	2021
	£	£
Bank loans and overdrafts	36,449	23,954
Finance charges payable under finance leases and hire purchase contracts	30,774	17,937
	67,223	41,891

7. Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period (R&D tax credit)	(576,940)	–
Total current tax	(576,940)	–
Deferred tax:		
Origination and reversal of timing differences	(300,850)	(960,903)
Adjustment in respect of prior periods	84,308	–
Changes in tax rates	(276,820)	–
Total deferred tax	(493,362)	(960,903)
Total tax charge	(1,070,302)	(960,903)

	2022	2021
	£	£
Profit before taxation	(1,167,667)	(1,579,811)
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(221,857)	(300,164)
Tax effect of expenses that are not deductible in	11,960	10,572
Deferred tax asset not previously recognised	–	(671,311)
Deferred tax adjustments in respect of prior years	84,308	–
Effect of change in deferred tax rate	(367,773)	–
Research and development tax credit	(576,940)	–
Taxation charge for the period	(1,070,302)	(960,903)
Taxation charge in the financial statements	(1,070,302)	(960,903)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

Chairman's Statement
Strategic Report
CEO Reflections
Case Studies
Director's Report
Independent Auditors
Figures

8. Tangible fixed assets

	Land and buildings	Plant and machinery	Fixtures, fittings, tools and equipment	Total
	At cost	At cost	At cost	
	£	£	£	£
Cost or valuation				
At 1 April 2021	3,261,708	1,170,742	198,033	4,630,483
Additions	–	90,928	23,065	113,993
Disposals	–	(64,482)	–	(64,482)
At 31 March 2022	3,261,708	1,197,188	221,098	4,679,994
Depreciation				
At 1 April 2021	629,747	270,991	88,858	989,596
Charge for the year	217,417	113,523	31,161	362,101
On disposals	–	(1,944)	–	(1,944)
At 31 March 2022	847,164	382,570	120,019	1,349,753
Carrying amount				
At 31 March 2022	2,414,544	814,618	101,079	3,330,241
At 31 March 2021	2,631,961	899,751	109,175	3,640,887

	2022	2021
	£	£
Carrying value of plant and machinery included above held under finance leases andhire purchase contracts	831,814	848,194

9. Stocks

	2022	2021
	£	£
Finished goods and goods for resale	312,938	241,083

10. Debtors Amounts falling due within one year:

	2022	2021 (Reclassified)
	£	£
Trade debtors	791,930	655,296
Other debtors	–	152,130
Prepayments and accrued income	265,012	110,437
Corporation tax recoverable (R&D tax credit)	577,161	–
	1,634,103	**917,863**

11. Amounts falling due after more than one year:

	2022	2021 (Reclassified)
	£	£
Deferred tax asset (see note 17)	1,454,265	960,903

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

Chairman's Statement
Strategic Report
CEO Reflections
Case Studies
Director's Report
Independent Auditors
Figures

12. Creditors: amounts falling due within one year

	2022	2021 (Reclassified))
	£	£
Bank loans	173,915	25,000
Obligations under finance lease and hire purchase contracts	153,855	244,825
Trade creditors	625,369	403,788
Other taxes and social security costs	869,049	719,856
Other creditors	110,218	109,285
Accruals and deferred income	559,101	488,675
	2,491,507	**1,991,429**

13. Creditors: amounts falling due after one year

	2022	2021 (Reclassified))
	£	£
Rent Incentive	912,733	743,323
Bank loans	247,911	52,083
Obligations under finance lease and hire purchase contracts	488,340	639,892
Other creditors	84,162	170,833
	1,733,146	**1,606,131**

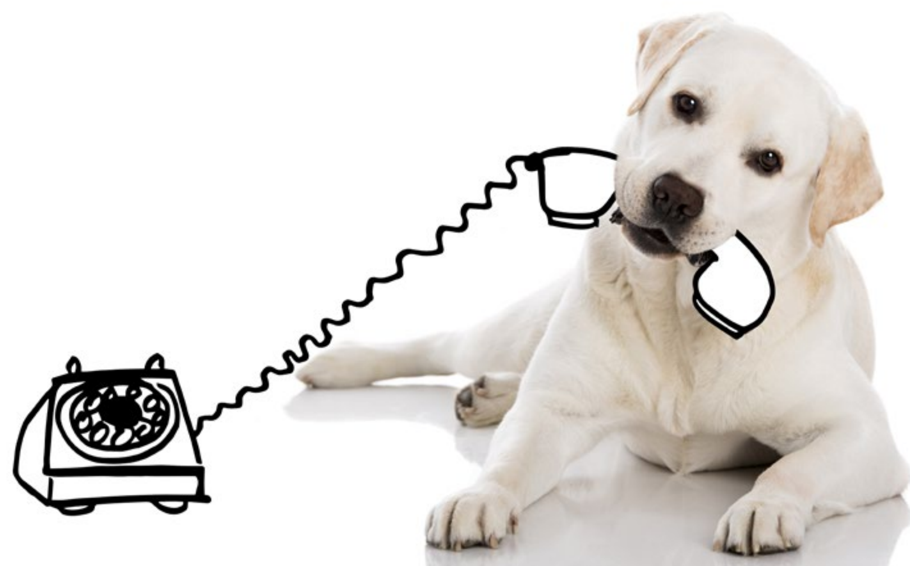
14. Reclassification

In order to present a true and fair view, the directors have reviewed the presentation of assets and liabilities as current and noncurrent, and determined that a reclassification is appropriate.

Deferred tax asset of £1,454,265 (2021: 960,903) and rent incentive liability of £912,733 (2021: 743,323) have been reclassified from current to non-current on the face of the statement of financial position.

15. Obligations under finance leases and hire purchase contracts

	2022	2021
	£	£
Amounts payable:		
Within one year	153,855	244,825
Within two to five years	451,179	605,178
After five years	37,161	34,714
	642,195	**884,717**



NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

- Chairman's Statement
- Strategic Report
- CEO Reflections
- Case Studies
- Director's Report
- Independent Auditors
- Figures

16. Loans and overdrafts

	2022	2021
	£	£
Bank loans	421,826	77,083
Obligations under finance lease and hire purchase contracts	642,195	884,717
Other creditors	170,833	260,833
	1,234,854	1,222,633
Payable within one year	414,441	359,825
Payable over one year	820,413	862,808

Interest on Bank loans range from 3.3% to 6.9%. Amounts borrowed pursuant to these loans are secured on the assets to which they relate and with Personal Guarantees from the Executive Directors of the Company. The remaining term range between 12 to 68 months.

Interest on Hire purchase agreements range from 3% to 5.4% . Amounts borrowed pursuant to these loans are secured on the assets to which they relate and with Personal Guarantees from the Executive Directors of the Company. The remaining term range between 12 and 58 months.

Interest on loans included within other creditors are payable at 3.3%. Amounts borrowed pursuant to these loans are secured on the assets to which they relate and with Personal Guarantees from the Executive Directors of the Company. The remaining term range between 8 and 25 months.

17. Deferred taxation

	2022	2021
	£	£
Accelerated capital allowances	380,881	329,576
Tax losses carried forward	(1,835,146)	(1,290,479)
	(1,454,265)	(960,903)

	2022	2021
	£	£
At 1 April	(960,903)	–
Credited to the profit and loss account	(493,362)	(960,903)
At 31 March	(1,454,265)	(960,903)

18. Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Leasehold 2022	Leasehold 2021
	£	£
Falling due:		
within one year	643,488	415,121
within two to five years	1,871,254	2,047,022
in over five years	10,012,500	10,466,860
	12,527,242	12,929,003

19 Capital Commitments

As at 31 March 2022, the company had capital commitments totaling £127,267 (2021: £nil).

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

20. Share capital

	Nominal value	2022 Number	2021 Number	2022	2021
				£	£
Allotted, called up and fully paid:					
A Ordinary shares	£0.001 each	75,166,426	72,442,426	75,166	72,442
B Ordinary shares	£0.001 each	52,000,000	52,000,000	52,000	52,000
				127,166	**124,442**

The A and B Ordinary shares entitle the holder to full voting rights and to participate fully in any dividend or capital distributions. The A and B Ordinary shares are not redeemable.

21. Share premium

	2022	2021
	£	£
At 1 April	7,394,098	6,741,096
Shares issued	321,651	653,002
At 31 March	7,715,749	7,394,098

22. Share-based payments for employee share schemes

On 25 February 2019, the company granted options over 1,396,000 shares through a tax-advantaged Enterprise Management Incentives employee share option scheme to a total of 49 employees on an all-employee basis at an option price of £0.001 per A Ordinary Share. The period over which the outstanding options are capable of subsisting is the period from February 2019 to February 2029. The period over which the outstanding options are capable of being exercised is the period from February 2023 to February 2029 during the period of employment of the scheme participants or at an exit event at any time in the ten-year period.

On 12 July 2019, the company granted options over 508,000 shares through a tax-advantaged Enterprise Management Incentives employee share option scheme to a total of 21 employees on an all-employee basis at an option price of £0.001 per A Ordinary Share. The period over which the outstanding options are capable of subsisting is the period from July 2019 to July 2029. The period over which the outstanding options are capable of being exercised is the period from July 2023 to July 2029 during the period of employment of the scheme participants or at an exit event at any time in the ten-year period.

On 12 December 2019, the company granted options over 455,000 shares through a tax-advantaged Enterprise Management Incentives employee share option scheme to a total of 19 employees on an all-employee basis at an option price of £0.001 per A Ordinary Share. The period over which the outstanding options are capable of subsisting is the period from December 2019 to December 2029. The period over which the outstanding options are capable of being exercised is the period from December 2023 to December 2029 during the period of employment of the scheme participants or at an exit event at any time in the ten-year period.

On 28 August 2020, the company granted options over 348,000 shares through a tax-advantaged Enterprise Management Incentives employee share option scheme to a total of 14 employees on an all-employee basis at an option price of £0.001 per A Ordinary Share. The period over which the outstanding options are capable of subsisting is the period from August 2020 to August 2030. The period over which the outstanding options are capable of being exercised is the period from August 2024 to August 2030 during the period of employment of the scheme participants or at an exit event at any time in the ten-year period.

On 22 November 2021, the company granted options over 980,000 shares through a tax-advantaged Enterprise Management Incentives employee share option scheme to a total of 43 employees on an all-employee basis at an option price of £0.001 per A Ordinary Share. The period over which the outstanding options are capable of subsisting is the period from November 2021 to November 2031. The period over which the outstanding options are capable of being exercised is the period from November 2025 to November 2031 during the period of employment of the scheme participants or at an exit event at any time in the ten-year period.

The arrangements for an employee on leaving the company are as follows:

Leaving through Resignation

If the employee ceases to hold office or employment within the company as a consequence of resignation before exercising the option, then the employee is not allowed to exercise the option and the option lapses immediately at the date of leaving.

Leaving through Dismissal

If the employee ceases to hold office or employment within the company as a consequence of dismissal through gross misconduct or actively engaging in competition against the company or committing a material breach of either the Articles of Association or any shareholders agreement that is in existence at the time, then the employee is not allowed to exercise the option and the option lapses immediately at the date of leaving.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

Chairman's Statement

Strategic Report

CEO Reflections

Case Studies

Director's Report

Independent Auditors

Figures

Leaving for a reason other than Resignation or Dismissal before Fourth Anniversary

If the employee leaves the employment of the company before the expiry of the fourth anniversary of the date of grant of the option for any reason other than resignation or dismissal, then the exercise of the option by the employee is fully at the discretion of the board of directors who must notify the employee of their decision within three months of the date of leaving and in the event that the board of directors does not give its permission to exercise the option then the Option will lapse immediately following the decision.

Leaving for a reason other than Resignation or Dismissal after Fourth Anniversary

If the employee leaves the employment of the company at any time after the fourth anniversary of the date of grant and has already exercised the option, thereby ensuring ownership of the shares, then the employee will be allowed to retain ownership of the shares, whatever the reason for leaving.

Death in Service

If the employee dies whilst holding employment within the company before exercising the option, then at the discretion of the board of directors the personal representative will be allowed to exercise the option within the period of twelve months of the date of death.

The expense calculation for the options granted on 25 February 2019, 12 July 2019, 12 December 2019, 28 August 2020 and 22 November 2021, using the Black-Scholes option-pricing valuation model, is based on the following assumptions:

Assumptions

	2019 Grant 25.02.2019	2019 Grant 12.07.2019	2019 Grant 12.12.2019	2020 Grant 28.08.2020	2021 Grant 22.11.2021
Expected volatility	20%	20%	20%	20%	20%
Expected dividend yield	0%	0%	0%	0%	0%
Exercise price	£0.001	£0.001	£0.001	£0.001	£0.001
Market value	£0.10	£0.10	£0.125	£0.125	£0.125
Expected life	4 years	4 years	4 years	4 years	4 years
Risk-free rate	1.0%	1.0%	1.0%	1.0%	1.0%

The outstanding options at the end of the year:

Shares over which options granted

	2019 Grant 25.02.2019	2019 Grant 12.07.2019	2019 Grant 12.12.2019	2020 Grant 28.08.2020	2021 Grant 22.11.2020	All Grants of options
	£	£	£	£		
Original Grants	1,396,000	508,000	455,000	348,000	980,000	3,687,000
Forfeited during the year to 31.03.2019 (leavers)	0	0	0	0	0	0
Forfeited during the year to 31.03.2020 (leavers)	185,000	55,000	25,000	0	0	265,000
Forfeited during the year to 31.03.2021 (leavers)	215,000	55,000	82,000	0	0	352,000
Forfeited during the year to 31.03.2022 (leavers)	43,000	49,000	15,000	135,000	30,000	272,000
Outstanding at the end of the year	**953,000**	**349,000**	**333,000**	**213,000**	**950,000**	**2,798,000**

The involvement of the executives and employees in

Shares subject to options:

	year to 31.03.2019	year to 31.03.2020	year to 31.03.2021	year to 31.03.2022
	£	£	£	£
Outstanding at the start of the year	–	1,396,000	2,094,000	2,090,000
Granted during the year	1,396,000	963,000	348,000	980,000
Forfeited during the year (leavers)	–	265,000	352,000	272,000
Exercised during the year	–	–	–	–
Expired or lapsed during the year	–	–	–	–
Outstanding at the end of the year	**1,396,000**	**2,094,000**	**2,090,000**	**2,798,000**

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

23. Analysis of changes in net debt

	At 01.04.2021	Cash flow	At 31.03.2021
	£	£	£
Net cash			
Cash at bank and in hand	476,483	(53,761)	422,722
	476,483	**(53,761)**	**422,722**
Debt			
Finance leases	(884,717)	242,522	(642,195)
Bank loans	(77,083)	(344,743)	(421,826)
	(961,800)	**(102,221)**	**(1,064,021)**
Total	**(485,317)**	**(155,982)**	**(641,299)**

24. Profit and loss account

	2022	2021
	£	£
At 1 April	(4,981,866)	(4,362,958)
Loss for the financial year	(97,365)	(618,908)
At 31 March	**(5,079,231)**	**(4,981,866)**

25. Presentation currency

The financial statements are presented in Sterling.

26. Legal form of entity and country of incorporation

The Ralph Veterinary Referral Centre Plc is a public company limited by shares and incorporated in England and Wales.

27. Principal place of business

The address of the company's principal place of business and registered office is:

The Ralph
Fourth Avenue
Globe Business Park
Marlow
Buckinghamshire
SL7 1YG

theralph.vet

Design by newenglish.co.uk