
**COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN
AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 DECEMBER 2018

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

COMPANY INFORMATION

Directors	M Ellis G Rhodes R Cooke (appointed 28 March 2018)
Registered number	07402799
Registered office	18 Stanhope Place London W2 2HH
Independent auditors	BDO LLP 55 Baker Street London W1U 7EU

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 17

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

**STRATEGIC REPORT
FOR THE YEAR ENDED 29 DECEMBER 2018**

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 29 December 2018.

Principal activities, business review and future developments

The principal activity of the Company is that of a holding company for the Covetrus Animal Health business and it is intended to remain as such going forward.

The business continues to look for new investments.

Principal risks and uncertainties

The principal risks and uncertainties of the company is that associated with managing the net worth of the subsidiaries and associates. These do not cause concern to the directors.

This report was approved by the board on 6 December 2019 and signed on its behalf.

G Rhodes
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 29 DECEMBER 2018**

The directors present their report and the financial statements for the year ended 29 December 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

Principal activity

The principal activity of the Company is that of a holding company for the Covetrus Animal Health business and it is intended to remain as such going forward.

Results and dividends

The loss for the year, after taxation, amounted to \$17,910,798 (2017 - loss \$19,776,054).

The directors do not recommend the payment of a dividend (2017 - \$NIL)

Directors

The directors who served during the year were:

D Brous (resigned 28 March 2018)
M Ellis
M Ettinger (resigned 4 February 2019)
M Mlotek (resigned 28 March 2018)
S Paladino (resigned 4 February 2019)
G Rhodes
W Siegel (appointed 28 March 2018, resigned 4 February 2019)
R Cooke (appointed 28 March 2018)
P McCarthy (appointed 28 March 2018, resigned 28 December 2018)

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 29 DECEMBER 2018**

Future developments

The principal activity of the Company is that of a holding company for the Covetrus Animal Health business until its sale to Covetrus Inc. (US) and will continue as a holding company going forward.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

At the commencement of the 2019 financial year, Covetrus Animal Health Holdings Limited (previously known as Henry Schein Animal Health Holdings Limited) became the parent of all remaining animal health subsidiaries in the Henry Schein Inc, group. On 10 February 2019, Henry Schein Inc. sold Covetrus Animal Health Holdings Limited (previously known as Henry Schein Animal Health Holdings Limited), which merged with Vets First Choice Inc. to become Covetrus Inc. (US).

On the 15 October 2019, the Company changed its name to Covetrus Animal Health Holdings Limited.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 6 December 2019 and signed on its behalf.

G Rhodes
Director

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

Opinion

We have audited the financial statements of Covetrus Animal Health Holdings Limited (previously known as Henry Schein Animal Health Holdings Limited) ("the Company") for the year ended 29 December 2018 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 December 2018 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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Directors' report for the financial year for which the financial statements is prepared is consistent with the financial statements; and
- the Directors' report has 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 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; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://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.

Gary Hanson (Senior statutory auditor)
for and on behalf of
BDO LLP, Statutory Auditor
London,
W1U 7EU

6 December 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL
HEALTH HOLDINGS LIMITED)**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 DECEMBER 2018**

	Note	2018 \$	2017 \$
Administrative expenses		165,474	(332,204)
Operating profit/(loss)	4	165,474	(332,204)
Interest payable	7	(20,195,513)	(21,153,788)
Loss before tax		(20,030,039)	(21,485,992)
Tax credit on loss	8	2,119,241	1,709,938
Loss for the financial year		(17,910,798)	(19,776,054)

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 10 to 17 form part of these financial statements.

**COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL
HEALTH HOLDINGS LIMITED)
REGISTERED NUMBER: 07402799**

**STATEMENT OF FINANCIAL POSITION
AS AT 29 DECEMBER 2018**

	Note	2018 \$	2017 <i>restated</i> \$
Fixed assets			
Investments	9	641,786,807	628,530,452
		<u>641,786,807</u>	<u>628,530,452</u>
Current assets			
Debtors	10	18,194,286	16,100,065
Cash at bank and in hand	11	411,109	316,634
		<u>18,605,395</u>	<u>16,416,699</u>
Creditors: amounts falling due within one year	12	(69,015)	(29,924,360)
Net current assets/(liabilities)		18,536,380	<i>(13,507,661)</i>
Total assets less current liabilities		660,323,187	615,022,791
Creditors: amounts falling due after more than one year	13	(355,926,017)	(325,457,596)
Net assets		304,397,170	289,565,195
Capital and reserves			
Called up share capital	14	4	2
Share premium account		9,159,966	3,593,178
Capital contribution reserve		409,274,425	382,098,442
Profit and loss account		(114,037,225)	(96,126,427)
		<u>304,397,170</u>	<u>289,565,195</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 December 2019.

G Rhodes
Director

The notes on pages 10 to 17 form part of these financial statements.

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 DECEMBER 2018**

	Called up share capital restated \$	Share premium account restated \$	Capital contribution reserve restated \$	Profit and loss account \$	Total equity \$
At 1 January 2017	2	3,593,178	362,390,815	(76,350,373)	289,633,622
Comprehensive income for the period					
(Loss) for the year	-	-	-	(19,776,054)	(19,776,054)
Movement in capital contribution	-	-	19,707,627	-	19,707,627
At 31 December 2017	2	3,593,178	382,098,442	(96,126,427)	289,565,195
Comprehensive income for the year					
(Loss) for the year	-	-	-	(17,910,798)	(17,910,798)
Shares issued during the year	2	5,566,788	-	-	5,566,790
Movement in capital contribution	-	-	27,175,983	-	27,175,983
At 29 December 2018	4	9,159,966	409,274,425	(114,037,225)	304,397,170

The notes on pages 10 to 17 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018**

1. General information

Henry Schein Animal Health Holdings Limited (the Company) is a private limited company incorporated in England and Wales under the Companies Act 2006.

The registered address is given on the company information page and the nature of the Company's operations and its principal activities are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Henry Schein Inc. as at 29 December 2018 and these financial statements may be obtained from 135 Duryea Road, Melville, New York 11747.

2.3 Exemption from preparing consolidated financial statements

The financial statements contain information about Henry Schein Animal Health Holdings Limited as an individual company and do not contain consolidated financial information of the parent as a group. The Company has taken advantage of the exemption conferred by Section 401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the non-EEA group accounts of a larger group.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Going concern

After making enquiries, the directors have confirmed that the Company will continue to be supported by the Group and have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.8 Reserves

The called up share capital reserve represents the nominal value of the shares issued.

The capital contribution reserve represents a contribution of capital, in the form of funds, to the Group by the ultimate parent.

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018**

2. Accounting policies (continued)

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Determine whether there are indicators of impairment of the Company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

4. Operating loss

The operating loss is stated after charging/(crediting):

	2018	2017
	\$	\$
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,799	21,409
Exchange differences	(156,118)	410,138
	<u><u> </u></u>	<u><u> </u></u>

5. Auditors' remuneration

	2018	2017
	\$	\$
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	11,799	21,409
	<u><u> </u></u>	<u><u> </u></u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - \$NIL).

7. Interest payable and similar expenses

	2018	2017
	\$	\$
Other loan interest payable	20,195,513	21,153,788
	<u><u> </u></u>	<u><u> </u></u>
	20,195,513	21,153,788
	<u><u> </u></u>	<u><u> </u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018**

8. Taxation

	2018	2017
	\$	\$
Corporation tax		
Current tax credit on losses for the year	(2,000,586)	<i>(1,709,938)</i>
Adjustments in respect of previous periods	(118,655)	-
Total current tax credit	<u>(2,119,241)</u>	<u>(1,709,938)</u>

Factors affecting tax credit for the year

The tax assessed for the year is higher than (*2017 - higher than*) the standard rate of corporation tax in the UK of 19% (*2017 - 19.25%*). The differences are explained below:

	2018	2017
	\$	\$
Loss on ordinary activities before tax	<u>(20,030,039)</u>	<u>(21,485,992)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (<i>2017 - 19.25%</i>)	(3,805,707)	<i>(4,135,318)</i>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,805,120	<i>2,508,540</i>
Adjustments to tax credit in respect of prior periods	(118,655)	-
Other timing differences leading to an increase (decrease) in taxation	133	-
Exchange difference arising on opening and closing spot rates (current period)	(132)	<i>(83,160)</i>
Total tax credit for the year	<u>(2,119,241)</u>	<u>(1,709,938)</u>

Factors that may affect future tax charges

A reduction in the UK corporation rate to 17% from 1 April 2020 has been enacted.

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018**

9. Fixed asset investments

	Unlisted investments \$
Cost or valuation	
At 31 December 2017	628,530,452
Additions	13,256,355
At 29 December 2018	641,786,807

Henry Schein Animal Health Holdings Limited increased its investment in Victory Alpha Limited by way of a capital contribution of \$13,256,355.

10. Debtors

	29 December 2018 \$	<i>30 December 2017 \$</i>
Amounts owed by group undertakings	18,194,286	16,087,541
Other debtors	-	12,524
	18,194,286	16,100,065

11. Cash and cash equivalents

	29 December 2018 \$	<i>30 December 2017 \$</i>
Cash at bank and in hand	411,109	316,634
	411,109	316,634

COVETRUS ANIMAL HEALTH HOLDINGS LIMITED (PREVIOUSLY KNOWN AS HENRY SCHEIN ANIMAL HEALTH HOLDINGS LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018**

12. Creditors: Amounts falling due within one year

	29 December 2018	<i>30 December 2017</i>
	\$	\$
Amounts owed to group undertakings	-	29,736,895
Accruals and deferred income	69,015	187,465
	69,015	29,924,360

13. Creditors: Amounts falling due after more than one year

	29 December 2018	<i>30 December 2017</i>
	\$	\$
Amounts owed to group undertakings	355,926,017	325,457,596
	355,926,017	325,457,596

14. Share capital

	29 December 2018	<i>30 December 2017 restated</i>
	\$	\$
Allotted, called up and fully paid		
4 (2017 - 2) Ordinary shares of \$1.0000 each	4	2

On 11 December 2018, 2 ordinary shares were issued at a nominal value of \$1 per share for consideration of \$5,566,790.

15. Related party transactions

The Company was a member of the Henry Schein Inc. group during the year.

The Company has taken advantage of the exemption conferred by FRS 102 5.33 not to disclose transactions with members of the group headed by Henry Schein Animal Health Holdings Limited on the grounds that the Company is included in the consolidated financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 DECEMBER 2018**

16. Post balance sheet events

At the commencement of the 2019 financial year, Henry Schein Animal Health Holdings Limited became the parent of all remaining animal health subsidiaries in the Henry Schein Inc, group. On 10 February 2019, Henry Schein Inc. sold Henry Schein Animal Health Holdings Limited, which merged with Vets First Choice Inc. to become Covetrus Inc. (US).

On 15 October 2019, the Company changed its name to Covetrus Animal Health Holdings Limited.

17. Controlling party

At the balance sheet date, the Company was controlled by Henry Schein Inc., its immediate parent company.

Henry Schein Inc., incorporated and registered in the USA, is the Company's ultimate parent undertaking and is the largest and smallest group of which Henry Schein Animal Health Holdings Limited is a member and for which group accounts are drawn up. Copies of Henry Schein Inc. group accounts are available from 135 Duryea Road, Melville, New York 11747.

On 10 February 2019, Henry Schein Inc. sold its animal health subsidiaries. At this date, the ultimate parent became Covetrus Inc. (US), a company incorporated and registered in the USA.