

VICTORY ALPHA LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

FRIDAY



L6G0TZJF

L13

29/09/2017

#238

COMPANIES HOUSE

VICTORY ALPHA LIMITED

COMPANY INFORMATION

Directors

D Brous
M Ellis
M Ettinger
M Mlotek
S Paladino
G Rhodes

Registered number

07889337 (England and Wales)

Registered office

Medcare House
Centurion Close
Gillingham Business Park
Gillingham
Kent
ME8 0SB

Independent auditors

BDO LLP
55 Baker Street
London
W1U 7EU

VICTORY ALPHA LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 4
Statement of Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 - 16

VICTORY ALPHA LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the period ended 31 December 2016.

Directors' responsibilities statement

The directors are responsible for preparing 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.

Results and dividends

The loss for the period, after taxation, amounted to £289,353 (2015 - loss £213,232).

The directors do not recommend the payment of a dividend (2015 - £NIL)

Directors

The directors who served during the period were:

D Brous
M Ellis
M Ettinger
M Mlotek
S Paladino
G Rhodes (appointed 24 June 2016)
A Martin (resigned 24 June 2016)

VICTORY ALPHA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2016**

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.

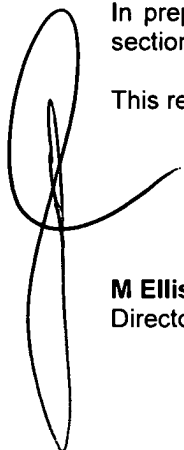
Auditors

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 29 September 2017 and signed on its behalf.



M Ellis
Director

VICTORY ALPHA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VICTORY ALPHA LIMITED

We have audited the financial statements of Victory Alpha Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the period 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.

Opinion on other matter 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 are prepared is consistent with the financial statements and
- the directors' report has been prepared in accordance with applicable legal requirements.

VICTORY ALPHA LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VICTORY ALPHA LIMITED
(CONTINUED)**

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 where 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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

BDO LLP

Jason Goodhind (Senior Statutory Auditor)

for and on behalf of
BDO LLP, statutory auditor
London
United Kingdom

29 September 2017

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

VICTORY ALPHA LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Administrative expenses		(11,230)	(3,275)
Operating loss	4	(11,230)	(3,275)
Interest receivable	7	819	2,208
Interest payable	8	(351,280)	(343,847)
Loss before taxation		(361,691)	(344,914)
Tax on loss	9	72,338	131,682
Loss for the period		(289,353)	(213,232)

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 8 to 16 form part of these financial statements.

VICTORY ALPHA LIMITED
REGISTERED NUMBER: 07889337

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	10	25,398,402	20,461,716
		<u>25,398,402</u>	<u>20,461,716</u>
Current assets			
Debtors	11	46,587	44,109
Cash at bank and in hand		-	562,598
		<u>46,587</u>	<u>606,707</u>
Creditors: amounts falling due within one year		<u>(501,239)</u>	<u>(424,068)</u>
Net current (liabilities)/assets		<u>(454,652)</u>	<u>182,639</u>
Total assets less current liabilities		<u>24,943,750</u>	<u>20,644,355</u>
Creditors: amounts falling due after more than one year		(8,619,801)	(8,619,801)
Provisions for liabilities			
Other provisions	14	(995,569)	-
		<u>(995,569)</u>	<u>-</u>
Net assets		<u><u>15,328,380</u></u>	<u><u>12,024,554</u></u>
Capital and reserves			
Called up share capital	15	1	1
Capital contribution reserve		15,380,352	11,787,173
Profit and loss account		(51,973)	237,380
		<u>15,328,380</u>	<u>12,024,554</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2017.

M Ellis
Director

The notes on pages 8 to 16 form part of these financial statements.

VICTORY ALPHA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2016

	Called up share capital	Capital contribution reserve	Profit and loss account	Total equity
	£	£	£	£
At 27 December 2014	1	11,787,173	450,612	12,237,786
Loss for the year	-	-	(213,232)	(213,232)
At 26 December 2015	1	11,787,173	237,380	12,024,554
Loss for the year	-	-	(289,353)	(289,353)
Capital contribution addition	-	3,593,179	-	3,593,179
At 31 December 2016	1	15,380,352	(51,973)	15,328,380

The notes on pages 8 to 16 form part of these financial statements.

VICTORY ALPHA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

1. General information

Victory Alpha Limited (the Company) is a private limited company incorporated in England and Wales under the Companies Act 2006.

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.

Information on the impact of first-time adoption of FRS 102 is given in note 19.

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 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- 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 31 December 2016 and these financial statements may be obtained from 135 Duryea Road, Melville, New York 11747.

2.3 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.4 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.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.6 Financial instruments

The Company only enters into basic financial instruments 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 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.

2.7 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.

2.8 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.

2.9 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

VICTORY ALPHA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.11 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.

2.12 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.

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.

4. Operating loss

During the period, no director received any emoluments (2015 - £NIL).

VICTORY ALPHA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

5. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>11,230</u>	<u>3,000</u>

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

7. Interest receivable

	2016 £	2015 £
Bank interest receivable	819	2,208
	<u>819</u>	<u>2,208</u>

8. Interest payable and similar charges

	2016 £	2015 £
Loans from group undertakings	351,280	343,847
	<u>351,280</u>	<u>343,847</u>

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on losses for the year	(72,338)	(69,833)
Adjustments in respect of previous periods	-	(61,849)
Total current tax	<u>(72,338)</u>	<u>(131,682)</u>

VICTORY ALPHA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

9. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is the same as (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(361,691)</u>	<u>(344,914)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25 %)	(72,338)	(69,833)
Effects of:		
Adjustments to tax credit in respect of prior periods	-	(61,849)
Total tax credit for the year	<u><u>(72,338)</u></u>	<u><u>(131,682)</u></u>

Factors that may affect future tax charges

A reduction in the standard rate of UK corporation tax from 20% to 19% has been enacted and will take effect from 1 April 2017. A further reduction in the UK corporation rate to 17% from 1 April 2020 has also been enacted.

VICTORY ALPHA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

10. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 27 December 2015	20,461,716
Additions	4,936,686
At 31 December 2016	<u>25,398,402</u>
Net book value	
At 31 December 2016	<u>25,398,402</u>
At 26 December 2015	<u>20,461,716</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered address	Class of shares	Holding	Principal activity
Veterinary Instrumentation Limited	Broadfield Road, Sheffield, South Yorkshire, S8 0XL	Ordinary	100 %	Distribution of veterinary products
Vettec Produtos Agropecuarios Ltda	Estrada Rio-São Paulo, 2625, Suite 201, Campo Grande, Rio de Janeiro, 23075-247, Brazil.	Ordinary	51 %	Distribution of veterinary products
Granda Produtos Veterinarios Ltda	Estrada Roberto Burle Marx, 1679, Lote 1-B, Barra de Guaratiba, Rio de Janeiro, 23020-240, Brazil.	Ordinary	51 %	Distribution of veterinary products

VICTORY ALPHA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

10. Fixed asset investments (continued)

On 27 December 2016 Victory Alpha Limited acquired 51% of the shares in Vettec Produtos Agropecuarios Ltda., a distributor of animal feedstuffs based in Brazil at a cost of 16,942,200 BZL (£4,232,043) and 51% of the shares in Granda Produtos Veterinarios Ltda., a distributor of animal health products, also based in Brazil, at a cost of 1,428,000 BZL (£356,705). Total costs of £347,938 directly attributable to both business combinations were also capitalised.

11. Debtors

	31 December 2016 £	26 December 2015 £
Other debtors	46,587	44,109
	<u>46,587</u>	<u>44,109</u>

12. Creditors

	31 December 2016 £	26 December 2015 £
Bank overdrafts	93,922	-
Amounts owed to group undertakings	393,871	397,811
Other creditors	13,446	26,257
	<u>501,239</u>	<u>424,068</u>

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

	31 December 2016 £	26 December 2015 £
Amounts owed to group undertakings	8,619,801	8,619,801
	<u>8,619,801</u>	<u>8,619,801</u>

VICTORY ALPHA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2016

14. Provisions

	Deferred consideration £
Arising on business combinations	995,569
At 31 December 2016	995,569

The deferred consideration is payable to the sellers of Vettec Produtos Agropecuarios Ltda. and Granda Produtos Veterinarios Ltda. on 27 December 2018.

15. Share capital

	31 December 2016 £	26 December 2015 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

16. Related party transactions

The Company is a member of the Henry Schein Inc. group and during the year was under the control of Henry Schein Animal Health Holdings Limited.

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.

17. Post balance sheet events

On 27 April 2017, fixed asset investment Veterinary Instrumentation Limited changed its name to Animal Healthcare Services Limited.

VICTORY ALPHA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**

18. Controlling party

The Company is controlled by Henry Schein Animal Health Holdings Limited, 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 UK 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.

19. First time adoption of FRS 102

This is the first time that the company has applied FRS 102 having previously applied UK accounting standards.

The effective date of transition to FRS 102 was 28 December 2014.

Other than the adoption of the reduced disclosures, there was no material effect of applying FRS 102 for the first time.