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# ***Scanimalhealth ApS***

c/o Dechra Veterinary Products A/S,  
Mekuvej 9, DK-7171 Uldum

## **Annual Report for 1 July 2015 - 30 June 2016**

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CVR No 26 20 88 15

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
14/12 2016

Carsten Jeppesen  
Chairman



**pwc**

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# **Management's Statement**

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Scanimalhealth ApS for the financial year 1 July 2015 - 30 June 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 June 2016 of the Company and of the results of the Company operations for 2015/16.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Uldum, 12 December 2016

## **Executive Board**

Ian David Page

## **Board of Directors**

Ian David Page

Anthony Gerard Griffin

# **Independent Auditor's Report on the Financial Statements**

To the Shareholder of Scanimalhealth ApS

## **Report on the Financial Statements**

We have audited the Financial Statements of Scanimalhealth ApS for the financial year 1 July 2015 - 30 June 2016, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 June 2016 and of the results of the Company operations for the financial year 1 July 2015 - 30 June 2016 in accordance with the Danish Financial Statements Act.

# Independent Auditor's Report on the Financial Statements

## Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Trekantområdet, 12 December 2016

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Lars Almskou Ohmeyer  
State authorized public accountant

John Lindholm Bode  
State authorized public accountant

## **Company Information**

### **The Company**

Scanimalhealth ApS  
c/o Dechra Veterinary Products A/S, Mekuvej 9  
DK-7171 Uldum

CVR No: 26 20 88 15  
Financial period: 1 July - 30 June  
Incorporated: 3 September 2001  
Municipality of reg. office: Hedensted

### **Board of Directors**

Ian David Page  
Anthony Gerard Griffin

### **Executive Board**

Ian David Page

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Herredsvej 32  
DK-7100 Vejle

# **Management's Review**

## **Main activity**

The Company's activities consist of import of pharmaceuticals for animals and agency and wholesale of pharmaceuticals and related activities.

## **Development in the year**

The income statement of the Company for 2015/16 shows a loss of DKK 41,567, and at 30 June 2016 the balance sheet of the Company shows equity of DKK 2,975,923.

## **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income Statement 1 July - 30 June

	Note	2015/16 DKK	2014/15 DKK
<b>Gross profit/loss</b>		<b>-58.719</b>	<b>-89.677</b>
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-18	0
<b>Profit/loss before financial income and expenses</b>		<b>-58.737</b>	<b>-89.677</b>
Financial income		6.954	0
Financial expenses	1	-3.100	-14.809
<b>Profit/loss before tax</b>		<b>-54.883</b>	<b>-104.486</b>
Tax on profit/loss for the year	2	13.316	-15.783
<b>Net profit/loss for the year</b>		<b>-41.567</b>	<b>-120.269</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		-41.567	-120.269
		<b>-41.567</b>	<b>-120.269</b>



## Balance Sheet 30 June

### Assets

	Note	2016 DKK	2015 DKK
Other fixtures and fittings, tools and equipment		0	18
<b>Property, plant and equipment</b>		<b>0</b>	<b>18</b>
<b>Fixed assets</b>		<b>0</b>	<b>18</b>
Receivables from group enterprises		166.983	0
Other receivables		0	101.000
Deferred tax asset		13.316	21.357
<b>Receivables</b>		<b>180.299</b>	<b>122.357</b>
<b>Cash at bank and in hand</b>		<b>2.842.228</b>	<b>2.972.372</b>
<b>Currents assets</b>		<b>3.022.527</b>	<b>3.094.729</b>
<b>Assets</b>		<b>3.022.527</b>	<b>3.094.747</b>

# Balance Sheet 30 June

## Liabilities and equity

	<u>Note</u>	<u>2016</u> DKK	<u>2015</u> DKK
Share capital		150.000	150.000
Retained earnings		<u>2.825.923</u>	<u>2.867.490</u>
<b>Equity</b>	<b>3</b>	<b><u>2.975.923</u></b>	<b><u>3.017.490</u></b>
Other payables		<u>46.604</u>	<u>77.257</u>
<b>Short-term debt</b>		<b><u>46.604</u></b>	<b><u>77.257</u></b>
<b>Debt</b>		<b><u>46.604</u></b>	<b><u>77.257</u></b>
<b>Liabilities and equity</b>		<b><u>3.022.527</u></b>	<b><u>3.094.747</u></b>
Contingent liabilities	4		

# Notes to the Financial Statements

	2015/16	2014/15
	DKK	DKK
<b>1 Financial expenses</b>		
Interest expense to credit institutions	3.100	3.401
Other financial expenses	0	11.408
	<b>3.100</b>	<b>14.809</b>

## 2 Tax on profit/loss for the year

Current tax for the year	0	37.140
Deferred tax for the year	-13.316	-21.357
	<b>-13.316</b>	<b>15.783</b>

## 3 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 July	150.000	2.867.490	3.017.490
Net profit/loss for the year	0	-41.567	-41.567
<b>Equity at 30 June</b>	<b>150.000</b>	<b>2.825.923</b>	<b>2.975.923</b>

The share capital has developed as follows:

	2015/16	2014/15	2013/14	2012/13	2011/12
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 July	150.000	150.000	150.000	125.000	125.000
Capital increase	0	0	0	25.000	0
Capital decrease	0	0	0	0	0
<b>Share capital at 30 June</b>	<b>150.000</b>	<b>150.000</b>	<b>150.000</b>	<b>150.000</b>	<b>125.000</b>

# Notes to the Financial Statements

## 4 Contingent liabilities

### Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Dechra Veterinary Products A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on un-earned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## **Accounting Policies**

### **Basis of Preparation**

The Annual Report of Scanimalhealth ApS for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015/16 are presented in DKK.

### **Recognition and measurement**

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### **Translation policies**

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# **Accounting Policies**

## **Income Statement**

### **Gross profit/loss**

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

### **Revenue**

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### **Expenses for raw materials and consumables**

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the enterprise.

### **Other external expenses**

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### **Tax on profit/loss for the year**

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

## **Accounting Policies**

The Company is jointly taxed with Dechra Veterinary Products A/S. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

### **Balance Sheet**

#### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment      3-8      years

Depreciation period and residual value are reassessed annually.

#### **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

#### **Deferred tax assets and liabilities**

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

## **Accounting Policies**

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### **Financial debts**

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.