

## **COMPLETED ACQUISITION BY MEDIVET GROUP LIMITED OF MULTIPLE INDEPENDENT VETERINARY BUSINESSES**

**Directions issued on 2 February 2023 pursuant to paragraph 10 of  
the initial enforcement orders of 21 December 2022 and paragraph  
12 of the initial enforcement order of 24 January 2023 imposed by  
the**

**Competition and Markets Authority on Medivet Group Limited,  
Hecate Holdco Limited, CVC Capital Partners VIII Limited, CVC  
Capital Partners VIII (A) L.P., CVC Capital Partners VIII Associates  
L.P., and CVC Capital Partners Investment Europe VIII L.P on  
[DATE] pursuant to section 72(2) of the Enterprise Act 2002 (the  
Act)**

From September 2021 to September 2022, Hecate Holdco Ltd (**Hecate** Holdco) via its wholly-owned subsidiary Medivet Group Ltd (**Medivet**) completed the acquisitions of All Creatures Clinic Limited, the assets and business of the veterinary practice under the name 'Hollies Veterinary Surgery' (**The Hollies**), Canine Healthcare Limited (t/a Vet Value), the assets and business of the veterinary practice under the name Iffley Vets, The Oxford Cat Clinic Limited, The Vet Station Limited, Barton Companion Animal Services Limited, Stanhope Park Veterinary Hospital Limited, I T Kalogera Holdings Ltd (including its subsidiary I T Kalogera Limited), Monument Vets Ltd, Fitzalan House Veterinary Practice Ltd, Ferring Street Vets Limited, The Hackney Vet Limited, the assets and business of the veterinary practice under the name 'Caddy Veterinary Surgery/Practice' (**Caddy Country**), E Street Limited (t/a

Elizabeth Street Veterinary Clinic), the assets and business of the veterinary practices under the names 'The Vet on Richmond Hill and The Vet in St Margaret's', and Withy Grove Veterinary Clinic Limited (together, the **Target Entities**) (the **Transactions**).

On 21 December 2022 and 24 January 2023, the Competition and Markets Authority (**CMA**) issued Initial Enforcement Orders (the **Orders**) addressed to Medivet, CVC Capital Partners VIII Limited, CVC Capital Partners VIII (A) L.P., CVC Capital Partners VIII Associates L.P. and CVC Capital Partners Investment Europe VIII L.P (collectively, the **Acquirer Group**) in accordance with section 72(2) of the Enterprise Act 2002 (the **Act**) concerning the Transactions. The Orders are still in force.

The CMA wishes to ensure that no action is taken pending final determination of any reference under section 22 of the Act which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decision on the reference for any of the Transactions.

On 2 November 2022, the CMA held a call with Medivet to discuss the extent to which the Target Entities' businesses have been integrated into Medivet and the extent of derogations requested and required in order for the Target Entities to continue to operate. The CMA considers, based on that call, and the extent of derogations requested and required in order for the Target Entities to continue to operate independently of Medivet, that the Target Entities' businesses and the Medivet business are fully integrated. On the basis of the information available to the CMA, and following careful consideration, the CMA considers that a number of risk factors are present in this case and the CMA is concerned about the ability of the Target Entities to run their businesses independently of Medivet, in accordance with their obligations under the Orders. In particular, the CMA notes that the Target Entities continue to receive a significant degree of support from Medivet (which the CMA considers necessary to preserve the viability of the Target Entities) and there is a continued need for integration during the CMA's investigation. This is particularly true for The Hollies and Caddy Country, both of which are fully integrated into the Medivet business and no longer exist as standalone businesses.

The CMA notes that there are a number of pre-merger management staff that are no longer working at the Target Entities. For instance, the CMA is aware that the lead vet and a practice manager of [REDACTED] are no longer employed by Medivet and no pre-merger staff of the Hollies are present. Further, the CMA notes that there are [REDACTED] that do not have a lead vet or branch partner attached to them [REDACTED].

The CMA now issues written Directions under paragraph 10 of the initial enforcement orders issued on 21 December 2022 and paragraph 12 of the initial enforcement order issued on 24 January 2023 that, for the purpose of securing compliance with the Orders, the Acquirer Group must appoint a formal Hold Separate Manager (**HSM**) for the Target Entities' businesses in accordance with the terms provided for, and must comply with the obligations set out, in Annex 1.

Signed

[REDACTED]

**Faye Fullalove**

Assistant Director, Mergers  
Competition and Markets Authority  
2 February 2023

## **ANNEX 1**

### **Directions to appoint a hold separate manager**

#### **Interpretation**

In these directions:

<b>‘the Act’</b>	means the Enterprise Act 2002;
<b>‘the Acquirer Group’</b>	means Medivet, Hecate Holdco, CVC Capital, CVC Capital Partners VIII Limited, CVC Capital Partners VIII (A) L.P., CVC Capital Partners VIII Associates L.P. and CVC Capital Partners Investment Europe VIII L.P.;
<b>‘the Acquirer Group business’</b>	means the businesses of Medivet, Hecate Holdco, and CVC Capital, CVC Capital Partners VIII (A) L.P., CVC Capital Partners VIII Associates L.P. and CVC Capital Partners Investment Europe VIII L.P. and their subsidiaries but excluding the Target Entities’ businesses carried on as at the commencement date and the businesses of any companies held by funds managed by CVC Capital that are not active in markets (or market segments) that the Medivet or Target Entities’ businesses are active in (including those carried on after the commencement date);
<b>‘an affiliate’</b>	of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;
<b>‘business’</b>	has the meaning given by section 129(1) and (3) of the Act;

<b>‘CMA’</b>	means the Competition and Markets Authority;
<b>‘Commencement Date’</b>	means 21 December 2022;
<b>‘CVC Capital’</b>	means CVC Capital Partners VIII Limited, a company registered in Jersey having its registered office at 27 Esplanade, St Helier, Jersey JE1 1SG;
<b>‘Derogations’</b>	means any derogations granted by the CMA whether before or after the appointment of the HSM by which the Acquirer Group may undertake certain actions that derogate from the Orders;
<b>‘Hecate Holdco’</b>	means Hecate Holdco (UK) Limited, company number 13671403;
<b>‘Medivet’</b>	means, together, Medivet Group Limited, company number 03481736;
<b>‘the Medivet business’</b>	means the businesses of Hecate Holdco and its subsidiaries (including Medivet) carried on as at the commencement date, but excluding the Target Entities’ businesses;
<b>‘MT’</b>	means the monitoring trustee appointed in accordance with the directions issued on 4 January 2023 as varied on 24 January 2023;
<b>‘Orders’</b>	means the initial enforcement orders made by the CMA on 21 December 2022 and 24 January 2023 and addressed to the Acquirer Group;
<b>‘the Relevant Transactions’</b>	means Medivet Group Limited’s completed acquisitions of the entities, assets and businesses listed in Annex 2.
<b>‘subsidiary’,</b>	has the meaning, unless otherwise stated, given by section 1159 of the Companies Act 2006 (and <b>‘subsidiaries’</b> shall be construed accordingly);
<b>‘Target Entities’</b>	means the independent veterinary practices acquired by Medivet and listed in Annex C to this Order;

**‘the Target Entities’ businesses’** means the business of each of the Target Entities and their respective subsidiaries carried on as at the commencement date;

**‘the Transactions’** means either the transactions by which Medivet and the Target Entities have ceased to be distinct within the meaning of section 23 of the Act, or the transactions by which Medivet and the assets and businesses of the veterinary practices under the names ‘Hollies Veterinary Surgery’, ‘Iffley Vets’, ‘Caddy Veterinary Surgery/Practice’, ‘The Vet on Richmond Hill’, and ‘The Vet in St. Margaret’s’ ceased to be distinct.

Terms and expressions defined in the Orders have the same meaning in these directions, and the singular shall include the plural and vice versa, unless otherwise specified or the context requires otherwise.

## **Appointment**

1. The Acquirer Group must appoint a formal HSM to ensure that the Target Entities' businesses operate as viable and competitive businesses, separately from and independently of the Medivet business. The HSM must be subject to the approval by the CMA of his or her identity and the terms and conditions of appointment. Any appointment must be made in accordance with the provisions of these Directions.
2. The Acquirer Group must appoint the HSM without delay and in any event by 5pm on 3 February 2023 (or such longer period as the CMA may reasonably agree in writing) and the HSM will continue to act until the CMA has finally determined the references (within the meaning of section 79 of the Act) or revoked the Orders. The Acquirer Group must provide the CMA with the draft terms and conditions of appointment of the potential candidate HSMs, by 5pm on 2 February 2023 (or such longer period as the CMA may reasonably agree in writing).
3. The HSM must act on behalf of the CMA and be under an obligation to the CMA to carry out his or her functions to the best of his or her abilities.
4. The Acquirer Group must ensure that the terms and conditions of appointment of the HSM reflect and give effect to the functions and obligations of the HSM and the obligations of The Acquirer Group as set out in these Directions.
5. The Acquirer Group, their subsidiaries and their employees, officers, directors, advisers and consultants must provide the HSM with all cooperation, assistance and information as the HSM may reasonably require in order to discharge his or her functions.

## **Functions**

6. The functions of the HSM will be to exercise day-to-day management and control of the Target Entities' businesses so that:
  - (a) they operate as viable and competitive businesses, separately from and independently of the Acquirer Group business and competes actively with the Medivet business;
  - (b) appropriate management, reporting and decision-making systems are put in place to preserve the independence of the Target Entities' businesses and ensure such independence on an ongoing basis;
  - (c) the Target Entities' businesses are maintained as going concerns with access to sufficient resources for their continued operation and development.
7. The HSM will also be required to:
  - (a) ensure the economic viability and competitiveness of the Target Entities' businesses in accordance with good business practice;
  - (b) minimise, as far as possible, any risk of loss of competitive potential of the Target Entities' businesses;
  - (c) assist the CMA and MT in monitoring the extent of compliance by the Acquirer Group with the Orders (including any direction issued under paragraph 10 of the initial enforcement orders issued on 21 December 2022 and/or paragraph 12 of the initial enforcement order issued on 24 January 2023) or any other order issued by the CMA pursuant to section 72 of the Act;
  - (d) discuss with the MT arrangements which have been, or should be, put in place to ensure the separate operation from the



Acquirer Group business of viable and competitive businesses of the Target Entities and compliance by the Acquirer Group with the Orders; and

- (e) provide every two weeks (or otherwise as required by the CMA) a statement of whether or not the Acquirer Group have complied with the Orders.
- 8. The HSM must take such steps as he or she reasonably considers necessary in order to carry out the HSM's functions effectively.
- 9. The HSM must comply with any requests made by the CMA for the purpose of ensuring the full and effective compliance by the Acquirer Group with the Orders.
- 10. The HSM must immediately notify the CMA in writing if he or she forms a reasonable suspicion that the Orders has been breached or if he or she considers that he or she is no longer in a position to effectively carry out the HSM's functions.

## **General**

- 11. The HSM must possess the appropriate qualifications and experience to carry out the HSM's functions.
- 12. The HSM must neither have nor become exposed to a conflict of interest that impairs the HSM's objectivity and independence in discharging his or her functions under these Directions unless it can be resolved in a manner and within a timeframe acceptable to the CMA.
- 13. The Acquirer Group shall remunerate and reimburse the HSM for all reasonable costs properly incurred in accordance with the terms and conditions of the appointment and in such a way so as not to impede the HSM's independence or ability to effectively and properly carry out

the HSM's functions.

14. The Acquirer Group must provide the CMA with a copy of the agreed terms and conditions of the appointment of the HSM prior to his or her appointment.
15. Any termination of the appointment of the HSM is subject to the agreement of the CMA, such agreement not to be unreasonably withheld.
16. All communications between the HSM and the CMA are confidential and should not be disclosed to the Acquirer Group, save with the prior written consent of the CMA. The HSM shall not disclose such communications to third parties.
17. The CMA may issue such further directions as it considers necessary to ensure compliance with the Orders, including, where the appointment of the HSM has been terminated, directions for the appointment of a further HSM.

## **Annex 2**

### **List of Target Entities**

1. All Creatures Clinic Limited;
2. The assets and business of the veterinary practice under the name Hollies Veterinary Surgery;
3. Canine Healthcare Limited (t/a Vet Value);
4. The assets and business of the veterinary practice under the name Iffley Vets;
5. The Oxford Cat Clinic Limited;
6. The Vet Station Limited;
7. Barton Companion Animal Services Limited;
8. Stanhope Park Veterinary Hospital Limited;
9. I T Kalogera Holdings Ltd (including its subsidiary I T Kalogera Limited);
10. Monument Vets Ltd;
11. Fitzalan House Veterinary Practice Ltd;
12. Ferring Street Vets Limited;
13. The Hackney Vet Limited;
14. The assets and business of the practice under the name 'Caddy Veterinary Surgery/Practice';
15. E Street Limited (t/a Elizabeth Street Veterinary Clinic);
16. The assets and businesses of the practices under the names The Vet on Richmond Hill & The Vet in St Margaret's; and
17. Withy Grove Veterinary Clinic Limited.