

**Aviagen International Finance Five Limited**

**Directors' report and financial  
statements**

**Registered Number - 06930301**

**30 June 2016**



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## **Directors and advisers**

<b>Directors</b>	CP Hill W Dye BK Williamson
<b>Secretary</b>	BK Williamson
<b>Auditor</b>	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
<b>Solicitors</b>	Freshfields 65 Fleet Street London EC4Y 1HS
<b>Registered office</b>	Stratford Hatchery Alscott Industrial Estate Atherstone on Stour Stratford-Upon-Avon Warwickshire CV37 8BH

## **Directors' report**

The directors present the annual report and the audited financial statements for the year ended 30 June 2016.

### **Principal activities**

The principal activity of the company is the holding of debt due from fellow subsidiary companies.

### **Directors**

The directors who held office during the year, and up to the date of this report, were as follows:

CP Hill  
JD Schlaman (resigned on 1 January 2017)  
BK Williamson  
W Dye (appointed on 1 January 2017)

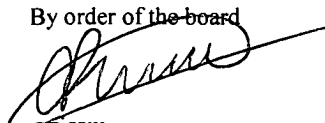
### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditors**

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

  
**CP Hill**  
Director

Stratford Hatchery Alscott Industrial Estate  
Atherstone on Stour  
Stratford-Upon-Avon  
Warwickshire  
CV37 8BH

March 22, 2017

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgments 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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## KPMG LLP

Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG  
United Kingdom

### **Independent auditor's report to the members of Aviagen International Finance Five Limited**

We have audited the financial statements of Aviagen International Finance Five Limited for the year ended 30 June 2016 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 Auditing Practices Board'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 web-site at [www.frc.org/auditscopeukprivate](http://www.frc.org/auditscopeukprivate).

#### **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 30 June 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

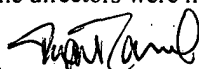
#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

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 take advantage of the small company exemption in not preparing a strategic report.



**Hugh Harvie (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants  
24 March 2017

**Profit and loss account**  
*for the year ended 30 June 2016*

		<b>Year ended 30 June 2016 £000</b>	<b>Year ended 30 June 2015 £000</b>
	<i>Note</i>		
Administrative expenses		<u>(1)</u>	<u>(1)</u>
<b>Operating loss</b>		<b>(1)</b>	<b>(1)</b>
Interest receivable and similar income	4	<u>361</u>	<u>336</u>
<b>Profit on ordinary activities before taxation</b>		<b>360</b>	<b>335</b>
Tax on profit on ordinary activities	5	<u>(72)</u>	<u>(69)</u>
<b>Profit for the year</b>		<b><u>288</u></b>	<b><u>266</u></b>

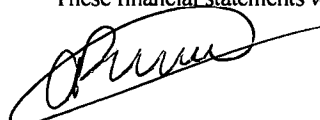
All amounts relate to continuing activities.

There are no items of other comprehensive income in the current of the preceding year.

**Balance sheet**  
*at 30 June 2016*

	<i>Note</i>	<b>30 June 2016 £000</b>	<b>30 June 2015 £000</b>
<b>Current assets</b>			
Debtors	6	7,050	6,742
Cash		<u>1</u>	<u>1</u>
		<b>7,051</b>	<b>6,743</b>
Creditors: amounts falling due within one year	7	<u>(414)</u>	<u>(394)</u>
<b>Net current assets</b>		<b>6,637</b>	<b>6,349</b>
<b>Net assets</b>		<u><b>6,637</b></u>	<u><b>6,349</b></u>
<b>Capital and reserves</b>			
Called up share capital	8	5,101	5,101
Profit and loss account		<u>1,536</u>	<u>1,248</u>
<b>Shareholders' funds</b>		<u><b>6,637</b></u>	<u><b>6,349</b></u>

These financial statements were approved by the board of directors on March 22, 2017 and are signed on its behalf by:



**CP Hill**  
 Director



## Statement of Changes in Equity

	Called up Share Capital	Share premium account	Profit & loss account	Total equity
	£000	£000	£000	£000
Balance at 1 July 2014				
<b>Total comprehensive income for the year</b>	-	5,101	982	6,083
Profit for the year	-	-	266	266
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	266	266
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2015</b>	-	<b>5,101</b>	<b>1,248</b>	<b>6,349</b>
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 July 2015	-	5,101	1,248	6,349
<b>Total comprehensive income for the year</b>				
Profit for the year	-	-	288	288
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	288	288
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 30 June 2016</b>	-	<b>5,101</b>	<b>1,536</b>	<b>6,637</b>
	<hr/>	<hr/>	<hr/>	<hr/>

## Notes

(forming part of the financial statements)

### 1 Accounting policies

Aviagen International Finance Five Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 which were issued in July 2015, and which were effective immediately, have also been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The company is included in the consolidated financial statements of Aviagen International Finance Limited, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for derecognition of financial assets and liabilities before the date of transition or accounting estimates.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 11.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existences for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparation the financial statements.

#### 1.3 Expenses

##### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

Notes (*continued*)

**1 Accounting policies (*continued*)**

**1.4 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

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.

**1.5 Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account

**2 Profit and loss on ordinary activities before taxation**

Audit fees of £2,000 (2015: £2,000) in respect of services provided by the auditors for the statutory audit of the company were paid on behalf of the company by its intermediate parent company, Aviagen International Finance Ltd. Other fees paid to the auditors by the company in respect of taxation services were £1,000.

**3 Remuneration of directors**

No directors' emoluments were paid during the year or the previous year.

**4 Interest receivable and similar income**

	Year ended 30 June 2016 £000	Year ended 30 June 2015 £000
On loans to fellow subsidiary undertakings	361	336

Notes (*continued*)

**5 Taxation**

Analysis of charge in year

	Year ended 30 June 2016 £000	Year ended 30 June 2015 £000
Group relief payable	<u>(72)</u>	<u>(69)</u>

	Year ended 30 June 2016 £000	Year ended 30 June 2015 £000
<i>Tax reconciliation</i>		
Profit for the year	288	266
Tax expense	72	69
Profit excluding tax	<u>360</u>	<u>335</u>
Tax using the UK corporation tax rate of 20% (2015: 20.75%)	<u>72</u>	<u>69</u>

**Factors affecting the future current and total tax charges**

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. This will reduce the company's future current tax charge accordingly. The deferred tax liability at the balance sheet date has been calculated based on these rates. An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

**6 Debtors**

	30 June 2016 £000	30 June 2015 £000
Amount due from fellow subsidiary undertaking	<u>7,050</u>	<u>6,742</u>

**7 Creditors: amounts falling due within one year**

	30 June 2016 £000	30 June 2015 £000
Group relief payable	413	393
Accruals	<u>1</u>	<u>1</u>
	<u>414</u>	<u>394</u>

Notes (*continued*)

**8 Called up share capital**

	30 June 2016 £	30 June 2015 £
<i>Allotted, called up and fully paid</i>		
2 Ordinary shares of \$1 each	<u>2</u>	<u>2</u>

**9 Related party disclosures**

As a wholly owned subsidiary of Aviagen International Finance Limited, the Company is exempt from the requirements of FRS 102. 33 to disclose transactions with other members of the group headed by Aviagen International Finance Limited.

**10 Immediate and ultimate parent company**

The immediate parent company is Aviagen European Holdings Limited, incorporated in England.

The smallest group of companies in which the company's results are consolidated is that headed by the intermediate parent company, Aviagen International Finance Limited, incorporated in England. The consolidated accounts of this group are available from Companies House, 4<sup>th</sup> Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

The company's ultimate parent undertaking is EW Group GmbH registered in Germany. This company's accounts are not available to the public.

**11 Accounting estimates and judgements**

*Key sources of estimation uncertainty*

For financial reporting purposes, the directors have not identified any key sources of estimation uncertainty related to the Company.

*Critical accounting judgement in applying the Companies accounting policies*

The company believes that the major judgement applied is the use of the going concern principle which supports the valuation of Assets included in the Balance Sheet.

**12 Explanation of transition to FRS 102 from old UK GAAP**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented in these financial statements for the year ended 30 June 2015.

In preparing its FRS 102 balance sheet, the Company has not adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).