



Aviagen International Finance Five Limited

**Directors' report and financial
statements**

Registered Number - 06930301

30 June 2017



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Directors and advisers

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

Strategic report

The Directors present their strategic report along with the directors' report and the financial statements of the Company for the year ended 30 June 2017.

Principal activities

The Company's principal activity is to act as an intermediate holding company within the Aviagen International Finance Limited group.

The directors do not recommend the payment of a dividend (2016: £nil).

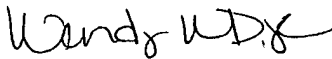
Principal risks and uncertainties

The principal risk faced by the Company is that faced by the trading entities, such as disease, feed costs, foreign currency exchange, environmental risks, government regulations, pension funding risk, and competitive risk.

Key areas of strategic development and performance

The key areas of strategic development and performance of the company is that undertaken by the trading entities, such as sales and marketing, production, health and safety, environment, and research and development.

By order of the board



WW Dye
Company Director

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

29 March 2018

Directors' report

The directors present the annual report and the audited financial statements for the year ended 30 June 2017.

Principal activities

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

Business review

The results for the year are set out on page 7.

Directors

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

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

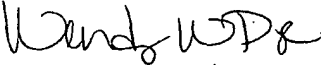
Disclosure of information to auditors

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



WW Dye
Director

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

29 March 2018

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 company 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

Opinion

We have audited the financial statements of Aviagen International Finance Five Limited ("the company") for the year ended 30 June 2017 which comprise the profit and loss account, balance sheet, statement of changes in equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of the company's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or

We have nothing to report in these respects.

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 (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

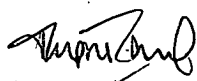
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



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

29 March 2018

Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh, UK EH1 2EG

Profit and loss account
for the year ended 30 June 2017

		Year ended 30 June 2017 £000	Year ended 30 June 2016 £000
Administrative expenses		<u>(1)</u>	<u>(1)</u>
Operating loss		(1)	(1)
Interest receivable and similar income	4	<u>415</u>	<u>361</u>
Profit on ordinary activities before taxation		414	360
Tax on profit on ordinary activities	5	<u>(82)</u>	<u>(72)</u>
Profit for the year		<u>332</u>	<u>288</u>

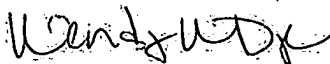
All amounts relate to continuing activities.

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

Balance sheet
at 30 June 2017

	Note	30 June 2017 £000	30 June 2016 £000
Current assets			
Debtors	6	7,464	7,050
Cash		1	1
		<u>7,465</u>	<u>7,051</u>
Creditors: amounts falling due within one year	7	<u>(496)</u>	<u>(414)</u>
Net current assets		6,969	6,637
Net assets		6,969	6,637
Capital and reserves			
Called up share capital	8	5,101	5,101
Profit and loss account		1,868	1,536
Shareholders' funds		6,969	6,637

These financial statements were approved by the board of directors on 29 March 2018 and are signed on its behalf by:


WW Dye
 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 2015	-	5,101	1,248	6,349
Total comprehensive income for the year				
Profit for the year	-	-	288	288
Total comprehensive income for the year	-	-	288	288
Balance at 30 June 2016	-	5,101	1,536	6,637
Balance at 1 July 2016	-	5,101	1,536	6,637
Total comprehensive income for the year				
Profit for the year	-	-	332	332
Total comprehensive income for the year	-	-	332	332
Balance at 30 June 2017	-	5,101	1,868	6,969

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"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

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. This is based on the understanding that amounts owed to fellow group undertakings will not be called for payment for at least 12 months from the date of approval of these financial statements. This has been confirmed by those undertakings. Thus the directors continue to adopt the going concern basis of accounting in preparing 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.

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.

Notes (*continued*)

1 Accounting policies (*continued*)

1.4 Taxation (*continued*)

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 (*2016: £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 2017 £000	Year ended 30 June 2016 £000
On loans to fellow subsidiary undertakings	<u>415</u>	<u>361</u>

Notes (*continued*)

5 Taxation

Analysis of charge in year

	Year ended 30 June 2017 £000	Year ended 30 June 2016 £000
Group relief payable	<u>(82)</u>	<u>(72)</u>

	Year ended 30 June 2017 £000	Year ended 30 June 2016 £000
<i>Tax reconciliation</i>		
Profit for the year	332	288
Tax expense	82	72
Profit excluding tax	<u>414</u>	<u>360</u>
Tax using the UK corporation tax rate of 19.75% (2016: 20%)	<u>82</u>	<u>72</u>

Factors affecting the future current and total tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was 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, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly, and the deferred tax balances have been calculated based on these rates.

6 Debtors

	30 June 2017 £000	30 June 2016 £000
Amount due from fellow subsidiary undertaking	<u>7,464</u>	<u>7,050</u>

7 Creditors: amounts falling due within one year

	30 June 2017 £000	30 June 2016 £000
Group relief payable	495	413
Accruals	<u>1</u>	<u>1</u>
	<u>496</u>	<u>414</u>

Notes (*continued*)

8 Called up share capital

	30 June 2017	30 June 2016
	£	£
<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, 4th 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.