

**Aviagen International Finance Two Limited**

**Directors' report and financial  
statements**

**Registered Number - 04695437**

**30 June 2010**

WEDNESDAY



\*SW2YKSHH\*

SCT

16/03/2011

677

COMPANIES HOUSE

## Contents

Directors and advisers	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditors' report to the members of Aviagen International Finance Two Limited	4
Profit and loss account	5
Statement of total recognised gains and losses	5
Balance sheet	6
Notes	7

## Directors and advisers

<b>Directors</b>	CP Hill J Schlaman
<b>Secretary</b>	CP Hill
<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>	Grantham Hatchery Gonerby Moor Grantham Lincolnshire NG32 2AB

## Directors' report

The directors present the annual report and the audited financial statements for the year ended 30 June 2010

### Principal activities

The principal activity of the company is the holding of investments in subsidiary companies

### Business review

The results for the year are set out on page 5 The directors do not propose payment of a dividend

### Directors

The directors who held office during the year were as follows

CP Hill  
J Schlaman

### 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 auditors are 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 auditors are 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  
Company Secretary

Grantham Hatchery  
Gonerby Moor  
Grantham  
Lincolnshire  
NG32 2AB

11 March 2011

## **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).

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 auditors' report to the members of Aviagen International Finance Two Limited**

We have audited the financial statements of Aviagen International Finance Two Limited for the year ended 30 June 2010 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).

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 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 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 (APB'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 APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://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 30 June 2010 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 year 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.



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

11 March 2011

**Profit and loss account**  
*for the year ended 30 June 2010*

		Year ended 30 June 2010 \$000	Year ended 30 June 2009 \$000
	Note		
Administrative expenses		(49)	(47)
<b>Operating loss</b>		<b>(49)</b>	<b>(47)</b>
Dividends from fixed asset investments	4	17,000	—
Interest receivable and similar income	5	261	254
Interest payable and similar charges	6	(792)	(1,793)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>16,420</b>	<b>(1,586)</b>
Tax on profit/(loss) on ordinary activities	7	—	—
<b>Profit/(loss) for the year</b>	12	<b>16,420</b>	<b>(1,586)</b>

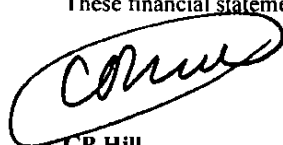
**Statement of total recognised gains and losses**  
*for the year ended 30 June 2010*

Other than the profit for the current year and the loss for the previous financial year there are no other recognised gains and losses

**Balance sheet**  
*at 30 June 2010*

	<i>Note</i>	<b>June 2010 \$000</b>	<b>June 2009 \$000</b>
<b>Fixed assets</b>			
Investments	8	<u>37,604</u>	<u>13,700</u>
<b>Current assets</b>			
Cash at bank and in hand		17,000	—
Debtors	9	<u>14,621</u>	<u>15,346</u>
		<b>31,621</b>	<b>15,346</b>
<b>Creditors</b> amounts falling due within one year	10	<u>(16,992)</u>	<u>(17,137)</u>
<b>Net current assets/(liabilities)</b>		<u><b>14,629</b></u>	<u><b>(1,791)</b></u>
<b>Total assets less current liabilities</b>		<u><b>52,233</b></u>	<u><b>11,909</b></u>
<b>Net assets</b>		<u><b>52,233</b></u>	<u><b>11,909</b></u>
<b>Capital and reserves</b>			
Share capital	12	—	—
Share premium	12	23,904	—
Profit and loss account	12	<u>28,329</u>	<u>11,909</u>
<b>Shareholders' funds</b>	13	<u><b>52,233</b></u>	<u><b>11,909</b></u>

These financial statements were approved by the board of directors on 11 March 2011 and are signed on its behalf by



**CP Hill**  
 Director



## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

#### ***Basis of preparation***

The financial statements have been prepared on the going concern basis

The company is exempt from the requirement to produce group accounts by the Companies Act 2006. The financial statements present information about the company as an individual undertaking and not about its group.

#### ***Cash flow statement***

The company is exempt from the requirement of FRS1 (revised) to prepare a cash flow statement as it is a wholly owned subsidiary of Aviagen International Finance Limited and its cash flows are included within the consolidated cash flow statement of that company.

#### ***Investments***

Investments in subsidiary undertakings are stated at cost less amounts written off.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### ***Taxation***

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

**Notes (continued)**

**2 Profit/(loss) on ordinary activities before taxation**

	Year ended 30 June 2010 \$000	Year ended 30 June 2009 \$000
Auditors' remuneration		
Audit of these financial statements	—	3
Amounts receivable by the auditors in respect of taxation services	4	16
in respect of all other services	—	28
	<u>4</u>	<u>28</u>

Audit fees of \$3,000 in respect of services provided by the auditors for the statutory audit of the company were paid on behalf of the company by its parent company, Aviagen International Finance Ltd

**3 Remuneration of directors**

No directors' emoluments were paid during the year or the previous year. The directors were the only employees of the company.

**4 Dividends from fixed asset investments**

	Year ended 30 June 2010 \$000	Year ended 30 June 2009 \$000
Dividends received	<u>17,000</u>	<u>—</u>

**5 Interest receivable and similar income**

	Year ended 30 June 2010 \$000	Year ended 30 June 2009 \$000
On loans to subsidiary undertakings	<u>261</u>	<u>254</u>

**6 Interest payable and similar charges**

	Year ended 30 June 2010 \$000	Year ended 30 June 2009 \$000
Interest on loans from parent company	7	7
Net exchange loss	<u>785</u>	<u>1,786</u>
	<u>792</u>	<u>1,793</u>

**Notes (continued)**

**7 Tax on profit/(loss) on ordinary activities**

Analysis of charge in year

	Year ended 30 June 2010 \$000	Year ended 30 June 2009 \$000
Current tax	<u>—</u>	<u>—</u>

*Factors affecting the tax charge for the current year*

The current tax charge for the year is lower (2009 higher) than the standard 28 0% (2009 28 0%) rate of corporation tax in the UK. The differences are explained below

	2010 \$000	2009 \$000
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	<u>16,420</u>	<u>(1,586)</u>
Current tax at 28 0% (2009 28 0%)	<u>4,598</u>	<u>(444)</u>
<i>Effects of</i>		
Income not taxable	<u>(4,760)</u>	<u>—</u>
Losses included in US tax return	<u>162</u>	<u>444</u>
Total current tax charge (see above)	<u>—</u>	<u>—</u>

For tax purposes this company is treated as a branch of a US company with the effect that its profits and losses are included in a US tax return. On the basis that the tax losses arising in this company have been included in a US tax return no claim in respect of these losses is made for UK tax purposes. The losses would only be available against future UK taxable profits if the US tax return was amended to exclude these losses. On the basis that it is considered unlikely that suitable UK profits will arise no deferred tax asset is recognised.

**8 Fixed asset investments**

	Shares in group undertakings \$000
<i>Cost and net book value</i>	
At the beginning of the year	13,700
Additions in year	<u>23,904</u>
At the end of the year	<u>37,604</u>

**Notes (continued)**

**8 Fixed asset investments (continued)**

The principal trading undertakings in which the company's interest at the year end is more than 20% are as follows

	Country of Incorporation	Principal Activity	Class and percent of shares held
<i>Subsidiary undertakings</i>			
Aviagen International Finance Five Limited	England	Holding Company	100%
Aviagen European Holdings Limited	England	Holding Company	100%

**9 Debtors**

	30 June 2010 \$000	30 June 2009 \$000
Amounts owed by parent and fellow subsidiary undertakings	7,076	6,963
Amounts owed by subsidiary undertakings	<u>7,545</u>	<u>8,383</u>
	<u>14,621</u>	<u>15,346</u>

**10 Creditors amounts falling due within one year**

	30 June 2010 \$000	30 June 2009 \$000
Amounts owed to parent and fellow subsidiary undertakings	12,790	12,783
Amounts owed to subsidiary undertakings	3,785	3,934
Group relief payable	416	416
Accruals	<u>1</u>	<u>4</u>
	<u>16,992</u>	<u>17,137</u>

**11 Called up share capital**

	Number of Shares	30 June 2010 \$	30 June 2009 \$
<i>Authorised</i>			
Ordinary shares of £0.01 each	10,000	<u>163</u>	<u>163</u>
<i>Allotted, called up and fully paid</i>			
Ordinary shares of £0.01 each	101	<u>2</u>	<u>2</u>

The share capital allotted and paid in the period comprised 1 ordinary £0.01 shares for a consideration of \$23,903,749, which included \$0.01 nominal value and share premium of \$23,903,749

**Notes (continued)**

**12 Reserves**

	Share premium account	Profit and loss account
	30 June	30 June
	2010	2010
	\$000	\$000
At beginning of year	—	11,909
Retained profit for the year	—	16,420
Share premium on issue of share	23,904	—
At end of year	<u>23,904</u>	<u>28,329</u>

**13 Reconciliation of movements in shareholders' funds**

	Year ended 30 June
	2010
	\$000
Profit for the year	16,420
Opening shareholders' funds	<u>11,909</u>
Closing shareholders' funds	<u>28,329</u>

**14 Related party disclosures**

The company has taken advantage of the exemption contained in FRS 8 Related Party Disclosures, not to report details of transactions with entities which are more than 90% controlled by a common parent company

There were no other related party transactions during the year

**15 Immediate and ultimate parent company**

The immediate parent company is Aviagen International Finance One Limited. The smallest group of companies in which the results of the company are consolidated is that headed by 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.

At the year end the company's ultimate parent was EW Group GmbH incorporated in Germany. This company's accounts are not available to the public.