Aviagen International Finance Limited

Annual report and consolidated financial statements

Registered number 04768827

30 June 2021

Contents

Directors and advisers

Directors	CP Hill W Dye
Secretary	CP Hill
Auditor	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
Solicitor	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 and the audited financial statements for the year ended 30 June 2021.

Principal activities

The company is a holding company. The principal activities of the group are the selective breeding of poultry and the production and distribution of poultry breeding stock worldwide.

Business review

The group achieved another good result for the year ended 30 June 2021. Operating profit increased from $300,642,000 in the previous year to $341,192,000 due to generally good product performance, good business conditions throughout the group and 2020 acquisitions. Profit before tax increased to $335,516,000 from $294,450,000. Turnover at $1,028,300,000 was up $104,796,000 (11%) from the previous fiscal year.

The principal risks and uncertainties affecting the business include the following:

- Disease – the group abides by strict bio-security procedures to maintain disease-free production facilities. These facilities are strategically located worldwide to minimize the impact of import/export restrictions on deliveries to customers.
- Feed costs – the worldwide change in demand for corn, soy and wheat may impact feed costs in the current year.
- Energy costs – any increases in the cost of energy may negatively impact production and other costs.
- Foreign currency exchange – the group closely monitors short and medium term exchange rates and hedges against currency fluctuations relating to transactions as it deems necessary.
- Environmental risks – the group places considerable emphasis upon environmental compliance within the business and not only seeks to ensure ongoing compliance with relevant legislation, but also strives to ensure that environmental best practices are incorporated into its practices.
- Pension funding risk – the group operates defined benefit pension plans as detailed in note 21. The funding of the UK pensions at 30 June 2021 was 40% in equities and 60% in other assets. The group is subject to funding risks, principally poor performance of the equity investments and increased longevity of the members. Such risks could result in increased contributions by the group to the pension schemes.
- New product, project and technology risk – the group develops new technologies and introduces new products for production. All new technologies and products involve business risk both in terms of possible abortive expenditure, risk to reputation and potential customer claims or onerous contracts. Such risks may materially impact the group. All appropriate measures are taken to protect the group's intellectual property rights and to minimise the risk of infringement of third-party rights.
- Competitive risk – the group operates in highly competitive markets. Product innovations or technical advances by competitors could adversely affect the group. The diversity of operations reduces the possible effect of action by any single competitor. The group invests in research and development in order to sustain competitive advantage and also works continually to ensure that its cost base is competitive.

Strategic report *(continued)*

Business review *(continued)*

- The outbreak of Coronavirus ("COVID-19") has resulted in loss of life and adversely impacted global commercial activity. The global impact of the outbreak is continues to evolve. Many countries have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. While such measures are creating disruption in supply chains and economic activity the Aviagen business has not experienced and does not expect to experience significant disruption. Management continue to work on minimising the impact of this disruption on its ability to remain a key part of the global food production supply chain. Any future impact on the business is likely to be in connection with the ability of the group to continue to grow in line with its current ambition. The directors will continue to closely analyse and review the impact of COVID-19 on the company and will take appropriate action as required.

Key areas of strategic development and performance of the business include:

- Sales and marketing - new and replacement business is being won continually; new markets have been developed in line with the group's strategy. Key customer relationships are monitored on a regular basis.
- Production - new products continue to be developed for both existing and developing markets; production efficiencies have been gained and new initiatives for process and efficiency improvements are constantly being developed.
- Health and Safety - accident and absenteeism rates have fallen and the group continues to seek ways of ensuring that a safe and healthy working environment is progressively improved.
- Environment - new methods of achieving greater environmental effectiveness are continually being examined.

Key financial performance indicators include the monitoring and management of profitability and working capital.

Key non-financial performance indicators include the monitoring of our employees' health and safety in addition to the group's environmental impact and energy consumption.

	Year ended 30 June 2021	Year ended 30 June 2020	Measure
Financial			
Return on capital	**25.95%**	23.90%	Profit after tax/total assets less current liabilities
Current ratio	**2.7:1**	3.0:1	Current assets: current liabilities
Stock turnover	**5.6**	6.0	Turnover/stock
Creditor days	**25**	20	Trade creditors/cost of sales x 365
Sales per employee ($000)	**198**	195	Turnover/average number of employees

Future outlook

The Group expects global poultry demand to increase due to population increases and higher standards of living throughout the world. The Group's executive team makes strategic decisions to enable the Group to strengthen its market share and maintain its position as a leader in the poultry breeding industry, and feels that the strong product performance of its brands places the Group in a position to deliver business growth for many years.

Strategic report *(continued)*

Going concern

The Directors have considered the net profits & net assets of the Group, as well as the business plan through 2024, and have concluded there is a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. The Group's trading and cash flow forecasts show that the Group should be able to operate within its existing cash resources. For these reasons, the directors continue to prepare the financial statements on a going concern basis.

Funding

The Group's operations are funded from cash received from its trading business activities, and any loans are in the form of intercompany loans. Future cash flows from business activities are expected to be sufficient to fund its ongoing operations.

Section 172(1) Statement

The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company. The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement, which is reported for the first time, explains how Aviagen Directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to grow the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance to Aviagen, and the level of information disclosed is consistent with the size and the complexity of the business.

<u>General confirmation of Directors' duties</u>

Aviagen's Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval.

When making decisions, each Director ensures that he/she acts in the way he/she considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to:

<u>S172(1) (A) "The likely consequences of any decision in the long term"</u>

The Directors understand the business and the evolving environment in which we operate, including the challenges of navigating through the ethically correct supply to our customers. Based on Aviagen's purpose to help feed the world by providing poultry with continually improved performance, the strategy set by the Board is intended to strengthen our position as a leading food company by providing options, products and services as the world's food system continues to develop, while keeping safety and social responsibility fundamental to our business approach. In 2021, to help achieve our aims, the Board refreshed our strategy to further focus on developing more product and supply options to help the worlds changing food demands. However, while investing for the future, the Board also recognize we must meet today's food requirements, particularly considering the ongoing Covid-19 pandemic.

The rising standard of living of a growing global population is likely to continue to drive demand for protein, including poultry meat, for years to come. At the same time, technological changes and the need to tackle climate change mean there is a transition under way to a lower-carbon, multi-source supply, with increasing customer choice, which is a difficult balance. With the objective to increase long-term value for shareholders we recognize that the long-term success of our business is dependent on our stakeholders and the external impact of our business activities on society.

Strategic report *(continued)*

Section 172(1) Statement *(continued)*

The very nature of our breeding program and our position in the supply chain means that Aviagen must make strategic decisions today which will only impact food consumed in several years time, which forces Directors to consider the long term consequences of decisions.

The Directors recognize how our operations are viewed by different parts of society and that some decisions they take today may not align with all stakeholder interests. Given the complexity of the worlds food supply, the Directors have taken the decisions they believe best support Aviagen's strategic ambitions.

S172(1) (B) "The interests of the company's employees"

The Directors recognize that Aviagen's employees are fundamental and core to our business and delivery of our strategic ambitions. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible. The Directors recognize that our pensioners, though no longer employees, also remain important stakeholders.

S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, governments, distributors and joint-venture partners. Aviagen seeks the promotion and application of certain general principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships. The Board also reviews and approves Aviagen's approach to suppliers. The businesses continuously assess the priorities related to customers and those with whom we do business, and the Board engages with the businesses on these topics, for example, within the context of business strategy updates and investment proposals.

Moreover, the Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged. These range from information provided on suppliers and joint-venture partners related to items such as project updates and supplier contracts, to information provided by the businesses (on customers and joint-venture partners related to, for example, business strategies, projects and investment or divestment proposals).

The nature of our business with a large stable customer base and bespoke facilities in fixed locations for many years creates the need for long term mutually beneficial relationships with customers and suppliers.

S172(1) (D) "The impact of the company's operations on the community and the environment"

This aspect is important in our strategic ambitions, most notably on our ambitions to sustain a strong societal license to operate. As such, the Board receives information on these topics to both provide relevant information for specific Board decisions (e.g. those related to specific strategic initiatives such as the Net Carbon Footprint review) and to provide ongoing overviews at the Aviagen group level (e.g., regular Safety & Environment Performance Updates, reports on ethics & Compliance, from respective officers). In 2021, certain Board Committees and Directors conducted site visits of various Aviagen operations and overseas offices and held external stakeholder engagements, where feasible.

S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"

Aviagen aims to meet the world's growing need for more and improved protein solutions in ways which are economically, environmentally and socially responsible. The Board periodically reviews and approves clear frameworks, such as Aviagen general business principles, Aviagen's Code of Conduct, specific Ethics & Compliance manuals, to ensure that its high standards are maintained both within Aviagen businesses and the business relationships we maintain. This, complemented by the ways the Board is informed and monitors compliance with relevant governance standards help assure its decisions are taken and that Aviagen companies act in ways that promote high standards of business conduct.

S172(1) (F) "The need to act fairly as between members of the company"
After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our Directors act as

Strategic report *(continued)*

Section 172(1) Statement *(continued)*

fairly as possible, between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

Culture

The Board recognizes that it has an important role in assessing and monitoring that our desired culture is embedded in the values, attitudes and behaviors we demonstrate, including in our activities and stakeholder relationships. The Board has established honesty, integrity and respect for people as Aviagen's core values. The Code of Conduct, helps everyone at Aviagen act in line with these values and comply with relevant laws and regulations. The Aviagen commitment and policy on health and safety, applies across Aviagen and is designed to help protect people and the environment. We also strive to maintain a diverse and inclusive culture.

Stakeholder engagement (including employee engagement)

The Board recognizes the important role Aviagen has to play in society and is deeply committed to public collaboration and stakeholder engagement. This commitment is at the heart of Aviagen's strategic ambitions. The Board strongly believes that Aviagen will only succeed by working with customers, governments, business partners, investors and other stakeholders. Working together is critical, particularly at a time when society, including businesses, governments and consumers, faces issues as complex and challenging as climate change, and a global pandemic.

We continue to build on our long track record of working with others, such as industry and trade groups, universities, governments, and non-government organisations (where possible). We believe that working together and sharing knowledge and experience with others offers us greater insight into our business.

Principal decisions

In the table below, we outline some of the principal decisions made by the Board over the year, explain how the Directors have engaged with, or in relation to, the different key stakeholder groups and how stakeholder interests were considered over the course of decision-making.

To remain concise, we have categorized our key stakeholders into six groups. Where appropriate, each group is considered to include both current and potential stakeholders.

- A Investor Community
- B Employees/Workforce/Pensioners
- C Regulators/Governments/NGOs
- D Communities
- E Customers
- F Suppliers/Strategic Partners

Principal decisions

We define principal decisions taken by the Board as those decisions in 2021 that are of a strategic nature and that are significant to any of our key stakeholder groups, we include decisions related to capital allocation.

How were stakeholders considered?

We describe how regard was given to likely long-term consequences of the decision including how stakeholders were considered during the decision-making process.

What was the outcome?

We describe which accommodations/ mitigations were made, if any, and how Directors have considered different interests and the factors taken into account.

Strategic report *(continued)*

Section 172(1) Statement *(continued)*

Approval of Aviagen's Business Plan 2022-2024

What was the Principle Decision?

Approval of Aviagen's Business Plan 2022-2024

The approval of the above followed an in-depth review by the Board of proposals on capital allocation, capital investment outlook, funding, competitive outlook, operating expenses, EBITDA return %, and distributions.

How stakeholders were considered

The Directors and Executive Committee balanced the priorities in the operational plan versus the strategy of producing food efficiently for the world, by using feedback received as part of continuous engagement with investors, discussions with shareholders, and commitments made regarding debt, and operating free cash flow.

The plan was discussed extensively and included commitment to continue investing and improving infrastructure and distribution globally, which is a reflection of the importance that communities and interest groups were likely to place on key societal contributions. This was balanced against the importance of the value placed on Aviagen by society (including communities, employees, customers, suppliers) for the services provided by the business and the way in which we conduct business.

Information on employees and our organizational structure featured as part of the plan. The plan maintained the approach to salaries, benefits, health, worker welfare, focus on employee experience and training.

Metrics agreed within the 2022-2024 plan underpin how all employee bonuses are calculated. The Board discussed these metrics at length to ensure they are suitably stretching and motivating, support the right culture within the business and align to the strategic ambitions.

What was the outcome?

Following the review of the draft plan, the Board requested further information on specific matters such as capital allocation, new ventures and organizational aspects. Responses were provided on these items and changes were incorporated into the plan where appropriate.

The early review of the plan identified a stronger outlook for 2022-2024. A welcome message for stakeholders.

The overall outcome of this decision is an operating plan that the Board believes underpins Aviagen's strategic ambitions and has taken into account different stakeholder views, realizing that not all stakeholder views can, nor will completely align with the plan.

While stakeholder opinion may differ on Aviagen's approach, the plan is based on the demand for products and services by society. The plan supports the Company maintaining a reputation for high standards of business conduct, Health, Safety, Security and Environment and maintained the approach to employee remuneration and benefits to pensioners. The plan seeks to reward our investors with returns and maintaining long-term financial strength to invest in improved product offerings in the form of more efficient, and better welfare (amongst other characteristics) to meet the current and future needs of society.

Investing in new business and acquisitions

What was the Principle Decision?

Investing in new business and acquisitions

Over the course of the year, the Board discussed and approved several new opportunities and projects across the different segments. The Board focused on distribution and supply of product in various markets and continued this implementation strategy. It made certain recommendations to Management and appraised potential investment opportunities which comprised wholly-owned acquisitions and joint-venture opportunities. The Board receives regular updates and maintains oversight of the operations of the new distribution business.

Strategic report *(continued)*

Section 172(1) Statement *(continued)*

How were stakeholders considered

The Board obtained an updated perspective on the pace of local food and protein requirements, regulation, changing customer needs and technology. This enhanced awareness was used to evaluate the possible impact on stakeholders and risks to its reputation in relation to certain stakeholder groups.

Local distribution of parent stock in Colombia and Peru: We acquired a majority stake in companies in Colombia and Peru, and supplied the local markets, we will continue to improve supply and infrastructure for the benefit of the local markets and the stakeholders, although we realize benefits will vary by stakeholder group.

Local distribution of turkey eggs in Russia: During the year Aviagen Turkeys Russia commenced business, supplying the local market. We expect to expand it over the coming years. We will continue to improve supply and infrastructure for the benefit of the local markets and the stakeholders, although we realize benefits will vary by stakeholder 'group'

For all proposals, the Board considered the interests of investment partners and potential organizational cultural differences. Customer relationships, local regulatory knowledge and other stakeholder relationships including local community views were also discussed.

What was the outcome?

As a result of discussion and decisions in this area, the Board obtained insights on expanding distribution, and better supplying and feeding the world. The Board recognizes that societal views vary slightly in this area. However, it must also bear in mind that global demand for food/protein is still growing.

Energy Use and Carbon Emissions

Streamlined Energy and Carbon Reporting is presented in accordance with The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 which introduced energy and carbon reporting requirements for large unquoted companies in the UK. The data collected includes the emissions for the UK operations of Aviagen Limited and Aviagen UK Limited, meeting the criteria of a large unquoted company. The methodology used for calculating emissions is the GHG Protocol Corporate Standard. UK Government (Greenhouse Gas) Conversion Factors for Company Reporting 2021 were used to calculate carbon emissions from primary data (meter readings and invoices). The 2019-2020 financial year will be used as the base year, going forward.

The chosen intensity measurement is tonnes CO_2e per total £m revenue. The intensity ratio was calculated by dividing total GHG emissions (tonnes) by total annual revenue for the financial year 01 July 2020 - 30 June 2021.

Scope 1 and 2 emissions have reduced by 5.86% and 25.22% respectively. The largest driver of the reduction in scope 1 emissions is from company owned vehicles. This is largely due to a reduction in travel following COVID 19. Electricity consumption has reduced 25%. Scope 3 emissions have had the largest decrease at 53.24% due to the vast reduction of travel in employee-owned vehicles due to the changes in circumstances from COVID-19. We expect this figure to increase in future reports.

Measures Taken to Improve Energy Efficiency

In conjunction with refurbishment of a significant number of production locations insulation U-values have been significantly improved. In addition we have installed LED lighting and solar panels in a large number of locations, and also increased the use of video conferencing technology for meetings to reduce the need for both local and global travel.

Strategic report *(continued)*

Energy Use and Carbon Emissions *(continued)*

Scope 1	**Units**	**FY 2020/2021**	**FY 2019/2020**
Combustion of natural gas in stationary/ mobile equipment	kWh	40,207,681.80	42,674,523.69
Consumption of kerosene and heating oil	kWh	419,585.40	460,628.87
Consumption of fuel in fleet vehicles	kWh	4,698,720.68	5,121,312.31
Consumption of fuel in company owned vehicles	kWh	494,639.87	517,785.87
Consumption of fuel in onsite transport	kWh	1,567,828.38	1,687,611.45
Combustion of natural gas in stationary/ mobile equipment	T CO2e	8,519.09	9,060.09
Consumption of kerosene and heating oil	T CO2e	103.54	113.62
Consumption of fuel in fleet vehicles	T CO2c	1,190.56	1,232.03
Consumption of fuel in company owned vehicles	T CO2e	111.02	130.98
Consumption of fuel in onsite transport	T CO2e	402.60	433.24
Total Scope 1	**T CO2e**	**10,326.81**	**10,969.96**
Scope 2			
Purchased electricity	kWh	14,551,892.00	19,460,750.77
Emissions from purchased electricity	T CO2e	3,392.63	4,537.08
Total Scope 2	**T CO2e**	**3,392.63**	**4,537.08**
Scope 3			
Consumption of fuel in employee-owned vehicles	kWh	76,520.72	151,265.26
Consumption of fuel in hire vehicles	kWh	0.00	8,259.53
Consumption of fuel in employee-owned vehicles	T CO2e	18.83	37.60
Consumption of fuel in hire vehicles	T CO2e	0.00	2.08
Total Scope 3	**T CO2e**	**18.83**	**39.68**
Total All Scopes	**kWh**	**62,016,868.85**	**70,082,137.75**
Total All Scopes	**T CO2e**	**13,738.27**	**15,546.72**
Intensity Ratio	**T CO2e per £m revenue**	**51.57**	**62.38**

By order of the board

Wendy Dye
Company Director

Wendy Dye

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

10 December 2021

Directors' report

The directors present their annual report and the audited financial statements for thc year ended 30 June 2021.

Proposed dividend
Dividends of $246,780,000 *(2020: $193,778,000)* were paid during the year.

Research and development

The group is involved in research and development in respect of the selective breeding of poultry.

Directors

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

CP Hill
W Dye

Employees

Disabled employees
Applications for employment by disabled persons are always fully considered bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation
The group places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various matters affecting the performance of the group.

Political and charitable contributions

The group made no political contributions during the year. Donations to UK charities amounted to $nil *(2020: $nil)*.

Disclosure of information to auditor

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; each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

Wendy Dye
Company Director

Wendy Dye

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

10 December 2021

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 group and parent 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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;
- assess the group and parent 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 group or the parent 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent 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 group and to prevent and detect fraud and other irregularities.

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

Opinion

We have audited the financial statements of Aviagen International Finance Limited ("the company") for the year ended 30 June 2021 which comprise the Consolidated profit and loss account and other comprehensive income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company 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 group's and of the parent company's affairs as at 30 June 2021 and of the group'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 group 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the company or to cease their operations, and as they have concluded that the group and the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the group or the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the group or the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

Independent auditor's report to the members of Aviagen International Finance Limited (continued)

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included request to full scope component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because transactions are not complex and there is no significant judgement involved in recognition of revenue.

We did not identify any additional fraud risks.

We performed procedures including:

• Identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual account code combinations.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, employment law, and environmental legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

Independent auditor's report to the members of Aviagen International Finance Limited (continued)

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 13, 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 group and parent 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 group or the parent 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.

Independent auditor's report to the members of Aviagen International Finance Limited (continued)

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.

L Niccolls

Lyn Niccolls (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
319 St Vincent Street
Glasgow
G2 5AS
Date: 13 December 2021

Consolidated profit and loss account and other comprehensive income
for year ended 30 June 2021

	Note	2021 $000	2020 $000
Turnover:			
Group turnover	2	**1,028,300**	923,504
Cost of sales		**(588,515)**	(540,252)
Gross profit	3	**439,785**	383,252
Distribution costs		**(28,092)**	(27,173)
Administrative expenses - other		**(70,942)**	(57,459)
Other operating income		**13,051**	7,795
Other operating expenses		**(12,610)**	(5,773)
Operating profit	3	**341,192**	300,642
Gain/(loss) on sale of tangible fixed assets		**904**	(450)
Group's share of profit/(loss) in joint ventures		**596**	(43)
Other interest receivable and similar income	6	**6,017**	7,408
Interest payable and similar charges	7	**(13,193)**	(13,107)
Profit before taxation		**335,516**	294,450
Tax on profit	8	**(77,800)**	(67,556)
Profit for the financial period		**257,716**	226,894
Other comprensive income			
Re-measurement of defined benefit asset/(liability)	21	**17,960**	(6,981)
Tax (charge)/credit arising on gain/(loss) in pension schemes		**(3,966)**	942
Net translation exchange differences		**27,027**	(42,869)
Movement in fair value of forward currency contracts		**—**	79
Total other comprehensive profit/(loss)		**41,021**	(48,829)
Total comprehensive income for the year		**298,737**	178,065
Profit attributable to:			
Shareholders of the parent company		**250,075**	220,008
Non-controlling interest	25	**7,641**	6,886
Profit for the financial period		**257,716**	226,894
Total Comprehensive Income attributable to:			
Shareholders of the parent company		**291,096**	171,179
Non-controlling interest	25	**7,641**	6,886
Total comprehensive income for the year		**298,737**	178,065

All activities in 2021 are continuing. The notes on pages 24 to 53 form part of the financial statements.

Consolidated balance sheet
at 30 June 2021

	Note	2021 $000	2021 $000	2020 $000	2020 $000
Fixed assets					
Goodwill	9		174,531		185,580
Intangible Assets	10		20,261		21,351
Tangible assets	11		453,543		390,213
Investments in joint ventures	12	3,044		2,672	
Other investments	12	174		146	
			3,218		2,818
			651,553		599,962
Current assets					
Stocks	13	184,946		154,096	
Debtors (including $10,980,000 due after more than one year, 2020: $1,334,000)	14	219,032		267,592	
Cash at bank and in hand	16	141,538		103,979	
		545,516		525,667	
Creditors: amounts falling due within one year	17	(203,838)		(167,838)	
Net current assets			341,678		357,829
Total assets less current liabilities			993,231		957,791
Creditors: amounts falling due after more than one year	18		(131,427)		(127,110)
Provisions for liabilities					
Deferred tax liability	20		(736)		(8,535)
Pension liability	21		—		(10,693)
Other provisions	22		(19,087)		(21,429)
Net assets			841,981		790,024
Capital and reserves					
Called up share capital	23		24,667		24,667
Capital contribution			91,635		91,635
Profit and loss account			675,475		631,159
Equity shareholders' funds			791,777		747,461
Non-controlling interest	25		50,204		42,563
Total equity			841,981		790,024

The notes on pages 24 to 53 form part of the financial statements.

These financial statements were approved by the board of directors on 10 December 2021 and were signed on its behalf by:

Wendy Dye
Company Director

Company registered number: 04768827

Company balance sheet
at 30 June 2021

	Note	2021	2021	2020	2020
		$000	$000	$000	$000
Fixed assets					
Investments	*12*		**135,210**		135,210
Current assets					
Debtors	*14*	—		16	
Cash at bank and in hand		**58**		49	
		58		65	
Creditors: amounts falling due within one year	*17*	**(1)**		(6)	
Net current assets			**57**		59
Total assets less current liabilities			**135,267**		135,269
Net assets			**135,267**		135,269
Capital and reserves					
Called up share capital	*23*		**24,667**		24,667
Capital contribution			**56,713**		56,713
Profit and loss account			**53,887**		53,889
Equity shareholders' funds			**135,267**		135,269

The notes on pages 24 to 53 form part of the financial statements.

These financial statements were approved by the board of directors on 10 December 2021 and were signed on its behalf by:

Wendy Dye

Wendy Dye
Company Director

Company registered number: 04768827

Consolidated statement of changes in equity

	Called up share capital $000	Capital contri-bution $000	Profit & loss account $000	Total equity $000
Balance at 1 July 2019	24,667	73,508	653,758	751,933
Total comprehensive income for the period				
Profit or loss	—	—	226,894	226,894
Profit or loss attributible to non-controlling interest	—	—	(6,886)	(6,886)
Other comprehensive income	—	—	(48,829)	(48,829)
Total comprehensive income for the period	—	—	171,179	171,179
Transactions with owners, recorded directly in equity				
Contribution from Shareholder (note 23)	—	18,127	—	18,127
Dividends paid (note 27)	—	—	(193,778)	(193,778)
Total contributions by and distributions to owners	—	18,127	(193,778)	(175,651)
Balance at 30 June 2020	24,667	91,635	631,159	747,461

	Called up share capital $000	Capital contri-bution $000	Profit & loss account $000	Total equity $000
Balance at 1 July 2020	24,667	91,635	631,159	747,461
Total comprehensive income for the period				
Profit or loss for the financial period	—	—	257,716	257,716
Profit or loss attributible to non-controlling interest	—	—	(7,641)	(7,641)
Other comprehensive income	—	—	41,021	41,021
Total comprehensive income for the period	—	—	291,096	291,096
Transactions with owners, recorded directly in equity				
Dividends paid (note 27)	—	—	(246,780)	(246,780)
Total contributions by and distributions to owners	—	—	(246,780)	(246,780)
Balance at 30 June 2021	24,667	91,635	675,475	791,777

The notes on pages 24 to 53 form part of the financial statements.

Company statement of changes in equity

	Called up share capital $000	Capital contri-bution $000	Profit & loss account $000	Total equity $000
Balance at 1 July 2019	24,667	38,585	53,892	117,144
Total comprehensive income for the period				
Profit or loss	—	—	193,693	193,693
Total comprehensive income for the period	—	—	193,693	193,693
Transactions with owners, recorded directly in equity				
Contribution from Shareholder (note 23)	—	18,128	—	18,128
Dividends paid (note 27)	—	—	(193,696)	(193,696)
Balance at 30 June 2020	24,667	56,713	53,889	135,269

	Called up share capital $000	Capital contri-bution $000	Profit & loss account $000	Total equity $000
Balance at 1 July 2020	24,667	56,713	53,889	135,269
Total comprehensive income for the period				
Profit or loss	—	—	233,470	233,470
Total comprehensive income for the period	—	—	233,470	233,470
Transactions with owners, recorded directly in equity				
Dividends paid (note 27)	—	—	(233,472)	(233,472)
Balance at 30 June 2021	24,667	56,713	53,887	135,267

The notes on pages 24 to 53 form part of the financial statements.

Consolidated cash flow statement

for year ended 30 June 2021

	2021 $000	2020 $000
Cash flows from operating activities		
Group profit for the year	**257,716**	226,894
Adjustments for:		
Depreciation, amortisation and impairment	**52,929**	42,730
Finance cost	**5,225**	3,201
Investment income	**(4,474)**	(7,408)
Share of profit and loss from joint ventures	**(371)**	(331)
(Gain)/loss on sale of tangible fixed assets	**(904)**	450
Taxation	**77,800**	67,556
	130,205	106,198
(Increase)/decrease in trade and other debtors	**(15,921)**	5,955
Increase in stocks	**(30,850)**	(10,075)
(Decrease)/increase in trade and other creditors	**37,611**	(5,772)
Increase in provisions and employee benefits	**(4,484)**	(5,123)
	(13,644)	(15,015)
Net exchange loss/(gain)	**2,468**	(1,098)
Interest paid	**(5,225)**	(3,201)
Tax paid	**(75,570)**	(72,753)
Net cash from operating activities	**295,950**	241,025
Cash from investing activities		
Interest received	**4,474**	7,408
Cash proceeds from investments	—	1,699
Proceeds from sale of tangible assets	**4,492**	807
Acquisition of investments	**(16)**	(9)
Acquisition of intangible assets	**(1,911)**	(20,716)
Acquisition of tangible fixed assets	**(83,087)**	(79,891)
Acquisition of a subsidiary	—	(39,514)
Cash aquired on acquisition of a subsidiary	—	2,639
Net cash from investing activities	**(76,048)**	(127,577)
Cash from financing activities		
Capital elements of finance lease payments	**(429)**	(52)
Net dividends paid	**(246,780)**	(175,651)
Movement in related party balances	**62,561**	90,490
Net cash from financing activities	**(184,648)**	(85,213)
Net increase in cash	**35,254**	28,235
Cash at beginning of year	**103,979**	83,285
Effect of exchange rate fluctuations on cash held	**2,305**	(7,541)
Cash at end of year	**141,538**	103,979

The notes on pages 24 to 53 form part of the financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Aviagen International Finance Limited (the "Company") is a private company limited by shares and incorporated, domiciled and registered in England in the UK. The company registration number is 04768827 and the registered address is Stratford Hatchery, Alscott Industrial Estate, Atherstone on Stour, Straftord-Upon-Avon, Warwickshire, CV37 8BH.

These Group and parent 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 United States Dollars. All amounts in the financial statements have been rounded to the nearest $1,000.

The parent company is included in the consolidated financial statements 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;
- Key management personnel compensation has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included; and
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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 30.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that financial instruments stated at fair value through the profit or loss are stated at their fair value.

1.2 Going concern

The Group's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on pages 4 to 11.

The Group has recorded a profit for the year ended 30 June 2021 and has both net current asset and net asset positions recorded as at the year-end date. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared a Group cash flow statement for the period to June 2023, i.e. at least 12 months from the date of approval of these financial statements. These forecasts include the impact of downside scenarios. After reviewing the Group's cash flow projections for the period to June 2023, the directors are satisfied that the Group has adequate access to resources to enable it to meet its obligations as they fall due and to continue in operational existence for the foreseeable future.

The directors have considered the impact of the emergence and spread of COVID-19 and potential implications on future Group operations. Whilst there are wider market uncertainties which will impact the poultry breeding, production and distribution industry, the directors do not believe this will significantly impact the liquidity of the Group over the next 12 months.

Notes *(continued)*

1 Accounting policies (continued)

1.2 Going concern (continued)

Consequently, the directors are satisfied that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 June each year. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

1.4 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.5 Other financial instruments

Financial instruments not considered to be basic financial instruments (other financial instruments)

Other financial instruments not meeting the definition of basic financial instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment; and

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Notes *(continued)*

1 Accounting policies (continued)

1.5 Other financial instruments (continued)

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in profit or loss. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged (even if it is normally carried at cost or amortised cost) and any gains or losses on remeasurement are recognised immediately in the income statement (even if those gains would normally be recognised directly in reserves).

If hedge accounting is discontinued and the hedged financial asset or liability has not been derecognised, any adjustments to the carrying amount of the hedged item are amortised into profit or loss using the effective interest method over the remaining life of the hedged item.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income ("OCI"). Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability. Alternatively, when the hedged item is recognised in profit or loss, the hedging gain or loss is reclassified to profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the entity assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value or the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition, a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

• Leasehold land and buildings	over the period of the lease
• buildings	10 - 50 years
• plant and equipment	3 – 10 years
• vehicles	5 – 10 years

Notes *(continued)*

1 **Accounting policies** (continued)

1.6 ***Tangible fixed assets (continued)***

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits. Construction in progress is not depreciated.

1.7 ***Business combinations***

Business combinations are accounted for using the purchase method at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the group recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

1.8 ***Intangible assets and goodwill***

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Intangible assets acquired in a business combination

Prior to 1 January 2020, the cost of intangible assets acquired in a business combination were capitalised separately from goodwill if the fair value could be measured reliably at the acquisition date.

For all business combinations entered into on or after 1 January 2020, the Group and Company recognises intangible assets separately from goodwill if the intangible asset meets all of the following three criteria:

- meets the recognition criteria per FRS 102.18.4; and
- are separable; and
- arise from contractual or other legal rights.

Notes *(continued)*

1 **Accounting policies** (continued)

1.8 Intangible assets and goodwill (continued)

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- patents and trademarks 10 - 20 years
- capitalised development costs 1 - 10 years

The useful lives of the intangible assets are determined based on the estimated period of the benefit that each asset provides.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 20 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of Assets when there is an indication that goodwill or an intangible asset may be impaired.

1.9 Stocks

Stocks are stated at the lower of cost or estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks and other costs in bringing them to their existing location and condition. For livestock, cost is taken as farm costs during the rearing period, which include an appropriate proportion of attributable overheads and is amortised over the laying period.

1.10 Employee benefits

Defined contribution plans and other long term-employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Notes *(continued)*

1 Accounting policies (continued)

1.11 Turnover

Turnover represents amounts invoiced, net of discounts, in relation to provision of goods to third parties. Revenue from recognised sales and services is when risks and rewards of ownership have been transferred to the customer and when the outcome of the transaction can be measured reliably. Discounts, rebates and credits granted after sales are deducted from sales.

1.12 Expenses

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in such case, the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance leases

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

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.

1.13 Joint Ventures

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method.

Where a group company is party to a joint venture which is not an entity that company accounts directly for its part of the income and expenditure, assets, liabilities and cash flows. Such arrangements are reported in the consolidated financial statements on the same basis.

1.14 Other Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date. The Group has other provisions recorded related to a subsidiary restructuring, deferred recognition of income, flock disease and customer claims.

Notes *(continued)*

1 Accounting policies (continued)

1.15 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; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. 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 provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

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 is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.16 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 except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income.

2 Turnover

An analysis of group turnover is as follows:

	2021	2020
	$000	$000
UK	**49,607**	45,915
Rest of Europe	**404,209**	434,968
Rest of world	**574,484**	442,621
	1,028,300	923,504

No segmental analysis of turnover and profit before tax is provided as the directors believe the provision of such information would be seriously prejudicial of the group interests.

Notes *(continued)*

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2021	2020
	$000	$000
Depreciation of tangible fixed assets	**37,698**	31,011
Amortisation of goodwill and other intangibles	**15,231**	11,719
Gain/(loss) on disposal of tangible fixed assets	**904**	(450)
Hire of other assets	**5,327**	8,846
Hire of plant and machinery	**6,106**	5,859
Rental of land and buildings under operating leases	**6,512**	4,606
Research and development expenditure	**59,154**	50,268

Auditor's remuneration:

	2021	2020
	$000	$000
Audit of these financial statements	**151**	103
Disclosures below based on amounts receivable in respect of other services to the company and its subsidiaries		
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries of the company	**505**	461
Taxation compliance services	**68**	238
Other tax advisory services	**317**	62

Notes *(continued)*

4 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	2021	2020
Production and distribution	**4,183**	3,798
Administration	**589**	525
Other	**427**	409
	5,199	4,732

The aggregate payroll costs of these persons were as follows:

	2021 **$000**	2020 $000
Wages and salaries	**133,793**	120,544
Social security costs	**14,486**	12,842
Contributions to defined contribution plans	**4,906**	4,169
Expenses related to defined benefit plan	**1,809**	1,921
Other benefits	**9,001**	9,355
	163,995	148,831

5 Directors' remuneration

The directors were remunerated by a company outside of the Aviagen International Finance Limited Group. This remuneration included qualifying services in respect to their position as director of this group.

	2021 **$000**	2020 $000
Directors' emoluments on qualifying services to the group	**1,516**	489

	Number of directors	
	2021	2020
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**2**	2

No remuneration was paid to the directors in respect of services to the company (2020: nil).

Notes *(continued)*

6 Other interest receivable and similar income

	2021	2020
	$000	$000
Group		
Bank interest receivable	**699**	1,379
Group interest receivable	**3,628**	3,790
Interest income on defined benefit pension plan	**1,543**	2,148
	5,870	7,317
Joint ventures		
- Interest income	**147**	91
	6,017	7,408

7 Interest payable and similar charges

	2021	2020
	$000	$000
Group		
Other external interest payable	**523**	635
Group interest payable	**4,385**	123
Finance charges on finance leases	**163**	170
Net exchange losses	**6,030**	9,711
Interest expense on defined benefit liabilities	**1,697**	2,273
	12,798	12,912
Joint ventures		
- Exchange losses	**395**	195
	13,193	13,107

Notes *(continued)*

8 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2021	2020
	$000	$000
Current tax		
Current tax on income for the period	**12,450**	14,402
Adjustment in respect of previous periods	**216**	(2,263)
Foreign tax		
Current tax on income for the year	**60,615**	58,433
Adjustment in respect of previous period	**(323)**	(1,958)
Total current tax	**72,958**	68,614
Deferred tax		
Origination/reversal of timing differences	**3,520**	(3,531)
Adjustment in respect of previous periods	**1,453**	1,558
Change in tax rate	**3,606**	795
Total deferred tax	**8,579**	(1,178)
Share of joint ventures' tax	**229**	120
Total tax	**81,766**	67,556

			2021			2020
	$000	**$000**	**$000**	$000	$000	$000
	Current tax	**Deferred tax**	**Total tax**	Current tax	Deferred tax	Total tax
Recognised in profit and loss account	**73,187**	**4,613**	**77,800**	68,734	(1,178)	67,556
Recognised in other comprehensive income	—	**3,966**	**3,966**	—	(942)	(942)
Total tax	**73,187**	**8,579**	**81,766**	68,734	(2,120)	66,614

8 Taxation *(continued)*

Reconciliation of effective tax rate

	2021 **$000**	2020 $000
Profit for the year	**257,716**	226,894
Total tax expense	**77,800**	67,556
Profit excluding taxation	**335,516**	294,450
Tax using the UK corporate tax rate of 19% (2019: 19%)	**63,748**	55,945
Expenses not deductible for tax purposes	**1,002**	408
Higher tax rates on overseas earnings	**13,982**	14,228
Research and development tax credits	**(4,388)**	(3,521)
Fixed asset differences	**(2,000)**	367
Losses not recognised	**261**	3,895
Foreign tax credits	**(739)**	(969)
Adjustment in respect of prior years	**1,346**	(2,664)
Rate difference on deferred tax	**3,050**	795
Other	**1,538**	(928)
Total tax expense included in profit and loss	**77,800**	67,556

Factors affecting the future current and total tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly. The deferred tax liability at 30 June 2021 has been calculated based on these rates, reflecting the expected timing of reversal of the related timing differences (2020: 19%).

9 Goodwill

Group	**2021** **$000**	2020 $000
Cost		
Balance at beginning of year	**244,451**	230,594
Additions	**1,842**	13,777
Adjustment in relation to post year acquisition	—	80
Balance at end of year	**246,293**	244,451
Amortisation and impairment		
Balance at beginning of year	**58,871**	47,250
Amortisation and impairment	**12,891**	11,621
Balance at end of year	**71,762**	58,871
Balance at 30 June	**174,531**	185,580

The amortisation charges are recognised in the administrative expense line item in the profit and loss account.

Notes *(continued)*

10 Intangible fixed assets

Group	Intellectual Property $000	Other $000	Total $000
Balance at 1 July 2019	—	822	**822**
Additions	20,487	149	**20,636**
Amortization	—	(98)	**(98)**
Foreign currency exchange differences	—	(9)	**(9)**
Balance at 30 June 2020	**20,487**	**864**	**21,351**
Balance at 1 July 2020	20,487	864	**21,351**
Additions	—	69	**69**
Amortization	(2,351)	11	**(2,340)**
Foreign currency exchange differences	1,132	49	**1,181**
Balance at 30 June 2021	**19,268**	**993**	**20,261**

The costs of the intangible assets have been recognised at fair value at the date of acquisition consistent with the accounting policies.

In line with accounting policies, the group will amortise intangible assets on a straight line basis over their useful life as shown in Note 1.8.

11 Tangible fixed assets

	Land and buildings $000	Plant and machinery $000	Vehicles $000	Construction in progress $000	Total $000
Group					
Cost					
At 1 July 2020	334,492	265,871	21,324	15,628	637,315
Additions	36,198	27,537	3,253	16,099	83,087
Reclassification	11,130	1,066	64	(12,260)	—
Disposals	(5,646)	(11,081)	(2,368)	—	(19,095)
Foreign currency exchange differences	20,355	15,102	645	931	37,033
At 30 June 2021	**396,529**	**298,495**	**22,918**	**20,398**	**738,340**
Depreciation					
At 1 July 2020	87,890	146,803	12,170	239	247,102
Charge for the year	14,639	20,691	2,368	—	37,698
Reclassification	—	316	—	(316)	—
Disposals	(3,592)	(9,858)	(2,057)	—	(15,507)
Foreign currency exchange differences	6,046	8,939	442	77	15,504
At 30 June 2021	**104,983**	**166,891**	**12,923**	—	**284,797**
Net book value					
At 30 June 2021	**291,546**	**131,604**	**9,995**	**20,398**	**453,543**
At 30 June 2020	246,602	119,068	9,154	15,389	390,213

Notes *(continued)*

11 Tangible fixed assets *(continued)*

Land and Buildings

Included in the total net book value of land and building and plant and machinery is $13,127,000 (2020: $8,858,000) and nil (2020: $30,000), respectively in respect of assets held under finance leases. Depreciation for the year on these assets was $260,000 (2020: $54,000). The reclassifications to land and buildings relate to construction in progress costs accumulated, which have been placed in service in the current year.

The net book value of land and buildings includes $24,753,000 (2020: $20,005,000) in respect of freehold land on which no depreciation is charged.

12 Fixed asset investments

	Interests in joint ventures $000	Other investments other than loans $000	Total $000
Group			
Shares			
At 1 July 2020	3,638	146	3,784
Additions	—	16	16
Foreign currency exchange differences	345	12	357
At 30 June 2021	**3,983**	**174**	**4,157**
Share of post acquisition reserves			
At 1 July 2020	(966)	—	(966)
Retained profits less losses for the year	119	—	119
Foreign currency exchange differences	(92)	—	(92)
At 30 June 2021	**(939)**	—	**(939)**
Net book value			
At 30 June 2021	**3,044**	**174**	**3,218**
At 30 June 2020	2,672	146	2,818

	Shares in subsidiary undertakings $000
Company	
Cost and net book value	
At 30 June 2021 and 30 June 2020	**135,210**

Notes *(continued)*

12 Fixed asset investments *(continued)*

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

Company Name / Address	**Country of incorporation**	**Principal activity**	**Percentage of ordinary shares held Group**	**Company**
Subsidiary undertakings				
Aviagen International Finance One Limited γ Stratford Hatchery, Atherstone on Stour, Stratford-Upon-Avon, Warwickshire, CV37 8BH	UK	Holding company	**100%**	100%
Aviagen International Finance Two Limited*γ Stratford Hatchery, Atherstone on Stour, Stratford-Upon-Avon, Warwickshire, CV37 8BH	UK	Holding company	**100%**	—
Aviagen International Finance Four Limited*γ Stratford Hatchery, Atherstone on Stour, Stratford-Upon-Avon, Warwickshire, CV37 8BH	UK	Holding company	**100%**	—
Aviagen International Holdings Limited**γ Stratford Hatchery, Atherstone on Stour, Stratford-Upon-Avon, Warwickshire, CV37 8BH	UK	Holding company	**100%**	—
EW UK Holdings 2 Limited*γ Stratford Hatchery, Atherstone on Stour, Stratford-Upon-Avon, Warwickshire, CV37 8BH	UK	Holding company	**100%**	—
Aviagen International Finance Five Limited*γ Stratford Hatchery, Atherstone on Stour, Stratford-Upon-Avon, Warwickshire, CV37 8BH	UK	Holding company	**100%**	—
Aviagen European Holdings Limited*γ Stratford Hatchery, Atherstone on Stour, Stratford-Upon-Avon, Warwickshire, CV37 8BH	UK	Holding company	**100%**	—
Aviagen Turkeys Holdings Limited*γ Stratford Hatchery, Atherstone on Stour, Stratford-Upon-Avon, Warwickshire, CV37 8BH	UK	Holding company	**100%**	—
Aviagen Brazil Holdings 1 B.V.* 920 Explorer Blvd, Huntsville, AL, 35806, USA	USA	Holding company	**100%**	—
Aviagen Brazil Holdings 2 B.V.* 920 Explorer Blvd, Huntsville, AL, 35806, USA	USA	Holding company	**100%**	—
Aviagen Limited* Stratford Hatchery, Atherstone on Stour, Stratford-Upon-Avon, Warwickshire, CV37 8BH	UK	Poultry breeding	**100%**	—
Aviagen UK Limited* 11 Lochend Road, Ratho Station Newbridge, Midlothian, EH28 8SZ	UK	Poultry breeding	**100%**	—
Aviagen EPI NV** Nazarethsesteenweg 83, Deinze, 9800, Belgium	Belgium	Poultry breeding	**100%**	—
Aviagen Kft** 1 Panorama, Mezoors, 9097, Hungary	Hungary	Poultry breeding	**100%**	—
Aviagen Turkeys Limited** Chowley Five, Chowley Oak Business Park, Tattenhall, Cheshire, CH3 9GA	UK	Poultry breeding	**100%**	—

Notes *(continued)*

12 Fixed asset investments *(continued)*

Company Name / Address	Country of incorporation	Principal activity	Percentage of ordinary shares held Group	Company
Aviagen Turkeys France s.a.r.l.* 22 Rue de la Plage, Pontivny, 56300, France	France	Poultry breeding	100%	—
Aviagen America Latina Ltda** Avenida 5, Rio Claro / Sao Paulo, Brazil. 13502760	Brazil	Poultry breeding	100%	—
Aviagen Australia Pty Ltd* 9 Tait Cresent, Goulburn New South Wales 2680, Australia	Australia	Poultry breeding	100%	—
Aviagen New Zealand Ltd* 10 Corbett Road, Bell Block, New Plymouth, 4312, Taranaki, New Zealand	New Zealand	Poultry breeding	100%	—
Aviagen India Poultry Breeding Company Private, Ltd** Elayamuthur P.O, Gandhinagar-642 154, Udumalpet Taluk, Tiruppur District, India	India	Poultry breeding	100%	—
Aviagen Italia Srl* 27 Via Salvo d'Acquisto, Cocconato, Asti, 14023, Italy	Italy	Poultry breeding	100%	—
Aviagen GmbH* Birkenstr. 1, 09627 Hilbersdorf, Germany	Germany	Poultry breeding	100%	—
Aviagen South Africa (Proprietary) Limited* Welverdiend Farm, Heidelberg-Meyerton Road, Meyerton, 1930, South Africa	South Africa	Poultry breeding	100%	—
Aviagen SAU* Cl. Quintana, S/N, 08416-Riells del Fai, Barcelona, Spain	Spain	Poultry breeding	100%	—
Aviagen France SAS* 2 Rue de la Fontaine, Beaucouze, 49070, Angers, France	France	Poultry breeding	100%	—
SA Le Sayec* La Montagne du Salut, 56855 Caudan Cedex, France	France	Poultry breeding	100%	—
Aviagen SweChick AB* Stalgatan 3, S-265 38 Astorp, Sweden	Sweden	Poultry breeding	100%	—
Aviagen LLC** 20 Vesennaya Str., Kamenka Village, Yasnogorsk Region, Tula Region, 301036, Russia	Russia	Poultry breeding	100%	—
Aviagen ApS* Baekke Hatchery, Klostergade 13. DK-6622, Baekke, Denmark	Denmark	Poultry breeding	100%	—
Aviagen EPI BV* Elmpterweg 47, NL-6042KJ Roermond, Netherlands	The Netherlands	Poultry breeding	100%	—
Aviagen EPI GmbH* Hartingspecken 72, D-27637, Nordholz, Germany	Germany	Poultry breeding	100%	—
Aviagen EPI Polska Zoo* Zebowo 71, PL-87-126, Obrowo, Poland	Poland	Poultry breeding	100%	—

Notes *(continued)*

12 Fixed asset investments *(continued)*

Company Name / Address	Country of incorporation	Principal activity	Percentage of ordinary shares held Group	Company
Aviagen Anadolu Ana damizlik Tavukculuk Sanayi Veticaret Anonim Sirketi** 2861 Cad. Alimci Park Villalari No:3, 06810 Ceyyolu/Ankara, Turkey	Turkey	Poultry breeding	**100%**	—
Aviagen Argentina SRL** 363 Olga Cossettini Buenos Aires, 1107, Argentina	Argentina	Poultry breeding	**100%**	—
Aviagen East Africa Ltd* 1 Old Moshi Road, Corridor Area Kati, Arusha, 23102, Tanzania	Tanzania	Poultry breeding	**100%**	—
Vaxxinova Nederland B.V.* 5 Transistorweg Nijmegen, 6534 AT, Netherlands	Netherlands	Poultry breeding	**100%**	—
Vaxxinvoa Holdindg B.V.* 5 Transistorweg Nijmegen, 6534 AT, Netherlands	Netherlands	Poultry breeding	**100%**	—
Ross Haymana Ana damizlik Tavukculuk Sanayi ve Ticaret A.S.* 2861 Cad. Alimci Park Villalari No:3, 06810 Ceyyolu/Ankara, Turkey	Turkey	Poultry breeding	**80%**	—
Hockenhull Turkeys Ltd*γ Chowley Five, Chowley Oak Business Park, Tattenhall, Cheshire, CH3 9GA	UK	Poultry breeding	**100%**	—
Hubbard France SAS* Mauguerand, 22800 Le foeil, France	France	Poultry breeding	**100%**	—
Hubbard do Brazil Agriculture Ltda* Avienido do Trabalhador, Aron 45, Setor Universitario CEP 73800-000, Luziania, Goias, Brazil	Brazil	Poultry breeding	**100%**	—
Hubbard Polska Sp. Zoo* Pawlow Trzebnicki 71, 55-110 Prusice, Polland	Poland	Poultry breeding	**100%**	—
Aviagen Turkeys Russia LLC* Office 3, House 4, Tsentralnaya str., Nikolsk 442680, Penza region. Russia	Russia	Poultry breeding	**100%**	—
Aviagen Nordeste Brasil Comercio de Aves Ltda** Est Carnauba, Poco Doce, Km 06, S/N, Sala 01 Zona Rural, Paracuru, CE, CEP 62680000, Brasil	Brazil	Poultry breeding	**100%**	—
Central India Poultry Breeders Pvt Ltd* 91, Sakure Nagar, Viman Nagar, Pune 411014	India	Poultry breeding	**100%**	—
Aviagen Tonneins* 2 Avenue de la Fontaine, Beaucoze, France, 49070	France	Poultry breeding	**100%**	—
Aviagen EPI Spelderholt* Wisentweg 53, 8219 Lelystad, Netherlands	The Netherlands	Poultry breeding	**100%**	—

Notes *(continued)*

12 Fixed asset investments *(continued)*

Company Name / Address	**Country of incorporation**	**Principal activity**	**Percentage of ordinary shares held Group**	**Company**
Subsidiary undertakings				
Dormant				
Dorana Fünfundfünfzigste Verwaltungs GmbH*	Germany	Poultry breeding	**100%**	—
Am Seedeich 9-11, 27472 Cuxhaven, Germany				
Lohmann Indian River Beteiligungs GmbH*	Germany	Poultry breeding	**100%**	—
Am Seedeich 9-11, 27472 Cuxhaven, Germany				
Lohmann Indian River GmbH & Co KG**	Germany	Poultry breeding	**100%**	—
Am Seedeich 9-11, 27472 Cuxhaven, Germany				
Aviagen Pension Trustees Limited*	UK	Pension trustee	**100%**	—
11 Lochend Road, Ratho Station Newbridge, Midlothian, EH28 8SZ				
Joint ventures				
Ross Ankara Damizlik Tavukculuk Sanayi Veticaret Anonim Sirketi*	Turkey	Poultry breeding	**50%**	—
2861., Cadde, No: 3/1, 06810 Cayyolu, Cankaya, Ankara, Turkey				
Aviagen Properties LLC*	Russia	Poultry breeding	**49%**	—
20 Vesennaya str., Kamenka village, Yasnogorsk region, Tula region, 301036, Russia				
Aviagen Peru SAC*	Peru	Poultry breeding	**51%**	—
Carretera Industrial a Laredo Km 1.5 Zona Industrial El Palmo, Trujillo, Peru				
Avicola Colombiana*	Colombia	Poultry breeding	**90%**	—
Calle 26 Barrio Ciudad Salitre torre Davivienda Oficina 527, Bogota, 1447, Colombia				
Hy Line Ecuador*	Ecuador	Poultry breeding	**100%**	—
Av Republica del Salvador Transversal Naciones Unidas Quito, 170505, Ecuador				

* held indirectly by a subsidiary undertaking
** held indirectly by various subsidiary undertakings
γ exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A

The subsidiary undertakings listed below (also noted in above table with γ) are exempt from the Companies Act 2006 requirements relating to the audit of their individual accounts by virtue of Section 479A of the Act as this company has guaranteed the subsidiary company under section 479C of the Act.

Subsidiary Undertakings	**Registered number**
Aviagen International Finance One Limited	04695426
Aviagen International Finance Two Limited	04695437
Aviagen International Finance Four Limited	04732806
Aviagen International Finance Five Limited	06930301
Aviagen International Holdings Limited	06003678
Aviagen European Holdings Limited	06819246
Aviagen Turkeys Holdings Limited	07291680
EW UK Holdings 2 Limited	06915021
Hockenhull Turkeys Limited	02499774

Notes *(continued)*

13 Stocks

	2021	2020
	$000	$000
Livestock	**104,390**	89,651
Work in progress - eggs	**63,227**	50,722
Consumables	**17,329**	13,723
	184,946	154,096

14 Debtors

	Group		**Company**	
	2021	2020	**2021**	2020
	$000	$000	**$000**	$000
Due within one year:				
Trade debtors	**115,016**	101,128	—	—
Amounts owed by related parties	**67,836**	124,733	—	16
Other debtors	**20,545**	21,065	—	—
Other debtors and prepayments	**4,655**	2,339	—	—
Deferred tax	—	16,993	—	—
Due after one year:				
Other debtors	**1,571**	1,334	—	—
Pension asset	**9,409**	—	—	—
	219,032	267,592	—	16

Loans due from parent and subsidiary undertakings are due on demand at varying market interest rates.

Notes *(continued)*

15 Acquisitions

On February 24, 2020, the group, through Aviagen International Holdings Ltd. and Aviagen International Finance Four Ltd acquired the remaining 50% share capital of an existing joint venture, Central India Poultry Breeding Company, Ltd., bringing the group's ownership to 100%. The purchase consideration of $2.3m was funded from cash reserves. The acquired business contributed revenue of $1.9m and net loss of $0.4m to the group for the year.

Acquisitions are accounted for under the acquisition method as described in note 1.

Effect of acquisition

The acquisition had the following effect on the Company's assets and liabilities:

	Fair values on acquisition $000
Acquiree's net assets at the acquisition date:	
Intangible fixed assets	1
Tangible fixed assets	1,476
Stocks	1,685
Trade and other debtors	74
Cash	59
Trade and other creditors	(905)
Net identifiable assets and liabilities	2,390
less: Minority Interest	(1,195)
Net Assets Acquired	1,195
Total cost of business combination:	
Consideration paid:	
Cash price paid	2,280
Total consideration	2,280
Goodwill on acquisition	1,085

Notes *(continued)*

15 Acquisitions *(continued)*

On July 10, 2019, the group, through Aviagen European Holdings Ltd. and 4 other Aviagen holding companies, acquired 90% of Avicola Colombiana S.A. The purchase consideration of $37.2m was funded from cash reserves. The acquired business contributed revenue of $30.9m and net profit of $5.3m to the group for the year.

Acquisitions are accounted for under the acquisition method as described in note 1.

Effect of acquisition

The acquisition had the following effect on the Company's assets and liabilities:

	Fair values on acquisition $000
Acquiree's net assets at the acquisition date:	
Tangible fixed assets	23,022
Stocks	9,786
Trade and other debtors	7,746
Cash	2,580
Trade and other creditors	(15,865)
Net identifiable assets and liabilities	27,269
less: Minority Interest	(2,727)
Net Assets Acquired	24,542
Total cost of business combination:	
Consideration paid:	
Cash price paid	37,234
Total consideration	37,234
Goodwill on acquisition	12,692

Acquisitions are accounted for under the acquisition method as described in note 1. In line with the accounting policies as noted in note 1, the group will amortise the goodwill arising on acquisition over 20 years.

16 Cash and cash equivalents

	2021 $000	2020 $000
Cash at bank and in hand	**141,538**	103,979
Cash and cash equivalents per cash flow statements	**141,538**	103,979

Notes *(continued)*

17 Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	**2021**	2020
	$000	$000	**$000**	$000
Finance leases (see note 19)	**64**	266	—	—
Trade creditors	**39,775**	29,348	—	—
Deferred consideration	**3,381**	3,190	—	—
Amounts owed to parent undertakings	**26,562**	12,108	—	—
Amounts owed to fellow subsidiary undertakings	**18,828**	21,759	—	4
Corporation tax	**3,223**	5,981	—	—
Other taxation and social security	**16,398**	16,732	—	—
Deferred income	**7,635**	4,282	—	—
Other creditors	**61,407**	45,650	**1**	2
Accruals and deferred income	**26,565**	28,522	—	—
	203,838	167,838	**1**	6

Loans due to parent and subsidiary undertakings are due on demand at varying market interest rates.

18 Creditors: amounts falling after more than one year

	Group		Company	
	2021	2020	**2021**	2020
	$000	$000	**$000**	$000
Finance leases (see note 19)	**1,009**	1,236	—	—
Deferred consideration	—	—	—	—
Loans from subsidiary undertakings	—	—	—	—
Loans from parent undertakings	**109,377**	115,236	—	—
Other creditors	**18,716**	9,722	—	—
Accruals and deferred income	**2,325**	916	—	—
	131,427	127,110	—	—

Loans from parent undertakings are due in 10 years with interest rates at 3.50%.

19 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group	
	2021	2020
	$000	$000
Interest-bearing loans and borrowings falling due in one year or less		
Finance lease liabilities	**64**	266
	64	266
Interest-bearing loans and borrowings falling due in more than one year		
Finance lease liabilities	**1,009**	1,236
Total interest-bearing loans and borrowings	**1,073**	1,502

19 Interest-bearing loans and borrowings *(continued)*

Certain of the companies within the Group have issued a guarantee for the purposes of securing bank loans provided to the Company and certain of its subsidiaries under three separate loan agreements. There were no loans outstanding under these loan agreements as of 30 June 2021 and 30 June 2020.

Obligations under finance leases are repayable as follows:

	2021	2020
	$000	$000
In less than one year	**218**	663
In the second to fifth year	**932**	838
Over five years	**669**	840
	1,819	2,341
Less future finance charges	**(746)**	(839)
	1,073	1,502

20 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	**2021**	2020	**2021**	2020	**2021**	2020
	$000	$000	**$000**	$000	**$000**	$000
Accelerated capital allowances	—	—	**17,500**	8,535	**17,500**	8,535
Employee benefits	—	(2,032)	**2,352**	—	**2,352**	(2,032)
Losses	—	(36)	—	—	—	(36)
Other timing differences	**(19,116)**	(14,925)	—	—	**(19,116)**	(14,925)
Net tax (assets) / liabilities	**(19,116)**	(16,993)	**19,852**	8,535	**736**	(8,458)

21 Employee benefits

Defined contribution plans

Group

The Group operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was $4,906,000 *(2020: $4,169,000)*.

Defined benefit plans

The Group operates two defined benefit schemes in the United Kingdom providing benefits based on final pensionable pay. The most recent full actuarial valuation was on 30th June 2017 and has been updated for accounting purposes to 30th June 2021 by a qualified actuary, using the assumptions listed below. Both schemes are closed to future pensions accrual.

Notes *(continued)*

21 Employee benefits *(continued)*

The plans are subject to the statutory funding objective and must therefore aim to have sufficient and appropriate assets to cover the plan's liabilities on the technical provisions basis which is agreed between the company and the trustees of the plans. As at the date of the most recently completed actuarial valuation (30th June 2017), the statutory funding objective was not met and therefore, the shortfall revealed between the Plan's assets and its liabilities must be repaired through the payment of deficiency contributions. The trustee and the Company have agreed a recovery plan such that the Company will pay contributions to the plans of £4,515,000 from 1 July 2019 to 1 February 2024.

An amount of nil (2020 – nil) was due in respect of unpaid contributions to the scheme at the balance sheet date.

The information disclosed below is in respect of the whole of the plan for which the Company is the sponsoring employer.

Net pension liability/asset	**2021** **$000**	2020 $000
Defined benefit asset	**116,810**	93,698
Defined benefit liability	**(107,401)**	(104,391)
Net asset/(liability) for defined benefit obligations	**9,409**	(10,693)

A breakdown of the plan assets has been set out below as of 30 June 2021:

Asset Group	**2021** **$000**	2020 $000
Equities	**46,473**	52,176
Bonds	**25,278**	21,147
Leveraged Liability Driven Investment	**25,943**	13,487
Multi-Asset Credit	**5,810**	—
Diversified Fund	**12,180**	—
Cash	**1,126**	1,667
Property	**—**	5,221
Total assets	**116,810**	93,698

Principal actuarial assumptions (expressed as straight averages) at the year-end were as follows:

	2021 **%**	2020 %
Discount rate	**1.84%**	1.51%
Inflation	**3.33%**	2.99%
Expected rate of increase of pensions in payment	**2.70%**	2.34%

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 87.3 years (male), 89.4 years (female).
- Future retiree upon reaching 65: 89.0 years (male), 91.0 years (female).

Notes *(continued)*

21 Employee benefits *(continued)*

Movements in net defined benefit liability

Group	Defined benefit obligation 2021 $000	Defined benefit obligation 2020 $000	Fair value of plan assets 2021 $000	Fair value of plan assets 2020 $000	Net defined benefit (liability)/asset 2021 $000	Net defined benefit (liability)/asset 2020 $000
Balance at beginning of year	**(104,391)**	(98,324)	**93,698**	91,719	**(10,693)**	(6,605)
Included in profit and loss						
Interest (cost)/income	**(1,697)**	(2,273)	**1,543**	2,148	**(154)**	(125)
Past service cost	**41**	—	—	—	**41**	—
	(106,047)	(100,597)	**95,241**	93,867	**(10,806)**	(6,730)
Included in OCI						
Remeasurements (loss)/gain:						
Acturial loss/(gain) arising from Change in financial assumptions	**7,326**	(9,016)	—	—	**7,326**	(9,016)
Return on plan assets excluding interest income	—	—	**10,634**	2,035	**10,634**	2,035
	(98,721)	(109,613)	**105,875**	95,902	**7,154**	(13,711)
Other						
Contributions paid by the employer	—	—	**3,027**	2,787	**3,027**	2,787
Benefits Paid	**3,185**	2,670	**(3,185)**	(2,672)	—	(2)
Exchange Differences	**(11,865)**	2,552	**11,093**	(2,319)	**(772)**	233
	(8,680)	5,222	**10,935**	(2,204)	**2,255**	3,018
Balance at end of the year	**(107,401)**	(104,391)	**116,810**	93,698	**9,409**	(10,693)

22 Other provisions

	Deferred Income $000	**Restructuring $000**	**Customer Claims $000**	**Disease $000**	**Other $000**	**Total $000**
Balance at 30 June 2020	547	15,363	366	1,596	3,557	21,429
Provisions made during the year	—	1,167	—	939	1,274	3,380
Provisions used during the year	(38)	(3,887)	(354)	(1,652)	(648)	(6,579)
Exchange	34	793	18	85	(73)	857
Balance at 30 June 2021	543	13,436	30	968	4,110	19,087

Notes *(continued)*

23 Capital and reserves

Share capital

	Ordinary shares 2021
On issue at 1 July 2020 and 30 June 2021	**15,170,314**

	2021 $000	2020 $000
Allotted, called up and fully paid		
15,170,314 Ordinary shares of £1 each	**24,667**	24,667

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Contributed Capital

On October 3, 2019, the Company's parent, Aviagen Group Holding, Inc., made a capital contribution to the Company of $18,127,000 by means of an assignment of a note receivable. The Company then contributed the note receivable to a Company subsidiary, Aviagen International Finance One Limited, resulting in an increased investment of $18,127,000 in Aviagen International Finance One Limited in the prior year.

24 Financial instruments

Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2021 $000	2020 $000
Assets measured at amortised cost	**115,016**	101,128
Liabilities measured at amortised cost	**39,775**	29,348

25 Non-controlling interest

	Group **2021 $000**	2020 $000
At beginning of year	**42,563**	32,950
Acquisitions (note 15)	**-**	2,727
Retained profit for year	**7,641**	6,886
At end of year	**50,204**	42,563

Notes *(continued)*

26 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2021	2020
	$000	$000
Less than one year	**9,064**	8,110
Between one and five years	**23,403**	23,579
More than five years	**11,288**	11,211
	43,755	42,900

During the year $10,352,000 (2020: $8,937,000) was recognised as an expense in the profit and loss account in respect of operating leases.

27 Dividends

The following dividends were recognized during the period:

	Group		Company	
	2021	2020	**2021**	2020
	$000	$000	**$000**	$000
Aviagen International Finance Limited $15.39 (2020: $12.77) per qualifying ordinary share	**233,472**	193,696	**233,472**	193,696
Avicola Colombia COP 293.05 (2020: nil) per qualifying ordinary share	**61**	—	—	—
Aviagen Turkeys Limited £288.69 (2020: nil) per qualifying ordinary share	**13,247**	—	—	—
Aviagen Anadolu Ana Damizlik Tavukculuk Sanayi Veticaret Anonim Sirketi TRY 0 (2020: TRY 82) per qualifying ordinary share	—	82	—	—
	246,780	193,778	**233,472**	193,696

28 Commitments

Capital commitments

There are no capital commitments at the end of the year (2020: $nil).

29 Related parties

Group

Identity of related parties with which the Group has transacted

The group made sales and received goods to the following company and partnerships, in which EW Group GmbH have a material interest:

Transactions with key management personnel

Total compensation of key management personnel in the year amounted to $1,516,000 (*2020: $489,000*).

Notes *(continued)*

29 Related parties *(continued)*

	Sales to		Purchases from	
	2021	2020	**2021**	2020
	$000	$000	**$000**	$000
Aviagen Turkeys Inc.	**639**	737	**2,272**	2,159
Aviagen Inc.	**6,328**	6,520	**21,742**	25,171
Aviagen North America	**—**	—	**557**	593
Hubbard, LLC	**2,637**	2,745	**3,425**	3,467
Aviagen Peru	**3,207**	2,966	**—**	—
SFG SAChsische Farmbetriebe GmbH	**2,725**	3,048	**5,296**	8,769
SFG SAChsische Farmbetriebe GmbH Zwei	**3,949**	33	**9,080**	3,437
Iberica Technologia Avicola	**—**	—	**1,286**	1,301
Laboratorio de Diagnostics	**—**	—	**347**	241
Hy-Line Italia srl	**—**	—	**—**	8
Laboratorio Biovet AS	**—**	—	**302**	—
EW Group	**4,418**	897	**—**	1,365
EW Nutrition GmbH	**—**	—	**38**	23
Hy-Line India	**57**	329	**—**	—
Hy-Line KFT	**—**	3	**—**	—
Lohmann Tierzucht GmbH	**7**	4	**1,234**	3,675
Lohmann GB Ltd.	**5**	—	**—**	17
Lohmann Breeders Denmark	**—**	—	**10**	—
Lohmann Diagnostics GmbH	**—**	—	**565**	—
Lohmann Breeders GmbH	**—**	—	**3,062**	—
Hy-Line UK Ltd.	**—**	—	**27**	—
Vaxxinova International	**861**	—	**756**	328
Vaxxinova GmbH	**205**	—	**—**	638
Vaxxinova Japan	**—**	—	**31**	—
Vaxxinova R&D GmbH	**—**	—	**2,835**	—
Vaxxinova Autogenous	**—**	—	**8**	—
Vaxxinova Diagnostics GmbH	**—**	—	**5**	—
Agri Advanced Technologies, GmbH	**—**	21	**—**	94
VALO BioMedia GmbH	**—**	—	**261**	286
Innovatec BV	**—**	—	**388**	—
Hy-Line International USA	**383**	795	**349**	726
	25,421	18,098	**53,876**	52,298

29 Related parties *(continued)*

	Receivables outstanding		**Creditors outstanding**	
	2021	2020	**2021**	2020
	$000	$000	**$000**	$000
Aviagen Inc.	**29,705**	18,681	**3,377**	7,155
Aviagen Turkeys Inc.	**285**	4,677	**5,068**	8,137
Aviagen North America	—	24	**8,401**	3,850
Hubbard, LLC	**507**	292	**502**	585
Aviagen Peru	**801**	—	—	—
Aviagen Group, Inc.	**34,080**	74,225	**1,480**	18
Aviagen Group Holding, Inc.	**300**	—	**3,420**	—
Aviagen GHI Holding BV	**847**	—	—	—
Erich Wesjohann Vermögensverwaltungs Gmbh & Co KG	—	—	**118,502**	115,236
SFG SAChsische Farmbetriebe GmbH	—	1,459	**197**	616
SFG SAChsische Farmbetriebe GmbH Zwei	**1,262**	18	—	—
Iberica Technologia Avicola	—	—	**201**	108
Laboratorio de Diagnostics	—	—	**25**	38
Hy-Line Italia srl	—	—	**11**	8
EW Group	—	329	**76**	—
EW Nutrition GmbH	—	—	—	2
EW Nutrition Australia	**3**	—	—	—
Laboratorio BioVet SA	—	—	**5**	—
Lohmann GB	**21**	—	—	—
Hy-Line UK	—	14	—	—
Hy-Line Brasil	—	—	**5**	124
VALO BioMedia GmbH	—	—	**20**	22
Lohmann Tierzucht GmbH	**25**	—	**329**	8
Agri Advanced Technology	—	—	—	47
Hy-Line International USA	—	61	**637**	969
Lohmann Holland	—	—	**40**	—
Vaxxinova Japan	—	—	**4**	28
Vaxxinova R&D	—	—	—	8,132
Vaxxinova International	—	—	**568**	458
Vaxxinova GmbH	—	—	**11,899**	29
	67,836	99,780	**154,767**	145,570

Other related parties comprise wholly owned Group companies. Transactions with related parties were carried out at arms-length agreed terms, conditions and prices. The Group and company have taken advantage of the exemption within FRS 102 Section 33 paragraph 33.1A from the requirement to disclose transactions with other wholly owned companies in the same group.

There were no related party transactions at the Company level for the years ended 30 June 2021 and 2020.

30 Accounting estimates and judgements

Key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Notes *(continued)*

30 Accounting estimates and judgements *(continued)*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects both current and future periods.

Defined benefit pension scheme

The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligations depend on a number of factors, including life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation into the balance sheet.

Debtors

Debtor recoverability is considered throughout the year and appropriate provisions set aside in the financial statements when required.

Goodwill amortisation

The directors have reviewed the economic useful life of goodwill to ensure that they are appropriate in determining the annual amortisation charge. Future fluctuations in relevant market conditions would be taken into account when reviewing the continued applicability of this useful life.

31 Events occurring after balance sheet date

There are no significant events occurring after the balance sheet date which need disclosure in these financial statements.

32 Immediate and ultimate parent company

The immediate parent company is Aviagen Group Holding, Inc. with a registered address at 850 New Burton Road, Dover, Delaware, 19904, United States.

The company's ultimate parent undertaking is EW Group GmbH registered address at Hogenbögen 1, 49429 Visbek, Germany. This company's accounts are not available to the public.