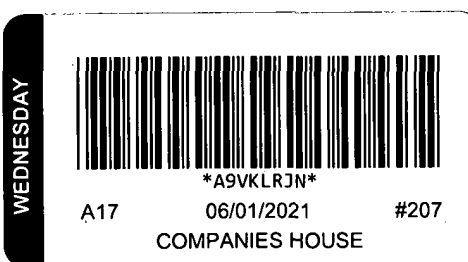


**Dechra Finance Limited**

**Annual Report and Financial  
Statements**

Registered number 09129928  
For the year ended 30 June 2020



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## Strategic Report

### Business review

The Company acts as a financing company. The functional currency is Euro as the majority of transactions entered into by the Company are transacted in Euros.

### Financial Review

#### Results

The results for the year are set out on page 6.

As a non-trading subsidiary of the Group, the impact of the COVID-19 pandemic is considered minimal. The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £51,692,000, which the directors believe to be appropriate for the following reasons. The Company is dependent for its working capital on funds provided to it by Dechra Pharmaceuticals PLC. Dechra Pharmaceuticals PLC has provided the Company with an undertaking that, for at least 12 months from the date of signature of these financial statements, it will continue to make available such funds as are needed by the Company and, in particular, will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

### Review of operating performance

#### Company performance

The Company received interest income of €9,719,000 (2019: €10,210,000) and had interest payable of €3,595,000 (2019: €3,059,000) during the year.

The financial position at the end of the year was strong with equity shareholders' funds standing at €139,833,000 (2019: €134,848,000).

#### Funding

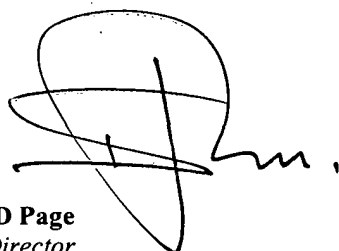
The Company is principally funded by investment from the Company's parent and external debt of €150.0 million. In January 2020 the €150.0 million Term Loan Facility due to mature in December 2020 was fully repaid and cancelled. The amount drawn on the Revolving Credit Facility was increased in January 2020 by €87.0 million to €150.0 million.

### Risks and uncertainties

The Company, like every business, faces risks and uncertainties in both its day to day operations and through events relating to the achievement of its long term strategic objectives.

The Board has ultimate responsibility for risk management within the Company and there is an ongoing and embedded process of assessing, monitoring, managing and reporting on significant risks faced by the Company.

On behalf of the board



ID Page  
Director

9 December 2020

## Directors' Report

The directors present their report and the audited financial statements for the year ended to 30 June 2020.

### Future developments

The company will continue to act as a financing company for other companies within the Dechra Pharmaceuticals PLC Group.

### Directors

The directors who were in office during the year and up to date of signing the financial statements were:

ID Page  
AG Griffin  
PN Sandland (appointed 5 December 2019)  
MJ Hall – Company secretary

### Political and charitable contributions

The company made no political or charitable contributions during the year.

### Financial risk management

The Company uses various financial instruments to manage its financial risk. These include loans and cash that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the wider Group's operations.

#### *Liquidity risk*

The Company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet its foreseeable needs. The Directors review the cash projections on a regular basis to ensure the business has adequate liquidity and working capital.

#### *Credit risk*

Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

### Dividends

No intention to pay interim dividend during the year (2019: €15,000,000).

### Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## **Directors' Report** *(continued)*

### **Statement of Directors' Responsibilities** *(continued)*

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

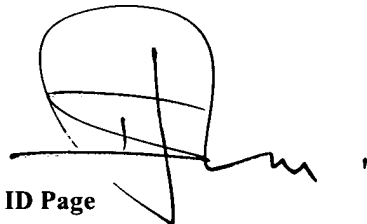
### **Directors' and officers' liability**

The Company maintains an appropriate level of directors' and officers' insurance whereby directors are indemnified against liabilities to third parties to the extent permitted by the Companies Act 2006. The directors also benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report. A copy of the indemnity provisions will be available for inspection upon request at the registered office.

### **Independent auditors**

PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment was approved by the shareholders.

On behalf of the board



**ID Page**  
*Director*

24 Cheshire Avenue  
Cheshire Business Park  
Lostock Gralam  
Northwich  
CW9 7UA

9 December 2020

# ***Independent auditors' report to the members of Dechra Finance Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Dechra Finance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 June 2020; the Income statement and the Statement of changes in equity for the year then ended; and the Notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### *Strategic Report and Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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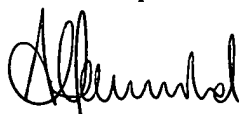
## **Other required reporting**

### **Companies Act 2006 exception reporting**

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

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

We have no exceptions to report arising from this responsibility.



Andrew Hammond (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham

**Income statement**  
*for the year ended 30 June 2020*

	<i>Note</i>	<b>2020</b> <b>€000</b>	<b>2019</b> <b>€000</b>
Administrative expenses		<b>51</b>	<b>(62)</b>
<b>Operating profit/(loss)</b>		<b>51</b>	<b>(62)</b>
Finance income	<i>4</i>	<b>9,719</b>	10,210
Finance costs	<i>5</i>	<b>(3,595)</b>	(3,059)
<b>Profit before taxation</b>	<i>2</i>	<b>6,175</b>	7,089
Tax on profit	<i>6</i>	<b>(1,190)</b>	(1,343)
<b>Profit for the financial year</b>		<b>4,985</b>	5,746

All amounts relate to continuing operations.

There are no other comprehensive income recognised in either the current or preceding year other than the profit for this year.

The notes on pages 9 to 14 form part of the financial statements.

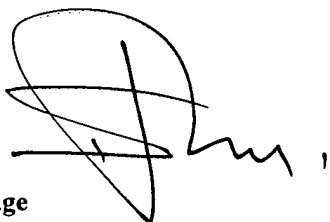


**Statement of financial position**  
*as at 30 June 2020*

	Note	2020 £000	2020 £000	2019 £000	2019 £000
<b>Current assets</b>					
Trade and other receivables (€56,059,000 is non-current)	7	341,525		358,269	
Cash		-		-	
		<u>341,525</u>		<u>358,269</u>	
Creditors: falling due within 1 year	8	(51,692)		(10,421)	
<b>Net current assets</b>			<u>289,833</u>		<u>347,848</u>
<b>Total assets less current liabilities</b>			<u>289,833</u>		<u>347,848</u>
<b>Creditors: Amounts falling due in more than one year</b>					
Borrowings	9		(150,000)		(213,000)
<b>Net assets</b>			<u>139,833</u>		<u>134,848</u>
<b>Equity</b>					
Called up share capital	11		112,203		112,203
Share premium account			20,349		20,349
Retained earnings			7,281		2,296
<b>Total shareholders' funds</b>			<u>139,833</u>		<u>134,848</u>

The notes on pages 9 to 14 form part of the financial statements.

The financial statements on pages 6 to 14 were approved by the board of directors on 9 December 2020 and were signed on its behalf by:



**ID Page**  
Director

Company number: 09129928

**Statement of changes in equity**  
*for the year ended 30 June 2020*

	Share premium account €000	Issued share capital €000	Retained Earnings €000	Total shareholders' funds €000
<b>For the year ended 30 June 2019</b>				
At 1 July 2018	20,349	112,203	11,550	144,102
Profit for the financial year and total comprehensive income	-	-	5,746	5,746
Dividends Paid	-	-	(15,000)	(15,000)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balances at 30 June 2019</b>	<b>20,349</b>	<b>112,203</b>	<b>2,296</b>	<b>134,848</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>For the year ended 30 June 2020</b>				
At 1 July 2019	20,349	112,203	2,296	134,848
Profit for the financial year and total comprehensive income	-	-	4,985	4,985
Dividends Paid	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balances at 30 June 2020</b>	<b>20,349</b>	<b>112,203</b>	<b>7,281</b>	<b>139,833</b>
	<hr/>	<hr/>	<hr/>	<hr/>

## Notes to the financial statements

### 1 Principal accounting policies

#### *General information*

Dechra Finance Limited acts as a financing company. The Company is incorporated and domiciled in England, UK, and is a private limited company. The address of the registered office is 24 Cheshire Avenue, Cheshire Business Park, Lostock Gralam, Northwich, CW9 7UA.

#### *Basis of preparation*

The financial statements of Dechra Finance Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. There are no areas involving a high degree of judgement or estimates given the nature of the entity. All accounting policies have been applied consistently other than where new policies have been adopted.

The following exemptions have been taken in preparing the financial statements;

- a) The requirements of IFRS 7 'Financial Instruments: Disclosures'
- b) The following requirements of IAS 1:
  - Paragraphs 10(d) and 111, exempting the Company from providing a cash flow statement and information;
  - Paragraph 16, exempting the Company from providing a statement of compliance with all IFRSs;
  - Paragraph 38A, exempting the Company from the requirement for a minimum of two of each primary statement and the related notes;
  - Paragraph 38B to D, exempting the Company from the requirement to present additional comparative information; and
  - Paragraphs 134 to 136, exempting the Company from presenting Capital Management disclosures.
- c) The requirements of IAS 7 'Statement of Cash Flows', exempting the Company from preparing a cash flow statement
- d) The requirements of paragraph 17 of IAS 24 'Related Party Disclosures', exempting the Company from disclosing details of all key management compensation.
- e) The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions with wholly-owned members of the Group.
- f) The requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' exempting the company from disclosing the impact of new accounting standards that have been issued but are not yet effective.

The directors intend that the Company will take advantage of the above disclosure exemptions for the year ended 30 June 2021.

#### *Going concern*

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

## Notes to the financial statements (continued)

### 1 Principal accounting policies (continued)

#### *Adoption of new and revised standards*

The following standards, amendments to standards or interpretations have been adopted for the first time from 1 July 2019.

- IFRS 16 'Leases' provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.
- IFRIC 23 'Uncertainty over Income Tax Treatment' provides clarity on how to apply the recognition and measurement requirements in IAS 12 'Income Taxes' when there is uncertainty over income tax treatments. Adoption of this interpretation did not have a material impact on the Company's financial statements.

The adoption of IFRS 16 'Leases' and IFRIC 23 'Uncertainty over Income Tax Treatment' from 1 July 2019 resulted in changes in accounting policies but did not have any impact on the financial statements for the year 30 June 2020, or retained earnings at 1 July 2019.

#### *Foreign currency*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Other operating expenses'.

#### *Current and deferred income tax*

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for the UK, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

#### *Financial guarantee contracts*

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other group companies, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

#### *Trade and other receivables*

Trade and other receivables are amounts due from other Group entities. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Amounts owed by other Group entities are initially recognised at fair value and subsequently measured at this value less loss allowances, calculated using the three stage IFRS 9 model.

## Notes to the financial statements *(continued)*

### 1 Principal accounting policies *(continued)*

#### ***Borrowings***

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

#### ***Share capital***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### ***Dividend income***

Dividend income is recognised when the right to receive payment is established.

#### ***Dividend distribution***

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or, in the case of an interim dividend, when the dividend is paid.

#### ***Impairment***

The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

### 2 (Loss)/ profit before taxation

No directors received any emoluments in respect of services as director of this Company during the year (2019: *€nil*).

Auditors' remuneration has been borne by the ultimate parent undertaking in both years.

### 3 Employees and directors

Excluding directors, the Company did not employ any persons during the year (2019: *nil*).

### 4 Finance income

	2020 €000	2019 €000
Inter-company interest receivable	9,719	10,210
Total finance income	<u>9,719</u>	<u>10,210</u>

### 5 Finance costs

	2020 €000	2019 €000
External bank interest	3,043	3,059
Inter-company interest payable	378	-
Foreign exchange losses	174	-
Total finance costs	<u>3,595</u>	<u>3,059</u>

## Notes to the financial statements *(continued)*

### 6 Tax on profit

#### *Tax expense included in the income statement*

	2020 €000	2019 €000
<i>Current tax</i>		
UK Corporation tax on profits for the year	1,183	1,335
Adjustment in respect of prior period	(91)	(4)
	<hr/>	<hr/>
Total current tax	1,092	1,331
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	12
Adjustment in respect of prior period	98	-
	<hr/>	<hr/>
Total deferred tax	98	12
	<hr/>	<hr/>
Income tax expense	1,190	1,343
	<hr/>	<hr/>

The current tax expense is higher (2019: lower) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 €000	2019 €000
Profit before taxation	6,175	7,089
	<hr/>	<hr/>
Current tax charge at 19% (2019: 19%)	1,173	1,347
<i>Effects of:</i>		
Income not taxable	10	-
Current tax prior period adjustment	(91)	(4)
Deferred tax prior period adjustments	98	-
	<hr/>	<hr/>
Total income tax expense	1,190	1,343
	<hr/>	<hr/>

An announcement was made in the budget on 11 March 2020 (which was substantively enacted on 17 March 2020) for the main rate applicable from 1 April 2020 to remain at 19%, removing the previously enacted reduction to 17%.

## Notes to the financial statements *(continued)*

### 7 Trade and other receivables

	2020 €000	2019 €000
Deferred tax asset (due in greater than one year) (note 10)	-	98
Amounts owed by group undertakings	324,017	351,840
Amounts owed by group undertakings – cash pooling	17,508	6,331
	<u>341,525</u>	<u>358,269</u>

Amounts owed by group undertakings are unsecured, and attract interest of up to 5.88% depending on the agreement. €1,638,000 (2019: €1,309,000) of the balance is repayable on demand, with the remainder due before 2023. €56,059,000 of the amounts owed by group undertakings is non-current. The credit loss provision against amounts owed by group undertakings is €585,000 (2019: €638,000). Where the amounts due from group undertakings are repayable on demand they are calculated using the expected loss model, if the loan is for a fixed term the credit loss provision is calculated using the twelve month default rate in BBB-rated bonds.

### 8 Creditors: falling due within 1 year

	2020 €000	2019 €000
Amounts owed to group undertakings	50,166	7,869
Accruals and deferred income	390	488
Corporation tax	1,136	2,064
	<u>51,692</u>	<u>10,421</u>

Amounts owed to group undertakings are unsecured, attract interest of 1.7% per annum, and are repayable in January 2027.

### 9 Borrowings

	2020 €000	2019 €000
<i>Borrowings due after one year:</i>		
Bank loan	150,000	213,000

In January 2020 the €150.0 million Term Loan Facility due to mature in December 2020 was fully repaid and cancelled. The amount drawn on the Revolving Credit Facility was increased in January 2020 by €87.0 million to €150.0 million. This facility is not secured on any specific assets of the Company but is supported by a joint and several cross-guarantee structure. Interest is charged at 1.8% over LIBOR. All covenants were met during the year ended 30 June 2020.

## Notes to the financial statements *(continued)*

### 10 Deferred tax

The deferred tax asset is attributable to the following:

	2020 €000	2019 €000
Receivables	-	98
<b>Total deferred tax</b>	<b>-</b>	<b>98</b>

Deferred tax assets and liabilities are offset to the extent that there is a legally enforceable right to offset current tax assets against current tax liabilities. The movements during the year are:

	Balance at 1 July 2019 €000	Recognised in income €000	Balance at 30 June 2020 €000
Receivables	98	(98)	-
	98	(98)	-

### 11 Issued share capital

	Ordinary shares of €1 each Number	€000
<i>Allotted and fully paid</i>		
At 1 July 2019		
Shares Issued	112,202,638	112,203
<b>At 30 June 2020</b>	<b>112,202,638</b>	<b>112,203</b>

On 3 December 2020 a bonus issue of 18,265,545 shares was made to Dechra Finance Sterling Limited, one of the Company's two existing shareholders. The issuance of shares was made of the Share Premium account for a value of €18,265,545. This has not resulted in a change in retained earnings reserves or net assets.

### 12 Dividend distribution

	2020 €000	2019 €000
Paid during the year €nil (2019 : €0.13 per share)	-	15,000

### 13 Contingent liabilities

The Company guarantees the borrowings of certain other group companies which at 30 June 2020 amounted to €224,018,000 (2019: €130,698,992).

### 14 Controlling parties

The immediate and ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Dechra Pharmaceuticals PLC.

Copies of the group financial statements of Dechra Pharmaceuticals PLC may be obtained from 24 Cheshire Avenue, Cheshire Business Park, Lostock Gralam, Northwich, CW9 7UA.