COMPANIES HOUSE
EDINBURGH

28 MAR 2019

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EW UK HOLDINGS 2 LIMITED
Directors' report and financial statements
Registered Number - 6915021
30 June 2018

THURSDAY

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Contents

Directors	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditor's report to the members of EW UK Holdings 2 Limited	4
Profit and Loss Account	6
Balance sheet	7
Notes	8

Directors and advisers

Directors	CP Hill BK Williamson
Secretary	BK Williamson
Registered office	Stratford Hatchery Alscott Industrial Estate Atherstone on Stour Stratford-Upon-Avon Warwickshire CV37 8BH
Auditor	KPMG LLP Saltire Court 20 Castle Terrace Edinburgh EH1 2EG

Directors' report

The directors present the annual report and the audited financial statements for the year ended 30 June 2018.

Principal activities

The company acts as an investment holding company.

Directors

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

BK Williamson
CP Hill

Auditors

Pursuant to Section 487 of the Companies Act 2006, KPMG has been appointed as the auditor for these accounts. The auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

BK Williamson
Director

Stratford Hatchery Alscott Industrial Estate
Atherstone on Stour
Stratford-Upon-Avon
Warwickshire
CV37 8BH
22 March 2019

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

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EW UK HOLDINGS 2 LIMITED

Opinion

We have audited the financial statements of EW UK Holdings 2 Limited ("the company") for the year ended 30 June 2018, which comprise the Profit and Loss Account, the Balance sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that 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 its 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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

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

Our responsibility is to read 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:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EW UK HOLDINGS 2 LIMITED (cont)

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

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

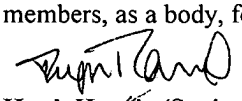
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Hugh Harvie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
27 March 2019

Profit and Loss

For year ended 30 June 2018

	Note	**2018**	2017
		£	£
Income from other fixed asset investments		**6,034,111**	**3,169,980**
Profit on ordinary activities before taxation		**6,034,111**	**3,169,980**
Tax on profit on ordinary activities	*6*	**-**	**-**
Profit for the financial year		**6,034,111**	**3,169,980**
Profit and loss account at the beginning of the year		**-**	**-**
Dividends paid		**(6,034,111)**	**(3,169,980)**
Profit and loss account at the end of the year		**-**	**-**

All activities in the current and prior period are continuing.

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

Notes on pages 8 to 11 form part of the financial statements.

Balance sheet
at 30 June 2018

	Note	30 June 2018	30 June 2017
		£	£
Fixed assets			
Investments	4	**234**	234
Current assets			
Cash		**1**	1
Creditors: Amounts falling due within one year	5	**(234)**	(234)
Net current liabilities		**(233)**	(233)
Total assets less current liabilities		1	1
Net assets		**1**	1
Capital and reserves			
Share capital	7	**1**	1
Profit and loss account		**-**	-
Shareholders' funds		**1**	1

The notes on page 8 to 11 form part of the financial statements.

The director's acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board on 22 March 2019 and signed on its behalf by:

BK Williamson
Director

Notes

(forming part of the financial statements)

1. Accounting policies

EW UK Holdings 2 Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These company financial statements were prepared in accordance with section 1A Small entities of Financial Reporting Standard 102 The *Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*). The presentation currency of these financial statements is sterling.

The Company's parent undertaking, Aviagen International Finance Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Aviagen International Finance Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from 11 Lochend Road, Newbridge, Midlothian, EH28 8SZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

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

There are no judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and no estimates with a significant risk of material adjustment in the next year.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

Notwithstanding net current liabilities of £233 as at 30 June 2018, 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 cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds through its funding from its parent company, Aviagen International Finance Limited, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Aviagen International Finance Limited providing additional support during that period. Aviagen International Finance Limited has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company 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.

Notes

(forming part of the financial statements)

1. Accounting policies *(continued)*

1.3 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

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.

1.4 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. 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.

1.5 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 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

Notes *(continued)*
(forming part of the financial statements)

2 Staff numbers and costs

The company employed no staff and incurred no staff costs in the current or preceding years.

No directors' emoluments were paid during the year (2017: nil).

3 Profit on ordinary activities before taxation

Audit fees of £2,000 (2017: £2,000) in respect of services provided by the auditors for the statutory audit of the company were paid on behalf of the company by its intermediate parent company, Aviagen International Finance Ltd. Other fees paid to the auditors by the company in respect of taxation services were £1,000 (2017: £1,000).

4 Fixed asset investments

	30 June 2018 £
Cost:	
At 30 June 2017 and at 30 June 2018	**234**

Subsidiary undertakings	Country of Incorporation	Principal Activity	Class and percentage of shares held
Aviagen LLC	Russia	Poultry production	**99%**

5 Creditors: amounts falling due within one year

	30 June 2018 £	30 June 2017 £
Amounts owed to group undertakings	**234**	**234**

6 Taxation

Total tax expense recognised in the profit and loss account

	2018 £000	2017 £000
Current tax		
Current tax on profit for the year	-	-

Notes *(continued)*

6 Taxation *(continued)*

Reconciliation of effective tax rate

	2018 £	2017 £
Profit for the year	**6,034,111**	**3,169,980**
Total tax expense	**-**	**-**
Profit excluding taxation	**6,034,111**	**3,169,980**
Tax using the UK corporation tax rate of 19% (2017: 19.75%)	**1,146,481**	**626,071**
Tax exempt dividend	**(1,146,481)**	**(626,071)**
Total tax expense included in profit or loss	**-**	**-**

Factors affecting the future current and total tax charges

A reduction in the UK corporation tax rate to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

7 Called up share capital

	30 June 2018 £	30 June 2017 £
Allotted, called up and fully paid		
1 Ordinary share of £1 each	**1**	**1**

8 Related party disclosures

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

9 Immediate and ultimate parent company

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

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