Independent Auditor's Report to the Members of Dechra Pharmaceuticals PLC

Report on the Audit of the Financial Statements

Opinion

In our opinion:

- Dechra Pharmaceuticals PLC's Group financial statements and Company financial statements (the Financial Statements) give a true and fair view of the state of the Group's and of the Company's affairs as at 30 June 2017 and of the Group's profit and cash flows for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the Company Financial Statements 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
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group Financial Statements, Article 4 of the IAS Regulation.

We have audited the Financial Statements, included within the Annual Report and Accounts (the Annual Report), which comprise: the Consolidated and Company Statements of Financial Position as at 30 June 2017; the Consolidated Income Statement and Statement of Comprehensive Income, the Consolidated Statement of Cash Flows; and the Consolidated and Company Statements 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.

Our opinion is consistent with our reporting to the Audit Committee.

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 Group 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 as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company.

Other than those disclosed in note 7 to the Financial Statements, we have provided no non-audit services to the Group or the Company in the period from 1 July 2016 to 30 June 2017.

Our Audit Approach

Overview

- Group overall materiality – £2.6 million (2016: £1.6 million).
- In determining Group overall materiality, we have considered a range of benchmarks that may be appropriate in the Group's circumstances and which are used to assess the performance of the Group. These include Group Revenue, Group Profit before tax and Group Profit before tax adjusted for non-recurring items. Applying our professional judgement, we determined Group overall materiality to be £2.6 million.
- Company Financial Statement materiality – £1.2 million (2016: £1.2 million) based on 0.5% of net assets.

- Following our assessment of the risks of material misstatement of the Consolidated Financial Statements we performed audits of the complete financial information of 19 reporting units and specified procedures for a further 1 reporting unit.
- In addition the Group engagement team audited the Company and certain centralised functions, including those covering the Group treasury operations, corporate taxation, and goodwill and intangible asset impairment assessments.
- The components on which audits of the complete financial information and centralised work was performed accounted for 92% of Group revenue and 88% of adjusted profit before tax.
- As part of our supervision process, the Group engagement team have visited significant components, in addition to performing the audits of the in scope UK reporting locations. We have also visited the component auditors in the Netherlands during the year.

Our assessment of the risk of material misstatement also informed our views on the areas of particular focus of our work which are listed below;

- Business combinations – assessment of the acquisition accounting in respect of Apex Laboratories Pty Ltd and revisions made to the fair values assigned to the acquired assets and liabilities of Putney Inc.
- Associate accounting – assessment of the accounting for the investment in an associate following the acquisition of 33.0% of the share capital in Medical Ethics Pty Ltd.
- Licensing agreements – recognition of acquired intangible assets in respect of licensing agreements.
- Impairment of intangible assets subject to amortisation – assessment of the carrying value of acquired intangible assets and other relevant assets.

The Scope of Our Audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the Financial Statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Business combinations – assessment of the acquisition accounting in respect of Apex Laboratories Pty Ltd and revisions made to the fair values assigned to the acquired assets and liabilities of Putney Inc. *Refer to the Audit Committee Report on page 76, the critical accounting estimates and judgements in note 1 (b) to the accounts on page 121, and note 32 (Acquisitions).* The Group completed the acquisition of Apex Laboratories Pty Ltd (Apex) on 14 October 2016. We focused on this area because the accounting for business combinations including the opening balance sheet position is inherently judgemental. IFRS 3 (revised) requires that consideration is given to the existence and measurement of separable identifiable intangible assets that have been acquired as part of each respective acquisition agreement. For the acquisition of Apex, significant value has been attributed to the developed technology, brand and product portfolio, the recognition of which is dependent on cash flow forecasts including future business growth, product development and the application of an appropriate discount rate, all of which are subjective. The calculation of deferred tax liabilities arising on the identifiable intangible assets is reliant on the correct application of local tax rates. The 12 month measurement period following the acquisition of Putney Inc concluded on 21 April 2017. The provisional fair values attributed to the assets and liabilities acquired have been reviewed, specifically deferred taxes. The measurement of deferred taxes is dependent on the understanding and application of local tax rules, with the recognition of any deferred tax assets being judgemental based on the Directors' evaluation of recoverability.	• *Intangible assets* – We obtained the cash flow forecasts supporting the intangible assets identified and agreed that these were consistent with those approved by the Board as part of the acquisition process. For sales volumes we tested that the relevant assumptions are consistent to the recent performance of the acquired business. We assessed the validity of new products being made available for sale through independent research as to the accessibility and marketability of similar products. We engaged our valuation specialists who, benchmarked within a reasonable range that the growth assumptions were in line with industry expectation and the specific geographical locations in which the business operates. Our valuation specialists also agreed that the discount rates were consistent with those applied by companies of comparable size and within the relevant industry. • *Taxation* – We recalculated the deferred tax liabilities arising on the acquired intangibles assets and agreed that relevant tax rates have been used. In respect of Putney, the Directors evaluated the operating losses available for future utilisation. We have agreed the quantum and nature of the losses to the filed tax computations taking in to account the period to the date of acquisition. We recalculated the deferred tax asset and agreed the recognition of this by confirming the basis of recoverability as being consistent with historical performance and Board approved forecasts.

Independent Auditor’s Report to the Members of Dechra Pharmaceuticals PLC
continued

Key Audit Matters continued

Key audit matter	How our audit addressed the key audit matter
Associate accounting – assessment of the accounting for investment in associate following the acquisition of 33.0% share capital in Medical Ethics Pty Ltd *Refer to the Audit Committee Report on page 76, the critical accounting estimates and judgements in note 1 (b) to the accounts on page 120, and note 6 (Interest in Associate).* On 30 March 2017, the Group completed the acquisition of 33.0% of the share capital of Medical Ethics Pty Ltd, an entity incorporated in Australia and the parent company of Animal Ethics Pty Ltd. Considering the terms of the agreement and the percentage of ownership acquired, the Directors’ concluded that they cannot demonstrate control but have significant influence. As such the transaction has been accounted for as an investment in an associate. The investment in the associate has been initially recognised at cost with subsequent measurement reflecting the Group’s 33.0% share of the associate’s post acquisition profit or loss including an adjustment made for the amortisation of acquired intangible assets. As such, a ‘notional’ purchase price allocation has been undertaken, to identify and fair value the assets and liabilities of the associate. This assessment is dependent on cash flow forecasts including future business growth and the application of an appropriate discount rate, all of which are subjective in nature.	*Share capital* – we have agreed the percentage of share capital acquired to the purchase agreement and verified the associated cash outflow. *Notional fair value assessment* – in order to assess the carrying values of the acquired intangibles, we have agreed the cash inflows are matched to the milestone payment schedule which forms part of the purchase agreement and the sum of cash inflows arising from the other payments due including forecast royalty income. We have agreed that the forecast royalty income is consistent with that approved by the Board. We have performed sensitivities on the growth assumptions, confirming that the basis of the respective valuations have taken into account appropriate assumptions. Our valuation specialists have agreed that the discount rate is consistent to those applied by other companies of comparable geographical spread and operating activities. *Amortisation* – we have re-performed the calculation of amortisation based on the applicable share of identified intangible assets without exception.
Licensing agreements – recognition of acquired intangible assets in respect of licensing agreements Refer to the Audit Committee Report on page 76, the critical accounting estimates and judgements in note 1 (b) to the accounts on page 120, and note 12 (Intangible Assets). **Medical Ethics** On 30 March 2017 the long term in-licensing agreement for the exclusive rights to market and sell Tri-Solfen for all animal species in all international markets (excluding Australia and New Zealand) was acquired from Animal Ethics Pty Ltd. The licensing agreement has been recorded at cost and is being amortised straight line over the period of the contract to 2029. Consideration is in the form of milestone payments and other payments which are forecast to reflect the probability of successful registration and subsequent performance within different global territories. Future payments are contingent on these factors and therefore represent an area of judgement. **Kane BioTech** On 5 March 2017 an exclusive distribution agreement for StrixNB and DispersinB in the US, Canadian and Mexican veterinary markets was acquired. The in-licensing agreement has been recorded at cost and will be amortised straight line over the period of the contract to 2027. The milestone payments and other payments are forecast to reflect the probability of successful product launch and subsequent performance. The future payments are contingent on these factors and therefore represent an area of judgement.	*Medical Ethics and Kane BioTech* – We have agreed the total consideration being paid, split between an initial payment and contingent consideration as set out in the purchase agreement. In respect of Tri-Solfen, we have performed sensitivities on the growth and expected timing of market registrations and agreed that those adopted are consistent with those approved by the Board. For Kane BioTech products, we have performed sensitivities on volumes and the expected timing of product launch and agreed that the assumptions adopted are consistent with those approved by the Board. In performing sensitivities we have confirmed that the basis of the respective valuations have taken into account appropriate assumptions. Our valuation specialists also agreed that the discount rate was consistent to those applied by other companies of comparable geographical spread and operating activities.

Key Audit Matters continued

Key audit matter	How our audit addressed the key audit matter
Impairment of intangible assets subject to amortisation - assessment of the carrying value of acquired intangible assets and other relevant assets Refer to the Audit Committee Report on page 76, the critical accounting estimates and judgements in note 1 (b) to the accounts on page 120, and note 12 (Intangible Assets). The Directors' exercise judgement as to whether impairment triggers, which require a full impairment assessment to be performed, have been identified in relation to acquired intangible assets and other relevant assets. Where a full impairment assessment is required to support the carrying value of the assets held, the Directors' have prepared a discounted cash flow which includes a number of assumptions. The assumptions which are deemed to be the most significant in respect of these forecasts are the current and future performance of individual products. The long term growth and discount rate are also considered to be subjective.	*Acquired intangible assets and other relevant assets* – We agreed that the basis of the current and future revenue forecasts are consistent with previous performance. Our valuation specialists benchmarked, within a reasonable range, the growth and discount rate to economic and industry averages and the cost of capital for other comparable companies respectively. We have performed sensitivities on a selection of these assumptions confirming that the level of headroom calculated is not unduly susceptible to change.

How We Tailored the Audit Scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the Financial Statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group is structured along three segments being European Pharmaceuticals, North American Pharmaceuticals and Pharmaceuticals Research and Development, with each division set up to manage operations on both a regional and functional basis, consisting of a number of reporting units.

The Group Financial Statements are a consolidation of 38 active reporting units comprising the Group's operating businesses and centralised functions. These reporting units maintain their own accounting records and controls and report to the head office finance team in the UK.

Accordingly, of the Group's 38 active reporting units we identified 18 which, in our view, required a full audit of their complete financial information in order to ensure that sufficient audit evidence was obtained. The reporting units on which a full audit of their complete financial information was performed accounted for 92% of Group revenue and 84% of adjusted profit before tax. Of these reporting units, two were considered to be significant components due to their size, being Dechra Veterinary Products LLC and Putney Inc. both in the USA.

In addition to the significant components, 16 active non-significant reporting units were subjected to a full scope audit, five located in the UK, seven located in Denmark, two located in the Netherlands and one located in Germany and Croatia respectively, were conducted such that the audit work was complete prior to the finalisation of the Group Financial Statements either by the Group engagement team or by PwC network firms in those territories, operating under our instruction. Specific audit procedures on certain balances and transactions were performed on a further one reporting unit.

The Group consolidation, Financial Statements disclosures and a number of centralised functions were audited by the Group engagement team at the head office. These included, but were not limited to, central procedures on treasury operations, UK and corporate taxation and goodwill and intangible asset impairment assessments. We also performed Group level analytical procedures on all of the remaining out of scope active reporting units to identify whether any further audit evidence was needed, which resulted in no extra testing being required. The Company was also subject to a full scope audit.

The Group engagement team visits component auditors based on significance and/or risk characteristics, to ensure coverage across the Group. The Group engagement team are responsible for the audit of all in scope UK reporting locations performing full scope audits. As part of our supervision process, the Group engagement team have visited significant components, in addition to performing the audits of the in scope UK reporting locations. We have also visited the component auditors in the Netherlands during the year.

Additionally the Group audit team was in contact, at each stage of the audit, in line with detailed instructions issued and through global planning calls and further regular written communication. Specifically, for all component teams, the Group team discussed in detail the planned audit approach at the component level, were in attendance at local audit close meetings and following independent review, discussed the detailed reported findings of the audit with each component team.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual Financial Statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the Financial Statements as a whole.

Independent Auditor's Report to the Members of Dechra Pharmaceuticals PLC
continued

Based on our professional judgement, we determined materiality for the Financial Statements as a whole as follows:

	Group Financial Statements	Company Financial Statements
Overall materiality	£2.6 million (2016: £1.6 million).	£1.2 million (2016: £1.2 million).
How we determined it	In determining Group overall materiality, we have considered a range of benchmarks that may be appropriate in the Group's circumstances and which are used to assess the performance of the Group. These include Group Revenue, Group Profit before tax and Group Profit before tax adjusted for non-recurring items. Applying our professional judgement, we determined Group overall materiality to be £2.6 million.	0.5% of net assets.
Rationale for benchmark applied	We believe that profit before tax adjusted for non-recurring items provides a consistent basis for determining materiality as it eliminates the impact of these items which fluctuate year on year and can have a disproportionate impact on the Consolidated Income Statement.	The Company is the ultimate holding Company of the Dechra Group of Companies and with no trading activity, net assets is considered to be the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £0.15 million and £1.9 million.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £0.1 million in respect of both the Group and Company (2016: £0.1 million) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Going Concern

In accordance with ISAs (UK) we report as follows:

Reporting obligation	Outcome
We are required to report if we have anything material to add or draw attention to in respect of the Directors' Statement in the Financial Statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements and the Directors' identification of any material uncertainties to the Group's and the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the Financial Statements.	We have nothing material to add or to draw attention to. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern.
We are required to report if the Directors' statement relating to Going Concern in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit.	We have nothing to report.

Reporting On Other Information

The other information comprises all of the information in the Annual Report and Accounts 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, Directors' Report and Corporate Governance Statement, 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, the Companies Act 2006, (CA06), ISAs (UK) and the Listing Rules of the Financial Conduct Authority (FCA) require us also to report certain opinions and matters as described below (required by ISAs (UK) unless otherwise stated).

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 2017 is consistent with the Financial Statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the Group and Parent Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report. (CA06)

Corporate Governance Statement
In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (on pages 66 to 74) about internal controls and risk management systems in relation to financial reporting processes and about share capital structures in compliance with rules 7.2.5 and 7.2.6 of the Disclosure Guidance and Transparency Rules sourcebook of the FCA (DTR) is consistent with the Financial Statements and has been prepared in accordance with applicable legal requirements. (CA06)

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in this information. (CA06)

In our opinion, based on the work undertaken in the course of the audit, the information given in the Corporate Governance Statement (on pages 64 to 71) with respect to the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the DTR. (CA06)

We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Company. (CA06)

The Directors' Assessment of the Prospects of the Group and of the Principal Risks That Would Threaten The Solvency Or Liquidity of The Group
We have nothing material to add or draw attention to regarding:

- The Directors' confirmation on page 73 of the Annual Report that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.
- The disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated.
- The Directors' explanation on page 73 of the Annual Report as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing to report having performed a review of the Directors' statement that they have carried out a robust assessment of the principal risks facing the Group and statement in relation to the longer term viability of the Group. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; checking that the statements are in alignment with the relevant provisions of the UK Corporate Governance Code (the Code); and considering whether the statements are consistent with the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit. (Listing Rules)

Other Code Provisions
We have nothing to report in respect of our responsibility to report when:

- The statement given by the Directors, on page 77, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position and performance, business model and strategy is materially inconsistent with our knowledge of the Group and Company obtained in the course of performing our audit.
- The section of the Annual Report on page 75 describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- The Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified, under the Listing Rules, for review by the auditors.

Directors' Remuneration
In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006. (CA06)

Independent Auditor’s Report to the Members of Dechra Pharmaceuticals PLC
continued

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 set out on page 105, 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 Group’s and 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 Group or 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/auditors responsibilities. 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.

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 Parent Company Financial Statements and the part of the Directors’ Remuneration Report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the Directors on 23 October 2015 to audit the Financial Statements for the year ended 30 June 2016 and subsequent financial periods. The period of total uninterrupted engagement is two years, covering the years ended 30 June 2016 to 30 June 2017.

Andrew Hammond (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
4 September 2017

- The maintenance and integrity of the Dechra Pharmaceuticals PLC website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Financial statements since they were initially presented on the website.
- Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.