

Letter from the Audit Committee Chairman



Julian Heslop Audit Committee Chairman

Dear Shareholder

On behalf of the Board, I am pleased to present this year's Audit Committee Report. During the year we focused on the major issues in relation to the Group's financial reporting, including key accounting judgements and the ongoing quality of related disclosures. We also reviewed the effectiveness of the Group's risk management and internal controls and processes.

Richard Cotton was appointed as Chief Financial Officer in January 2017, replacing Anne-Francoise Nesmes who resigned in July 2016. He has a wealth of experience in senior financial roles in life sciences and other sectors and I look forward to working with him over the forthcoming years. I would like to take this opportunity to thank Septima Maguire, our Group Financial Controller, for her excellent work as acting Chief Financial Officer in the intervening period.

Committee Membership

We welcomed Lawson Macartney to the Committee and look forward to the fresh perspective he will bring given his strong product development, veterinary and business experience. As disclosed in the 2016 Annual Report, Tony Rice resigned as a Committee member on his appointment as Chairman of the Company.

Financial Reporting Council

During the year the Company received a letter from the Financial Reporting Council (FRC) in relation to its review of the Company's Financial Statements for the year ended 30 June 2016. The Committee reviewed the responses from the Company and discussed this matter with the external auditor, further details of which can be found on page 76. The FRC was satisfied with the Company's responses and our agreement to enhance certain disclosures.

Annual Report 2017

The judgements and factors that the Committee considered in reviewing the Annual Report for 2017 are set out in its report on page 76.

The report also outlines significant accounting matters which received particular focus during the period. It explains why the issues were considered significant and explains how the Committee satisfied itself on the validity of the judgements made.

Finally, we specifically reviewed, at the request of the Board, whether the 2017 Annual Report was fair, balanced and understandable and concluded that it was. The basis supporting our conclusion is set out on page 77.

I will be available at the Annual General Meeting to answer any questions about our work.

Julian Heslop

Audit Committee Chairman
4 September 2017