

**Company Registration No. 00626034**

**Genus Animal Health Limited**

**Report and Financial Statements**

**Year ended 30 June 2012**



# **Genus Animal Health Limited**

## **Annual report and financial statements 2012**

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# **Genus Animal Health Limited**

## **Report and financial statements 2012**

### **Officers and professional advisers**

#### **Directors**

T P Acton (resigned 17 February 2012)  
J G Worby  
D Noonan  
K Bitar (appointed 30 September 2011)  
R Wood (resigned 30 september 2011)

#### **Secretary**

I B Farrelly

#### **Solicitors**

Berwin Leighton Paisner  
Adelaide House  
London Bridge  
London  
EC4R 9HA

#### **Registered office**

Belvedere House  
Basing View  
Basingstoke  
Hampshire  
RG21 4HG

#### **Bankers**

Barclays Bank Plc  
1 Marsden Street  
Manchester  
M2 1HW

#### **Auditor**

Deloitte LLP  
Reading, United Kingdom

# **Genus Animal Health Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 June 2012

The company has taken advantage of the exemption from preparing an Enhanced Business Review applying to small companies in accordance with the provisions of s417 of the Companies Act 2006

### **Principal activity and review of business**

The principal activity of the company during the year was that of an intermediate holding company within the Genus plc group

### **Going concern**

The company's business activity is detailed above. Liquidity is managed at group level using long-term group bank facilities. Having considered the current uncertain economic environment, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

### **Results and dividends**

The profit for the year, after taxation, amounted to £392,000 (2011 £420,000). During the current year no dividend was paid (2011 £nil). The directors do not recommend payment of a final dividend (2011 £nil).

### **Directors**

The directors who served the company during the year and to the date of signing of these accounts, except where indicated otherwise, are as shown on page 1.

### **Auditor**

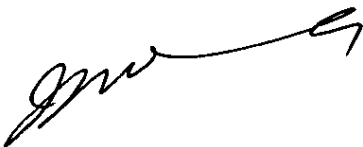
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



J G Worby  
Director

29 November 2012

# **Genus Animal Health Limited**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 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.

## **Independent auditor's report to the members of Genus Animal Health Limited**

We have audited the financial statements of Genus Animal Health Limited for the year ended 30 June 2012 which comprise the Profit and Loss Account, the Note of Historical Cost Profits and Losses, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 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 auditors' 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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Genus Animal Health Limited (continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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 take advantage of the small companies exemption in preparing the directors' report



**Duncan Leslie ACA (Senior Statutory Auditor)**

**for and on behalf of Deloitte LLP**

Chartered Accountants and Registered Auditors

Reading, United Kingdom

29 November 2012

# Genus Animal Health Limited

## Profit and loss account Year ended 30 June 2012

	Notes	2012 £'000	2011 £'000
Other income		22	109
<b>Operating profit</b>		22	109
Income from fixed asset investments		-	2,917
Amounts written off investments	8	-	(2,907)
Finance income	4	505	455
<b>Profit on ordinary activities before taxation</b>	5	527	574
Tax charge on profit on ordinary activities	6	(135)	(154)
<b>Profit for the financial year</b>	12	392	420

The company had no recognised gains or losses other than those in the profit and loss account shown above, in either the current or the preceding financial year. Accordingly, no statement of total recognised gains and losses is presented.

All amounts derive from continuing operations.

## Note of historical cost profits and losses Year ended 30 June 2012

	2012 £'000	2011 £'000
Reported profit on ordinary activities before taxation	527	574
Difference between historical cost depreciation charge and the actual depreciation charge for the year (note 7)	4	4
Historical cost profit on ordinary activities before taxation	531	578
Historical cost profit retained for the year after taxation and dividends	396	424



# Genus Animal Health Limited

## Balance sheet 30 June 2012

	Notes	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Tangible assets	7	451	464
Investments	8	2,781	2,781
		<u>3,232</u>	<u>3,245</u>
<b>Current assets</b>			
Debtors	9	14,639	14,246
Cash at bank and in hand		81	28
		<u>14,720</u>	<u>14,274</u>
<b>Current liabilities</b>			
Creditors amounts falling due within one year	10	(3,077)	(3,036)
<b>Net current assets</b>		<u>11,643</u>	<u>11,238</u>
<b>Net assets</b>		<u>14,875</u>	<u>14,483</u>
<b>Capital and reserves</b>			
Called up share capital	11,12	2,757	2,757
Share premium account	12	5,643	5,643
Revaluation reserve	12	239	243
Profit and loss account	12	6,236	5,840
<b>Shareholder's funds</b>	12	<u>14,875</u>	<u>14,483</u>

These financial statements for Genus Animal Health Limited (company registration number 00626034) were approved by the Board of Directors and authorised for issue on 29 November 2012

Signed on behalf of the Board of Directors



J G Worby  
Director

# **Genus Animal Health Limited**

## **Notes to the financial statements Year ended 30 June 2012**

### **1. Accounting policies**

#### **Basis of preparation**

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards

The particular accounting policies adopted are described below. These have been consistently applied throughout the current and preceding years.

#### **Going Concern**

The company's business activity is detailed in the directors' report. Having considered the current uncertain economic environment, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

#### **Consolidation**

The company is exempt from the obligation to prepare and deliver group financial statements under section 400 of the Companies Act 2006. These financial statements present information about the company as an individual undertaking and not about its group.

#### **Cash flow statement**

Under the provisions of FRS 1 (Revised), the company has not produced a cash flow statement on the grounds that its ultimate parent company, Genus plc, has produced group financial statements including a consolidated cash flow statement.

#### **Fixed asset investments**

Fixed asset investments are stated at cost less any provision for impairment.

#### **Tangible fixed assets and depreciation**

All fixed assets are initially recorded at cost less accumulated depreciation and any provision for impairment.

Following the implementation of FRS 15 Tangible Fixed Assets, the company has taken advantage of the transitional arrangements and has not adopted a policy of revaluation but previous revaluations have been retained at their net book amounts. The properties were last revalued on 31 May 1998 and the valuations have not subsequently been updated.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Freehold property – 2%

An amount equal to the excess of cost and net realisable charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

# **Genus Animal Health Limited**

## **Notes to the financial statements Year ended 30 June 2012**

### **1. Accounting policies (continued)**

#### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

#### **Leased assets**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

#### **Pension costs**

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

One of the directors participates in the Milk Pension Fund, a defined benefit scheme. The company is unable to identify its share of the underlying assets and liabilities of the scheme and therefore accounts for contributions as though it was a defined contribution scheme. Details of the scheme can be found in Genus plc accounts, the ultimate parent company

# Genus Animal Health Limited

## Notes to the financial statements Year ended 30 June 2012

### 2. Staff costs

	2012 £'000	2011 £'000
Wages and salaries	4	4
Social security costs	1	1
Pension costs	1	1
	<u>6</u>	<u>6</u>

The above costs relate to administrative services performed on behalf of subsidiary undertakings and are recharged to the respective companies

The monthly average number of employees, excluding directors, during the year was as follows

	2012 No.	2011 No.
Administration	<u>2</u>	<u>2</u>

### 3. Directors' emoluments

The remuneration of the directors has been borne by the ultimate parent company, Genus plc, in both the current and preceding years. The allocation for their services to this company is £nil (2011: £nil)

### 4. Finance income

	2012 £'000	2011 £'000
<b>Interest receivable and other similar income</b>		
Interest from group companies	<u>505</u>	<u>455</u>

### 5. Profit on ordinary activities before taxation

This is stated after charging/(crediting)

	2012 £'000	2011 £'000
Depreciation of owned fixed assets	13	13
Rental income	<u>(60)</u>	<u>(60)</u>

Auditors' remuneration of £1,000 (2011: £1,500) has been borne by a fellow group undertaking

# Genus Animal Health Limited

## Notes to the financial statements Year ended 30 June 2012

### 6. Tax charge on ordinary activities

#### (a) Tax charge on profit on ordinary activities

	2012 £'000	2011 £'000
The tax charge is made up as follows		
<i>Current tax</i>		
UK corporation tax	132	104
Adjustment in respect of prior years	-	(2)
Total current tax (note 6(b))	132	102
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 6(c))	3	52
Total deferred tax (note 6(c))	3	52
Tax charge on profit on ordinary activities	135	154

#### (b) Factors affecting current tax charge

	2012 £'000	2011 £'000
Profit on ordinary activities before taxation	527	574
Tax on profit on ordinary activities at standard rate of UK corporation tax at 25.5% (2011: 27.5%)	134	158
Expenses not deductible for tax purposes	2	2
Difference between capital allowances and depreciation	(4)	(5)
Non deductible amounts written off investments	-	799
Non taxable dividend received	-	(803)
Short term timing differences	-	(47)
Prior year adjustments	-	(2)
Total current tax charge (note 6(a))	132	102

# Genus Animal Health Limited

## Notes to the financial statements Year ended 30 June 2012

### 6 Tax charge on ordinary activities (continued)

#### (c) Deferred tax

	2012 £'000	2011 £'000
Differences between capital allowances and depreciation	(18)	(18)
Other timing differences	(3)	-
	<u>(21)</u>	<u>(18)</u>
Deferred taxation liability (note 9)	<u>(21)</u>	<u>(18)</u>
		£'000
At 1 July 2011 – deferred tax liability		(18)
Profit and loss account movement arising during the year (note 6(a))		(3)
		<u>(21)</u>
At 30 June 2012- deferred tax liability		<u>(21)</u>

### 7. Tangible fixed assets

	Land and Buildings Freehold £'000
<b>Cost or valuation</b>	
At 1 July 2011 and 30 June 2012	605
<b>Depreciation</b>	
At 1 July 2011	141
Charge for the year	13
	<u>154</u>
At 30 June 2012	<u>154</u>
<b>Net book value</b>	
At 30 June 2012	<u>451</u>
At 30 June 2011	<u>464</u>

The freehold land and buildings were valued by Richard Ellis, International Property Consultants, at 31 May 1998, on the basis of open market value for existing use in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors

On the historical cost basis, freehold property would have been included as follows

# Genus Animal Health Limited

## Notes to the financial statements Year ended 30 June 2012

### 7. Tangible fixed assets (continued)

	<b>£'000</b>
<b>Cost</b>	
At 1 July 2011 and 30 June 2012	504
<b>Cumulative depreciation based on cost</b>	
At 30 June 2012	299
At 30 June 2011	290
<b>Net book value</b>	
At 30 June 2012	205
At 30 June 2011	214

### 8. Investments in subsidiary undertakings

	<b>£'000</b>
<b>Cost</b>	
At 1 July 2011 and 30 June 2012	2,781
<b>Provisions for impairment</b>	
At 1 July 2011 and 30 June 2012	-
<b>Net book value</b>	
30 June 2012	2,781
30 June 2011	2,781

The company's subsidiary, shown below, is directly wholly owned and operates in Great Britain and is registered in England and Wales

	<b>Proportion of shares and voting rights held</b>	<b>Activity</b>
Spedivet Limited	100%	Dormant

In the opinion of directors, the aggregate recoverable value of the investment in the company's subsidiary is not less than the amount at which those assets are stated in the balance sheet

# Genus Animal Health Limited

## Notes to the financial statements Year ended 30 June 2012

### 9. Debtors

	2012 £'000	2011 £'000
Amounts owed by group companies	14,621	14,238
Other debtors	18	8
	<u>14,639</u>	<u>14,246</u>

### 10. Creditors: amounts falling due within one year

	2012 £'000	2011 £'000
Amounts owed to group companies	2,906	2,896
Corporation tax	132	104
Deferred tax liability (note 6)	21	18
Other creditors	18	18
	<u>3,077</u>	<u>3,036</u>

### 11. Share capital

	2012 £'000	2011 £'000
<b>Authorised</b>		
14,700,000 ordinary shares of £0.25 each	<u>3,675</u>	<u>3,675</u>
<b>Allotted, called-up and fully paid</b>		
11,027,264 ordinary shares of £0.25 each	<u>2,757</u>	<u>2,757</u>

### 12. Reconciliation of shareholders' funds and movement on reserves

	Share capital £'000	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000	Total 2012 £'000	Total 2011 £'000
At 1 July	2,757	5,643	243	5,840	14,483	14,063
Profit for the period	-	-	-	392	392	420
Revaluation surplus	-	-	(4)	4	-	-
At 30 June	<u>2,757</u>	<u>5,643</u>	<u>239</u>	<u>6,236</u>	<u>14,875</u>	<u>14,483</u>



# **Genus Animal Health Limited**

## **Notes to the financial statements Year ended 30 June 2012**

### **13. Ultimate parent undertaking**

The company's ultimate controlling party and parent undertaking is Genus plc, a company registered in Great Britain. Genus plc is the only group, of which the company is a member, for which accounts are prepared. The financial results and cash flows of Genus Animal Health Limited are included in the consolidated financial statements of Genus plc, copies of which can be obtained from Belvedere House, Basing View, Basingstoke, Hampshire, RG21 4HG.

### **14. Related party transactions**

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with related parties that are part of the Genus plc group.

### **15. Contingent liabilities**

The company has entered into cross guarantees to the group's bank in respect of the borrowings of its parent. At 30 June 2012 the total contingent liability in respect of group borrowings was £72.4m (2011: £84.1m).