

PIG IMPROVEMENT COMPANY UK LIMITED

(Registered number: 716304)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

30 JUNE 2005



PIG IMPROVEMENT COMPANY UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2005

The directors present their report and the audited financial statements for the year ended 30 June 2005.

PRINCIPAL ACTIVITY

The principal activities of the company are the sale of breeding pigs and the receipt of royalty income from licensing the use of its intellectual property, trade marks and patents.

REVIEW OF THE BUSINESS

Trading conditions showed a further improvement with the UK sow herd and market prices stabilising. Combined with the introduction of new products, this enabled the UK breeding activities to show further growth which is reflected in the increased turnover.

As more fully explained in note 3 the company no longer receives income from the provision of management services to other companies in the Sygen group as these activities were centralised in another group company as of 01 July 2004.

The result for the year includes a write back to the profit and loss account of £25,000,000 following the waiving of an intercompany debt owed to the company's intermediate parent undertaking, PIC Fyfield Limited.

A summary of the main performance indicators is given below:

	<u>2005</u> £'000	<u>2004</u> £'000
Turnover	14,072	13,273
Profit/(loss) before taxation	22,925	(167)

Continuous research is undertaken into the development of the company's products as part of the day-to-day business activities.

RESULTS AND DIVIDENDS

The results for the year are set out on page 5.

The directors do not recommend the payment of a dividend (2004: £Nil) which results in a transfer to reserves of £24,692,000 (2004: transfer from reserves of £263,000).

PIG IMPROVEMENT COMPANY UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2005 (continued)

DIRECTORS AND DIRECTORS' INTERESTS

The directors who served on the Board during the year were as follows:

S A R P Crichton
B Verret

The directors' interests in the shares of the ultimate parent company, Sygen International PLC were as follows:

	Ordinary shares of £1 each in Sygen International PLC at the year end	
	<u>2005</u>	<u>2004</u>
S A R P Crichton	*	*
B Verret	*	*

- * S A R P Crichton and B Verret are directors of Pig Improvement Group Limited, the company's immediate parent undertaking, and their interests in Sygen International PLC, are shown in the financial statements of that company.

None of the directors held any interests in the share capital of the company during the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which 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 those 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

PIG IMPROVEMENT COMPANY UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2005 (continued)

EMPLOYEES AND COMPANY AFFAIRS

The company operates a non-discriminatory employment policy and makes every reasonable effort to provide disabled people with equal opportunities for employment, training and development, having regard to their particular aptitudes and abilities.

PAYMENTS TO SUPPLIERS

The company has a variety of payment terms with its suppliers. For the year ending 30 June 2005, the payment terms for its business transactions have been settled when agreeing the other terms negotiated with its suppliers. Payment has been made in line with these agreed terms, subject to the terms and conditions being met by the suppliers.

The number of days that the company takes to pay its suppliers is on average 24 (2004: 24).

AUDITORS

As more fully explained in note 22, the company's ultimate parent undertaking changed with effect from 02 December 2005. Following this change of control, the present auditors PricewaterhouseCoopers LLP will resign after the approval of the 30 June 2005 financial statements and a resolution to appoint Deloitte & Touche LLP as the company's auditors will be proposed at the Annual General Meeting.

By Order of the Board



Pigtales Limited
Secretary
2 Kingston Business Park,
Kingston Bagpuize,
Oxfordshire,
OX13 5FE

09 February 2006

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PIG IMPROVEMENT COMPANY UK LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

31 Great George Street

Bristol BS1 5QD

09 February 2006

PIG IMPROVEMENT COMPANY UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2005

	<u>Note</u>	<u>2005</u> £'000	<u>2004</u> £'000
TURNOVER	2	14,072	13,273
Changes in stock of finished goods and work in progress		10	42
Other operating income		232	232
Loan waived by group company		25,000	-
Raw materials and consumables		(3,567)	(3,158)
Other external charges		(6,332)	(5,839)
Staff costs	6	(3,291)	(3,179)
Depreciation and other amounts written off fixed assets	4	(672)	(758)
Group management charges	3	<u>(2,725)</u>	<u>(1,365)</u>
OPERATING PROFIT/(LOSS) BEFORE INTEREST AND TAX		22,727	(752)
Profit on disposal of fixed assets		94	468
Income from other fixed asset investments		23	-
Other interest receivable and similar income	5	226	326
Interest payable and similar charges	5	<u>(145)</u>	<u>(209)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		22,925	(167)
Tax on profit/loss on ordinary activities	8	<u>1,767</u>	<u>(96)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION AND PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>24,692</u>	<u>(263)</u>

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

The movement on reserves is set out in note 18 to these financial statements.

The notes on pages 8 to 21 form part of these financial statements.

PIG IMPROVEMENT COMPANY UK LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 30 JUNE 2005

	<u>2005</u> £'000	<u>2004</u> £'000
Reported profit/(loss) on ordinary activities before taxation	22,925	(167)
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>4</u>	<u>3</u>
Historical cost profit/(loss) on ordinary activities before taxation	<u>22,929</u>	<u>(164)</u>
Historical cost profit/(loss) for the financial year retained after taxation and dividends	<u>24,696</u>	<u>(260)</u>

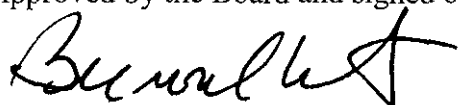
The notes on pages 8 to 21 form part of these financial statements.

PIG IMPROVEMENT COMPANY UK LIMITED

BALANCE SHEET AT 30 JUNE 2005

	Note	30 June 2005		30 June 2004	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Intangible assets	9		1,315		1,547
Tangible assets	10		893		1,077
Investments	11		<u>5,345</u>		<u>5,345</u>
			7,553		7,969
CURRENT ASSETS					
Stocks	12	128		147	
Debtors	13	33,257		28,613	
Cash at bank and in hand		<u>400</u>		<u>972</u>	
		33,785		29,732	
CREDITORS : Amounts falling due within one year					
Creditors	14	<u>(8,349)</u>		<u>(21,541)</u>	
NET CURRENT ASSETS			<u>25,436</u>		<u>8,191</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			32,989		16,160
CREDITORS : Due after more than one year					
Creditors	15		<u>(24,040)</u>		<u>(31,903)</u>
NET ASSETS/(LIABILITIES)			8,949		(15,743)
CAPITAL AND RESERVES					
Called up share capital	17		186		186
Share premium account	18		8		8
Revaluation reserve	18		85		85
Other reserves	18		23		23
Profit and loss account	18		8,647		(16,045)
TOTAL EQUITY SHAREHOLDERS' FUNDS	19		<u>8,949</u>		<u>(15,743)</u>

Approved by the Board and signed on its behalf on 09 February 2006 by:



B VERRET
DIRECTOR

The notes on pages 8 to 21 form part of these financial statements.

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005

1 ACCOUNTING POLICIES

(1) Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

(2) Consolidation

The profit and loss account and balance sheet are those of the company. Consolidated financial statements have not been prepared as the company is a wholly owned subsidiary of Sygen International PLC, a company incorporated in the United Kingdom. (see note 22).

(3) Turnover

Turnover comprises the gross amount of sales when the company acts as principal and the commission amount where the company acts as agent, and excludes Value Added Tax. Turnover is recognised on despatch of stock to customers. Turnover also includes royalty income which is recognised on an accruals basis having regard to the terms of the company's royalty contracts and licence agreements.

(4) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation except for certain freehold land and buildings which are stated at valuation less accumulated depreciation. The company has followed the transitional provisions in FRS 15, Tangible Fixed Assets, to retain the book value of land and buildings, certain of which were revalued in 1996, without updating the valuations.

Freehold land is not depreciated. Freehold buildings are depreciated by equal annual instalments over their estimated useful lives up to a maximum period of 50 years. Plant and equipment is depreciated over periods which range from 4 to 10 years and which do not exceed their anticipated useful lives. Breeding stock is depreciated by equal annual instalments over its estimated useful life of up to 2 years.

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

1 ACCOUNTING POLICIES (continued)

(5) Intangible fixed assets

During the year ended 30 June 2001 the company acquired the trademarks, intellectual property and contract rights of Agricola Genetico Porcina Ltda, the former PIC franchisee in Chile. This intangible asset is being amortised over the directors' estimate of useful life of 10 years.

(6) Interest

Interest receivable and payable is credited or charged to the profit and loss account on an accruals basis.

(7) Deferred tax

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. A net deferred tax asset is regarded as recoverable and therefore recognised only when, 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 underlying timing differences can be deducted. 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.

(8) Breeding stock

Breeding animals in genetic nucleus, daughter nucleus and production nucleus herds that are classified as Maiden Gilts, In-Pig or Empty Sows and Stock Boars are held for breeding purposes on the company's farms. These breeding animals are classified as fixed assets and are depreciated over their estimated useful lives.

(9) Stocks

Commodities, merchandise and livestock, excluding breeding animals included in fixed assets, are valued at the lower of cost and net realisable value. In the case of livestock on farms, cost includes direct costs and certain attributable overheads.

(10) Research and development

Research and development expenditure is written off in the year in which it is incurred.

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

1 ACCOUNTING POLICIES (continued)

(11) Foreign currency

Profit and loss items in overseas currencies are translated at average exchange rates. Foreign currency denominated assets and liabilities are translated at rates ruling at the balance sheet date. Monetary exchange gains and losses are taken to the profit and loss account.

(12) Investments

Investments are stated at the lower of costs and net realisable value.

(13) Operating lease agreements

Assets held under operating leases are not capitalised. Rentals applicable to operating leases, under which substantially all benefits and risk of ownership remain with the lessor, are charged to the profit and loss account on an accruals basis.

(14) Pension costs

The company is a member of the Dalgety Pension Fund which provides benefits based on final pensionable salary. Contributions to the scheme, as assessed by an independent actuary, are based on a comparison of the scheme's assets, projected investment returns and projected future liabilities and are charged to the profit and loss account in the period for which they become payable. Details of the Dalgety Pension Fund are fully described in the accounts of Sygen International PLC.

(15) Cashflow statement

The company has taken advantage of paragraph 5 of FRS 1 (revised) and accordingly these financial statements do not include a cashflow statement.

2 TURNOVER

	2005 £'000	2004 £'000
Sales to group undertakings	7,044	6,031
External sales	7,028	7,242
	<u>14,072</u>	<u>13,273</u>

All turnover derives from trading activities originating in the United Kingdom and France.

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

2 TURNOVER (continued)

The turnover and profit before taxation are attributable to the company's principal activities. External sales are split by geographical destination as follows:

	2005 £'000	2004 £'000
United Kingdom	5,780	5,510
Rest of Europe	282	1,065
Other	966	667
	<u>7,028</u>	<u>7,242</u>

3 GROUP MANAGEMENT CHARGES

	2005 £'000	2004 £'000
Net (charge)/income from management services	(859)	744
Expenditure on contract farming services	(1,866)	(2,109)
	<u>(2,725)</u>	<u>(1,365)</u>

From 01 July 2004 the provision of management services to group companies was centralised in the company's intermediate parent undertaking, PIC Fyfield Limited and the company no longer receives income from the provision of such services from this date.

4 OPERATING PROFIT/LOSS

	2005 £'000	2004 £'000
The following have been charged before arriving at operating profit/loss before interest and tax		
Auditor's remuneration: Audit fees	28	23
Non audit fees	3	7
Vehicle operating lease costs	252	251
Other operating lease costs	191	128
Depreciation of fixed assets		
- Owned tangible assets	440	526
- Owned intangible assets	232	232
Research and development	4,071	4,124
	<u></u>	<u></u>

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

5 INTEREST

	2005 £'000	2004 £'000
Other interest receivable and similar income:		
Receivable from group undertakings	194	308
Other interest receivable	32	18
	<u>226</u>	<u>326</u>
Interest payable and similar charges		
Payable to group undertakings	115	153
Other interest payable	30	56
	<u>145</u>	<u>209</u>

Included in interest receivable and similar income from group undertakings are exchange gains of £61,000 (2004 : £153,000) arising on the translation at year end of monetary assets and liabilities denominated in foreign currency and crystallised foreign exchange gains on foreign currency denominated transactions during the period.

Included in other interest receivable and similar income are exchange gains of £21,000 (2004 : £10,000) arising on the translation at year end of monetary assets and liabilities denominated in foreign currency and crystallised foreign exchange gains on foreign currency denominated transactions during the period.

Included in interest payable and similar charges to group undertakings are exchange losses of £21,000 (2004 : £67,000) arising on the translation at year end of monetary assets and liabilities denominated in foreign currency and crystallised foreign exchange losses on foreign currency denominated transactions during the period.

Included in other interest payable are exchange losses of £30,000 (2004 : £56,000) arising on the translation at year end of monetary assets and liabilities denominated in foreign currency and crystallised foreign exchange losses on foreign currency denominated transactions during the period.

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

6 EMPLOYEES

	2005 £'000	2004 £'000
Wages and salaries	2,375	2,654
Social security costs	253	245
Pension costs	663	280
	<u>3,291</u>	<u>3,179</u>

The average number of persons employed by the company throughout the year was 79 (2004: 79).

7 DIRECTORS

The emoluments of the directors (excluding pension contributions) were as follows:

	2005 £'000	2004 £'000
Remuneration for managerial services	<u>275</u>	<u>413</u>

The emoluments (excluding pension contributions) of the highest paid director were £175,000 (2004: £161,000) and the amount of his accrued pension at the end of the year was £31,865 per annum (2004: £27,916).

There are two directors for whom retirement benefits are accruing under the Dalgety Pension Fund.

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

8 TAXATION

Taxation comprises:

	2005 £'000	2004 £'000
Current taxation credit:		
Current year UK corporation tax at 30% (2004: 30%)	(724)	(121)
Foreign taxation	139	107
Adjustment in respect of prior periods group relief	(1,101)	-
	<u>(1,686)</u>	<u>(14)</u>
Deferred taxation (credit)/charge:		
Current year	(81)	110
	<u>(1,767)</u>	<u>96</u>
	<u><u> </u></u>	<u><u> </u></u>

Factors affecting tax charge for the period

	2005 £'000	2004 £'000
Profit/(loss) on ordinary activities before tax	22,925	(167)
	<u><u> </u></u>	<u><u> </u></u>
UK corporation tax at 30% (2004: 30%)	6,878	(50)
Effects of permanent differences	(7,725)	15
Timing differences	81	(110)
Benefit of tax losses not recognised	687	-
(Group relief surrendered)/losses recognised at other than 30%	(506)	131
Adjustment in respect of prior periods	(1,101)	-
	<u> </u>	<u> </u>
Current tax on income for the period	<u><u>1,686</u></u>	<u><u>(14)</u></u>

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

9 INTANGIBLE FIXED ASSETS

COST	Goodwill £'000
At 30 June 2005 and 30 June 2004	2,318
AMORTISATION	
30 June 2004	771
Charge for the year	<u>232</u>
30 June 2005	1,003
NET BOOK AMOUNT	
30 June 2005	1,315
30 June 2004	<u>1,547</u>

The goodwill relates to the acquisition of the trademarks, intellectual property and contract rights of Agricola Genetico Porcina Ltda, the former PIC franchisee in Chile.

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

10 TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant and Equipment £'000	Breeding Stock £'000	Total £'000
COST OR VALUATION				
30 June 2004	635	5,136	448	6,219
Additions	5	40	340	385
Disposals	-	(2,784)	(297)	(3,081)
	<hr/>	<hr/>	<hr/>	<hr/>
30 June 2005	640	2,392	491	3,523
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
30 June 2004	228	4,609	305	5,142
Charge for the year	40	154	246	440
Disposals	-	(36)	(225)	(261)
Release impairment provision on disposals	-	(2,691)	-	(2,691)
	<hr/>	<hr/>	<hr/>	<hr/>
30 June 2005	268	2,036	326	2,630
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK AMOUNT				
30 June 2005	372	356	165	893
	<hr/>	<hr/>	<hr/>	<hr/>
30 June 2004	407	527	143	1,077
	<hr/>	<hr/>	<hr/>	<hr/>

In the opinion of the directors, the aggregate value of tangible fixed assets is not less than the aggregate amount at which those assets are stated in the balance sheet.

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

11 FIXED ASSET INVESTMENTS

	Shares in subsidiary <u>undertakings</u> £'000	Other <u>Investments</u> £'000	<u>Total</u> £'000
COST			
30 June 2005 and 30 June 2004	20,224	510	20,734
	<u> </u>	<u> </u>	<u> </u>
PROVISIONS			
30 June 2005 and 30 June 2004	(15,249)	(140)	(15,389)
	<u> </u>	<u> </u>	<u> </u>
NET BOOK AMOUNT			
30 June 2005 and 30 June 2004	4,975	370	5,345
	<u> </u>	<u> </u>	<u> </u>

Subsidiary undertakings

The company's subsidiary undertakings at 30 June 2005 are as follows:

	<u>Class of shares and nominal value</u>	<u>Percentage of nominal value of Issued shares held</u>	<u>Nature of business</u>
National Pig Development Company Limited (incorporated in the United Kingdom)	Ordinary £31,768 Non-voting ordinary £11,034	100% 100%	Receipt of rental income
PIC Polska (incorporated in Poland)	Ordinary 13.748 million zloties	100%	Pig breeding

Other investments

The company holds £350,000 of non-voting preference shares in Greenway Farms Limited and various other trade investments in Agricultural and Research Companies.

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

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

12 STOCK

	2005 £'000	2004 £'000
Livestock	25	60
Consumables	103	87
	<u>128</u>	<u>147</u>

In the opinion of the directors, there is no material difference between the book value of stocks and their replacement cost at 30 June 2005.

13 DEBTORS

	2005 £'000	2004 £'000
Trade debtors	488	274
Amounts due from parent and fellow subsidiary undertakings	31,246	26,562
Amounts due from subsidiary undertakings	90	96
Prepayments and accrued income	305	431
Deferred tax asset (see note 16)	325	244
Other taxation including VAT	745	990
Corporation Tax	-	-
Other debtors	58	16
	<u>33,257</u>	<u>28,613</u>

14 CREDITORS: Amounts falling due within one year

	2005 £'000	2004 £'000
Trade creditors	429	271
Amounts due to parent and fellow subsidiary undertakings	4,975	18,724
Amounts due to subsidiary undertakings	1,252	917
Corporation tax	-	-
Other taxation and social security	328	142
Other creditors	97	160
Accruals and deferred income	1,268	1,327
	<u>8,349</u>	<u>21,541</u>

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

15 CREDITORS: Amounts falling due after more than one year

	2005 £'000	2004 £'000
Amounts owed to parent undertakings	24,006	31,865
Deferred operating lease credit	34	38
	<u>24,040</u>	<u>31,903</u>

16 DEFERRED TAXATION ASSET

	<u>Recognised</u>	
	2005 £'000	2004 £'000
Accelerated capital allowances	270	207
Short term timing differences	55	37
	<u>325</u>	<u>244</u>

17 SHARE CAPITAL

	2005 £'000	2004 £'000
Authorised:		
2 million ordinary shares of 10p each	200	200
	<u> </u>	<u> </u>
Allotted, issued, called up and fully paid:		
1,857,164 ordinary shares of 10p each	186	186
	<u> </u>	<u> </u>

18 MOVEMENT ON RESERVES

	<u>Share premium</u> £'000	<u>Revaluation reserve</u> £'000	<u>Other reserves</u> £'000	<u>Profit and loss account</u> £'000
30 June 2004	8	85	23	(16,045)
Retained profit for the year	-	-	-	24,692
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
30 June 2005	8	85	23	8,647
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £'000	2004 £'000
Profit/(loss) for the financial year after taxation and net increase/(decrease) in shareholders' funds	24,692	(263)
Opening shareholders' funds	(15,743)	(15,480)
Closing shareholders' funds	8,949	(15,743)

20 LEASE OBLIGATIONS

	<u>Land and buildings</u>		<u>Plant and machinery</u>	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
Operating leases				
Annual commitments which expire:				
Within one year	21	20	21	80
Between one and five years	10	10	185	171
After five years	103	99	-	-
	134	129	206	251

21 RELATED PARTY TRANSACTIONS

Group companies

The company has not disclosed transactions with any group members on the grounds that 90% or more of the voting rights are controlled in the group, and that the consolidated accounts in which the company is included are publicly available.

PIG IMPROVEMENT COMPANY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 2005 (continued)

22 PARENT UNDERTAKING

The company's immediate parent undertaking is Pig Improvement Group Limited, which is registered in England.

The company's ultimate controlling party and parent undertaking as at 30 June 2005 was Sygen International PLC, which is registered in England and which is the smallest and largest undertaking for which group financial statements, which include these financial statements, are prepared. Copies of the group financial statements of Sygen International PLC may be obtained at the following address:

Sygen International PLC
2 Kingston Business Park,
Kingston Bagpuize,
Oxfordshire
OX13 5FE

On 31 October 2005 an offer was made on behalf of Genus PLC to acquire all of the existing Sygen International PLC share capital for cash consideration. On 02 December 2005 the offer was declared unconditional in all respects and control of Sygen International PLC therefore passed to Genus PLC. Accordingly as of 02 December 2005 the company's ultimate controlling party and parent undertaking is Genus PLC whose registered office is at:

Belvedere House
Basing View
Basingstoke
Hants
RG 21 4HG