

**Company Registration No. 02028517**

**Genus Investments Limited**

**Annual report and Financial Statements**

**30 June 2012**



# **Genus Investments Limited**

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

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# **Genus Investments Limited**

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

### **Officers and professional advisers**

#### **Directors**

R K Wood                    (resigned 30 September 2011)  
J G Worby  
D Noonan  
K Bitar                      (appointed 30 September 2011)

#### **Secretary**

I B Farrelly

#### **Registered office**

Belvedere House  
Basing View  
Basingstoke  
Hampshire  
RG21 4HG

#### **Auditor**

Deloitte LLP  
Reading, United Kingdom

# Genus Investments Limited

## Directors' report

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

### Principal activity

The principal activity of the company is to act as an investment holding company

### 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, and the letter of support received from the ultimate parent company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

### Results and dividends

The results for the year are set out on page 6. The company made a profit before taxation during the year of £14,281,000 (2011 £15,548,000).

During the year the company purchased 100% of the share capital of Premium Genetics Limited and further share capital in ABS India for a consideration of £72,000 and £300,000 respectively.

The directors paid a final dividend of £16,576,000 (2011 £17,637,000).

### Key performance indicators, risks and uncertainties

The company is subject to foreign exchange risk, interest risk and the risk of the underlying trading performance of its subsidiary undertakings.

The directors consider the key performance indicator to be the carrying value of the investments. An assessment of impairment is undertaken where there are possible indicators of impairment, and on an annual basis.

### Directors

The directors holding office during the year and to the date of signing these accounts were 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Deloitte LLP have expressed their willingness to continue in office as auditor and 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 Investments 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). 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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 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 Investments Limited**

We have audited the financial statements of Genus Investments Limited for the year ended 30 June 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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 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.

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

As explained more fully in the Statement of Directors' Responsibilities, 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 (APB'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**

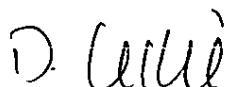
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

### **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,



**Duncan Leslie ACA (Senior Statutory Auditor)**  
**for and on behalf of Deloitte LLP**  
**Chartered Accountants and Statutory Auditor**  
Reading, United Kingdom

29 November 2012

# Genus Investments Limited

## Profit and loss account Year ended 30 June 2012

	Note	2012 £'000	2011 £'000
Income from fixed asset investments		86,848	267,637
Amounts written off investments		(70,800)	(250,002)
Net finance charges	3	<u>(1,767)</u>	<u>(2,087)</u>
<b>Profit on ordinary activities before taxation</b>	2	14,281	15,548
Tax (charge)/credit on profit on ordinary activities	4	<u>(285)</u>	<u>1,631</u>
<b>Profit for the financial year</b>	10,11	<u><u>13,996</u></u>	<u><u>17,179</u></u>

All amounts are derived from continuing operations

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



# Genus Investments Limited

## Balance sheet 30 June 2012

	Note	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Investments	6	646,375	716,803
<b>Current assets</b>			
Debtors	7	385	1,641
		385	1,641
<b>Creditors: amounts falling due within one year</b>	8	(620,432)	(689,536)
<b>Net current liabilities</b>		(620,047)	(687,895)
<b>Net assets</b>		26,328	28,908
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Share premium account	10	8,005	8,005
Profit and loss account	10	18,323	20,903
<b>Shareholders' funds</b>	11	26,328	28,908

These financial statements for Genus Investments Limited (company registration number 02028517) were approved and authorised for issue by the Board of Directors on 29 November 2012

Signed on behalf of the Board of Directors



J G Worby  
Director

# **Genus Investments Limited**

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

### **1. Accounting policies**

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The following accounting policies have been applied consistently in the current and preceding year in dealing with items which are considered material in relation to the financial statements.

#### **Going concern**

The company's business activity is detailed in the directors' report. Having considered the current uncertain economic environment and the letter of support received from the ultimate parent company, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, 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.

#### **Fixed asset investment**

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

#### **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 not charged to reserves are taken to the profit and loss account.

#### **Cash flow statement**

Under the provisions of FRS 1 'Cash Flow Statements' (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.

#### **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 years 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 recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

# Genus Investments Limited

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

### 1. Accounting policies (continued)

#### Taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the years 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.

### 2. Profit on ordinary activities before taxation

None of the directors received any remuneration, or other benefits, in respect of their services as directors of the company for the year ended 30 June 2012 and 30 June 2011. The directors are paid by other group companies for their services to the group as a whole.

The company had no employees, other than the directors, during the year (2011: nil).

For the year ended 30 June 2012 the auditor's remuneration of £1,000 (2011: £2,000) has been borne by the company's immediate parent undertaking, Genus plc.

### 3. Net finance charges

	2012 £'000	2011 £'000
<b>Interest payable and similar charges:</b>		
Interest payable to group undertakings	1,957	1,892
Foreign exchange losses on inter group balances	-	195
	<u>1,957</u>	<u>2,087</u>
<b>Interest receivable and similar income:</b>		
Foreign exchange gains on inter group balances	(190)	-
	<u>(190)</u>	<u>-</u>
Net finance charges	<u>1,767</u>	<u>2,087</u>

# Genus Investments Limited

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

### 4. Tax charge/(credit) on profit on ordinary activities

	2012 £'000	2011 £'000
<b>Current tax</b>		
UK corporation tax credit	(451)	(1,631)
Prior year adjustment	736	-
	<u>285</u>	<u>(1,631)</u>
<b>Factors affecting tax credit for the year:</b>		
Profit on ordinary activities before taxation	<u>14,281</u>	<u>15,548</u>
UK corporation tax at 25.5% (2011: 27.5%) on profit on ordinary activities	3,642	4,276
<i>Effects of</i>		
Non taxable amounts	(4,093)	(4,851)
Imputed interest net of debt cap	(1,591)	(1,056)
Prior year adjustments	736	-
Group relief	<u>1,591</u>	<u>-</u>
Tax charge/(credit) on profit on ordinary activities	<u>285</u>	<u>(1,631)</u>

The prior year tax charge of £736,000 principally arises due to a reallocation of the Group's disallowed interest expense under the Debt Cap regulations

### 5. Dividends on equity shares

	2012 £'000	2011 £'000
Final dividend for the year ended 30 June 2012 of £165,769 (2011: £176,370) per ordinary share	<u>16,576</u>	<u>17,637</u>

# Genus Investments Limited

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

### 6. Fixed assets – investments

	Subsidiary undertakings £'000
<b>Cost</b>	
At 1 July 2011	966,805
Additions	372
At 30 June 2012	967,177
<b>Provision for impairment</b>	
At 1 July 2011	250,002
Written off in the year	70,800
At 30 June 2012	320,802
<b>Net book value</b>	
At 30 June 2012	646,375
At 30 June 2011	716,803

During the year the company acquired additional share capital in Genus India Private Limited for a consideration of £300,000 and purchased 70,000 shares in Premium Genetics Ltd for £72,000

The company has investments in the following companies

	Shareholding	Country of incorporation	Nature of business
ABS International Inc	100 0%	United States of America	Supply of dairy and beef semen
ABS Servicios Personales Srl	100 0%	Uruguay	Supply of dairy and beef semen
ABS Genetics South Africa (PTY) Limited	100 0%	South Africa	Supply of dairy and beef semen
Genus Ukraine LLC	99 9%	Ukraine	Supply of dairy and beef semen
Genus Australia Pty Ltd	100 0%	Australia	Supply of dairy and beef semen
Genus India Private Limited	100 0%	India	Supply of dairy and beef semen
PIC Fyfield	100 0%	United Kingdom	Investment Holding Company
Premium Genetics Limited	100 0%	Ireland	Investment Holding Company

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

### 7. Debtors

	2012 £'000	2011 £'000
Amounts owed by group undertakings	23	10
Other debtors - corporation tax receivable	362	1,631
	385	1,641

# Genus Investments Limited

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

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

	2012 £'000	2011 £'000
Bank overdraft	374	60
Amounts owed to group undertakings	620,058	689,476
	<u>620,432</u>	<u>689,536</u>

### 9. Share capital

	2012 £'000	2011 £'000
Authorised, allotted and fully paid 100 ordinary shares of £1 each	-	-

### 10. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 July 2011	8,005	20,903
Profit for the year	-	13,996
Dividends paid on equity shares	-	(16,576)
At 30 June 2012	<u>8,005</u>	<u>18,323</u>

### 11. Reconciliation of movement in shareholders' funds

	2012 £'000	2011 £'000
Opening shareholders' funds	28,908	29,366
Profit for the year	13,996	17,179
Dividends paid on equity shares	(16,576)	(17,637)
Closing shareholders' funds	<u>26,328</u>	<u>28,908</u>

# **Genus Investments Limited**

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

### **12. 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 Investments 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.

### **13. Related party transactions**

The company is a member of the Genus plc group of companies. In accordance with exemptions conferred by FRS 8, the company has not disclosed transactions with other group companies.

### **14. 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).