

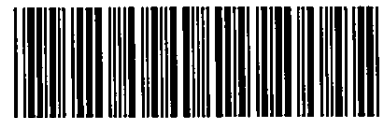
Company Registration No. 02028517

Genus Investments Limited

Annual report and Financial Statements

30 June 2013

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Genus Investments Limited

Annual report and financial statements 2013

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Genus Investments Limited

Annual report and financial statements 2013

Officers and professional advisers

Directors

S Wilson (appointed 1 March 2013)
J G Worby (resigned 1 March 2013)
D Noonan
K Bitar

Secretary

C Crichton (appointed 12 April 2013)

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 2013

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 £170,831,000 (2012: £14,281,000).

During the year the company acquired additional share capital in Genus Ukraine LLC for a consideration of £95,669 and additional share capital (132,200 shares) in ABS Colombia for a consideration of £471,635.

The directors paid a final dividend of £6,500,000 (2012: £16,576,000).

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



S Wilson
Director
6 December 2013

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 judgements 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 to 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 2013 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 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 2013 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 (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

D. Leslie

Duncan Leslie ACA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Reading, United Kingdom

6 December 2013

Genus Investments Limited

Profit and loss account Year ended 30 June 2013

	Note	2013 £'000	2012 £'000
Income from fixed asset investments		223,569	86,848
Amounts written off investments		(50,280)	(70,800)
Net finance charges	3	<u>(2,458)</u>	<u>(1,767)</u>
Profit on ordinary activities before taxation	2	170,831	14,281
Tax credit/(charge) on profit on ordinary activities	4	<u>1,349</u>	<u>(285)</u>
Profit for the financial year	10,11	<u><u>172,180</u></u>	<u><u>13,996</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 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	6	596,663	646,375
Current assets			
Debtors	7	509	385
		509	385
Creditors: amounts falling due within one year	8	(405,164)	(620,432)
Net current liabilities		(404,655)	(620,047)
Net assets		192,008	26,328
Capital and reserves			
Called up share capital	9	-	-
Share premium account	10	8,005	8,005
Profit and loss account	10	184,003	18,323
Shareholder's funds	11	192,008	26,328

These financial statements for Genus Investments Limited (company registration number 02028517) were approved and authorised for issue by the Board of Directors on 6 December 2013

Signed on behalf of the Board of Directors



S Wilson
Director

Genus Investments Limited

Notes to the financial statements **Year ended 30 June 2013**

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 2013

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 2013 and 30 June 2012. 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 (2012: nil).

For the year ended 30 June 2013 the auditor's remuneration of £1,033 (2012: £1,000) has been borne by the company's immediate parent undertaking, Genus plc.

3. Net finance charges

	2013 £'000	2012 £'000
Interest payable and similar charges:		
Interest payable to group undertakings	2,377	1,957
Foreign exchange losses on inter group balances	81	-
	<u>2,458</u>	<u>1,957</u>
Interest receivable and similar income:		
Foreign exchange gains on inter group balances	-	(190)
	<u>-</u>	<u>(190)</u>
Net finance charges	<u>2,458</u>	<u>1,767</u>

Genus Investments Limited

Notes to the financial statements Year ended 30 June 2013

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

	2013 £'000	2012 £'000
Current tax		
UK corporation tax credit	(1,349)	(451)
Prior year adjustment	-	736
	<u>(1,349)</u>	<u>285</u>
Factors affecting tax credit for the year:		
Profit on ordinary activities before taxation	<u>170,831</u>	<u>14,281</u>
UK corporation tax at 23.75% (2012: 25.5%) on profit on ordinary activities	40,572	3,642
<i>Effects of</i>		
Non taxable amounts	(44,842)	(4,093)
Imputed interest net of debt cap	-	(1,591)
Prior year adjustments	-	736
Group relief	<u>2,923</u>	<u>1,591</u>
Tax (credit)/charge on profit on ordinary activities	<u>(1,349)</u>	<u>285</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

	2013 £'000	2012 £'000
Final dividend for the year ended 30 June 2013 of £65,000 (2012: £165,769) per ordinary share	<u>6,500</u>	<u>16,576</u>

Genus Investments Limited

Notes to the financial statements Year ended 30 June 2013

6. Fixed assets – investments

	Subsidiary undertakings £'000
Cost	
At 1 July 2012	967,177
Additions	568
At 30 June 2013	<u>967,745</u>
Provision for impairment	
At 1 July 2012	320,802
Written off in the year	50,280
At 30 June 2013	<u>371,082</u>
Net book value	
At 30 June 2013	<u>596,663</u>
At 30 June 2012	<u>646,375</u>

During the year the company acquired additional share capital in Genus Ukraine LLC for a consideration of £95,669 and additional share capital (132,200 shares) in ABS Colombia for a consideration of £471,635

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 ABS Colombia SA	97 0%	Colombia	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

Genus Investments Limited

Notes to the financial statements Year ended 30 June 2013

7. Debtors

	2013 £'000	2012 £'000
Amounts owed by group undertakings	23	23
Other debtors - corporation tax receivable	486	362
	<u>509</u>	<u>385</u>

8. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Bank overdraft	70	374
Amounts owed to group undertakings	405,094	620,058
	<u>405,164</u>	<u>620,432</u>

9 Share capital

	2013 £'000	2012 £'000
Allotted and fully paid		
100 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>

10. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 July 2012	8,005	18,323
Profit for the year	-	172,180
Dividends paid on equity shares	-	(6,500)
	<u>8,005</u>	<u>184,003</u>
At 30 June 2013		

11. Reconciliation of movement in shareholder's funds

	2013 £'000	2012 £'000
Opening shareholder's funds	26,328	28,908
Profit for the year	172,180	13,996
Dividends paid on equity shares	(6,500)	(16,576)
	<u>192,008</u>	<u>26,328</u>
Closing shareholder's funds		

Genus Investments Limited

Notes to the financial statements Year ended 30 June 2013

12. Ultimate parent undertaking

The company's ultimate controlling party and parent undertaking is Genus plc, a company incorporated in the United Kingdom and registered in England and Wales. 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 2013 the total contingent liability in respect of group borrowings was £65.6m (2012: £72.4m).