

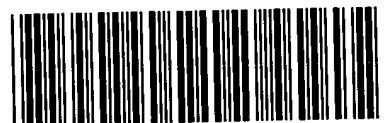
Company Registration No. 02028517

Genus Investments Limited

Annual report and Financial Statements

30 June 2015

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Genus Investments Limited

Annual report and financial statements 2015

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Genus Investments Limited

Annual report and financial statements 2015

Officers and professional advisers

Directors

S Wilson
D Noonan
K Bitar

Secretary

C Crichton

Registered office

Matrix House
Basing View
Basingstoke
Hampshire
RG21 4DZ

Bankers

Barclays Bank PLC
51 Mosley Street
Manchester
M60 3DQ

Auditor

Deloitte LLP
London, United Kingdom

Genus Investments Limited

Strategic report

Business review and principal activities

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

Results and future prospects

The results for the period are set out on page 8.

The directors consider the profit achieved on ordinary activities before taxation of £28.3m (2014: £50.3m) and the state of affairs of the Company to be satisfactory, given the economic climate. The Directors remain confident about the group and individual company's future performances, which are further encouraged by the post year end performance of the group.

Activities

The principal activity of the Company is to continue as an Investment Holding Company.

- Profits on ordinary activities before taxation decreased by £22.0m to £28.3m for the year ended 30 June 2015 (2014: £50.3m)
- Net assets increased from £224.1m in 2014 to £241.9m in 2015

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.

In the opinion of the Directors, the following are the Company's key performance indicators:

- Reduced investment write downs in the year

In the opinion of the Directors, no other significant key performance indicators need to be addressed.

Principal risks and uncertainties

Product development and competitive edge

Development programme fails to produce best genetics for customers. Increased competition in the market reduces market share and margins

We have dedicated teams within the Genus Group who align our product development to customer requirements, while our technical services help customers to make best use of our products. We frequently measure our performance against competitors in customers' systems to ensure the value added by our genetics remains competitive.

Genus Investments Limited

Strategic report

Biosecurity and continuity of supply

Loss of key livestock, owing to disease outbreak. Loss of ability to move animals or semen freely (including across borders) due to disease outbreak, environmental incident or international trade sanctions. Industry-wide disease outbreaks affecting demand for Genus products

We have stringent biosecurity standards, with independent reviews throughout the year to ensure compliance. Within the Genus Group we continue to extend the geographical diversity of our production facilities, to avoid over-reliance on single sites.

Intellectual Property Protection

Genus-developed genetic material, methods and technology could become freely available to third parties. We have a global, cross-functional process to identify and protect our intellectual property. Our customer contracts and our selection of multipliers and joint venture partners include appropriate measures to protect our IP.

Human Resources

Failure to attract or retain skills and experience within our executive, management and employee cohorts

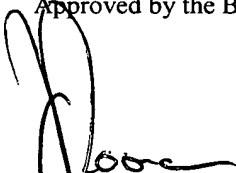
We manage our talent risk through comprehensive people plans, covering recruitment, performance management, reward, succession planning, communication and engagement.

Going concern

The company's business activities are detailed above. Liquidity is managed at group level using long term group bank facilities. The directors are confident that, if required, group support will be forthcoming.

Having considered the current uncertain economic environment as well as the group support available, 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.

Approved by the Board and signed on its behalf by:



D. Noonan
Director

17 December 2015

Genus Investments Limited

Director's report

The directors present their report and financial statements for the year ended 30 June 2015.

Principal activity

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

Results and dividends

The results for the year are set out on page 8. The company made a profit before tax credit during the year of £28,308,000 (2014: £50,277,000).

The directors paid a final dividend of £15,000,000 (2014: £30,000,000).

Directors

The directors holding office during the year and to the date of signing these accounts were as shown on page 1.

Auditor

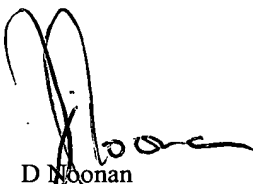
Each of the persons who is a director at the date of approval of this report confirms that:

- 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.

The accounts are prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

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



D Noonan
Director
17 December 2015

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;
- 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 2015 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 of 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of the audit. 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 2015 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 Strategic Report and 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; or



Richard Howe FCA (Fellow Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

17 December 2015

Genus Investments Limited

Profit and loss account Year ended 30 June 2015

	Note	2015 £'000	2014 £'000
Income from fixed asset investments		37,527	104,440
Amounts written off investments		(152)	(46,029)
Net finance charges	3	(9,067)	(8,134)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	28,308	50,277
Tax credit on profit on ordinary activities	4	4,477	589
		<hr/>	<hr/>
Profit for the financial year	10,11	<u>32,785</u>	<u>50,866</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 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Investments	6	636,790	632,342
		<u>636,790</u>	<u>632,342</u>
Current assets			
Debtors	7	8	269
Cash		47	-
		<u>55</u>	<u>269</u>
Creditors: amounts falling due within one year	8	(394,936)	(408,487)
Net current liabilities		<u>(394,881)</u>	<u>(408,218)</u>
Net assets		<u>241,909</u>	<u>224,124</u>
Capital and reserves			
Called up share capital	9	11,250	11,250
Share premium account	10	8,005	8,005
Profit and loss account	10	222,654	204,869
Shareholder's funds	11	<u>241,909</u>	<u>224,124</u>

These financial statements for Genus Investments Limited (company registration number 02028517) were approved and authorised for issue by the Board of Directors on 17 December 2015.

The accounts are prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Signed on behalf of the Board of Directors



D. Noonan
Director

Genus Investments Limited

Notes to the financial statements Year ended 30 June 2015

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.

Genus Investments Limited

Notes to the financial statements Year ended 30 June 2015

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 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.

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 2015 and 30 June 2014. 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 (2014: nil).

For the year ended 30 June 2015 the auditor's remuneration of £1,085 (2014: £1,054) has been borne by the company's immediate parent undertaking, Genus plc.

3. Net finance charges

	2015 £'000	2014 £'000
Interest payable and similar charges:		
Interest payable to group undertakings	9,184	8,502
	<u>9,184</u>	<u>8,502</u>
Interest receivable and similar income:		
Interest receivable from group companies	-	(12)
Foreign exchange gains on inter group balances	(117)	(356)
	<u>(117)</u>	<u>(368)</u>
Net finance charges	<u>9,067</u>	<u>8,134</u>

Genus Investments Limited

Notes to the financial statements Year ended 30 June 2015

4. Tax credit on profit on ordinary activities

	2015 £'000	2014 £'000
Current tax		
UK corporation tax credit	(2,256)	(545)
Prior year adjustment	(2,221)	(44)
	<u>(4,477)</u>	<u>(589)</u>
Factors affecting tax credit for the year:		
Profit on ordinary activities before taxation	<u>28,308</u>	<u>50,277</u>
UK corporation tax at 20.75% (2014: 22.5%) on profit on ordinary activities	5,874	11,312
<i>Effects of:</i>		
Non taxable amounts	(7,787)	(23,499)
Permanent differences	32	10,365
Imputed interest and debt cap restriction (net)	(375)	1,277
Prior year adjustments	(2,221)	(44)
Group relief	-	-
Tax credit on profit on ordinary activities	<u>(4,477)</u>	<u>(589)</u>

5. Dividends on equity shares

	2015 £'000	2014 £'000
Final dividend for the year ended 30 June 2015 of £1.33 (2014: £2.67) per ordinary share	<u>15,000</u>	<u>30,000</u>

Genus Investments Limited

Notes to the financial statements Year ended 30 June 2015

6. Fixed assets – investments

	Shares in subsidiary undertaking £'000	Shares in Joint Venture £'000	Total £'000
Cost			
At 1 July 2014	1,049,453	-	1,049,453
Additions	3,835	765	4,600
Disposals	(152)	-	(152)
At 30 June 2015	1,053,136	765	1,053,901
Provision for impairment			
At 1 July 2014	417,111	-	417,111
Written off in the year	152	-	152
Write back of impairment on disposal	(152)	-	(152)
At 30 June 2015	417,111	-	417,111
Net book value			
At 30 June 2015	636,025	765	636,790
At 30 June 2014	632,342	-	632,342

During the year the company acquired the share capital of ABS Ireland Progen Limited for a consideration of £3,552,357 and acquired and disposed of the share capital of Rockvard Limited for £152,090. The company acquired a 49% interest in the joint venture Chitale Genus ABS (India) Private Limited for £765,475.

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
Zitery S.A	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
Génétiporc Servicios Técnicos S.A.de C.V.	2.0%	Mexico	Pig breeding
Génétiporc México, S.A.de C.V.	1.0%	Mexico	Pig breeding
Genus ABS Colombia SAS	94.0%	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
ABS Progen Ireland Limited	100.0%	Ireland	Supply of dairy and beef semen
Genus Breeding India Private Limited	100.0%	India	Supply of dairy and beef semen
GIL Finance S.à.r.l.	100.0%	Luxembourg	Investment Company
PIC Fyfield Limited	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 2015

6. Fixed assets – investments (continued)

Shares in joint ventures and associate undertakings

The company's joint venture and associate undertakings at 30 June 2015 are as follows:

	Country of incorporation	Class of shares and nominal value	Percentage of nominal value of issued shares held	Nature of business
Chitale Genus ABS (India) Private Limited	India	Registered capital INR 41,000,000 0.1INR per share	49%	Supply of dairy and beef semen

7. Debtors

	2015 £'000	2014 £'000
Amounts owed by group undertakings	2	2
Other debtors - corporation tax receivable	6	267
	<u>8</u>	<u>269</u>

8. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Bank overdraft	-	102
Amounts owed to group undertakings	394,936	408,385
	<u>394,936</u>	<u>408,487</u>

The amounts owed to group undertakings have no fixed repayment date, and an interest rate varying between 3% and 4% is applied. During the year Genus Investments Limited was charged loan interest of £9,184k (2014 £8,502k by Genus plc).

9. Share capital

	2015 £'000	2014 £'000
Allotted and fully paid 11,250,000 (2014: 11,250,000) ordinary shares of £1 each	<u>11,250</u>	<u>11,250</u>

Genus Investments Limited

Notes to the financial statements Year ended 30 June 2015

10. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 July 2014	8,005	204,869
Profit for the year	-	32,785
Dividends paid on equity shares	-	(15,000)
At 30 June 2015	<u>8,005</u>	<u>222,654</u>

11. Reconciliation of movement in shareholder's funds

	2015 £'000	2014 £'000
Opening shareholder's funds	224,124	192,008
Issued share capital at par	-	11,250
Profit for the year	32,785	50,866
Dividends paid on equity shares	(15,000)	(30,000)
Closing shareholder's funds	<u>241,909</u>	<u>224,124</u>

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 Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ.

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 2015 the total contingent liability in respect of group borrowings was £81.1m (2014: £82.7m).