

Company Registration No. 00019739

PIC Fyfield Limited

Report and Financial Statements

30 June 2015

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PIC Fyfield Limited

Report and financial statements 2015

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PIC Fyfield Limited

Officers and professional advisors

Directors

K Bitar
D Noonan
S Wilson

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

PIC Fyfield Limited

Strategic report

Business review and principal activities

The company acts as an investment holding company and provides management services to fellow group undertakings.

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 £18.3m (2014: £7.6m) 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 providing management services to fellow group undertakings.

- Profit before tax increased by £10.7m to £18.3m for the year ended 30 June 2015 (2014: £7.6m)
- Net assets including pension liabilities decreased from £245.3m in 2014 to £234.0m 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.

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.

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 bio-security 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.

PIC Fyfield Limited

Strategic report

Human Resources

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

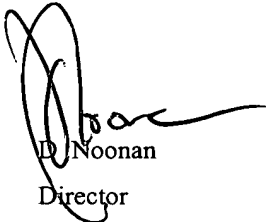
We manage our talent risk through comprehensive people plans, covering recruitment, performance management, reward, succession planning, communication and engagement.

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

PIC Fyfield Limited

Directors' report

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

Business review and principal activities

The company acts as an investment holding company and provides management services to fellow group undertakings.

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

Results and dividends

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

The directors recommend the payment of a final dividend of £30,000,000 (2014: £30,000,000).

The directors who served on the board during the year and to the date of this report, are stated on page 1.

Auditor

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

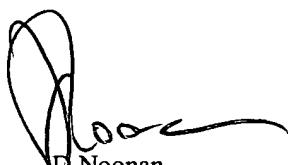
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's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

PIC Fyfield 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
- 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 PIC Fyfield Limited

We have audited the financial statements of PIC Fyfield Limited for the year ended 30 June 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 20. 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 performing 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 PIC Fyfield 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.



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

17 December 2015

PIC Fyfield Limited

Profit and loss account Year ended 30 June 2015

	Notes	2015 £'000	2014 £'000
Turnover	2	173	154
Staff costs	4	(280)	(269)
Other operating expenses		1	(197)
Release of unutilised property provision		163	351
Operating profit		57	39
Amounts written off investments/balances		(129)	(942)
Net finance income	5	8,324	8,460
Income from fixed asset investments		10,000	-
Profit on ordinary activities before taxation		18,252	7,557
Tax credit on profit on ordinary activities	6	371	74
Profit for the financial year	14, 15	18,623	7,631

All amounts derive from continuing operations.

PIC Fyfield Limited

Statement of total recognised gains and losses Year ended 30 June 2015

	Notes	2015 £'000	2014 £'000
Profit for the financial year		18,623	7,631
Actuarial loss relating to pension scheme, net of irrecoverable pension surplus not recognised	16	-	(428)
Actuarial gain relating to other retirement benefits included in provisions net of tax	12	39	20
Total recognised gains and losses relating to the year		<u>18,662</u>	<u>7,223</u>

PIC Fyfield Limited


Balance sheet 30 June 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Tangible assets	7	-	-
Investment in group undertakings	8	322,572	335,264
		<u>322,572</u>	<u>335,264</u>
Current assets			
Debtors	9	4,206	5,431
Cash at bank and in hand		16	1
		<u>4,222</u>	<u>5,432</u>
Creditors: amounts falling due within one year	11	(90,825)	(92,836)
Net current liabilities		<u>(86,603)</u>	<u>(87,404)</u>
Total assets less current liabilities		235,969	247,860
Creditors: amounts falling due after one year			
Provisions for liabilities and charges	12	(2,010)	(2,563)
Net assets excluding pension liabilities		<u>233,959</u>	<u>245,297</u>
Pension liabilities	16	-	-
Net assets including pension liabilities		<u>233,959</u>	<u>245,297</u>
Capital and reserves			
Called up share capital	13	150,000	150,000
Share premium account	14	-	-
Capital redemption reserve	14	7,277	7,277
Profit and loss account	14	76,682	88,020
Total shareholder's funds	15	<u>233,959</u>	<u>245,297</u>

These financial statements for PIC Fyfield Limited (company registration number 00019739) were approved by the Board of Directors and authorised for issue 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



P. Noonan
Director

PIC Fyfield Limited

Notes to the financial statements Year ended 30 June 2015

1. Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The principal accounting policies are summarised below. They have all been applied consistently throughout the current and the preceding year.

Going concern

The company's business activities are detailed in the Directors' Report. Having considered the uncertainties in the current 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. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

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 Genus plc, a company incorporated in the United Kingdom (see note 18).

Turnover

Turnover comprises of management expenses charged to group undertakings, excluding VAT.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

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

Fixtures and fittings and computers	- 10% - 33%
-------------------------------------	-------------

Fixed asset investments

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

Taxation

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

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

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

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

PIC Fyfield Limited

Notes to the financial statements Year ended 30 June 2015

1. Accounting policies (continued)

Taxation (continued)

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

Foreign currencies

Profit and loss items are translated into sterling at average exchange rates. Assets and liabilities are translated at the rates on 30 June 2015. Exchange gains or losses on trading items are taken to the profit and loss account. Exchange differences which arise on the settlement of other transactions and on the translation of other monetary assets and liabilities are dealt with in the profit and loss account.

Pensions

The company is a member of the Dalgety Pension Fund, which is a funded defined benefit scheme providing benefits based on final pensionable salary. The amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. Pension assets are recognised to the extent to which a surplus is regarded as recoverable.

Leases

Operating lease rentals are charged as incurred.

Cash flow statement

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

Provisions

A provision is recognised in the balance sheet when group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle obligation. If the effect is material, provisions are discounted to present value.

PIC Fyfield Limited

Notes to the financial statements Year ended 30 June 2015

2. Turnover

All turnover originates in the United Kingdom and relates to charges for management services provided to fellow group undertakings. The split of turnover by geographic destination is as follows:

	2015 £'000	2014 £'000
United Kingdom	173	154

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is calculated after charging:

	2015 £'000	2014 £'000
Auditor's remuneration – audit fees	1	1

4. Directors and employees

The average number of persons employed by the company during the year was 2 (2014: 3).

The costs incurred in respect of these employees were:

	2015 £'000	2014 £'000
Wages and salaries	234	222
Social security costs	27	28
Other pension cost	19	19
	280	269

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

	2015 £'000	2014 £'000
Remuneration for managerial services	133	127

The emoluments (excluding pension contributions) of the highest paid director were £133,000 (2014: £127,000).

The remuneration of the other two directors (2014: two) has been borne by the ultimate parent company, Genus plc, in both the current and preceding period. It is not practicable to allocate these amounts between the individual companies that they serve.

The company has certain obligations in relation to unfunded pension obligations of former directors of the company. Details regarding the provision made are disclosed in note 12. A total of £50,000 (2014: £40,000) was paid to former directors under this scheme during the period.

There are no directors for whom retirement benefits are accruing under the Dalgety Pension Fund (2014: £nil).

PIC Fyfield Limited

Notes to the financial statements Year ended 30 June 2015

5. Net finance income

	2015 £'000	2014 £'000
Interest payable and similar charges:		
Interest payable to group undertakings	(102)	(202)
Interest receivable and similar income:		
Interest receivable by group undertakings	7,800	7,899
Foreign exchange gains on third party and intra group balances	716	486
Net pension income in respect of pension schemes (see note 16)	-	430
Other finance charges:		
Unwind discount on provisions (see note 12)	(90)	(153)
Net finance income	8,324	8,460

6. Tax credit on profit on ordinary activities

	2015 £'000	2014 £'000
UK corporation tax	306	224
Adjustments in respect of prior periods	160	92
Current tax credit on income for the year	466	316
Deferred taxation (see note 10)	(95)	(242)
Total tax credit for the year	371	74
Factors affecting tax credit for the year		
	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	18,252	7,557
United Kingdom corporation tax at 20.75% (2014: 22.5%) on profit on ordinary activities	3,787	1,700
Effects of:		
- Non deductible expenses	(399)	150
- Non taxable dividends received	(2,075)	-
- Adjustment in respect of prior year	(160)	(92)
- Effect of short term timing differences	-	(494)
- Debt cap exemption	(1,619)	(1,580)
Current tax credit on income for the year	(466)	(316)

PIC Fyfield Limited

Notes to the financial statements Year ended 30 June 2015

7. Tangible fixed assets

	Fixtures and fittings and computers £'000
Cost	
At 1 July 2014	57
Disposals	(57)
	<hr/>
At 30 June 2015	-
	<hr/>
Depreciation	
At 1 July 2014	(57)
Disposals	57
	<hr/>
At 30 June 2015	-
	<hr/>
Net book value	
At 30 June 2015	-
	<hr/>
At 30 June 2014	-
	<hr/>

8. Fixed asset investments

	Equity £'000	Loans £'000	Total £'000
Cost			
At 1 July 2014	309,498	217,000	526,498
Additions and advances	129	-	129
Settlement of loans	-	(9,211)	(9,211)
Disposals	(63,666)	-	(63,666)
	<hr/>	<hr/>	<hr/>
At 30 June 2015	245,961	207,789	453,750
	<hr/>	<hr/>	<hr/>
Impairments			
At 1 July 2014	191,234	-	191,234
Impaired in the year	129	-	129
Write back of impairment on investments disposed	(60,185)	-	(60,185)
	<hr/>	<hr/>	<hr/>
At 30 June 2015	131,178	-	131,178
	<hr/>	<hr/>	<hr/>
At 30 June 2015	114,783	207,789	322,572
	<hr/>	<hr/>	<hr/>
At 30 June 2014	118,264	217,000	335,264
	<hr/>	<hr/>	<hr/>

During the year, the company increased its capital holding in Sygen Investimentos Ltda. by £129,416.

During the year the following subsidiary companies were liquidated, Pig Improvement Administration Group Limited, PIC Fyfield Investments Limited and Easicare Computers Limited all three were held at nil NBV.

PIC Fyfield Limited

Notes to the financial statements Year ended 30 June 2015

8. Fixed asset investments (continued)

The company's direct subsidiaries at 30 June 2015 were as follows:

	Percentage of issued share capital held	Country of incorporation	Activities
Brazilian Holdings Limited	100	England	Holding company
Sygen Investimentos Ltda.	99.9	Brazil	Dormant
Fyfield Holland B.V.	100	Holland	Holding company
Spillers Limited	100	England	Holding company
PIC (UK) Limited	100	England	Holding company
Pig Improvement Company UK Limited	100	England	Pig breeding company
Dalgety Pension Trust Limited	100	England	Dormant
Pigtales Limited	100	England	Dormant
Pig Improvement Company Overseas Limited	100	England	Holding company
Pig Improvement Company España, S.A.	82.36	Spain	Pig breeding company

In the opinion of the directors the aggregate value of the investments in the company's subsidiaries is not less than the aggregate amount at which those assets are stated in the balance sheet. All are wholly owned and incorporated and operate in the UK, unless otherwise indicated.

During the year the company received interest of £7,800k (2014: £7,899k) from Genus plc.

9. Debtors

	2015 £'000	2014 £'000
Amounts owed by subsidiary undertakings	3,327	4,431
Other debtors	184	201
Deferred tax asset (note 10)	695	799
	<u>4,206</u>	<u>5,431</u>

PIC Fyfield Limited

Notes to the financial statements Year ended 30 June 2015

10. Deferred tax

The company's deferred tax position may be analysed as follows:

		Deferred tax asset recognised in accounts	
		2015 £'000	2014 £'000
Included in debtors (note 9)		695	799
Movement on deferred tax			Total £'000
Opening deferred tax asset			799
Current year debit in profit and loss account			(99)
Prior year adjustment			4
Movement in statement of recognised gains and losses			(9)
Closing deferred tax asset			695
		Provided	
		2015 £'000	2014 £'000
Difference between capital allowances and depreciation		11	9
Other timing differences		684	790
		695	799

11. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	7	21
Amounts owed to subsidiary undertakings	89,286	90,874
Other creditors	39	19
Other taxation and social security	1,040	1,489
Accruals and deferred income	453	433
	90,825	92,836

During the year PIC Fyfield Limited was charged loan interest of £89,950 (2014:£82,105) by Pig Improvement Company España, S.A. and £12,495 (2014: £nil) by Genus Australia Pty Ltd. The amounts owed to group undertakings have no fixed repayment date, and charge interest rate varying between 0% and 5%.

PIC Fyfield Limited

Notes to the financial statements Year ended 30 June 2015

12. Provisions for liabilities and charges

	Other pensions £'000	Surplus properties £'000	Other restructuring provisions £'000	Total £'000
At 1 July 2014	920	464	1,179	2,563
Utilised in the year	(50)	(281)	(90)	(421)
Released in the year	-	(163)	-	(163)
Actuarial loss:				
In statement of total recognised gains and losses	40	-	(79)	(39)
Unwinding of discount on provisions	40	-	50	90
At 30 June 2015	<u>950</u>	<u>20</u>	<u>1,060</u>	<u>2,030</u>

Other pensions comprise unfunded pension obligations to current and former executives of the company calculated on the transfer value method. Payments will be made upon retirement of the relevant executives.

The surplus property provision represents the discounted future costs of properties not occupied by the group. These costs are computed net of risk weighted rental income and, where necessary, dilapidation and letting expenses and will be paid out over the next year. Leases and sub lease have all now ceased and the remaining provision represents anticipated legal fees which are disclosed as a current liability.

Other restructuring provisions relate to post retirement health benefit obligations to former Dalgety plc head office staff.

Non current provision £2,010 (2014: £2,563), current provision £20 (2014: Nil), total provisions £2,030 (2014: £2,563).

13. Called up share capital

	2015 £'000	2014 £'000
Allotted and fully paid		
150,000,000 ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>

14. Reserves

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 1 July 2014	-	7,277	88,020
Profit for the financial year	-	-	18,623
Actuarial gain recognised in the Statement of total recognised gains and losses (net of deferred tax)	-	-	39
Dividend paid	-	-	(30,000)
At 30 June 2015	<u>-</u>	<u>7,277</u>	<u>76,682</u>

During the year, the directors recommended and paid a dividend of £0.20 per ordinary share.

PIC Fyfield Limited

Notes to the financial statements Year ended 30 June 2015

15. Reconciliation of movement in shareholder's funds

	2015 £'000	2014 £'000
Opening shareholder's funds	245,297	268,074
Retained profit for the year	18,623	7,631
Other recognised gains and losses	39	(408)
Dividend paid	(30,000)	(30,000)
Shareholder's funds at 30 June	<u>233,959</u>	<u>245,297</u>

16. Pensions

The most recent actuarial valuation of the Dalgety Pension Fund was at 31 March 2012. The valuation of the scheme used the projected unit method and was carried out by professionally qualified actuaries.

The principal actuarial assumptions adopted in the 2012 valuation were that investment returns on existing assets would be 5.2% per annum before retirement and 3.3% per annum after retirement and that the annual increase in pensions in payment would be 3.5% per annum.

The market value of the available assets at 31 March 2012 was £21.3m. The value of those assets represents approximately 99% of the value of the uninsured liabilities which were £21.6m at 31 March 2012.

The disclosures required under IAS 19 have been calculated by an independent actuary based on accurate calculations carried out as at 31 March 2012 updated to 30 June 2015.

There is a £13.8m reserve held by Trustees of DPF against future unknown liabilities materialising ('Restricted Fund'). As the economic benefit to the Company of this amount is not certain, it is treated as a contingent asset.

The Group's pension cost for the scheme in 2015 is £nil (2014: £nil).

PIC Fyfield Limited

Notes to the financial statements Year ended 30 June 2015

16 Pensions (continued)

The financial assumptions used to calculate the scheme liabilities under FRS 17 are:

	2015	2014	2013
Increases for pensions in payment	7.10%	7.40%	3.40%
Liability discount rate	3.80%	4.20%	4.60%
Inflation assumption	2.00%	2.20%	3.40%
Revaluation of deferred pensions	2.60%	2.60%	2.60%

The mortality assumptions used are consistent with those recommended by the schemes' actuaries and reflect the latest available tables, adjusted for the experience of the scheme where appropriate. In 2015 and 2014 the mortality tables used are 90% of the SN1A tables, with birth year and 2011 CMI projections, with mortality rates increased by 25% at all ages.

The following table shows the assumptions used for all schemes and illustrates the expectation of life of an average member retiring at age 65 at the balance sheet date and a member reaching age 65 in 20 years' time.

		2015 (years)	2014 (years)
Retiring at balance sheet date at age 65:	Male	23.4	23.3
	Female	25.9	25.8
Retiring at age 65 in 20 years' time:	Male	25.2	25.1
	Female	27.8	27.7

The assets in the scheme and the expected rate of return were:

	Value at 30 June 2015 £'000	Long term rate of return expected at 30 June 2015	Value at 30 June 2014 £'000	Long term rate of return expected at 30 June 2014	Value at 30 June 2013 £'000	Long term rate of return expected at 30 June 2013
Equities	11,020	8.20%	9,950	8.20%	9,110	8.40%
Bonds	17,540	3.20%	15,260	3.20%	12,060	3.68%
Other assets	60	0.50%	(30)	0.50%	110	0.50%
Total assets	<u>28,620</u>		<u>25,180</u>		<u>21,280</u>	

The overall expected long-term rate of return on assets is 5.12% (2014: 5.18%). The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

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Notes to the financial statements Year ended 30 June 2015

16. Pensions (continued)

	2015 £'000	2014 £'000	2013 £'000	2012 £'000	2011 £'000
Balance sheet reconciliation					
Total market value of assets	28,620	25,180	21,280	19,360	18,460
Present value of scheme liabilities	(22,450)	(20,220)	(17,400)	(14,390)	(12,930)
Irrecoverable surplus not recognised	(6,170)	(4,960)	(3,880)	(6,340)	(7,020)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,370)</u>	<u>(1,490)</u>
Deficit in the scheme	-	-	-	329	388
Related deferred tax asset	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,041)</u>	<u>(1,102)</u>
Net pension liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,041)</u>	<u>(1,102)</u>

An analysis of the amount that has been charged to operating profit is as follows:

	2015 £'000	2014 £'000
Current service cost	-	-

An analysis of the amount that has been credited to net finance income is as follows:

	2015 £'000	2014 £'000
Expected return on pension scheme assets	840	790
Interest on pension scheme liabilities	(840)	(790)
Service cost	-	(430)
	<u>-</u>	<u>(430)</u>
Net return	<u>-</u>	<u>(430)</u>

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Notes to the financial statements Year ended 30 June 2015

16 Pensions (continued)

Amounts recognised in the statement of total recognised gains and losses (STRGL):

	2015 £'000	2014 £'000
Actual return less expected return on pension scheme assets	2,800	1,470
Experience gains and losses arising on the scheme liabilities	(1,590)	(820)
Actuarial gain recognised in the STRGL	1,210	650

Movements in scheme during the year:

	2015 £'000	2014 £'000
Deficit in scheme at start of year	-	-
Movement in year:		
Contributions paid	-	-
Other finance income	-	430
Actuarial gain	1,210	650
Irrecoverable surplus	(1,210)	(1,080)
Deficit in scheme at end of year	-	-

History of experience gains and losses:

	2015	2014	2013	2012	2011
Difference between the expected and actual return on scheme assets £'000s:	2,800	1,470	840	790	1,330
<i>Percentage of the scheme assets</i>	9.8%	5.8%	3.9%	4.1%	7.2%
Experience gains and losses arising on the scheme liabilities £'000s:	(1,590)	(820)	(2,520)	(1,960)	350
<i>Percentage of the present value of the scheme liabilities</i>	(7.1)%	(4.1)%	(14.5)%	(13.6)%	2.7%
Total actuarial amount recognised in the statement of total recognised gains and losses £'000s:	39	(428)	780	(490)	(2,700)
<i>Percentage of the present value of the scheme liabilities</i>	0.2%	2.1%	4.5%	3.0%	20.8%

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Notes to the financial statements Year ended 30 June 2015

17. Financial commitments

At 30 June 2015 the company had the following annual commitments under non-cancellable operating leases in respect of plant and machinery expiring as follows:

	2015 £'000	2014 £'000
Expiring:		
Within one year	-	27
Between one and five years	9	-
	<u>9</u>	<u>27</u>

18. Ultimate parent undertaking

The company's ultimate controlling party and parent undertaking is Genus plc, a company which is incorporated in the United Kingdom and registered in England and Wales. Genus plc is the largest and smallest group, of which the company is a member, for which accounts are prepared. Copies of the financial statements of Genus plc are available from its registered office whose address is as follows:

Matrix House
Basing View
Basingstoke
Hants
RG 21 4DZ

19. 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.

20. 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).