

**Company Registration No. 1334049**

**Syaqua Limited**

**Annual Report and Financial Statements**

**30 June 2007**

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# **Syaqua Limited**

## **Annual report and financial statements 2007**

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# **Syaqua Limited**

## **Annual report and financial statements 2007**

### **Officers and professional advisers**

#### **Directors**

Pigtales Limited

G Illing (resigned 9 October 2006)

D Timmins (resigned on 2 April 2007)

M B Boden (appointed 2 April 2007)

M Drake (resigned 31 October 2007)

#### **Secretary**

Pigtales Limited

#### **Registered Office**

2 Kingston Business Park

Kingston Bagpuize

Oxfordshire

OX13 5FE

#### **Auditors**

Deloitte & Touche LLP

Reading

# Syaqua Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2007

The company has taken advantage of the exemption from preparing an Enhanced Business Review applying to small companies in accordance with the provisions of s246(4) of the Companies Act 1985

### Principal activity

The principal activities of the company are the receipt of royalty income from licensing the use of intellectual property, trademarks and patents and managing the development of the "SyAqua" brand. On 4 October 2007, the company's subsidiary in Mexico sold its business for £1.3m. To date, the company has only received £0.3m of the sales proceeds and the directors consider the recoverability of the remaining sales proceeds as doubtful. Following this sale, the directors anticipate the company to continue as a holding company.

### Results and dividends

During the year, the company made a loss of £825,220 (2006: loss of £1,123,537). The directors do not recommend payment of a dividend (2006: £nil).

### Directors

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

### Auditors

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 auditors are 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors 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



M B Boden  
Director  
30 April 2008

# Syaqua Limited

## Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit and 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 estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report to the members of Syaqua Limited**

We have audited the financial statements of Syaqua Limited for the year ended 30 June 2007 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, in accordance with the relevant financial reporting framework, and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

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

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

## **Independent auditors' report to the members of Syaqua Limited (continued)**

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



**Deloitte & Touche LLP**  
Chartered Accountants and Registered Auditors  
Reading, United Kingdom  
30 April 2008

# Syaqua Limited

## Profit and loss account Year ended 30 June 2007

	Note	2007 £	2006 £
Impairment of amounts owed by intercompany debtors		(184)	(800,092)
Impairment of intangible assets	5	(723,331)	-
Amortisation of intangible assets	5	(98,615)	(98,615)
Other administration income/(expenses)		<u>36,821</u>	<u>(173,081)</u>
Total administration expenses		(785,309)	(1,071,788)
<b>Operating loss</b>		<u>(785,309)</u>	<u>(1,071,788)</u>
Foreign exchange loss		(77,648)	(59,037)
Finance charges	3	<u>-</u>	<u>(18,993)</u>
<b>Loss on ordinary activities before taxation</b>	2	(862,957)	(1,149,818)
Tax on loss on ordinary activities	4	<u>37,737</u>	<u>26,281</u>
<b>Loss on ordinary activities after taxation and retained loss for the year</b>	10, 11	<u>(825,220)</u>	<u>(1,123,537)</u>

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

All amounts relate to continuing operations.



# Syaqua Limited

## Balance sheet 30 June 2007

	Note	2007 £	2006 £
<b>Fixed assets</b>			
Intangible assets	5	295,690	1,117,636
Investments	6	178	178
		<u>295,868</u>	<u>1,117,814</u>
<b>Current assets</b>			
Debtors	7	23,294	30,786
<b>Creditors: amounts falling due within one year</b>	8	(180,379)	(184,597)
<b>Net current liabilities</b>		<u>(157,085)</u>	<u>(153,811)</u>
<b>Net assets</b>		<u>138,783</u>	<u>964,003</u>
<b>Capital and reserves</b>			
Called up share capital	9	3,800	3,800
Capital contribution reserve	10	6,996,200	6,996,200
Profit and loss account	10	(6,861,217)	(6,035,997)
<b>Shareholders' funds</b>	11	<u>138,783</u>	<u>964,003</u>

These financial statements were approved by the Board of Directors on 30 April 2008



M B Boden  
Director

# Syaqua Limited

## Notes to the financial statements Year ended 30 June 2007

### 1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted by the company are given below. These have been applied consistently throughout the current and preceding year.

#### 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.

#### 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 12).

#### Intangible assets - patents and trademarks

Patents and trademarks are included at cost and amortised in equal annual instalments over a period of 15 years which is their estimated useful economic life. Provision is made for any impairment.

#### Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment.

#### 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 group'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 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.

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.

# Syaqua Limited

## Notes to the financial statements Year ended 30 June 2007

### 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.

#### Translation of overseas currencies into sterling

Assets and liabilities are translated at rates ruling at the balance sheet date. Transactions in foreign currencies have been converted to sterling using the rates of exchange ruling of the dates of the transaction. All differences on exchange arising in the year are taken to profit and loss account.

### 2. Auditors', staff and directors' remuneration

For the years ended 30 June 2007 and 2006, the auditors' remuneration of £2,200 and £2,000 respectively has been borne by the company's immediate parent undertaking, PIC Fyfield Limited.

The directors do not believe it is practicable to apportion their emoluments between their services as directors of the group companies. The directors' emoluments for their services to the group are shown in the accounts of Genus plc. The company had no employees, other than the directors, during the year (2006: nil).

### 3. Finance charges

	2007	2006
	£	£
Interest payable to group undertakings	-	18,933

### 4. Taxation

Taxation comprises

	2007	2006
	£	£
<b>Current taxation:</b>		
Corporation tax	(23,294)	(284,722)
Adjustment in respect of prior periods	(14,443)	258,441
UK corporation tax credit	(37,737)	(26,281)

# Syaqua Limited

## Notes to the financial statements Year ended 30 June 2007

### 4. Taxation (continued)

#### Factors affecting current tax credit for the year/period

	2007 £	2006 £
Loss on ordinary activities before taxation	(862,957)	(1,149,818)
Taxation at the standard UK corporation tax rate of 30 % (2006 30%)	(258,887)	(344,945)
Unutilised tax losses	29,584	60,223
Adjustment in respect of prior periods	(14,443)	258,441
Expenses not taxable	206,009	-
Total current tax credit	(37,737)	(26,281)

No deferred tax asset is recognised in respect of the losses carried forward as it is not reasonably certain that these losses will be utilised. The amount of the asset not recognised is £341,842 (2006 £426,000)

### 5. Intangible fixed assets

	Trademarks £
<b>Cost</b>	
At 1 July 2006 and 30 June 2007	1,479,223
<b>Accumulated amortisation</b>	
At 1 July 2006	361,587
Impairment	723,331
Charge for the year	98,615
At 30 June 2007	1,183,533
<b>Net book value</b>	
At 30 June 2007	295,690
At 30 June 2006	1,117,636

The intangible asset results from the acquisition by the company of the trademark of Super Shrimp S A de C V, registered in Mexico, during the year ended 30 June 2003. Subsequent to the year-end, the company sold the trademark to its subsidiary in Mexico.

# Syaqua Limited

## Notes to the financial statements Year ended 30 June 2007

### 6. Fixed asset investments

	£
Shares in subsidiary undertakings	
At 1 July 2006 and 30 June 2007	178

#### Subsidiary undertaking

The company's subsidiary undertaking at 30 June 2007 is as follows

	Class of shares and nominal value	Percentage of nominal value of issued shares held	Nature of Business
Syaqua Mexico, S de R L de C V (incorporated in Mexico)	Ordinary 3,000 mexican pesos	100%	Shrimp breeding

In the opinion of the directors, the aggregate recoverable value of the investment in the company's subsidiary is not less than the aggregate amount at which this asset is stated in the balance sheet

### 7. Debtors

	2007 £	2006 £
Amounts owed by group undertakings	23,294	30,786

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

	2007 £	2006 £
Amounts owed to group undertakings	180,379	184,597

### 9 Called up share capital

	2007 £	2006 £
Authorised, allotted and fully paid: 3,800 ordinary shares of £1 each	3,800	3,800

# Syaqua Limited

## Notes to the financial statements Year ended 30 June 2007

### 10 Reserves

	Capital contribution reserve £	Profit and loss account £
At 1 July 2006	6,996,200	(6,035,997)
Loss for the year	-	(825,220)
At 30 June 2007	<u>6,996,200</u>	<u>(6,861,217)</u>

### 11. Movement on shareholders' funds

	2007 £	2006 £
Opening shareholders' funds/(deficit)	964,003	(4,908,660)
Capital contribution	-	6,996,200
Loss for the year	(825,220)	(1,123,537)
Closing shareholders' funds	<u>138,783</u>	<u>964,003</u>

### 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 SyAqua 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 'Related Party Transactions', 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 2007 the total contingent liability in respect of group borrowings was £136.1m (2006 £151.9m).

### 15. Post balance sheet event

On 4 October 2007, the company's subsidiary in Mexico sold its business for £1.3m. To date, the company has only received £0.3m of the sales proceeds and the directors consider the recoverability of the remaining sales proceeds as doubtful.