

# **Genus Management Services Limited**

## **Report and Accounts**

31 March 2001



# Genus Management Services Limited

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# Genus Management Services Limited

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Registered number: 01809650

## **DIRECTORS**

RK Wood

TP Acton

## **SECRETARY**

F Hall

## **REGISTERED OFFICE**

Westmere Drive

Crewe

Cheshire

CW1 6ZY

## **AUDITORS**

Ernst & Young

100 Barbirolli Square

Manchester

M2 3EY

## **SOLICITORS**

DLA

3 Noble Street

London

EC2V 7EF

## **BANKERS**

Barclays Bank PLC

51 Mosley Street

Manchester

M60 3DQ

# Genus Management Services Limited

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## DIRECTOR'S REPORT

The directors present their annual report and the financial statements for the year ended 31 March 2001.

### RESULTS AND DIVIDENDS

The loss for the year, after taxation amounted to £1,815,000 (2000: £nil). The directors do not recommend the payment of a dividend.

### ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company, which was previously dormant, commenced trading on 1 April 2000 and its principal activity during the year was the provision of management and corporate services to Genus plc and its subsidiary companies.

### CHARITABLE AND POLITICAL DONATIONS

During the year charitable donations amounted to £150. There were no contributions for political purposes.

### DIRECTORS AND THEIR INTERESTS

The directors holding office during the year were:

R K Wood

T P Acton

No directors held interests in the company's shares. Details of interests in shares and share options of the parent company, Genus plc, are detailed in the annual report of that company.

All the directors are employed full-time by the company. In accordance with the Articles of Association and best practice T P Acton will retire as director by rotation at the Annual General Meeting and being eligible will offer himself for re-election.

### EMPLOYMENT POLICIES

The company's policies respect the individual regardless of sex, race or religion. Full and fair consideration is given to applications for employment from disabled people. The services of employees who become disabled are retained wherever possible.

### ENVIRONMENTAL POLICY

The directors recognise and accept that concern for the environment is an essential part of business strategy and seek to minimise risk to the environment by effective management of the company's activities.

### SUPPLIERS

The company endeavours to agree the terms of payment with suppliers prior to placing business. This ensures that suppliers are aware of these terms in advance. It is the company's policy to settle liabilities by the due date. At 31 March 2001 the company had an average of nil days purchases outstanding in trade creditors.

### AUDITORS

Ernst & Young has stated that it is intending to transfer its business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP, on 28 June 2001. The directors have consented to treating the appointment of resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the Board

  
Frank Hall

Secretary

20 June 2001

**20 JUN 2001**

## Genus Management Services Limited

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### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

**REPORT OF THE AUDITORS**

**to the shareholders of Genus Management Services Limited**

We have audited the accounts on pages 5 to 12, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

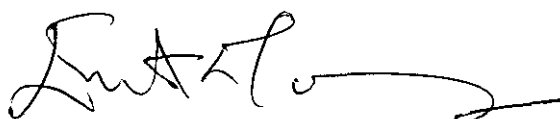
**Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 2001 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Registered Auditor  
Manchester

24/7/01.

# Genus Management Services Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2001

	<i>Notes</i>	<i>2001</i> <i>£000</i>	<i>2000</i> <i>£000</i>
<b>TURNOVER</b>		-	-
		<hr/>	<hr/>
		-	-
		<hr/>	<hr/>
Underlying operating loss	2	(1,439)	-
Acquisition and new business start up costs	2	(249)	-
Flotation costs	2	(124)	-
		<hr/>	<hr/>
<b>OPERATING LOSS</b>	2	(1,812)	-
Interest payable and similar charges	3	(3)	-
		<hr/>	<hr/>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(1,815)	-
Tax on loss on ordinary activities	4	-	-
		<hr/>	<hr/>
<b>RETAINED LOSS FOR THE YEAR</b>		(1,815)	-
		<hr/>	<hr/>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

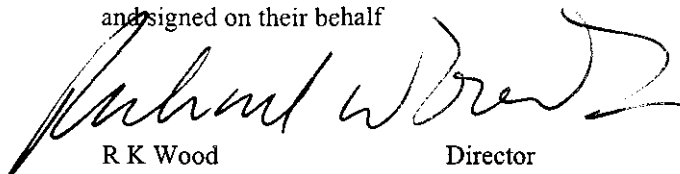
There are no recognised gains and losses other than the loss for the financial year of £1,815,000 (2000: £nil).

# Genus Management Services Limited

## BALANCE SHEET at 31 March 2001

	Notes	2001 £000	2000 £000
<b>FIXED ASSETS</b>			
Tangible assets	7	69	-
		<u>69</u>	<u>-</u>
<b>CURRENT ASSETS</b>			
Debtors	8	727	-
		<u>727</u>	<u>-</u>
<b>CREDITORS: amounts falling due within one year</b>	9	2,589	-
		<u>(1,862)</u>	<u>-</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>(1,793)</u>	<u>-</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>(1,793)</u>	<u>-</u>
<b>CREDITORS: amounts falling due after more than one year</b>	10	22	-
		<u>(1,815)</u>	<u>-</u>
<b>NET LIABILITIES</b>			
		<u>(1,815)</u>	<u>-</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	-	-
Profit and loss account	13	(1,815)	-
		<u>(1,815)</u>	<u>-</u>
<b>EQUITY SHAREHOLDERS' DEFICIT</b>			
		<u>(1,815)</u>	<u>-</u>

Approved by the Board on  
and signed on their behalf



R K Wood                      Director

**20 JUN 2001**



# Genus Management Services Limited

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## NOTES TO THE ACCOUNTS at 31 March 2001

### 1. ACCOUNTING POLICIES

#### *Accounting convention and financial reporting standards*

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards. The company, in the preparation of the accounts, has adopted FRS19 "Deferred Tax" and has therefore provided for deferred tax in full. The financial statements have been prepared on the going concern basis due to the continuing support of the ultimate parent undertaking, Genus plc.

#### *Fixed assets, depreciation and amortisation*

Fixed assets are stated at cost less depreciation. Depreciation is calculated to write off the assets over their estimated lives on a straight-line basis. The rates of annual depreciation are as follows:

#### *Tangible assets:*

Equipment	5% - 33 $\frac{1}{3}$ %
Motor vehicles	20% - 30%

#### *Leased assets*

Assets acquired under finance leases are capitalised in the balance sheet and depreciated over their estimated useful lives. The capital elements of future lease obligations are included as liabilities on the balance sheet. The related finance charges are charged in the profit and loss account over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding. Rentals under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

#### *Pensions*

The company operates a defined benefit scheme for some of its employees. Pension costs are recognised on a systematic basis to match the costs of providing retirement benefits evenly over the service lives of the employees concerned. Any excess or deficiency of the actuarial value of assets over the actuarial value of liabilities is allocated over the average remaining service lives of current employees.

A number of employees are members of defined contribution pension schemes. Contributions are charged to profit and loss as they become payable in accordance with the rules of the scheme. The assets of these schemes are held separately from those of the company.

#### *Deferred taxation*

Deferred taxation 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 future or a right to pay less tax in future have occurred at the balance sheet date. This is subject to deferred taxation assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the company's taxable losses and its results as stated in the financial statements, which are capable of reversal in one or more subsequent periods.

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

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account.

#### *Statement of cash flows*

The company is exempt, from producing a Statement of Cash Flows in these accounts, as it is a wholly owned subsidiary of another undertaking incorporated in the United Kingdom, which has included a consolidated Statement of Cash Flows in its consolidated accounts.

# Genus Management Services Limited

## NOTES TO THE ACCOUNTS

at 31 March 2001

### 2. OPERATING LOSS

	2001	2000
	Total	Total
	£000	£000
Administrative expenses	(1,812)	-
This is stated after charging:		
Auditors' remuneration		
- audit services	5	-
- non-audit services	39	-
Depreciation of owned fixed assets	5	-
Depreciation of assets held under finance leases and hire purchase contracts	20	-
Acquisitions and new business start up costs	249	-
Flotation costs	124	-

Costs associated with acquisitions, new business start up and flotation costs include £116,000 remuneration paid to the auditors by way of non-audit services (2000: £nil). These costs were in respect of the holding company, Genus plc, and its subsidiary companies.

### 3. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£000	£000
Finance charges payable under finance lease and hire purchase contracts	3	-

### 4. TAXATION

The taxation charge for the year is £nil (2000: £nil).

The company has offset any taxable losses against profits of other group companies for the year. No charge has been made for this group relief.

No provision for deferred tax is required as at 31 March 2001. Deferred tax can be analysed as follows:

	2001	2000
	£000	£000
Capital allowances in excess of depreciation	1	-
Tax losses	(1)	-
	-	-

# Genus Management Services Limited

## NOTES TO THE ACCOUNTS

at 31 March 2001

### 5. DIRECTORS' EMOLUMENTS

	<i>2001</i> <i>£000</i>	<i>2000</i> <i>£000</i>
Emoluments	280	-
Company contributions to money purchase pension schemes	24	-
	<i>2001</i> <i>No</i>	<i>2000</i> <i>No</i>
Members of money purchase pension schemes	1	-
	<i>2001</i> <i>No</i>	<i>2000</i> <i>No</i>
Members of defined benefit pension schemes	1	-

The amounts in respect of the highest paid director are as follows:

	<i>2001</i> <i>£000</i>	<i>2000</i> <i>£000</i>
Emoluments	170	-
Company contributions to money purchase pension schemes	24	-

### 6. EMPLOYEES

Staff costs during the year amounted to:

	<i>2001</i> <i>£000</i>	<i>2000</i> <i>£000</i>
Wages and salaries	670	-
Social security costs	76	-
Other pension costs	38	-
	784	-

The average number of employees, including directors, during the year was as follows:

	<i>2001</i> <i>No</i>	<i>2000</i> <i>No</i>
Administration	13	-

# Genus Management Services Limited

## NOTES TO THE ACCOUNTS

at 31 March 2001

### 7. TANGIBLE FIXED ASSETS

	<i>Motor vehicles and equipment</i>		
	<i>Owned</i>	<i>Leased</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:			
At 1 April 2000	-	-	-
Additions	20	92	112
Disposals	-	(23)	(23)
At 31 March 2001	20	69	89
Depreciation:			
At 1 April 2000	-	-	-
Charge in the year	5	20	25
Disposals	-	(5)	(5)
At 31 March 2001	5	15	20
Net book value:			
At 31 March 2001	15	54	69
At 31 March 2000	-	-	-

### 8. DEBTORS

	<i>2001</i>	<i>2000</i>
	<i>£000</i>	<i>£000</i>
Other debtors	176	-
Amounts owed by group undertakings	468	-
Prepayments and accrued income	83	-
	727	-

### 9. CREDITORS: amounts falling due within one year

	<i>2001</i>	<i>2000</i>
	<i>£000</i>	<i>£000</i>
Bank overdrafts	1,939	-
Obligations under finance leases	13	-
Other creditors	5	-
Amounts owed to group undertakings	152	-
Other taxes and social security	13	-
Accruals and deferred income	467	-
	2,589	-

The bank overdraft is secured by fixed and floating charges over certain of the parent company and its subsidiary companies assets.

# Genus Management Services Limited

## NOTES TO THE ACCOUNTS

at 31 March 2001

### 10. CREDITORS: amounts falling due after more than one year

	2001 £000	2000 £000
Obligations under finance leases:		
Between two and five years	22	-
	<u>22</u>	<u>-</u>

### 11. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The maturity of these is as follows:

	2001 £000	2000 £000
Amounts payable:		
within one year	18	-
within two to five years	25	-
	<u>43</u>	<u>-</u>
Less: finance charges allocated to future periods	(8)	-
	<u>35</u>	<u>-</u>

Finance leases and hire purchase contracts are analysed as follows:

	2001 £000	2000 £000
Due within one year	13	-
Due after more than one year	22	-
	<u>35</u>	<u>-</u>

### 12. SHARE CAPITAL

	2001		2000	
	No	£000	No	£000
Authorised				
Ordinary shares of £1	100	-	100	-
	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
Allotted and fully paid				
Ordinary shares of £1	100	-	100	-
	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>

# Genus Management Services Limited

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## NOTES TO THE ACCOUNTS

at 31 March 2001

### 13. RESERVES

*Profit and  
loss account  
£000*

At 1 April 2000

Loss transferred for the year

-  
(1,815)

At 31 March 2001

(1,815)

### 14. CAPITAL COMMITMENTS

At 31 March 2001 no capital expenditure (2000: £nil) had been contracted for.

### 15. PENSIONS

Some permanent staff of Genus Management Services Limited are eligible for membership of The Milk Pension Fund, contributions to which are determined by the aggregate membership and funding of the scheme. Further details of the scheme are included in the accounts of Genus plc, the ultimate parent undertaking.

The company also operates defined contribution pension schemes in respect of some employees. the assets of the schemes are held separately from those of the companies to which they relate in an independently administered fund.

### 16. PARENT UNDERTAKING

The company's immediate and ultimate parent undertaking and controlling party, is Genus plc which has included the company in its group accounts, copies of which are available from it's registered office, Westmere Drive, Crewe, Cheshire, CW1 6ZY.