



Focused on value creation

GENUS PLC / Annual Report 2024

A successful company has a compelling vision and a vibrant culture that unites its teams, and we have reviewed both this year.

Jorgen Kokke
Chief Executive



STRATEGIC REPORT

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CORPORATE GOVERNANCE

See pages 57-105

FINANCIAL STATEMENTS

See pages 106-191

ADDITIONAL INFORMATION

See pages 192-201

2024 Highlights

Group revenue

£668.8m

2023: £689.7m -3%

Statutory profit before tax

£5.5m

2023: £39.4m -86%

Adjusted profit before tax¹

£59.8m

2023: £71.5m -16%

Free cash flow¹

-£3.2m

2023: £9.1m

Dividend per share

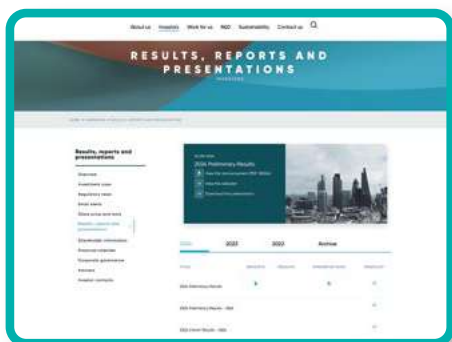
32.0p

2023: 32.0p -00%

Adjusted basic earnings per share¹

65.5p

2023: 84.8p -23%



For more information, visit our website
genusplc.com

¹ Adjusted results are the Alternative Performance Measures ('APMs') used by the Board to monitor underlying performance at a Group and operating segment level, which are applied consistently throughout. These APMs should be considered in addition to statutory measures, and not as a substitute for or as superior to them. For more information on APMs, see the APM Glossary

Genus at a Glance

Pioneering animal genetic improvement

WHAT WE DO

We produce and sell elite animals to farmers. Our elite animals exhibit traits that farmers value, such as feed conversion efficiency, disease resistance and faster growth. Our genetics therefore enable farmers to raise healthier animals that produce more high-quality protein per unit of input. This both increases farmer profitability and reduces the environmental impact of animal protein production.

➔ See pages 6–9

HOW WE DO IT

We use a process called genomic selection to drive continuous genetic improvement in our elite animal herds. We analyse each animal's DNA to identify the presence (or absence) of specific genetic markers that are known to be linked to certain characteristics. By aggregating the presence (or absence) of these markers in an animal's genome, we can calculate an Estimated Breeding Value ('EBV') for each individual. The higher the EBV, the greater the genetic potential of the individual. We then iteratively improve our herds by breeding together those individuals with the highest EBV scores.

In addition to genomic selection, we develop proprietary technologies that accelerate genetic gain and/or deliver other value-added services or products to farmers. A good example is our sexing technology, which enables semen to be sorted into female sex (valued by the dairy industry) and male sex (valued by the beef industry).

Our customers access our genetics through the provision of live animals, semen or embryos. We apply our technological solutions prior to sale or license them to customers for their own use.





The livestock sector requires intensified productivity via improved genetics and feeding practices... to reduce resource usage.

UN Food and
Agriculture Organization

OUR COMPETITIVE ADVANTAGE

Our proprietary herds, intellectual property and technical know-how create a significant barrier to entry. Global supply chain is also a key differentiator because customers trust us to supply large volumes of elite genetics with high health status. Scale means we can also increasingly leverage our phenotypic and genotypic data collection to improve the precision of our genomic selection, thereby accelerating genetic gain. Many of our customer and research partner relationships have been nurtured over decades of mutual collaboration.

A 2004 study at Iowa State University funded by the National Pork Board³ examined the impact of PRRS on the U.S. industry alone. The research team estimated the cost of PRRS in U.S. nursery pigs to be \$201.34 million per year and finishing pigs to be \$292.23 million per year. Combining the aggregated costs of PRRS to the breeding herd, nursery herd, and finishing herd yields an annual estimate of \$560.32 million borne by U.S. pork producers.

OUR COMMERCIAL DIVISIONS

Our porcine and bovine divisions operate under the brand names PIC and ABS, respectively. Porcine and bovine markets are different, consequently PIC and ABS employ different business models and have different financial profiles.

PIC



Number of employees⁴

900+

Adjusted revenue¹

£352.5m

Adjusted operating profit⁵

£103.6m

Adjusted operating margin²

26.6%

→ See pages 22-25 for our PIC
divisional review

ABS



2,400+

£314.9m

£14.0m

4.4%

→ See pages 18-21 for our ABS
divisional review

¹ Revenue Includes Joint Ventures

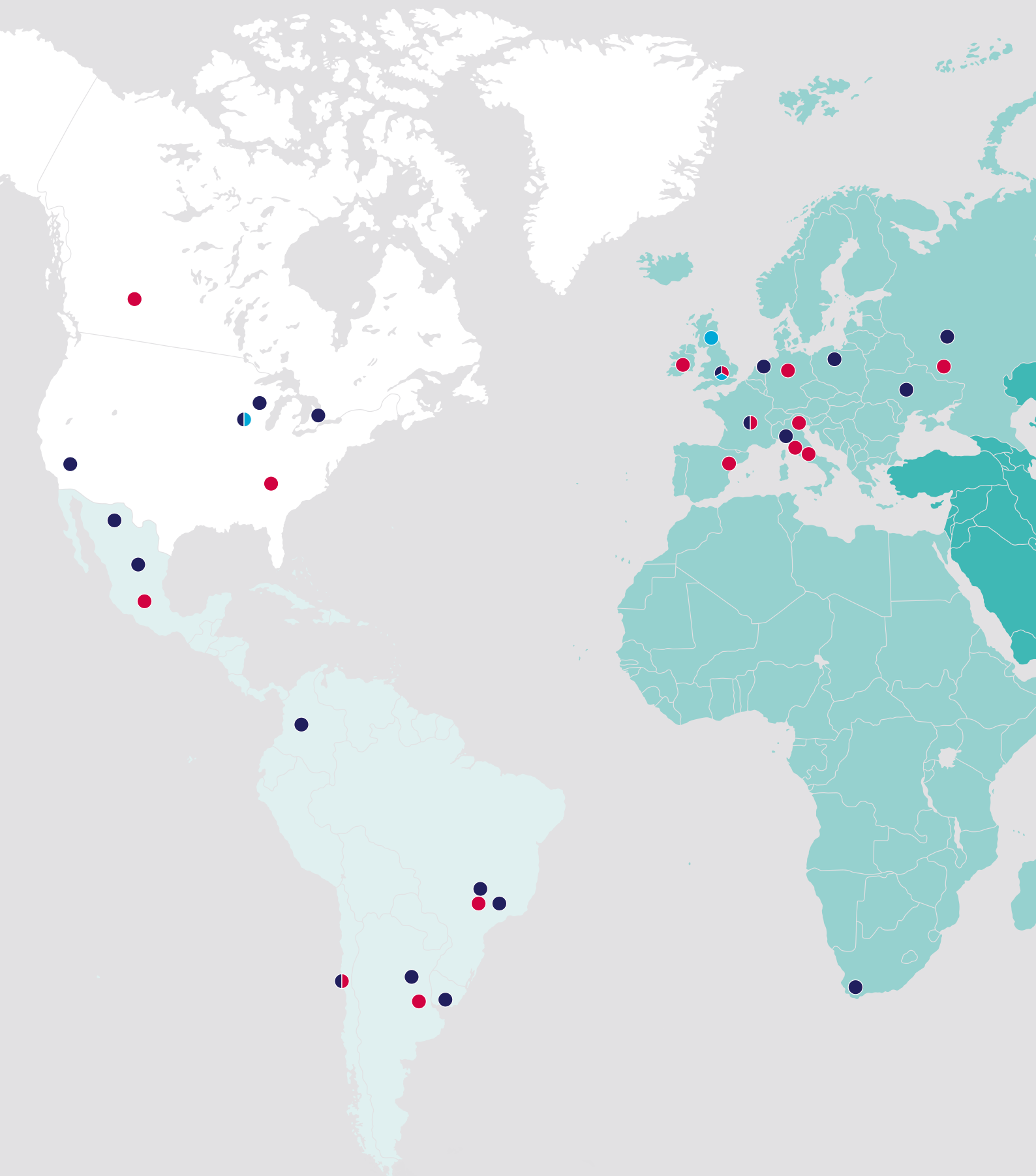
² Excluding Joint Ventures

³ Economic Impact of PRRS on the Cost of Pork Production – Pork Checkoff

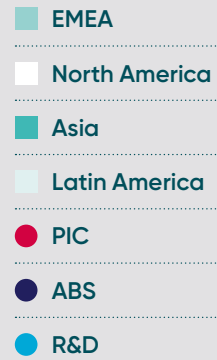
⁴ Average number of employees (excluding agency staff and contractors)

⁵ Adjusted Operating Profit includes product development

Genus at a Glance continued



Our business is global and we have a supply chain and commercial operations to match.



Our Markets and Business Model

Long-term growth drivers in our markets

CONSUMERS

01

Increasing demand for animal protein

Expansion and urbanisation of the global population is driving increased demand for third-party produced food. Consumers are also increasingly looking for a more varied and nutritious diet. The Food and Agriculture Organization of the United Nations estimates that this will drive increased total consumption of pork, milk and beef by approximately 1-2% per annum over the next decade.

→ See pages 8 to 9

02

Increasing demand for healthier and higher-welfare foods

Consumers increasingly want healthier and more sustainable products that are produced with focus on animal welfare, provenance and reduced drug usage. This increases farmers' demand for genetically superior animals which are naturally more disease resistant and productive.

→ See pages 8 to 9



Total consumption of pork, milk and beef estimated to increase by approximately

1-2%_{p.a.}

PRODUCERS

03

Increasing consolidation and technification

Animal protein production tends to consolidate over time to a smaller number of larger farmers. These larger farmers, or farming groups, tend to be more data-driven and progressive in their use of elite genetics and other technologies to drive operational efficiency. Our addressable market therefore tends to grow as market consolidation occurs.

04

Increasing vertical integration

The animal protein supply chain also tends to vertically integrate over time with increasingly deep relationships developing between farmers, processors and retailers. This tends to make farmers value elite genetics more highly as the benefit of some traits, such as carcass quality, accrue downstream in the supply chain.

Maturing markets also tend towards increased vertical integration. This in turn makes our customers more aware of the value of elite genetics, as the direct benefit of some desirable traits, such as carcass quality and consistency, accrues downstream in the supply chain. Vertically integrated producers therefore retain more of the benefit from our elite genetics.

→ See pages 8 to 9

SUSTAINABILITY

05

Animal protein production will need to become more efficient

Animal protein production is increasingly subject to sustainability demands from regulators and consumers. Increased use of elite genetics is likely to be a key component of increasing productivity and animal welfare within the industry. Improved genetics have already contributed to increased productivity that have reduced the number of animals required (the US beef industry has increased pounds of beef produced per head by 67.6% since 1961, compared to 2019 (FAO 2023 and Our World in Data 2024).

→ See pages 35 to 49



We estimate that in FY24 our elite porcine and bovine genetics reduced or avoided carbon emissions by 3.9¹ million tonnes of CO₂ equivalent.

¹ These reductions in GHG emissions are estimates. See page 37 for more information

Since 1961, the US beef industry has increased pounds of beef produced per head by

67.6%

Our Markets and Business Model continued

Porcine

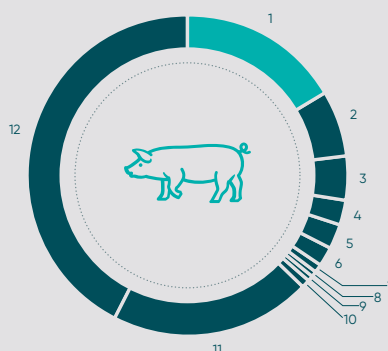
Marketplace

We estimate that PIC has ~16% market share in the global porcine genetics market. Porcine production is relatively consolidated and vertically integrated.

c16%

of the porcine genetics market

Porcine Market Share



1	PIC	16.5%
2	Competitor 1	6.6%
3	Competitor 2	4.5%
4	Competitor 3	2.6%
5	Competitor 4	2.3%
6	Competitor 5	2.1%
7	Competitor 6	0.8%
8	Competitor 7	0.6%
9	Competitor 8	0.6%
10	Competitor 9	0.7%
11	Internal programmes	20.3%
12	Other	42.4%

Production system

Pork tends to be produced in pyramids, as shown in the diagram below.

Genetic improvement is driven at the top of the pyramid. PIC has three highly bio-secure elite farms in North America where we conduct genomic selection on our proprietary herds of pure line pigs. The best animals are retained in our elite farms whilst other top-performers are cascaded down the pyramid.

High-performing males are sent from the elite farms to boar studs. Here, semen is collected and used throughout the rest of the pyramid to artificially inseminate females.

High-performing females are sent from our elite farms to nucleus farms. Here, their numbers are expanded so that we have a sufficient number of pure line animals to supply our multiplication partners.

Pure line females from nucleus farms are sent to multiplication farms where they are cross-bred with semen from males of a different line.

Cross-bred female offspring from the multiplication farms are then sent to commercial farms where they are inseminated with terminal boar semen to produce offspring that are sent to slaughter.

PIC only owns proprietary assets at the top of the pyramid. This delivers high return on invested capital (ROIC) and reduces our exposure to the financial risks of pork production, such as feed costs, disease and pork price volatility. Our proprietary footprint, coupled with long-standing nucleus and multiplication relationships, means we have a highly responsive global supply chain that can supply high volume elite genetics with high health status.

What we sell

We sell male and female pigs, as well as semen. We also have teams of technical specialists, such as veterinarians and nutritionists, who advise our customers on how to improve the efficiency and robustness of their farming systems.

Route to market

We distribute directly to customers as well as through distributors and franchisees in some markets. Our franchise partners pay us a variable fee for the use of PIC's brand and genetics.

How we sell

We sell under two models, upfront and royalty. Under the upfront model, PIC receives the full fair value of the animal or product immediately. Under the royalty model, PIC initially sells the animal or product at cost but then receives royalties based on a series of future identifiable events. In the majority of cases this future event is a piglet being weaned from the original genetics. The royalty model decreases our exposure to cyclical producer profitability and increases our revenue visibility and customer retention.

Our opportunity

- Expand our genetic lead by driving genetic improvement faster than competitors
- Grow market share by (1) partnering with progressive customers who are winning production share, (2) increasing our wallet share with these customers, (3) winning new customers and (4) expanding into new markets
- Develop China into a 'home market' with a local supply chain and royalty focused sales team
- Launch our PRP once we have built the necessary regulatory portfolio
- Explore technology-led solutions to other diseases and challenges facing pork producers

Top 10 pork production markets

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

PIC presence in the pig breeding pyramid

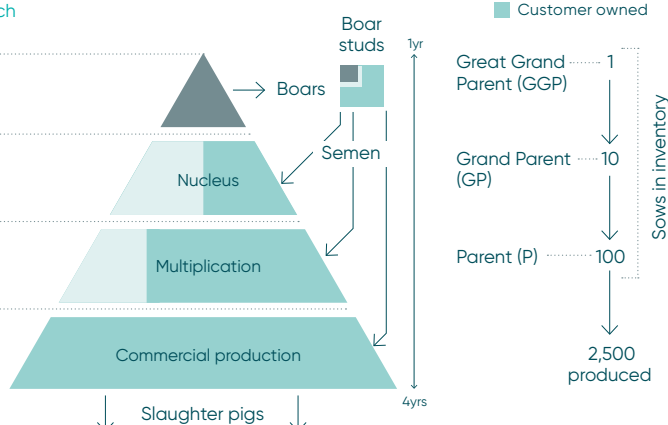
Objectives vary at each level of the pyramid

Genetic improvement

Pure line expansion

Cross breeding for parent (F1) production

F1 hybrid females to terminal sires

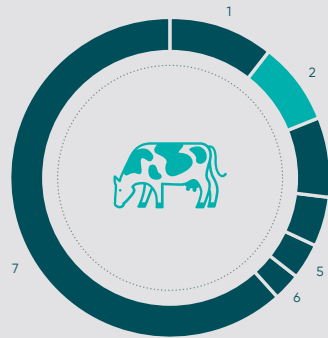


Bovine

Marketplace

We estimate that ABS has ~8% market share in the global bovine genetics market. Dairy production is typically more consolidated than beef production, but both are significantly more fragmented than pork production. The bovine genetics landscape is also different to porcine, with many more breeds in regular usage and large genetic co-ops having significant market share.

Bovine Market Share



1	Competitor 1	10.7%
2	ABS	8.4%
3	Competitor 2	7.9%
4	Competitor 3	5.0%
5	Competitor 4	3.6%
6	Competitor 5	3.0%
7	Other	61.4%

Dairy production system

Dairy farmers typically use artificial insemination to create pregnancies in their female cows. Cows produce milk for about 10 months after giving birth. This milk is typically marketed to a third-party processor, who collects, processes, stores and sells the milk or milk products (such as cheese and butter) to subsequent parts of the value chain.

Farmers either retain the female calves from dairy cows, to grow or maintain their dairy herd, or sell them to the beef industry alongside the male calves.

Over the last decade, progressive dairy farmers have increasingly utilised sexed semen to actively manage the sex of their dairy cow offspring. They inseminate their high-performing cows with X-skew sexed semen, which has a significantly greater proportion of sperm carrying a female chromosome, to increase the probability that the resultant offspring are females. These female calves are likely to be high performing and the farmers retain them for their dairy herd.

Lower-performing cows, whose offspring are less desirable for the dairy herd, are instead inseminated with conventional semen or, increasingly, with beef-on-dairy semen. Beef-on-dairy semen contains genetics with traits optimised for the beef industry, such as growth rate, feed efficiency and carcass value. These calves are therefore more valuable when sold to the beef industry, which creates more economic value for the dairy farmer. A nascent but exciting new market is sexed beef-on-dairy genetics. Here, Y-skew genetics are attractive to the beef industry because males tend to grow faster and produce heavier carcasses.

Our dairy opportunity

- Drive genetic improvement faster than competitors
- Execute actions identified under our Value Acceleration Programme (see page 19) to structurally improve margins, ROIC and cash generation
- Drive increased adoption of sexed, beef-on-dairy and Y-skew by dairy farmers
- Grow the market share of our IntelliGen third-party sexing solutions

Top 10 dairy production markets



Beef production system

Beef production is less homogeneous than dairy systems and utilises many breeds. The supply chain is also less vertically integrated than either dairy or pork. Use of advanced genetics and artificial insemination in the beef industry is lower because producers are in aggregate less consolidated and technified than dairy.

Beef production is mainly from pure-bred beef animals, although an increasing portion is coming from beef-on-dairy usage.

Our beef opportunity

- Drive genetic improvement faster than competitors
- Drive increased adoption of sexed, beef-on-dairy and Y-skew by dairy farmers by demonstrating the superiority of our proprietary beef genetics across the value chain, through trials and partnerships

- Develop more 'pull-through' partnerships with downstream partners in the value chain (see How we sell below)

Top 10 beef production markets



What we sell

We predominantly sell straws of semen (conventional and sexed) for artificial insemination use in the dairy and beef industries. We also sell embryos, which contain elite male and female genetics, to highly progressive farmers who are focused on maximising the rate of genetic improvement in their herds. We also offer adjacent services and products to farmers through our artificial insemination technicians, who visit customer farms.

Route to market

We distribute directly to customers and through distributors.

How we sell

The majority of our bovine sales are transactional, although there is a growing share under multi-year contracts. In beef we also employ 'pull-through' contracts. The beef industry is less vertically integrated and the value of beef genetics (e.g. a premium for marbling) tends to accrue to downstream entities such as processors, packers and retailers. If we can demonstrate this increased economic value, as well as sustainability benefits, to these downstream entities, they can incentivise their upstream suppliers to use ABS genetics. By winning downstream we can therefore 'pull-through' our genetics.

Chairman's Statement



Genus is well positioned for the opportunities ahead.

Iain Ferguson CBE
Chairman

Decisive management action in challenging markets

Market conditions made this a tough year for the Group, our people and our shareholders. Even so, Genus has continued to prove its resilience and our leadership team has taken swift action to drive performance and ensure we are well positioned for the opportunities ahead.

Stephen Wilson handed over to Jorgen Kokke as Chief Executive on 1 July 2023 and the smooth transition has helped Jorgen to make a significant difference in his first year. This includes defining our strategic priorities, his focus on operational excellence and refreshing the values that inform our culture. We are also benefiting from Jorgen's connections and international experience and from having an Executive Director based in the US, which is a key market for Genus and home to some of our most important operations.

Performance and dividend

PIC achieved robust performance, growing market share and increasing profit in all regions outside Asia. ABS faced significant challenges around the globe, particularly in China and Brazil, with the impact of challenging trading offset in part by profit improvements from our Value Acceleration Programme.

Overall, the Group's adjusted profit before tax (PBT) was £59.8m (2023: £71.5m) and adjusted operating profit excluding JVs was £67.0m (2023: £74.6m). Statutory PBT was £5.5m (2023: £39.4m).

Having declared an unchanged interim dividend of 10.3p per share during the year, the Board is recommending a final dividend of 21.7p per share, to give a total for FY24 of 32.0p (2023: 32.0p). This results in dividend cover of 2.0 times based on adjusted earnings, slightly below our target range of 2.5-3.0 times. Our dividend policy reflects the Board's desire to balance our ongoing investment in the Group with appropriate returns for shareholders.

Our strategic priorities

I have spoken before about Genus being a long-cycle business and the imperative of maintaining our strategic investments in R&D, product development, supply chain and talent. In particular, we will only remain a market leader by continuously investing in advancing animals' genetic potential, which can only occur across multiple breeding cycles.

This does not mean we can sacrifice short-term delivery. Long-term outcomes accumulate over successive short-term periods, so each short-term period must be as successful as possible. Much of the Board's annual strategy day in January 2024 was devoted to detailed discussion of four strategic priorities identified by management, which we strongly support. While the Group's overall strategy is unchanged (see pages 14 to 15), the priorities bring new clarity and focus, encouraging action and creating accountability through measurable outputs. This has enabled our team to take rapid steps to improve our near-term financial performance, while helping to secure our long-term prospects through effective allocation of our R&D resources and seizing the PRRS resistant pig opportunity. We are pleased to see benefits already coming through, as Jorgen discusses in his review on page 12. In FY25, the Board will focus on assisting the executive team with successful implementation of these priorities, while providing oversight and challenge where needed.



Genus's strategic priorities bring new clarity and focus, encouraging action and creating accountability through measurable outputs.

Dividend (p)

32.0

Employees

3.5k+



The Board

As we previously reported, Lykele van der Broek retired from the Board following the 2023 AGM. The Board highly valued Lykele's knowledge and we set out to recruit a successor with a similar skillset. We were delighted to welcome Dr Ralph Heuser to the Board from 1 January 2024. He has deep experience in the animal health sector and is a senior adviser to a leading life sciences management consultancy. His understanding of the regulatory world will be increasingly useful to us and his base in Munich gives the Board a mainland European presence.

Our people and culture

All of our colleagues are important and we continue to invest in our people, even in tough times. We are grateful to them for their support during several organisational changes in the year, for example as we moved our IntelliGen business from the R&D area and combined it with ABS.

Other than Stephen Wilson's retirement, there was one change to the Genus Executive Leadership Team in FY24, as Jim Low became Chief Operating Officer of Genus ABS following Nate Zwald's departure. Jim brings significant experience gained in international food companies and is leading our Value Acceleration Programme in ABS.

Overseeing the Group's culture is one of the Board's main responsibilities and we were pleased to support the Group's refreshed values (see page 34), which had last been updated over a decade ago. While our values have stayed consistent over time, they are now expressed in a clearer and more action-oriented way, making them a better guide to the behaviours we want to see across the Group.

Looking forward

The macro environment remains very uncertain, with conflict in Europe and the Middle East, a tough Chinese economy, geopolitical tensions and the upcoming US Presidential election among the factors that make the near-term outlook challenging. However, the long-term trends remain in our favour and we are confident that the Group is taking the right actions to deliver for all our stakeholders.

Iain Ferguson CBE
Chairman

Chief Executive's Review



Strategic priorities have started to deliver.

Jorgen Kokke
Chief Executive

FY24 was a tough year for both parts of the Group. Difficult end markets affected our performance and we responded quickly by identifying and starting to implement four strategic priorities. These are already bearing fruit, with more to come in FY25 and beyond.

Group performance

Group revenue was 2% up in constant currency and down 3% in actual currency. Adjusted PBT decreased by 8% (16% in actual currency), while statutory PBT was 86% lower.

PIC continued to gain market share in every region outside Asia. Europe was the standout performer and North America grew profits in very challenging conditions. Asia was impacted by the ongoing slow recovery in China. Overall PIC's volumes were up 3%, revenue was 1% lower and royalty revenue rose 4%. Adjusted operating profit (including joint ventures) fell by 2% in constant currency.

ABS faced significant challenges around the globe, particularly in China and Brazil. As a result, volumes were 6% lower, albeit revenues were up 4% in constant currency. Adjusted operating profit was down 3% in constant currency, with the impact of challenging trading largely offset by £7.3 million of profit improvements from our Value Acceleration Programme ('VAP'). ABS was significantly impacted by exchange rate movements in the year, most notably the Argentine Peso. This resulted in adjusted profit in actual currency decreasing by 25%.

Our people and culture

Colleagues across our company continued to demonstrate deep commitment, drive and energy, despite some difficult circumstances during the year. Our teams helped us navigate challenges and deliver

the strategic progress that positions us well for the future. I would like to thank all Genus team members for their contribution.

Any successful company requires a compelling vision and a vibrant culture that unites its people. We have reviewed both this year.

We adjusted our vision to be: Pioneering animal genetic improvement to sustainably nourish the world. We retained the focus on innovation, which is the bedrock of our genetic improvement work. However, we added explicit reference to sustainability, to recognise how we help customers increase the global supply of safe, nutritious and affordable protein, with use of fewer natural resources.

We also refreshed our company values, which reflect our culture, to help inspire colleagues around the world and guide the way we all work. These four values are: Collaborate as One Team, Create Value for Customers, Innovate with Purpose and Never Stop Improving. These values represent who we are at our best and are being embedded across the company.

Helping our customers achieve their sustainability goals

The animal protein sector is a significant producer of greenhouse gases and we continue to demonstrate the role that genetic improvement plays in reducing emissions. PIC has completed a life cycle analysis (LCA) in North America showing that its conventional genetics reduce emissions by more than 7% against the industry average. The PRP will further improve this, as better animal health leads to increased production and higher animal welfare. We are pursuing further LCAs globally, in PIC and ABS, as we continue to demonstrate the environmental commitment reflected in our vision.

Outlook

Genus made significant progress against its strategic priorities during FY24. I am confident that our decisive actions to structurally strengthen the Group will yield significant benefits in the years to come.

In FY25, we will continue to execute against our strategic priorities. We expect market conditions to be stable to slowly improving although we remain cautious, particularly in China. Solid adjusted operating profit growth is expected from PIC in constant currency, and ABS is expected to return to adjusted operating profit growth in constant currency, and to be a stronger business with actions from VAP.

Management expects significant growth in FY25 Group adjusted profit before tax in constant currency, in line with current market expectations. We now expect a currency headwind of approximately £8 to £9m in FY25, if current exchange rates continue throughout the fiscal year.

Jorgen Kokke
Chief Executive

OUR STRATEGIC PRIORITIES

Genus has followed a consistent strategy (see pages 14 to 15), which has created a resilient and market-leading business. While our overall strategic framework is unchanged, the four priorities we focused on this year are sharpening our focus, so we win new business with the right customers, ensure our bottom line reflects the value we deliver to them and continue to deliver the genetic advancements they need. Our progress against these priorities is set out below.

Key to strategic priorities



Deliver a differentiated proprietary genetic offering



Focus on progressive protein producers globally



Share in the value delivered



Sustainability at the heart of our business

01 Continue growing in porcine, with more stable growth in China

Link to strategic priorities:

We continued to extend PIC's lead in differentiated genetics and services, supported by continued acceleration of genetic gain for target traits across our product lines. PIC also demonstrated superior genetic performance through product validation trials in every geography. In China, we focused our go-to-market strategy on driving royalty revenue with key accounts. This enhanced commercial approach resulted in us signing new royalty customers in FY24, which both supports long-term growth and reduces exposure to volatility. We have a strong relationship with the BCA and we continue to work together to bring PRP to China.

02 Deliver successful commercialisation of PRP

Link to strategic priorities:

We continued to invest in preparations for the prospective commercialisation of this ground-breaking product, increasing our population of pigs, which now spans multiple generations. In parallel, we made encouraging progress with regulatory approvals, achieving favourable determinations in Colombia and Brazil while continuing to engage with regulators in other target markets. In particular, we maintained positive engagement with the US Food and Drug Administration, with the focus now being post-approval compliance. We also made regulatory submissions in Canada and Japan and received a licence to import gene-edited animals into China for testing, with shipments expected to start in FY25.

03 Deliver greater value from bovine

Link to strategic priorities:

Through VAP, we are taking concerted action to strengthen the business, increase effectiveness and enhance efficiency which will improve margins. Under the leadership of Jim Low, who joined in April as our new ABS Chief Operating Officer, we are focused on delivering a multi-year transformation. Actions to date have included price increases on our value-added services, rationalisation of production and integration of beef, dairy and IntelliGen to increase productivity and drive efficiencies in our supply chain. Further actions being taken in FY25 are expected to deliver £5m of profit improvement in FY25 at an annualised run-rate of £10m by the end of that year.

During the year, ABS launched its new Sexcel Male Beef product. This is a major breakthrough which utilises our proprietary sexing technology to help customers produce more male calves, for sale into the beef supply chain.

04 Continue to generate returns from R&D investments

Link to strategic priorities:

We conducted a strategic review of our R&D activities, considering each project's deliverability, commercial potential and strategic fit. As a result, we stopped work on around a third of these projects, giving Genus a more focused approach and balanced portfolio, closely aligned with company strategy and business need. We expect £5m of annualised adjusted operating profit benefit from FY25. While our near-term focus is on PRP regulatory approval and the launch of Sexcel Male Beef, we continue to be excited about the opportunities generated by our R&D programme in areas such as disease-resistant animals and reproductive technology.

Strategic Framework

Delivering and sharing in the value

Our strategic framework defines our focus areas to deliver success. We determine the framework at Group level and implement it through our business units.

Strategic priorities



Deliver a differentiated proprietary genetic offering

Success drivers

Elite animals
Technology and capabilities
Data



Focus on progressive protein producers globally

Global position
Global supply chain
Customer experience



Share in the value delivered

Value-based pricing
Product validation
Leverage scale



Sustainability at the heart of our business

Strategic implementation

- Our overarching strategy, success drivers (which feed into the focus areas of our business model), and associated KPIs are determined at Group level. The strategy is then implemented at business unit level. Our overarching business unit priorities and strategic progress in FY24 can be found on pages 18 to 27
- Sustainability lies at the heart of our business. KPIs marked with the icon on the right are considered by the Board to be indicative of our progress in this area. For more information see pages 35 to 49



What does success look like?

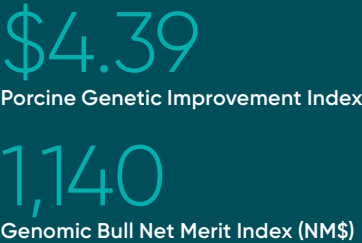
Genetic gain

Creating superior breeding animals for farmers, measured against indices comprising traits that help to drive farmers' productivity and sustainability.

Priorities

Deliver successful commercialisation of PRP, continue to generate returns from R&D investments

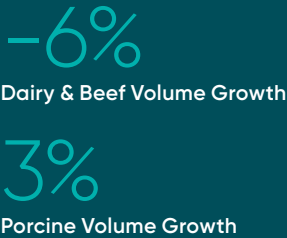
Link to KPIs



Volume growth

Growing volumes, particularly with progressive livestock farmers.

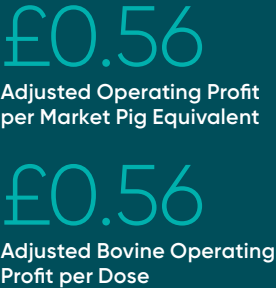
Continued growth in porcine, with more stable growth in China



Profitability

Generating profit resulting from the performance of our products in customers' systems, and growing margin as we leverage scale and R&D investment across species.

Deliver greater value from bovine, continue to generate returns from R&D investments



Our strategy is underpinned by our approach to sustainable business and the strength of our people. The Board measures the performance of these key areas using the KPIs opposite.

Develop Life Cycle Assessments across our proteins, to demonstrate the environmental and welfare benefits of our products

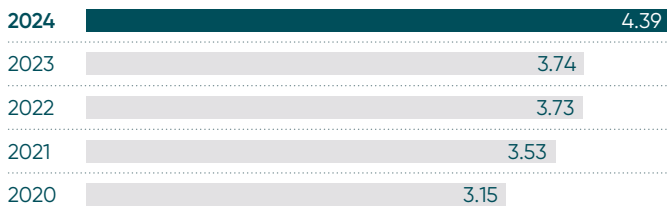


→ Read more about KPIs on pages 16-17

Key Performance Indicators

Measuring our success

Porcine genetic improvement index (US\$)

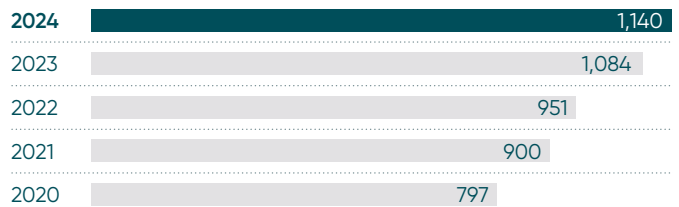


Measures the genetic improvement we achieve in our porcine nucleus herds, which ultimately filters down to our customers' farms.

Definition: The index measures the marginal improvement in customers' US\$ profitability, per commercial pig per year, on a rolling three-year average.

Performance: Genus continues to deliver increasing rates of genetic improvement through expanding and maintaining a large nucleus population for high selection intensity, improving technical processes for genomic evaluation, implementing precision data collection from birth to consumer and continuing to add new traits and data streams.

Genomic bull net merit index (NM\$)

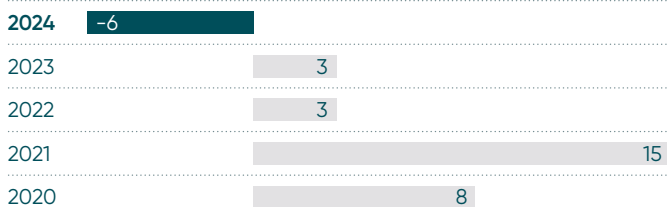


Measures the genetic quality of our bulls released to market, based on economically relevant traits for farmers.

Definition: The average NM\$ index score of generally available Holstein commercial bulls launched in the year for genomically tested sires. This definition has been revised this year to better reflect the breadth of high quality bulls released to market each year.

Performance: Genus continues to improve the quality of its commercially available bulls to maintain a leading genetic position in the dairy industry. Genus also has maintained a strong pipeline of young bulls tested but not yet in production. This is mainly driven by the large proportion of high-quality bulls sourced from our proprietary breeding programme, De Novo.

Dairy and beef volume growth (%)

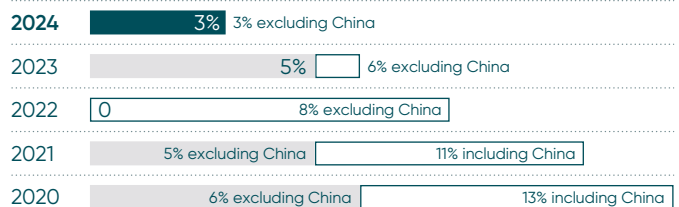


Tracks our global unit sales growth in dairy and beef.

Definition: The change in dairy, beef and sorted units of semen and embryos delivered or produced for customers in the year.

Performance: Amidst tough markets, bovine volumes were 6% lower at 24.8 million units. However, strategically important Sexed volumes were up 3%, reflecting good growth in Sexcel and third-party IntelliGen production.

PIC volume growth (%)



Tracks the growth in the number of commercial pigs with PIC genetics globally.

Definition: The change in volume of both direct and royalty animal sales, using a standardised MPEs measure of commercial slaughter animals that contain our genetics.

Performance: In many parts of the world, pork producers made losses for large parts of the year. Against this backdrop, porcine volumes grew by 3% to 202.2 million MPEs. Strategically important royalty volumes grew by 1%.

Key to strategic priorities



Deliver a differentiated proprietary genetic offering



Focus on progressive protein producers globally

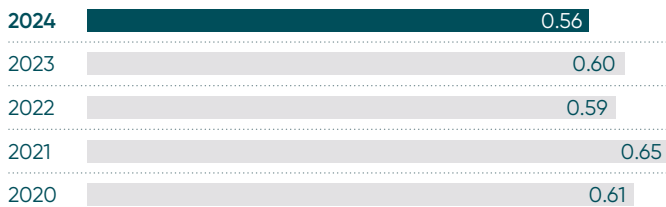


Share in the value delivered



Sustainability at the heart of our business

Adjusted operating profit per market pig equivalent (£)

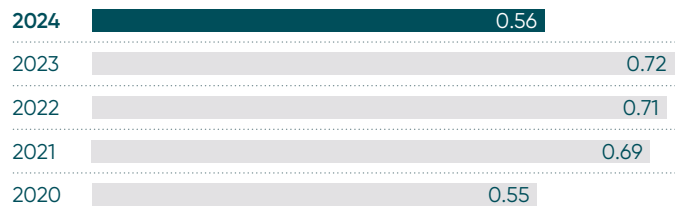


Monitors porcine profitability per unit.

Definition: Net porcine adjusted operating profit globally, expressed per MPE. Results include our share of Agroceres PLC, our Brazilian joint venture and also include PRP commercialisation costs that ramped from FY23. FY23 has been restated for these PRP costs that had previously been reported in R&D.

Performance: Operating profit per MPE was £0.56, £0.04 lower (£0.03 in constant currency), impacted by growth in PRP commercialisation costs as the business progresses this key strategic programme.

Bovine adjusted operating profit per dose (£)

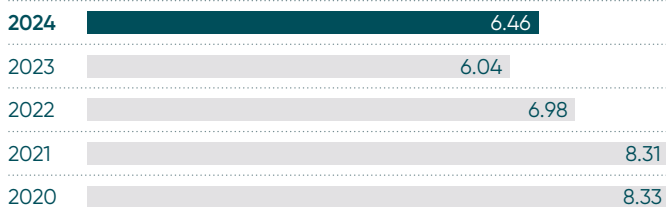


Monitors bovine profitability per unit.

Definition: Bovine adjusted operating profit globally, expressed per dose of semen or embryo delivered or produced for customers.

Performance: Operating profit per dose was £0.56, £0.16 lower (up £0.01 in constant currency). Foreign exchange currency headwinds significantly impacted profit per unit in actual currency, particularly from translation of Argentinian and Russian results.

Primary intensity ratio

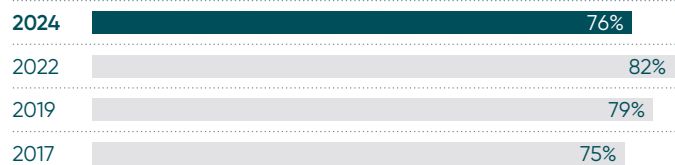


Measures the emissions intensity of the Group's operations, which are largely driven by animal weight.

Definition: The primary intensity ratio is a measure of the Group's Scope 1 and 2 emissions per tonne of animal weight.

Performance: We were disappointed to see that progress for our PIR target stalled this year. The increase in Scope 2 emissions, coupled with a reduction of animal weight (t) has caused the PIR to increase significantly from 6.04 in FY23 to 6.46 in FY24. We have continued to invest in biogas capture, renewable energy generation and our elite genetics which will drive an absolute reduction in our Scope 1 and 2 emissions to hit our 2030 emission reduction goal.

Engagement survey results



Measures levels of employee engagement over time.

Definition: Employees' response to the statement "I would recommend a friend to work at Genus".

Performance: We conducted our latest employee engagement survey, Your Voice, during the year. This highlighted a wide range of strengths, including understanding of vision and strategy, health & safety and the employee experience of working at Genus. It also sign-posted some areas for improvement, which we're addressing through further refinement of our hiring and selection process, strengthening our support for line managers and refining areas of our organisational structure, among other actions.

Creating value in challenging markets



Whilst growth of sexed adoption has slowed in some developed markets, IntelliGen continued to enjoy tailwinds from further global adoption and new customer wins on both technology transfer and third-party processing.

Jim Low

Chief Operating Officer
Genus ABS

BUSINESS PRIORITIES

Short term

Continue executing the ABS Value Acceleration Programme to strengthen the business and enhance value creation.

Medium term

Harness our proprietary sexing technology to accelerate growth with dairy and beef customers.

Long term

Leverage our 'Climate Smart' genetics and the validated reduction in carbon emissions across the beef supply chain, to enhance product differentiation.

STRATEGIC PROGRESS IN FY24



Create differentiated proprietary genetic solutions

- Took full ownership of De Novo Genetics, previously a joint venture with De-Su Holsteins, to enhance control over dairy product development
- Expanded our range of polled Holsteins, so that ABS now offers 23 of the industry's top 29 homozygous sires
- Continued to increase genetic improvement in our beef nucleus herds and produced our first Wagyu and Nelore bulls
- Began offering Y-skewed sexed semen to help customers produce more male offspring and strengthen beef-on-dairy programmes
- Initiated pioneering Life Cycle Assessments for beef, to show how our elite genetics reduce an animal's carbon footprint, and secured UK and US grants to continue developing 'Climate Smart' genetics



Serve progressive protein producers effectively

- Introduced the ABS VAP to enhance business effectiveness and improve operating profit
- Integrated IntelliGen into ABS and established a unified supply chain, increasing productivity and efficiency
- Transitioned most UK artificial insemination customers onto three- to five-year contracts, ensuring our service business is more predictable and profitable



Share in the value delivered

- Accelerated adoption of our GENEadvance app, which uses artificial intelligence to analyse herd data and recommend improvements, to strengthen partnerships and increase revenue with more than 1,000 customers
- Established a further pull-through arrangement in Spain, as we continue to increase beef volumes and revenues across EMEA
- Conducted further product performance trials in five countries to demonstrate the superior performance of NuEra beef genetics in customer systems

Year ended 30 June	Actual currency			Constant currency change %
	2024 £m	2023* £m	Change %	
Revenue	314.9	321.6	(2)	4
Adjusted operating profit pre-product development	37.3	43.6	(14)	(3)
Bovine product development	23.3	24.9	(6)	(3)
Adjusted operating profit	14.0	18.7	(25)	(3)
Adjusted operating margin	4.4%	5.8%	(1.4)pts	(0.4)pts

* Prior year period restated. Please see Note 2 of the notes to the Financial Statements changes of reportable segments

Bovine producers experienced a challenging period across all regions. Dairy producers generally had a tougher year than beef producers as global milk prices proved less robust than beef prices. In China, demand for dairy genetics was significantly impacted by reduced consumer demand coinciding with increased dairy production from prior year farm expansions. Latin America was also challenging as a result of currency instability in Argentina and weak demand from Brazilian beef producers. Global dairy producer migration from conventional to sexed and beef-on-dairy genetic strategies continued, with a strong increase in sexed adoption in Latin America in particular. Whilst growth of sexed adoption has slowed in some developed markets, IntelliGen continued to achieve growth from further global adoption and new customer wins on both technology transfers and third-party processing.

During the year, management initiated ABS's Value Acceleration Programme. This comprehensive programme will structurally improve margins, ROIC and cash generation. Actions being taken include organisational structure change, redeployment of resources to higher returning markets and customers, a more robust sales and operational planning process, and stronger pricing mechanisms and governance. In FY24 these actions delivered c.£10m of annualised efficiencies and savings, of which £7.3m were realised in-year. Exceptional costs of £6.0m associated with these actions were recognised in FY24. ABS will continue to drive and embed further improvement with Phase 2 of the VAP in FY25 to build a stronger and more sustainably profitable Bovine business.

Amidst tough markets, ABS revenue increased 4% in constant currency. Strong pricing governance and mix offset a volume decline of 6%, comprising a 12% decrease in dairy conventional volumes, a 6% decrease in beef conventional volumes and a 3% increase in sexed volumes. Controllable costs decreased versus the prior year but were offset by inventory provisions and other supply chain impacts of £3.1m. Adjusted operating profit decreased 3% in constant currency at a margin of 4.4%.

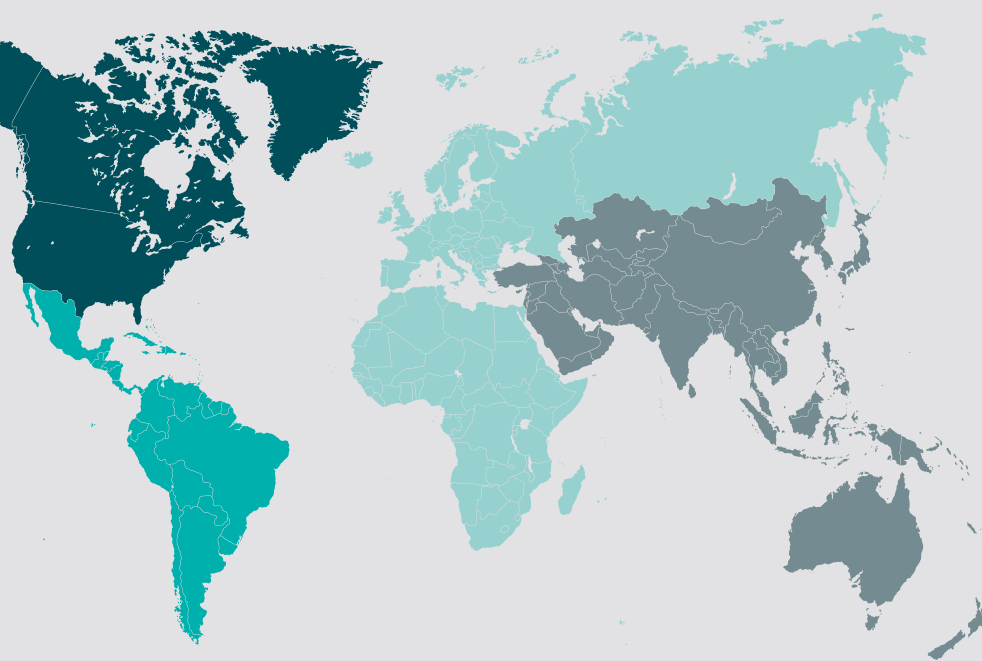
From a product development perspective, ABS continued to strengthen its range of proprietary dairy genetics. ABS's current Jersey and polled Holstein genetics are market leaders and ABS currently markets 12 of the top 30 Jersey sires for Cheese Merit and 18 of the top 20 homozygous polled Holstein sires for Net Merit. The pipeline of dairy bulls yet to reach the market has the potential to strengthen these market-leading positions. In Beef, the proprietary NuEra genetic programme continues to exceed genetic improvement targets with product performance trials continuing to demonstrate the superior performance of these genetics in customer systems. ABS also initiated pioneering Life Cycle Assessments for beef to show how its elite genetics reduce an animal's carbon footprint.

Operating Review/ABS continued

ABS

REGIONAL TRADING COMMENTARY

NB: Growth rates compared to the same period last year



Actual currency

Revenue

£314.9m

2023: £321.6m -2%

Volume (m straws)

24.8m

2023: 26.3m -6%

Adjusted operating profit

£14.0m

2023: £18.7m -25%

North America

North America saw volumes decrease by 6%, comprising a 21% reduction in dairy conventional volumes, a 9% decrease in beef volumes, and a more robust 3% increase in sexed volumes. Dairy conventional volumes were challenged by producers' continued transition to a sexed and beef-on-dairy strategy as well as market contraction due to better herd fertility. Despite this revenue increased by 2%*, driven by strong price management, and adjusted operating profit increased 5%*, also reflecting actions taken in VAP Phase 1 to improve profitability of products and services to certain customers. Within this result, IntelliGen performed well with volume and operating profit increasing on new contract wins. In the second half of the year, highly pathogenic avian influenza was confirmed in the US dairy herd; however the impact on producer productivity and consumer demand has been limited.

Constant currency

Revenue

+2%

Volume (m straws)

-6%

Adjusted operating profit

+5%

Latin America

Latin America saw volumes decrease by 6%, with a 6% increase in sexed volumes offset by a 9% decrease in dairy conventional volumes and an 8% decrease in beef volumes. Dairy volumes were driven by increased penetration of sexed volumes in GENEadvance accounts as well as increased market adoption of sexed and beef-on-dairy strategies. Beef volumes were challenging, especially in Brazil, where macroeconomic weakness continued to impact demand. Despite this, strong mix and pricing drove a 13%* increase in revenue. Cost management actions also helped expand operational gearing to drive a 31%* increase in adjusted operating profit, albeit this was tempered in actual currency by Argentine currency devaluation.

Constant currency

Revenue

+13%

Volume (m straws)

-6%

Adjusted operating profit

+31%

EMEA

EMEA saw volumes increase by 4%, with a 5% decrease in dairy conventional volumes being more than offset by a 3% increase in beef volumes and a 13% increase in sexed volumes. Market headwinds in Northern Europe impacted farmer profitability but this was offset by strong growth in France, Ukraine, South Africa and some distributor markets. Targeted pricing initiatives and improved mix also helped drive a 7%* increase in revenue. Adjusted operating profit increased by 6%*, a marginally lower level than revenue growth, due to wage inflation in the region.

Revenue

+7%

Volume (m straws)

+4%

Adjusted operating profit

+6%

Asia

Asia saw volumes decrease by 12%, comprising a 13% decrease in dairy conventional volumes, a 19% decrease in beef volumes and a 7% decrease in sexed volumes. China was the key driver as a material reduction in dairy and dairy product consumption coincided with an increase in production from farm expansions in prior years. This resulted in milk prices dropping below the cost of production and milk processors taking substantial action to restrict milk collections. The resulting impact on producer profitability significantly reduced demand for elite dairy genetics. Sexed volumes were also particularly impacted as Chinese dairy farmers sought to contract production. In Australia, beef prices remained at low levels which led to weak demand for beef genetics. Against this backdrop, revenues decreased by 13%* and adjusted operating profit by 24%*.

* Constant currency growth rate compared to the same period last year

Revenue

-13%

Volume (m straws)

-12%

Adjusted operating profit

-24%

Partnering with producers



PIC's product development teams continued to strengthen genomic selection and accelerate progress on target traits.

Dr Matt Culbertson
Chief Operating Officer
Genus PIC

BUSINESS PRIORITIES

Short term

Continue to embed our updated approach in China by increasing the number of royalty customers, to drive growth and reduce exposure to volatility.

Medium term

Introduce PRP in our target markets around the world.

Long term

Keep strengthening our genetic leadership and differentiated service across all regions.

STRATEGIC PROGRESS IN FY24



Create differentiated proprietary genetic solutions

- Continued to accelerate genetic gain for target traits across our product lines
- Increased our population of PRP, which now spans multiple generations, in preparation for marketing this ground-breaking product
- Developed a pioneering Life Cycle Assessment ('LCA') to quantify the potential reduction in greenhouse gas emissions from using PIC genetics
- Partnered with the U.S. National Pork Board to create a framework for quantifying the wider environmental benefits of genetic improvements in pork production



Serve progressive protein producers effectively

- Updated our go-to-market strategy in China to focus on strategic accounts, while seeking to reduce exposure to market volatility
- Continued to strengthen relationships with strategic accounts in North America and Latin America, enabling us to increase profits despite challenging market conditions in both regions
- Began operations at our joint venture Genesis nucleus farm in Brazil, strengthening the supply of elite genetics to customers in a vital market
- Delivered a strong performance in Europe by continuing to expand our share of business with strategic accounts across the region



Share in the value delivered

- Continued to focus on expanding royalty revenues, including signing 13 new royalty agreements in China
- Conducted 30 further product validation trials in 6 countries involving 64,000 pigs, demonstrating the superior performance of PIC genetics in customer systems
- Expanded the CBV Max programme, through which our most elite genes command a higher price, into Latin America

Year ended 30 June	Actual currency			Constant currency change %
	2024 £m	2023* £m	Change %	
Revenue	352.5	368.1	(4)	(1)
Adjusted operating profit pre-product development	141.6	145.3	(3)	1
Porcine product development expense	38.0	36.6	4	8
Adjusted operating profit exc JV	93.8	98.4	(5)	(2)
Adjusted operating profit inc JV	103.6	108.7	(5)	(2)
Adjusted operating margin exc JV	26.6%	26.7%	(0.1)pts	(0.2)pts

* Prior year period restated. Please see Note 2 of the notes to the Financial Statements changes of reportable segments

In many parts of the world, pork producers made losses in the first half of FY24 but benefited from improving economic conditions in the second half. In North America, after the worst period of financial losses across the industry since the 2008-2010 financial crisis, pork producers recorded small profits. The picture was similar in China, where the pork production industry registered aggregate profits in the second half, following many years of aggregate losses. Lower feed costs in the second half of the fiscal year improved the margins for Latin American producers. In contrast to other regions, producers in Europe were profitable throughout FY24, benefiting from high prices due to tight supply following the contraction of the region's breeding herd in previous years.

Against this backdrop, PIC's revenues decreased 1% in constant currency. This was predominantly due to the performance in China and lower breeding stock sales in North America. Strategically important royalty revenues increased 4% in constant currency and grew in every region other than Asia. Costs were managed tightly with constant currency savings in production and supply chain offset by a planned £2.6m increase in IT and other support function costs. Adjusted operating profit excluding JVs decreased 2% in constant currency at a margin of 26.6%. JV income decreased £0.5m in actual currency (a decrease of £0.4m in constant currency). Adjusted operating profit including JVs decreased 2% in constant currency.

PIC's product development teams continued to strengthen genomic selection and accelerate progress on target traits, delivering \$4.39 of genetic profit gain in the year which exceeded its target of \$3.80. In addition, PIC took further steps to embed digital phenotyping tools across our facilities and contracted elite farms. During the year, PIC also made significant strides in cementing its sustainability leadership by receiving ISO certification for its LCAs. These LCAs demonstrate that using PIC full programme genetics delivers an approximately 7-8% reduction in greenhouse gas emissions, water consumption and land usage relative to industry-average genetics in North America and Europe.

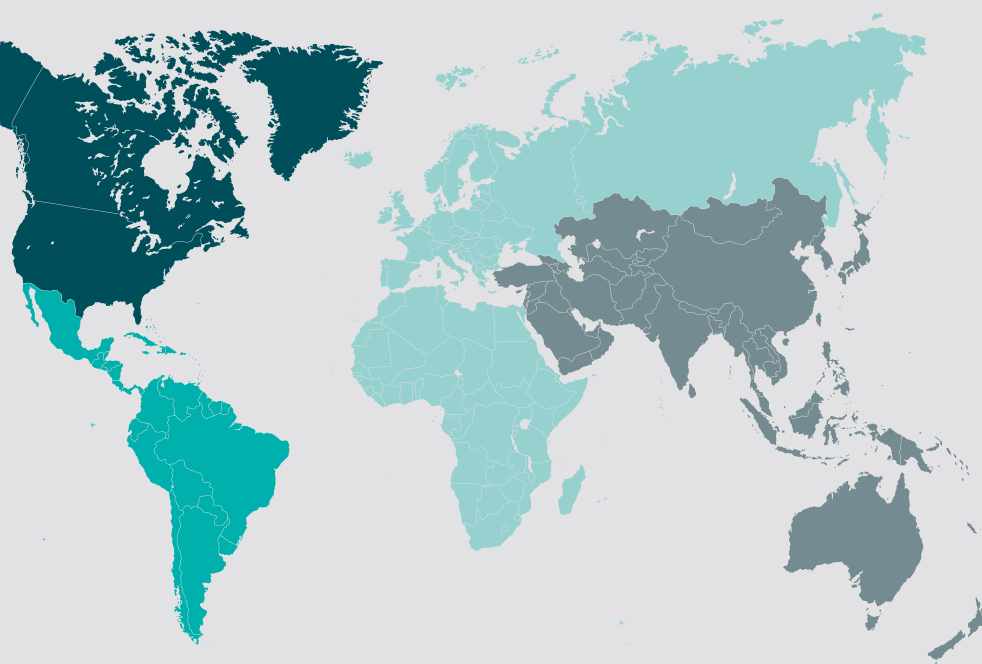
Significant PRP progress was also made during the year. From a regulatory perspective, PIC received favourable determinations from Brazil (26 April 2024) and Colombia (5 October 2023) and continues to engage positively with the US FDA. Concurrent submissions to Canadian and Japanese authorities have also begun. Testing of live PRP animals in China is expected to start in FY25, with PIC receiving the first ever licence to import gene-edited animals into the country. Market acceptance activities have also been ramped up to engage the wider pork supply chain ahead of North American commercialisation.

Operating Review/PIC continued

PIC

REGIONAL TRADING COMMENTARY

NB: Growth rates compared to the same period last year



Actual currency

Revenue

£352.5m

2023: £368.1m -4%

Royalty revenues

£177.4m

2023: £177.1m 0%

Volumes (MPes)

202.2m

2023: 197.1m +3%

Adjusted operating profit

£103.6m

2023: £108.7m -5%

North America

North America achieved an adjusted operating profit increase of 5%*, supported by a 4%* increase in royalty revenues from existing customers despite the tough trading environment. Total revenue decreased by 6%* as a result of lower sales of new breeding stock. Over the year the U.S. breeding herd declined slightly but production continued to grow, benefiting from stable herd health and higher productivity. Pork producers made losses in the first half of the fiscal year, but started generating profits in the second half as prices improved and feed costs reduced. Export volumes were also strong in the second half of the year, with sales growth to Mexico and South Korea more than offsetting declines to China, Japan and Canada.

Constant currency

Revenue

-6%

Royalty revenues

+4%

Volumes (MPes)

0%

Adjusted operating profit

+5%

Latin America

Latin America increased adjusted operating profit by 3%*, supported by a 6%* increase in royalty revenue. This was despite the impact of currency instability in Argentina and reduced JV income by £0.5m* from our joint venture with Agrocere. Royalty volumes in Chile and Colombia were particularly strong, driven by improved productivity of customers in the region. In Brazil, declining feed costs and strong export volumes drove further increases in production and enhanced margins for producers. In Mexico, higher pork prices and lower feed costs in the second half of the fiscal year helped producers improve profitability.

Constant currency

Revenue

+10%

Royalty revenues

+6%

Volumes (MPEs)

+4%

Adjusted operating profit

+3%

EMEA

Europe had an excellent year and grew market share, achieving a 13%* increase in adjusted operating profit on royalty revenue growth of 9%*. Performance in Spain, Germany and Italy was particularly strong with both volume and price growth. The EU breeding herd began to stabilise in the second half of the fiscal year after significant contraction in prior periods due to economic, geopolitical and regulatory challenges. As a result of the herd contraction, pork prices remained above averages seen in 2019 to 2023 with producers generally achieving positive margins. Export volumes and domestic pork meat consumption, however, continued to struggle as a result of relatively high prices, geopolitical events and on-going disease challenges such as African Swine Fever (ASF).

Revenue

+2%

Royalty revenues

+9%

Volumes (MPEs)

+7%

Adjusted operating profit

+13%

Asia

Asia saw adjusted operating profit decrease by 37%* driven predominantly by a 60%* reduction in PIC China due to the challenging trading conditions and higher supply chain costs. Excluding China, customers in the rest of Asia were impacted by disease outbreaks, with adjusted operating profit decreasing 5%* despite royalty revenue growth of 5%*. Chinese pork producers endured a challenging first half of the fiscal year as pig prices remained below the cost of production. There were signs of improving profitability in the second half as the Chinese pig price to feed ratio climbed and remained above 6x (a proxy for industry break-even) from April 2024. However, Chinese producers remain cautious after many years of industry losses. Herd health continues to be a challenge for producers across the region, with ASF and PRRS the two most challenging diseases. During the year, PIC China's commercial focus on building recurring royalty revenue gained strong traction, leading to agreements with 13 new royalty customers, doubling the number of royalty customers PIC China has to 26. It typically takes 2-4 years for royalty revenues from new royalty customers to reach production maturity.

* Constant currency growth rate compared to the same period last year

Revenue

+13%

(Asia ex-China: -10%)

Royalty revenues

-8%

(Asia ex-China: +5%)

Volumes (MPEs)

-3%

(Asia ex-China: +3%)

Adjusted operating profit

-37%

(Asia ex-China: -5%)

Operating Review/R&D

A balanced portfolio



Our strategic review has resulted in sharper focus, greater portfolio balance and savings.

Dr Elena Rice

Chief Scientific Officer and
Head of R&D

BUSINESS PRIORITIES

Short term

Gain U.S. Food and Drug Administration (FDA) approval for our PRRS-resistant pig (PRP) in the U.S., while continuing to engage with regulators and build market acceptance in other target markets.

Medium term

Achieve regulatory approvals for the PRP in Canada and Japan. Continue improving our sexing technology, by increasing production efficiency.

Long term

Enhance our role in the evolution of a more sustainable global food system, through responsible use of pioneering technology.

STRATEGIC PROGRESS IN FY24

Portfolio

- Conducted a strategic review of R&D to establish a more balanced and focused portfolio, aligned with company strategy

Gene editing

- Received positive determinations for our PRP in Colombia and Brazil, ensuring it will be treated in the same way as a conventionally bred animal
- Maintained effective engagement with the FDA regarding our PRP, gaining acceptance for animal characterisation submissions and proceeding to work on post-product approval compliance procedures
- Made initial submissions regarding the PRP to regulators in Canada and Japan
- Progressed projects focused on disease resistance, including beginning a new collaboration with The Roslin Institute

Sexing technology

- Introduced a new-generation instrument and microfluidic chip for sexing semen, further increasing production efficiency
- Expanded the production of sexed semen containing a greater ratio of Y chromosomes, helping customers around the world produce more male offspring

Reproductive biology

- Continued collaborating with partners to explore how to accelerate genetic gain using embryonic stem cells

Data strategy

- Embedded our data analytics strategy across operations, enhancing our ability to identify and act on insights to accelerate genetic improvement
- Harnessed integrated data dashboards to drive continuous improvement of sexing technology and rapid resolution of any performance issues

Year ended 30 June	Actual currency			Constant currency change %
	2024 £m	2023* £m	Change %	
Gene editing	6.3	7.4	(15)	(11)
Other research and development	15.5	17.4	(11)	(8)
Net expenditure in R&D	21.8	24.8	(12)	(9)

* Prior year period restated. Please see Note 2 of the notes to the Financial Statements changes of reportable segments



During the year, Genus completed a strategic review of its R&D activities. The goal was to ensure that all early-stage projects align to Genus's strategy, have a compelling commercial opportunity, are deliverable, and lead to a balanced portfolio overall. As a result of this review R&D stopped work on around a third of its projects. Resources have either been reallocated to key workstreams or realised as savings. In FY24 these savings amounted to £2.4m and R&D continues to expect £5m of annualised savings in FY25. Genus recognised £0.7m of exceptional costs associated with the R&D strategic review in FY24.

Overall net expenditure in R&D decreased by 9% in constant currency reflecting the initial impact of R&D's strategic review.

R&D continued to make good progress across a number of its programmes in FY24, with the immediate focus being to bring PRP to market and leverage our IntelliGen sexing technology to drive profitable growth in ABS.

As noted in the PIC operating review, we made encouraging PRP regulatory progress in the year. We received favourable determinations from Brazil (April 2024) and Colombia (October 2023) and continue to engage positively with the US FDA. Concurrent submissions to Canadian and Japanese authorities have



also begun. Testing of live PRP animals in China is expected to start in FY25, with PIC receiving the first ever licence to import gene-edited animals into the country.

During the year, ABS commercially launched Sexcel Male Beef which was enabled by iterative improvements to our IntelliGen technology. Sexcel Male Beef is a novel product that applies sexing technology to beef-on-dairy genetics to produce high-male-skew straws of semen. Male beef calves are more attractive to the beef industry for their faster growth rates and greater muscle mass. Sexcel Male Beef therefore adds to our portfolio of value-adding products for our customers.

Financial Review



We are taking action to structurally strengthen Genus.

Alison Henriksen
Chief Financial Officer

In the year ended 30 June 2024, Group revenue decreased by 3% in actual currency (a 2%² increase in constant currency). Adjusted operating profit including joint ventures decreased by 9% (3%² in constant currency), reflecting the challenging market environments experienced by both businesses along with foreign currency headwinds. R&D investment decreased by 12% (9% in constant currency), following a strategic review of activities to align to Genus's strategy and ensure they have compelling commercial opportunity, resulting in around a third of projects being stopped. During the year, management also initiated ABS's Value Acceleration Programme to structurally improve margins, ROIC¹ and cash generation¹. Phase 1 of VAP achieved £7.3m of adjusted operating profit improvement in the year.

On a statutory basis, profit before tax was £5.5m (2023: £39.4m). The difference between statutory and adjusted profit before tax was predominantly due to a £23.2m decrease in the non-cash fair value of IAS 41 biological assets of the Group, a £14.6m increase in the non-cash fair value IAS41 valuation of biological assets in JVs and associates, and net exceptional expenses of £24.6m (2023: £3.5m net expense). Basic earnings per share on a statutory basis were 12.0 pence (2023: 50.8 pence).

Adjusted profit before tax of £59.8m decreased 8% in constant currency, with interest expense increasing from £14.3m to £18.3m (a 22% increase in constant currency) primarily from higher interest rates.

The effect of exchange rate movements on the translation of overseas profits decreased the Group's adjusted profit before tax for the year by £6.2m compared with 2023, primarily due to the weakness of the Argentine Peso and Russian Rouble against Sterling during the year.

Revenue

Revenue decreased by 3%² in actual currency (a 2% increase in constant currency) to £668.8m (2023: £689.7m). PIC's revenue decreased by 4% (a 1%² decrease in constant currency), however strategically important royalty revenues increased by 4%² in constant currency. In ABS, revenue decreased by 2% (a 4%² increase in constant currency), however sexed revenues increased 8% in constant currency reflecting the continuing success of Genus's sexed genetics and IntelliGen processing capability.

Year ended 30 June	Adjusted results ¹				Statutory results			
	Actual currency			Constant currency change % ²	Actual currency			
	2024 £m	2023 £m	Change %		2024 £m	2023 £m	Change %	
Revenue	668.8	689.7	(3%)	2%	668.8	689.7	(3%)	
Operating profit	67.0	74.6	(10%)	2%	6.4	40.5	(84%)	
Operating profit inc JVs	78.1	85.8	(9%)	(3%)	n/a	n/a	n/a	
Profit before tax	59.8	71.5	(16%)	(8%)	5.5	39.4	(86%)	
Net cash flows from operating activities	55.1	45.9	20%	n/m ³	29.8	50.4	(41%)	
Free cash flow ⁴	(3.2)	9.1	n/m ³	n/m ³				
Basic earnings per share (pence)	65.6	84.8	(23%)	(15%)	12.0	50.8	(76%)	
Dividend per share (pence)					32.0	32.0		

¹ Includes share of adjusted pre-tax profits of joint ventures and removes share of adjusted profits of non-controlling interests

² Prior year period restated. Please see Note 1 of the notes to the condensed set of Financial Statements changes of reportable segments

³ n/m = not meaningful

⁴ Free cash flow definition has changed this year to include lease repayments; the 2023 comparative has also been restated

Adjusted operating profit including JVs

Year ended 30 June Adjusted profit before tax ¹	Actual currency			Constant currency change %
	2024 £m	2023 ² £m	Change %	
Genus PIC	103.6	108.7	(5%)	(2%)
Genus ABS	14.0	18.7	(25%)	(3%)
R&D	(21.8)	(24.8)	(12%)	(9%)
Central costs	(17.7)	(16.8)	(5%)	(12%)
Adjusted operating profit inc JVs	78.1	85.8	(9%)	(3%)
Net finance costs	(18.3)	(14.3)	(28%)	(22%)
Adjusted profit before tax	59.8	71.5	(16%)	(8%)

1 Includes share of adjusted pre-tax profits of joint ventures and removes share of adjusted profits of non-controlling interests
2 Prior year period restated. Please see Note 1 of the notes to the Financial Statements changes of reportable segments

Statutory profit before tax

The table below reconciles adjusted profit before tax to statutory profit before tax:

	2024 £m	2023 £m
Adjusted profit before tax	59.8	71.5
Operating loss attributable to non-controlling interest	(0.9)	(0.4)
Net IAS 41 valuation movement on biological assets in JVs and associates	14.6	3.6
Tax on JVs and associates	(5.7)	(3.9)
Adjusting items:		
Net IAS 41 valuation movement on biological assets	(23.2)	(16.9)
Amortisation of acquired intangible assets	(5.8)	(7.7)
Share-based payment expense	(7.0)	(6.0)
Other gains and losses	(1.7)	2.7
Exceptional items	(24.6)	(3.5)
Statutory profit before tax	5.5	39.4

Adjusted operating profit including JVs

Adjusted operating profit including joint ventures was £78.1m (2023: £85.8m), a 3% decrease in constant currency. The Group's share of adjusted joint venture operating profit, primarily from our Brazilian joint venture with Agrocere, was similar to prior year at £10.2m (2023: £10.8m).

PIC's adjusted operating profit including joint ventures decreased by 2%² in constant currency predominantly due to performance in China and increased PRP investment, partially offset by tight cost management across the business. Strategically important royalty revenues increased 4%² in constant currency and grew in every region other than Asia.

ABS's adjusted operating profit decreased by 3% in constant currency. Demand for Sexcel, our proprietary bovine sexed product, continued to increase, as well as our IntelliGen third-party sexed processing; however there was weakness across many markets, particularly China and Brazil. As mentioned above, management initiated ABS's Value Acceleration Programme during the year to structurally improve margins, ROIC¹ and cash generation¹.

Statutory profit before tax

Statutory profit before tax was £5.5m (2023: £39.4m), reflecting lower adjusted profit performance, higher interest expense, higher share-based payment expenses and higher net exceptional items. The net IAS 41 valuation uplift on biological assets in JVs was principally caused by the stocking of Genesis, a PIC JV farm in Brazil, but this was offset by a reduction in the Group's net IAS 41 valuation on biological assets, comprising a £20.2m uplift (2023: £24.9m reduction) in porcine biological assets, principally due to the restocking of Aurora, our genetic nucleus farm in Canada, following an upgrade to the farm facilities and health status, along with stocking of the Ankang and LuoDian farms in China, and a £43.4m reduction (2023: £8.0m uplift) in bovine biological assets, reflecting lower forecast sales volume growth and rationalisation of bulls. Share-based payment expense was £7.0m (2023: £6.0m). These reconciling items are primarily non-cash, can be volatile and do not correlate to the underlying trading performance in the year.

Exceptional items

There was a £24.6m net exceptional expense in the year (2023: £3.5m net expense), which includes legal fees, settlement and related costs of £10.4m (2023: £4.5m) primarily related to a settlement reached with STgenetics on litigation matters. As part of ABS's ongoing Value Acceleration Programme, significant one-off expenses were recognised in relation to staff redundancies (£3.0m), fixed asset and inventory write downs (£1m) and consultancy fees (£1.9m). Staff redundancy costs of £0.7m were recognised in relation to changes made as a result of the R&D strategic review completed in the year. £7.4m of exceptional cost was professional fees, primarily incurred in relation to potential corporate transactions which are no longer active.

Financial Review continued

Net finance costs

Net finance costs increased to £18.3m (2023: £14.3m), primarily due to interest rate rises during the year. Average interest rates in the period increased to 6.20% (2023: 4.94%), raising the cost of like-for-like borrowings by £2.9m. Average borrowings increased by 3% to £234.4m (2023: £226.9m), resulting in a £0.3m increase in interest costs in the year. The interest rate increases were mitigated by the company's fixed interest cover, which reduced the impact of rate increases to the above levels by £2.3m (2023: £1.0m).

Amortisation costs in the year were £0.9m (2023: £1.1m) and within other interest there was IFRS 16 finance lease interest of £2.8m (2023: £1.2m) and both a discount interest unwind on the Group's pension liabilities and put options totalling £0.5m (2023: £0.5m). Foreign interest in the year was an income of £0.4m (2023: £0.2m expense).

Taxation

The statutory profit tax charge for the period, including share of income tax of equity accounted investees, of £8.8m (June 23: £11.5m) represents an effective tax rate (ETR) of 78.6% (June 23: 26.6%). The increase in the statutory ETR of 52 points results primarily from an increase of 18.8% in the additional impact of fixed withholding taxes as a percentage of the lower statutory profit, an increase of 45.1% in non-deductible expenses due to the disallowance for tax of adviser fees on increased corporate transaction activity, less the favourable (13.5)% impact of changes in judgements on deferred tax balances, movements in provisions and prior year credits.

The adjusted profit tax charge for the year of £16.8m (June 23: £15.9m) represents an ETR on adjusted profits of 28.1% (June 23: 22.2%). In the current year, the adjusted tax charge has benefited by 2.6% from the above mentioned changes in judgements on deferred tax balances, movements in provisions and prior year credits and increased by 2.6% from increases in withholding taxes and non-deductible expenses in the year. In the prior year, the Group adjusted ETR benefited by 6.2% due to the initial recognition of deferred tax assets in respect of losses forward in the Group's subsidiaries in Australia and France. The expected adjusted profit for the Group in FY25 is in the range of 26–28%.

Earnings per share

Adjusted basic earnings per share reduced by 23% (15% reduction in constant currency) to 65.5 pence (2023: 84.8 pence), as PIC ex-China growth and management actions across ABS and R&D were offset by China, volume trends in ABS and higher interest expenses. Basic earnings per share on a statutory basis were 12.0 pence (2023: 50.8 pence), taking into account the factors above, higher share-based payment expenses and higher net exceptional items.

Biological assets

A feature of the Group's net assets is its substantial investment in biological assets, which under IAS 41 are stated at fair value. At 30 June 2024, the carrying value of biological assets was £349.7m (2023: £364.7m), as set out in the table below:

	2024 £m	2023 £m
Non-current assets	297.4	318.2
Current assets	32.3	23.8
Inventory	20.0	22.7
	349.7	364.7
Represented by:		
Porcine	267.4	242.7
Dairy and beef	82.3	122.0
	349.7	364.7

The movement in the overall balance sheet carrying value of biological assets of £15.0m includes the effect of an exchange rate translation decrease of £1.4m. Excluding the translation effect there was:

- a £26.0m increase in the carrying value of porcine biological assets, due principally to the restocking of Aurora, our genetic nucleus farm in Canada, following an upgrade to the farm facilities and health status, along with stocking of the Ankang and LuoDian farms in China; and
- a £39.6m decrease in the bovine biological assets carrying value, primarily reflecting lower forecast sales volumes and rationalisation of bulls.

The historical cost of these assets, less depreciation, was £80.9m at 30 June 2024 (2023: £83.4m), which is the basis used for the adjusted results. The historical cost depreciation of these assets included in adjusted results was £15.3m (2023: £13.4m).

Retirement benefit obligations

The Group's retirement benefit obligations at 30 June 2024 were £6.6m (2023: £6.9m) before tax and £5.4m (2023: £5.6m) net of related deferred tax. The largest element of this liability now relates to some legacy unfunded pension commitments dating prior to Genus's acquisition of PIC.

Robust investment strategies mean our two main defined benefit obligation schemes have remained in sound financial positions. Prior to any IFRIC 14 amendments, both the Dalgety Pension Fund and our share of the Milk Pension Fund reported IAS 19 surpluses.

Cash flow

Free cash flow	2024 £m	2023 £m
Adjusted EBITDA	108.9	110.6
Cash received from joint ventures	4.7	2.6
Working capital	(11.2)	(12.3)
Biological assets	(9.6)	(11.1)
Net capital expenditure	(24.0)	(32.8)
Adjusted cash from operating activities	55.1	45.9
Exceptional items	(17.9)	(7.1)
Pension contributions, provisions & other	(1.4)	(1.4)
Interest and tax paid	(39.0)	(28.3)
Free cash flow inc. lease payments	(3.2)	(9.1)

Adjusted cash from operating activities of £55.1m (2023: £45.9m) comprised broadly similar adjusted EBITDA of £108.9m (2023: £110.6m) but with significantly lower net capital expenditure of £24.0m (2023: £32.8m), as planned.

Free cash outflow, including lease repayments, of £3.2m (2023: £9.1m inflow) was impacted by a higher year on year cash outflow of £10.8m in relation to exceptional items along with increased interest and tax payments.

Cash conversion %	2024 £m	2023 £m
Adjusted operating profit inc. JVs	78.1	85.8
Adjusted cash from operating activities	55.1	45.9
Cash conversion %	71%	53%

To improve our measurement of cash flow performance we have introduced a new cash conversion key performance indicator which incorporates investments in biological assets, capital expenditure, lease repayments and cash received from joint ventures. This new metric aligns with our management reporting and the operational management of cash flows in Genus's business. Under this new metric, cash flow conversion in FY24 was 71% (FY23: 53%) and our new annual target for cash flow conversion is at least 70%, which we expect to meet in the coming year.

The cash inflow from investments, including joint venture loans, was £nil (2023: £0.7m outflow), with proceeds primarily from the sale of NMR shares of £4.6m being offset by loan investments in our China joint ventures of £2.2m, to increase production capacity, and £2.9m to purchase the remaining 61% shareholding in Xelect Limited, a leading provider of specialist genetics and breeding management services to the aquaculture industry.

Net debt and credit facilities

Net debt increased to £248.7m at 30 June 2024 (2023: £195.8m) impacted by a free cash outflow of £3.2m, dividend payments of £21.0m and a net increase in lease liabilities of £26.2m, primarily from new farm leases in China. The ratio of net debt to adjusted EBITDA as calculated under our financing facilities at the year-end increased to 2.0 times (2023: 1.6 times) which remains in line with our medium-term objective of having a ratio of net debt to EBITDA of between 1.0 – 2.0 times. At the end of June 2024, interest cover was at 8 times (2023: 10 times).

At the balance sheet date, the Company's credit facilities comprised a £190m multi-currency revolving credit facility ('RCF'), and a USD170 million RCF. The original term of the facility was for three years to 24 August 2023. The Company and its lenders extended the maturity date of the total facilities to 24 August 2024 and 24 August 2025 respectively. A further one-year extension to 24 August 2026 was signed on 31 July 2024. The Company's credit facility at 30 June 2024 also included a remaining balance of £39m from the facility's £100m uncommitted accordion option. On 21 August 2024, £28.2m of the remaining £39m accordion feature in the Group Facility Agreement was made available by the Group's lenders.

This additional amount was requested in part to replace a £17m reduction in headroom following the planned departure of one of the syndicate banks. This bank withdrew from the facility on 23 August 2024 at the end of the first facility extension period as part of a strategy to concentrate on clients with substantial operations in their homeland. Following these changes, £208.2m and USD161.0m RCFs are available to 24 August 2025, reducing to £186.4m and USD141.5m of facilities for the final extension to 24 August 2026. The Company is planning to establish a new multi-year facility during the second half of FY25.

Net debt as calculated under our financing facilities excludes IFRS 16 lease liabilities up to a cap of £30m but includes bank guarantees. On 30 June 2024, the Group had headroom of £106.7m (2023: £118.7m) under its available credit facilities.

Capital allocation priorities and return on adjusted invested capital

Our capital allocation prioritises the investment of cash in areas that will deliver future earnings growth and strong cash returns on a sustainable basis. This includes investment for organic growth as a first priority through investment in our existing businesses, including capital expenditure in infrastructure, innovation in new products and the development of our people. We supplement organic growth with value-enhancing acquisitions in current and adjacent market niches, aligned with our purpose. This brings new technology, intellectual property and talent into the Group and expands our market reach, keeping Genus well-positioned in growing markets over the long term.

The return on adjusted invested capital, as defined in the alternative performance measures glossary, was lower at 11.5% (2023: 14.7%), reflecting a decrease in adjusted operating profit including joint ventures after tax to £56.2m (2023: £66.8m), due to the 9% decrease in adjusted operating profit including joint ventures and a 5.9 point increase in the adjusted effective tax rate. Adjusted invested capital increased by 8% to £489.5m (2023: £455.0m), predominantly due to £24.2m of new farm leases in the year related to two new farms in China.

Dividend

Recognising the importance of balancing investment for the future with ensuring an attractive return for shareholders, the Board is recommending a final dividend of 21.7 pence per ordinary share, consistent with the prior year final dividend. When combined with the interim dividend, this will result in an unchanged total dividend for the year of 32.0 pence per ordinary share (2023: 32.0 pence per share). Dividend cover from adjusted earnings decreased to 2.0 times (2023: 2.7 times).

It is proposed that the final dividend will be paid on 6 December 2024 to the shareholders on the register at the close of business on 8 November 2024.

People and Culture

A talented global team

During the year, we refined our people strategy to help us harness the growing strength of the global Genus team and ensure a compelling employee experience for our colleagues. We explain the composition of our workforce in the Governance section on page 73.



A passionate team, strong culture and shared strategy.

Angelle Rosata
Chief Human Resources Director

Positive responses to our employee engagement survey questions:

95%

of employees follow the Genus values in their daily work

98%

of employees understand that everyone has responsibility for health and safety

Evolving our culture

We nurture an inclusive, responsible and safe culture, collaborating effectively and supporting each other as we pursue our shared vision and strategy. The cornerstone is our set of core values. These were developed 13 years ago, so we refreshed them this year using input from a diverse range of colleagues around the world, as explained in the case study on page 34.

We are now embedding the refreshed values into our people processes. Our global employee handbook sets out the expectation that all Genus employees will align with these values and follow our policies and practices.

In addition, our employee resource group AWAKE (Advancing Women's Advocacy, Knowledge and Empowerment) is helping us strengthen efforts to enhance gender inclusion through coaching, leadership training and networking sessions. This year's programme included events involving our Non-Executive Directors Lesley Knox and Lysanne Gray.

Enhancing engagement

In November, we ran our employee engagement survey, Your Voice, to seek employee feedback on working at Genus and ideas for improvement. We achieved a record response rate of 87%, with contributions from more than 3,000 colleagues. Among the highest-scoring areas were understanding of our vision and strategy, health and safety and experience of working at Genus. We also identified areas in which we could improve, including talent retention and supporting our managers to be the best people leaders they can be. Our businesses and functions are now implementing practical action plans, while our executive team has identified Group-wide priorities on which we are placing particular emphasis.

Attracting and developing talent

We have continued to attract top talent in what remains a highly competitive labour market. For example, our early-stage career opportunities – including internships, trainee schemes and graduate programmes – brought in 52 new colleagues. We are also embedding the refreshed values into our recruitment process, to help us attract talent aligned with our culture and vision.

Once they have joined, we help colleagues keep developing throughout their career with Genus. Sources of support include bespoke leadership and management programmes, individual development plans and on-demand courses. Each year, we review and expand these resources. We also offer a CEO Scholarship, providing one colleague with funding for a part-time or online leadership programme. The recipient of this year's Scholarship has now begun an MBA through the University of Wisconsin.

Every employee also completes annual mandatory training, including modules on the Genus Code of Conduct and role-specific health and safety topics.

Benchmarking pay and benefits

We continue to offer a competitive compensation package to colleagues around the world. We monitor this by conducting rigorous benchmarking of local pay against practices in each market.

We are also committed to providing a broad range of benefits that support employees with different needs or interests, and helping colleagues in all areas of the company understand them.

Strengthening our support

During the year, we enhanced the effectiveness and increased the efficiency of support for employees around the world. For example, we set up a Centre of Excellence for Organizational and Talent Development, to ensure a consistent global approach to learning and development, performance management, employee engagement and succession planning. We also streamlined and simplified our payroll and other shared services support.

Managing change

During the year, Genus made operational and structural changes to help us with the next stage of our development. We treated the colleagues impacted with dignity and respect, in line with our values, providing a wide range of support (including outplacement assistance). We also helped colleagues remaining with us to transition to new structures or ways of working.

Prioritising zero harm

Our aim is to achieve zero harm across our organisation, so that colleagues can carry out their work without injury. To help us pursue this aim, we are constantly exploring and acting on any opportunities to enhance health, safety and mental wellbeing.

For example, while we already provide a detailed and multi-channel programme of health and safety training for colleagues around the world, we are always looking for opportunities to expand or improve it. This has included delivering targeted in-person training for colleagues in higher-risk roles to help them understand and manage hazards they may come across. We also increased our focus on leading indicators, including the importance of reporting any 'near misses' and 'observations' so we can learn from them and reduce any associated risks. In FY24 we increased the numbers of near misses and observations reported by 50% on the prior year.

Such activities helped us continue to reduce injuries during the year. Our recordable injury frequency rate for the year was 2.00 incidents per 100 employees; this was lower compared to prior year and in line with our target of a 5% reduction year on year (which we established four years ago). We also reduced vehicle incidents by 19.61% compared to the previous year, surpassing our 5% reduction target.

Routes for raising concerns

Colleagues in any part of our company can raise any concerns about unethical behaviour through several routes. These include an independent and anonymous hotline (which supports our whistleblowing policy), which is offered in different languages and different telephone numbers.

Any reports are immediately referred to the Group General Counsel and Company Secretary. They are investigated and discussed with the Group HR Director, Head of Risk Management, Internal Audit and the company's Audit & Risk Committee. This process is regularly reviewed as part of our annual Audit & Risk Committee activity.

Human rights

Genus is committed to respecting the human rights of workers throughout our value chain and the local communities in which we operate. We aim to ensure that anyone who might be affected by Genus can enjoy the human rights described in the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

We monitor this through the same process used for the policies outlined earlier and there were no issues identified during the year.

Refreshing our vision and values

After 13 years, we refreshed our vision and values in FY24. Our adjusted vision highlights how we support a more sustainable food system, while our values underpin our culture and expectations of all employees.

We refreshed our vision and values with input from a diverse range of colleagues from across Genus. We then refined the outputs through workshops with senior leaders.

This work identified an opportunity for our vision to explicitly reference sustainability, which is core to our business. Our adjusted vision is now:

Pioneering animal genetic improvement to sustainably nourish the world.

Our refreshed values are summarised in the graphic below. They are supported by statements explaining the behaviours we expect of every Genus employee.

We have launched a multi-channel communication programme to engage colleagues in what the refreshed vision and values mean for us all, every day. We are also embedding the values and behaviours into our people processes, including recruitment, onboarding and performance management.

OUR VALUES



Collaborate as one team

We unite as one team, driven by our vision and strengthened by the diversity of our people.

We inspire and support each other to develop personally and professionally.

We champion an ethical, responsible culture that is safe and inclusive for all.



Create value for customers

We actively engage with our customers to understand and address their challenges.

We pursue activities that build trust and drive success.

We deliver solutions that advance our customers' goals and support our business objectives.



Innovate with purpose

We accelerate genetic progress through our courage, curiosity, and commitment to solve problems.

We develop innovative solutions by taking calculated risks and demonstrating resilience.

We explore new ideas to further our work and learn quickly from our experiences.

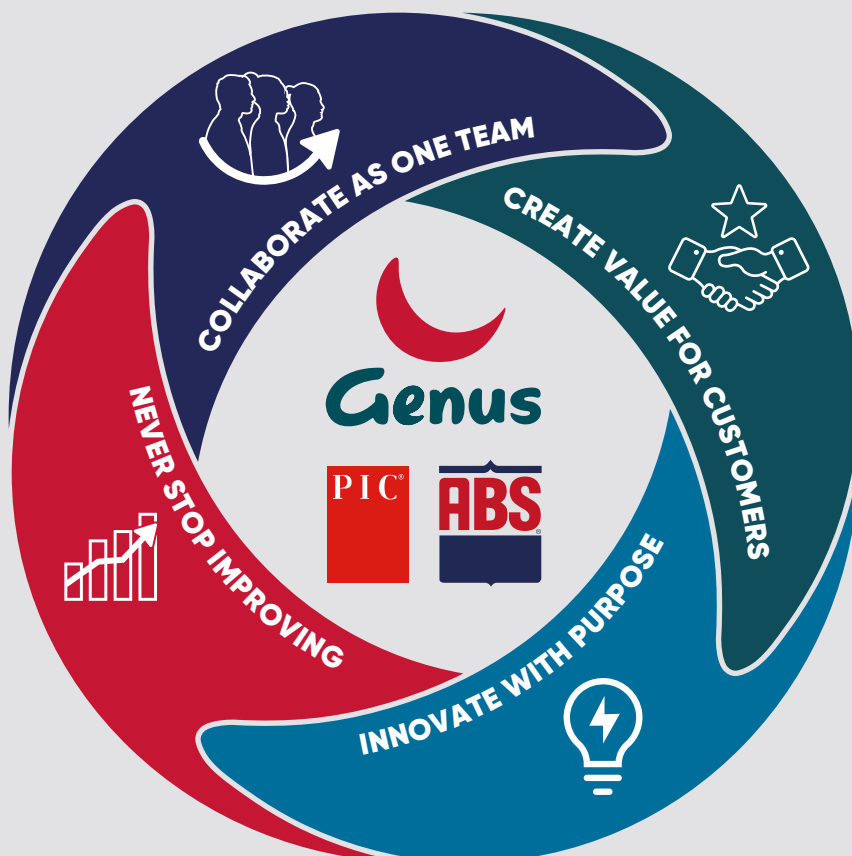


Never stop improving

We drive results and own outcomes.

We adapt and evolve to always deliver on our commitments.

We are all accountable for achieving measurable results.



Pioneering animal genetic improvement to sustainably nourish the world

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Sustainability Report continued

We aim to sustainably feed the world and our ESG strategy is aligned with this ambition. Our genetic improvements help farmers produce healthier and more efficient animals, while using less resources.



Sustainability is at the heart of our vision and embedded within our core values.

According to the UN, the global population is over eight billion people and is projected to reach 9.7 billion people by 2050. The challenge of feeding a growing population is exacerbated by climate change and the risks to food security which flow from it. We focus on helping farmers to meet this challenge and increase the availability of high-quality, affordable animal protein around the world. As a result of bovine and porcine genetic improvement, our customers require fewer animals and use far less feed, land, water and other natural resources to produce more milk or meat than they did some decades ago. We therefore make food more readily available, while reducing the impact of agriculture on the environment.

As we drive our genetic improvement and gene editing programmes, we also strive to reduce the environmental impact of our own operations, guided by

our Climate Change Policy. This policy commits us to a 25% reduction in our primary intensity ratio¹ against our 2019 baseline by 2030, and to becoming a net zero greenhouse gas ('GHG') emissions business by 2050. Our operations will always have animal-related GHG emissions associated with them, so our environmental focus is on delivering practical solutions to reduce or offset our residual emissions to net zero by 2050².

For Genus, sustainability also means ensuring our operations around the world are underpinned by policies and practices which reflect our core principles, such as animal well-being, supporting community causes and ensuring we foster a dynamic, inclusive and safe working environment.

We articulate expectations, provide information and deliver training where needed to embed responsible business practices across our organisation and the people we work with.

While we are committed to gender equality across all our businesses, we recognise that targets may be challenging given the current numbers of women within the global agriculture workforce. Our People and Culture report provides information on the targets we are working towards (see page 32).

The agriculture sector has an unenviable safety record both in the UK and internationally, and we are seeking to be leaders in this area. We continue to focus on efforts to improve health and safety standards across our business and set out our key performance indicators in this report (see pages 39 to 41). We also take compliance very seriously and if there are issues which need to be reported, we have an anonymous and independently managed whistleblowing hotline (see page 33).

During the year Genus was not subject to any enforcement action by regulators in any jurisdiction and we had no environmental incidents.

External assurance by DNV

We retained DNV Business Assurance Services UK Limited ('DNV') to provide limited assurance over selected information presented in the 2024 Annual Report. The scope of the assurance, which covers the period ranging from 1 April 2023 to 31 March 2024, was designed to focus on some of the important FY23 sustainability goals and KPIs, as set out on pages 39 to 41, and was limited to the metrics below:

- Scope 1 GHG emissions – combustion of fuel, own transport and livestock emissions;
- Scope 2 GHG emissions (location-based) – purchased electricity (and renewable generated), steam, heat and cooling;
- Scope 2 GHG emissions (market-based) – purchased electricity, steam, heating and cooling;
- Scope 3 GHG emissions (Categories 1 to 6, excluding bovine multiplier emissions);
- Total energy consumed by the Group;
- Percentage of women in management roles;
- Health and safety – the recordable injury frequency rate; and
- Net Merit (NM\$) improvement and associated lifetime carbon savings.

1 More information can be found on our website: www.genusplc.com/sustainability
Full details of how we measure the primary intensity ratio can be found in our Basis of Reporting for Non-Financial Metrics

2 Becoming a net zero business means that our business activities and our value chain will have no net impact on the climate from GHG emissions

HIGHLIGHTS FROM OUR FY24 SUSTAINABILITY PROGRAMME

Porcine Life Cycle Assessments ('LCA') demonstrate our elite genetics produce 7-8% lower GHG emissions.

This year we committed to improve our understanding of our porcine third-party multiplier Scope 3 emissions. We commissioned Dr Greg Thoma to complete LCAs of our PIC genetics to verify the environmental impact of our animals. Dr Thoma is a leading academic from Colorado State University and the Director of Agricultural Modelling and Lifecycle Assessment for its AgNext programme.

Our LCAs seek to quantify the GHG emissions mitigated by genetic improvement from the use of our elite genetics, and from the use of PRPs, relative to the industry average, and then further quantify the year-on-year environmental performance improvements as further genetic progress is achieved. Ultimately, the LCAs will be further segmented and modelled across four regions (namely, North America, Europe, China and Japan) and based on indoor production systems. We have excluded the GHG emissions from the distribution and retail of pork under the LCA because these steps are not impacted by our genetics.

3.9m⁶

estimated tCO₂e avoided emissions from using our porcine and dairy genetics in FY24

6 These reductions in GHG emissions are based on the calculation of CO₂e reduction multiplied by the estimated number of pigs and dairy cattle produced in FY24 using our genetics, as compared to the emissions from an average animal and the DNV assured estimate (1 April 2023 to 31 March 2024) for the annual reduction in carbon emissions figure of 206,608 tCO₂e for dairy cows produced. The dairy carbon footprint reduction is the difference in lifetime emissions as a result of genetic improvement from bulls released this year versus bulls released last year based on the same amount of Energy Corrected Milk (ECM) produced. These estimates have used data from our North American LCA for all regions globally. This approach is illustrative and will likely change as we gather more data and feed it into our LCAs

Our LCAs have been through an independent peer review to demonstrate compliance with ISO14040/44 standards³. We have opted to demonstrate conformity with the ISO14040/44 standards because this enables us to show the benefits of our genetics relative to the industry average, and demonstrates how the genetic improvement will continue to drive carbon improvements in future years. In addition, the results of the North American LCA have been published in a respected peer-reviewed journal⁵. We believe that our North American and European porcine LCAs are some of the first to receive this level of independent scrutiny. The LCA outcomes in respect of China and Japan will be reported in our FY25 Annual Report.

LCA Results: a full programme of PIC genetics in North America and Europe delivers a 7-8% reduction in GHG emissions compared to the industry average and will continue to deliver year-on-year GHG improvements of 0.7% per annum through our genetic improvement programme.

PRRS Resistance: The LCA work also seeks to quantify the environmental impact of our PRP, with initial results indicating that there are additional benefits over and above the PIC genetics. The results of this PRP LCA will be published in our FY25 Annual Report.

- 3 Adherence to the ISO14040/44 standard is important to enable PIC business to credibly demonstrate progress on reducing our direct GHG emissions and in future years demonstrate how our elite genetics can contribute to Scope 4 avoided carbon emissions
- 4 The average North American pig emissions were derived from the FAO Global Livestock Environmental Assessment Model (GLEAM) dashboard & Sandefur, H.N.; Burek, J.; Matlock, M.; Thoma, G.; Boles, E.C. Development of Life Cycle Inventory Data for U.S. Swine Production Scenarios: Dataset Documentation and User's Guide Version 2; Center for Agricultural and Rural Sustainability, University of Arkansas: Little Rock, AR, USA, 2015. Available online: <https://tinyurl.com/mrycpdyk>
- 5 Thoma, G.J.; Baker, B.; Knap, P.W. A Life Cycle Assessment Study of the Impacts of Pig Breeding on the Environmental Sustainability of Pig Production. *Animals* 2024, 14, 2435. <https://doi.org/10.3390/ani14162435>

GENUS'S GHG REDUCTION PROGRAMME

Environment – methane capture from pig manure

Genus's Scope 1 and 2 GHG emissions are largely methane from animal manure.

We have invested £1.2m at our PIC Aurora facility in Canada to install covers across our slurry lagoons that will enable the biogas to be captured. Preparatory works started in FY23 and the installation and commissioning works were completed in late 2023. We were able to demonstrate that biogas could be produced and flared, but the winter weather arrived and the gas production stopped due to the low temperatures. We will be able to validate both the quantity and quality of the biogas produced by December 2024. The investment is predicted to reduce our emissions by around 1,000 tonnes of carbon from methane that would have been emitted from the surface of the lagoon. Going forward, we will be investing in upgrades to existing facilities operated by our joint venture partners in China and Brazil, to capture and reduce the emissions of biogas.

Further investment of around £1.2m was planned to install solar panels during FY24 at our PIC Aurora and Atlas facilities in Canada. However, planning and project delays have only allowed the installation of the solar arrays at our Atlas facility. The PV panel installation was completed in February 2024 and the generation of low-carbon electricity started immediately. The system is undergoing full commissioning and it is already demonstrating that it can generate a third of the site's electricity needs. We expect this figure to increase as the system is fully commissioned and to hit peak output over the summer months.

In FY25, we will continue to invest in GHG mitigation projects that drive down our Scope 1 and 2 emissions. We have delivered the most cost-effective reductions to date and now we are evaluating how we can drive greater efficiencies in FY25 and beyond. Growth in our business and continued supply chain challenges for sourcing low-carbon products (such as vehicles) and services (for example, skilled installers for biogas capture or solar PV) have slowed the rate of progress in FY24. We remain committed to both our 2030 and 2050 goals.

Sustainability Report continued

PROGRESSING OUR SUSTAINABILITY STRATEGY



Our sustainability strategy comprises five pillars which support our purpose



Our Sustainability Committee contains experts from around our Company. The Committee sets our sustainability strategy, articulates annual objectives and monitors progress.




Our progress with our sustainability strategy, including key performance indicators where relevant, is summarised on pages 39 to 41.

For more information on our work, progress against the five pillars of our strategy and our Sustainability Committee, please see our website: www.genusplc.com/sustainability

Strategic Pillar	SDGs	FY24 Target	FY24 Outcome	Status	Forward Look for FY25
Sustainable protein production and food quality Advancing animal genetic improvement to help our customers breed more productive and resilient animals, which produce high-quality milk and meat more efficiently and sustainably.	 	Continue increasing porcine genetic improvement index by 0.75 standard deviation ¹ per generation.	We achieved 1.05 standard deviation of genetic gain in the PIC porcine genetic improvement index (20.9 index points).	Completed	Continue increasing porcine genetic improvement index by 0.75 standard deviation ¹ per generation.
		Continue increasing dairy genetic improvement index by one standard deviation ¹ per generation.	We achieved 1.11 standard deviation of genetic gain in NM\$ ³ (74.40 points).	Completed	Continue increasing dairy genetic improvement index by one standard deviation ¹ per generation.
		Continue increasing beef genetic improvement index by one standard deviation ¹ per generation	We achieved 1.08 standard deviation of genetic gain for T14 (14.6 points improvement) and 1.28 standard deviation of genetic gain for T15 (12.9 points improvement).	Completed	Continue increasing beef genetic improvement index by one standard deviation ¹ per generation.
		Develop a LCA to quantify the benefits and reduction of GHG emissions from the use of T14/T15 beef cattle.	Initiated LCA for T14/T15 beef cattle as part of a multi-year project	Partially completed	Complete the T14/T15 Beef LCA.
		Worked with Innovate UK and Scotland's Rural College to examine the impact of genetics and the micro-biome in T14 and T15 beef cattle to drive reductions of GHG emissions.	Initiated micro-biome research project.	Partially completed	Continue micro-biome research project and complete by FY26.

Sustainability Report continued

Strategic Pillar	SDGs	FY24 Target	FY24 Outcome	Status	Forward Look for FY25
Environment Reduce the environmental impact of our own operations.	  	Manure methane capture at slurry ponds at our PIC Aurora facility.	Aurora biogas capture project commissioned in October 2023.	Completed	Validate one year of biogas capture at PIC Aurora to determine additional investment opportunities.
		Examine and quantify water and waste use, to better determine risks and opportunities.	Not achieved.	Not achieved	–
		Continue transitioning to hybrid and electric vehicles for all new pool vehicles in the UK.	Limited progress made due to continued supply problems from car industry in the UK.	Ongoing	The Fleet team to prepare a revised business plan for FY26 to FY30 to deliver: <ul style="list-style-type: none"> • US transition to low-carbon vehicles; and • UK transition to electric vehicles.
		Run pilot project to install electricity sub-metering at a UK site, to better assess energy savings and the benefits of solar photovoltaics.	Unable to install new meters.	Not achieved	Enter into Power Purchase Agreements ('PPA') or Renewable Energy Backed tariffs for North America or EU markets.
		Continue our investment in renewable energy projects at: <ul style="list-style-type: none"> • Bluegrass (US) – anaerobic digestion. Project currently on hold. • Aurora (US) – biogas; see above. • Atlas and Aurora (US) – solar photovoltaics (see page 37). 	Bluegrass project Aurora Biogas Project Atlas solar photovoltaics Aurora solar photovoltaics	On hold Completed Completed Not achieved	
		Continue to implement an energy efficiency programme, with energy audits in the UK at key facilities and an updated UK energy savings plan.	Completed Energy Savings Opportunity Scheme review and audit for UK.	Completed	
		Further work on improving emissions data collection and reporting of Scope 3 emissions.	Scope 3 emissions for porcine TAME multiplier category 1 are included in this report (see page 42).	Completed	Engage with those suppliers that have a material impact on our Scope 3 emissions to explore areas of co-operation to effect positive change.

Strategic Pillar	SDGs	FY24 Target	FY24 Outcome	Status	Forward Look for FY25
Animal well-being Continuously improve animal well-being across our business worldwide.	–	Ensure employees with animal care responsibilities are regularly trained on Genus animal care standards and report percentage of employees who have completed training.	100% completion by those employees that are not recorded on Leave/Absence (maternity leave, sick-leave).	Completed	100% completion of training on Genus' animal care standards by employees with animal care responsibilities.
		Update the Animal Welfare Policy and roll out globally.	Joint review (ABS & PIC) of policy and comparison to industry completed through divisional and regional programmes, and rolled out globally February 2024.	Completed	–
Responsible employer of choice Be a people magnet with a dynamic, inclusive and safe working environment.		Achieve a recordable injury frequency rate ² ('RIFR') of 2.12 or less.	RIFR of 2.07. See page 33.	Completed	Deliver at least a rolling 5% year-on-year reduction in RIFR ² (2.01 or less).
		Maintained or improved employee engagement, by implementing 'Your Voice' Action Plans and publishing the key opportunities in our FY24 report.	3,209 staff responded to the 'Your Voice' engagement survey. The survey showed high levels of engagement (>80%) across the Group. More than 85% of employees enjoy working at Genus.	Completed	–
		Launching an awareness campaign on our values.	New Group values created and launch materials prepared ready for communication in FY25. See page 34.	Partially completed	–
		Increasing the proportion of female employees in management roles (target new female appointments: minimum 33%; stretch 50%).	We achieved 29.92% of women in M-grade roles during the reporting period.	Not achieved	Increase year over year female representation across Professional, Scientific and Management Bands.
Community Proactively engage and make a positive contribution in our local communities.	 	To support local communities in the vicinity of our facilities as appropriate or as the need arises.	Supported measures to prevent and respond to local community issues.	Completed	We will continue to support local communities in the vicinity of our facilities as appropriate or as the need arises.
			Recruited locally into nucleus farms, and encouraged support for local charities that align with our mission.	Completed	
			Continued our 'Never Stop Improving' high school scholarship programme and our intern programme, to invest in the future skills our business needs.	Completed	
			Continued to deliver elite genetics to farmers in Ethiopia, Kenya and Uganda in collaboration with local partners.	Completed	

- Genetic improvement considers factors that shape each animal's carbon footprint during their lifetime. These include farm inputs which support growth (such as feed, supplements and water) and outputs from the animals and their manures (including direct emissions and manure methane/nitrous oxide emissions). By calculating inputs and outputs in this way, we can identify total emissions involved in the production of milk or meat and track the reduction from one generation to the next. For a detailed explanation of how these targets are set and calculated, and the impact of genetic improvement on our customers' carbon footprints, see our website: www.genusplc.com/sustainability
- Recordable injury frequency rate is the number of work-related incidents that result in injury or illness, work restriction, or require treatment other than first aid. The figure reported in this table has been assured by DNV for the period 1 April 2023 to 31 March 2024. As a consequence, there is a small amount of variance for the RIFR when reported on page 33, which has been presented in line with our financial year
- The Net Merit indicator reported in this table has been assured by DNV for the period 1 April 2023 to 31 March 2024. Therefore, it does not match the company KPI which has been reported on pages 15 & 16, which has been presented in line with our financial year and it has not been assured by DNV. The differences are due to the changes in the timeframe, with new updates to the genetic index showing the continual evolution and improvement to the NM\$ index

Sustainability Report continued

GROUP SCOPE 1, 2 & 3 GHG EMISSIONS

All emissions measured in tonnes of CO₂e

Scope 3 emissions – porcine

PIC pure-bred pig lines are housed at 22 nucleus facilities around the world. These elite pigs are bred out into much larger breeding herds in over 500 third-party 'multiplication' farms, which are operated by our customers. PIC boars are also housed in over 400 boar studs, where semen is collected for distribution to our customers. The porcine Scope 3 footprint includes our multiplier customers who produce 'TAME' pigs. TAME pigs are those where we have a commercial agreement with the right to buy animals from the third-party multiplier to sell on to other third-party multipliers. While the animals are on a multiplier farm, we do not own them or control their day-to-day management. We only take ownership when they are in transit between farms for third-party sales. Our purchased goods and services (category 1) Scope 3 emissions include the upstream TAME pigs produced by our third-party multipliers. The methodology for deriving the Scope 3 emissions for our TAME pigs is described in the Basis of Reporting which is located on our website. The partial Scope 3 emissions currently do not account for downstream activities within the porcine value chain, such as processing of sold product, use of sold product and end of life treatment.

We expect our methodology and the emission estimate to evolve over time as we improve our understanding of emissions and the overall value chain.

In the table below we use emission factors from: (i) the Global Livestock Environmental Assessment Model ('GLEAM'); and (ii) the US National Pork Board. Both emission factors are provided as there is a material difference between the two emission

factors. We will use FY25 to better understand the reasons behind these differences. The total Scope 3 emissions associated with the production of TAME pigs lies between 75,852 to 232,014 tCO₂e.

DNV has only assured the GLEAM analysis, which is used in the calculation of our partial Scope 3 footprint.

Scope 3 emissions – beef genetics

ABS is a world leader in the genetic improvement of beef and dairy cattle. Our NuEra beef genetics programme contains two breeding lines: T14 and T15. The NuEra programme is comprised of two genetic lines to fit the demands of different beef markets: the T14 line is a SimAngus hybrid composite designed to create a high-quality carcass, and the T15 line is a British Blue line designed to create a high-yield carcass. Both lines are selected for more efficient growth. The targeted selection for these traits in the T14 and T15 lines drive beef supply chain value and efficiency in their respective high quality or yield markets. Applied to beef-on-dairy (BxD) systems, NuEra genetics brings value to the dairy sector by replacing the dairy-on-dairy (DxD) calves not retained for replacement and bull calves with BxD animals designed to perform well in terminal beef production. The relationship between increased performance efficiency and a reduction in animal emissions is well documented.

Work commenced in FY24 to develop a robust LCA to quantify the environmental impact of NuEra genetics on BxD commercial production, relative to the industry averages composed of three comparisons shown below.

- T14 US (NuEra) vs US benchmark
- T14 UK (NuEra) vs UK benchmark
- T15 UK (NuEra) vs UK benchmark

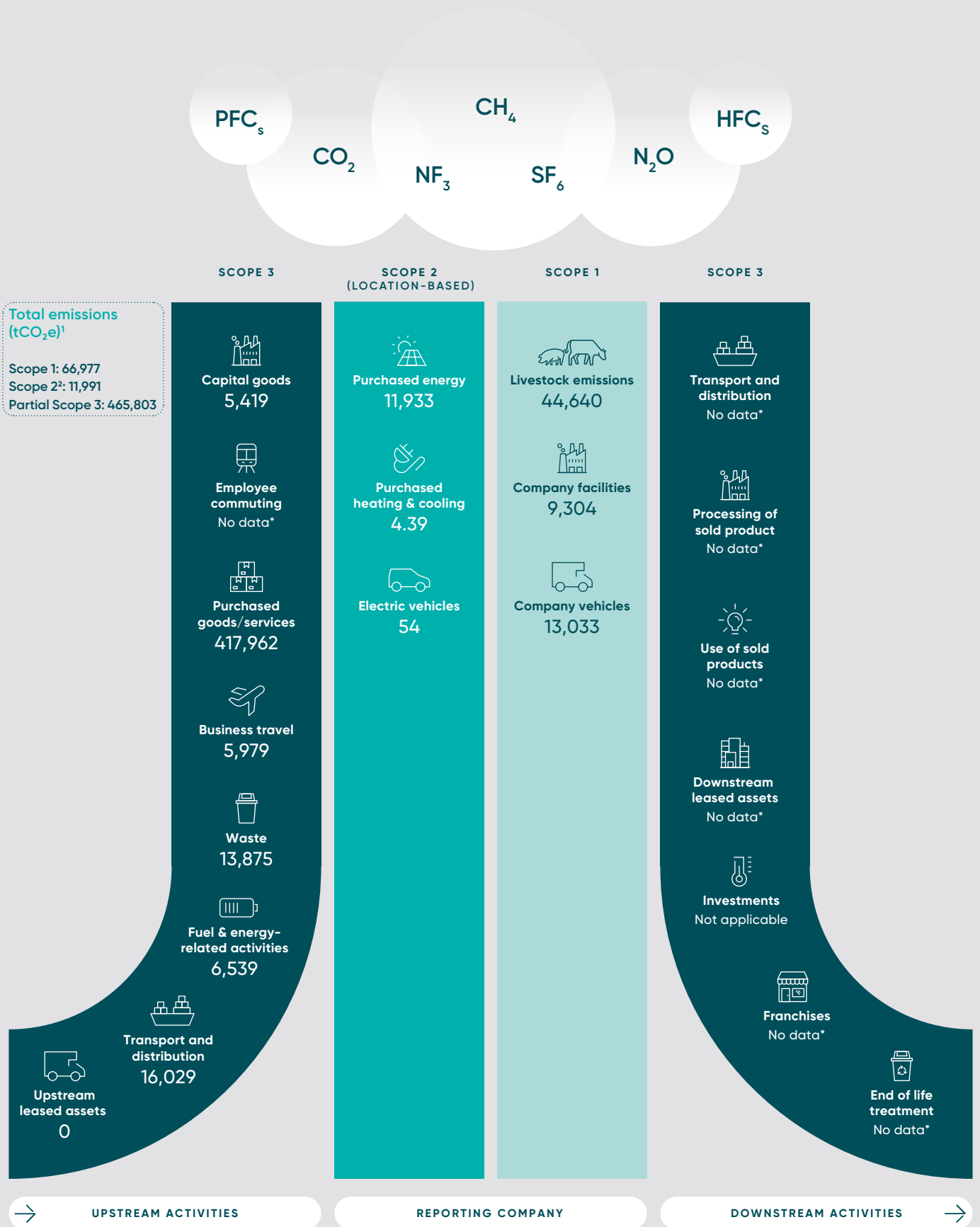
We expect to have completed the NuEra LCA and its ISO validation by the end of FY25 and we will then apply these results to improve the accuracy of our beef Scope 3 emissions. The perimeter of the NuEra genetics LCA will include our upstream third-party multiplier farms. As with the porcine Scope 3 footprint, we will initially exclude the downstream processing, distribution and retail of the dairy and meat products.

Scope 3 GHG emissions accuracy and completeness

The partial Scope 3 emission footprint presented this year is only a partial footprint that we will improve over time.

- The partial Scope 3 footprint at present only considers upstream emissions for categories 1–6, which includes TAME pig production from third-party multipliers.
- The partial Scope 3 footprint does not currently include upstream beef or dairy multipliers.
- We are currently unable to provide an estimate of our downstream Scope 3 emissions for categories 9–15.
- Full details for the Scope 3 methodology are explained in the Basis of Reporting document.

Boundary	Model	Number of animals	Emission factor per unit of pork (kg/CO ₂ e/per head)	PIC % reduction versus non-PIC pig	Average market pig Scope 3 emissions (tCO ₂ e)	PIC Scope 3 emissions (tCO ₂ e)	Level of assurance by DNV
TAME Pigs	GLEAM	330,407	755.06	7.0	249,477	232,014	Limited
TAME Pigs	National Pork Board		246.85		81,561	75,852	None



* None because Genus currently does not have access to this information and is focusing on upstream Scope 3 emission categories

1 The GHG emissions data presented above is based on data collected between 1 April 2023 and 31 March 2024. See page 42 for a description of partial Scope 3 (Categories 1 to 6) accuracy and completeness
 2 Scope 2 (Location-based) GHG Emissions

Sustainability Report continued

GHG REPORTING

Genus acknowledges the reality of climate change and recognises the lasting impact it will have on our business and our communities.

Genus has committed to act on climate change in several ways, including:

- driving porcine and bovine genetic improvements, including the PRP, which support productivity gains and improve health and feed efficiency, enabling a reduction in GHG emissions per unit of milk or meat produced;
- reducing the carbon footprint of our operations through better manure management, applying renewable power solutions to our vehicles and facilities and more efficient power use; and
- partnering and advocating for policies that advance positive climate goals and identified United Nations Sustainable Development Goals ('SDGs').

Our reporting approach

We use the 'primary intensity ratio' ('PIR') to report emissions reductions against our FY19 emissions baseline. We aim to reduce the PIR by 25% by 2030 compared to our FY19 baseline, and to have net zero GHG emissions by 2050¹. This means that even as our business grows, we are seeking to ensure that over time our GHG emissions shrink.

GHG emissions reporting outcomes

Our GHG emissions are primarily methane produced by our animals, and carbon dioxide from consuming fuel and other materials for energy, and from transport.

- Investments for renewable energy projects such as solar PV and biogas capture have reduced our Scope 1 emissions, which were slightly down in FY24 by 624 tCO₂e with emissions of 66,977 tonnes versus 67,601 tonnes of CO₂e in FY23.

- We were disappointed to see that progress for our PIR target stalled this year. The increase in Scope 2 emissions, coupled with a reduction of animal weight has caused the PIR to increase from 6.04 in FY23 to 6.46 in FY24.
- Changes within our production facilities in the US and China have increased future production capacity that have increased our Scope 2 location-based GHG emissions in FY24 to 11,991 versus 9,765 tCO₂e in FY23; if we report this using market-based emission factors the Scope 2 GHG emissions decrease slightly to 11,981 tCO₂e.
- For FY24 we successfully achieved our goal to review our processes and procedures for calculating emissions, to ensure our data is more accurate and robust. Our partial Scope 3 GHG emissions estimate now includes upstream categories 1-6.
- Emissions for Scope 3 GHG Emissions are not comparable with last year's limited reporting of partial Scope 3 GHG emissions (13,542 tCO₂e) and they currently stand at 465,803 tCO₂e. More details of our work to improve the assessment of our Scope 3 emissions are set out on page 42.
- In FY25 we plan to continue investment in energy efficiency, renewable energy technologies and our vehicle fleet. We will increase our focus on transforming our vehicle fleet because we have made less progress than we had hoped for. Emissions have continued to reduce but the rollout of cleaner and more fuel-efficient vehicles is still being constrained by the availability of replacement vehicles from the manufacturers:
 - In North America, the lack of vehicles and a lack of infrastructure are major barriers to progress to the introduction of electric vehicles ('EVs'). As an interim measure for North America, we are seeking to improve fuel efficiency.
 - In the UK we are waiting for hybrid vans to become available from the manufacturers.

¹ More information on our pathway to net zero emissions by 2050 can be found on our website: www.genusplc.com/sustainability

Emissions from	FY24 Tonnes of CO ₂		FY23 Tonnes of CO ₂ e		FY22 Tonnes of CO ₂ e		FY19 % change from FY19 baseline
	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)	
Scope 1 – livestock, stationary and mobile combustion	4,074	62,903	2,923	64,677	2,461	68,217	
Total Scope 1		66,977		67,601		70,678	-25%
Scope 2 – purchased electricity, steam, heat and cooling (location-based)	254	11,736	162	9,603	150	10,223	N/A
Scope 2 – purchased electricity, steam, heat and cooling (market-based)	244	11,736		Not previously reported			N/A
Total Scope 2 (location-based¹)		11,991		9,765		10,373	68%
Total Scope 2 (market-based²)		11,981		Not previously reported			N/A
Total Scope 1 and 2		78,968		77,366		81,051	-12%
Animal weight (tonnes)		12,227		12,812		11,611	N/A
Primary intensity ratio – (Scope 1 & 2 tCO₂e/tonne animal weight)		6.46		6.04		6.98	-31%
Partial Scope 3³		465,803					

1 'Location-based' approach reflects the average emissions intensity of the local grids where our electricity consumption occurs

2 'Market-based' is electricity that Genus has either invested in its own embedded renewable electricity or has chosen to purchase through contracts or instruments for renewable energy to displace 'dirty' grid electricity, in order to reduce Genus's Scope 2 GHG emissions

3 See Scope 3 GHG Emissions Accuracy and Completeness on page 42

Energy source and activity	Unit	Location	FY24	FY23	FY19
Electricity import	kWh	Global	25,604,873	21,423,724	17,599,380
Electricity generated from renewable energy and used on site	kWh	Global	992,087	1,120,678	303,800
Total electricity	kWh	Global	26,596,960	22,544,402	17,903,180
District heating (estimated based on share of building occupied)	kWh	EU only	18,376	18,376	–
Liquid and gaseous fuels used for mobile and stationary combustion sources	kWh	Global	97,151,632	84,528,531	22,495,340
Total energy used	kWh	UK	14,189,297	769,580	965,524
	kWh	RoW	109,577,672	20,654,143	39,432,996
	kWh	Global	123,766,696	21,423,723	40,398,520
Electricity generated from renewable energy and exported renewable energy	kWh	Global	120,539	251,901	–

Genus SECR energy data

In line with the UK Government's energy and carbon reporting requirements, further information on our energy consumption for FY24 and FY23 across Genus is set out above, along with the change relative to the 2019 baseline. All electricity data is collected from metered use. Fuel use is reported based on financial records of fuel purchased. We have applied assumptions on standard calorific values to convert all liquid and gas fuel types to a common energy metric (kWh) and data is reported for the period 1 July to 30 June for the years FY21 to FY23 and 1 April to 31 March for FY24. The move to a new reporting year eliminates the need for estimated data.

Sustainability Report continued

GENUS'S NET ZERO ROADMAP

Actions for continuing our journey towards net zero

Genus has a wide range of activities that will contribute to our own decarbonisation efforts (as shown in the graphic opposite) and help our farmers and the wider value chain to collectively move towards net zero using our elite genetics. We continuously review our 2030 and 2050 targets to ensure they remain relevant and meet stakeholders' expectations. We have decided that once we have concluded our LCA work and have completed the assurance of our Scope 3 footprint, we will seek to rebase our carbon goals.

In 2024 we completed the review of our TCFD analysis and embedded the findings within our business strategy and business continuity plans. We are still developing financial models that enable us to conduct more detailed sensitivity analysis for financial planning, to consider the future climate risks and opportunities that may have a material impact. In FY25 we will seek to continue our investment in renewable energy and to drive the efficiency of our operations, with a greater focus on driving the transition to more fuel-efficient vehicles and electric vehicles where the infrastructure supports the business's needs.

Key



Energy



Genetic improvement



Environment



Hybrid and electric vehicles



Water



Data



Financial impact

Primary Intensity Ratio



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES ('TCFD') STATEMENT

The following statement is a summary of our compliance with the TCFD Recommendations and Recommended Disclosures. We continue not to comply with the TCFD recommendations B & C. Full details of the TCFD Recommendations and Recommended Disclosures are contained within the TCFD Disclosure Statement located on our website which fully explains our status of compliance and our pathway to full compliance with the remaining 4 recommendations.

TCFD overview

Genus recognises that climate change is a significant systemic and strategic risk and that livestock farming and management is a contributor to climate change. Climate change may cause adverse regulatory and tax changes, exacerbate fluctuations in animal feed costs, cause more frequent impacts from adverse weather conditions, and limit access to water or increase costs of accessing water. In FY23, we completed an analysis of:

- qualitative risks and opportunities assessment – to assess the potential physical and transitional climate change risks and opportunities across 11 Genus sites; and
- quantitative risks and opportunities scenario analysis – to assess the potential financial impact of the physical and transitional risks and opportunities.

We determined that in the short term, physical climate risks are not likely to result in material losses for the business. The qualitative and quantitative analyses identified the material climate transition risks and opportunities, with the most significant risks relating to the exposure of the business to carbon taxes, energy prices and raw material prices. In summary, the principal findings were:

- Limited Physical Risks – there are limited physical risks to Genus sites from extreme weather, with risks highlighted at the low level across extreme heat, extreme wind, soil subsidence and forest fires. However, these may become more significant from 2040–2050;
- Carbon Pricing – Genus's most significant risk is carbon cost: carbon pricing, likely in the form of energy prices, poses a potentially significant financial impact to Genus in a 1.5°C scenario, with the analysis indicating an additional annual cost of approximately £22m (NPV from 2022–2050 – £53m) by 2050; and

- Renewable Opportunity – Genus has an opportunity to reduce electricity costs and avoid carbon pricing through use of renewable energy in countries where the electricity grid is fossil-fuel-based.

The findings from this scenario analysis informed and supported the climate strategy that we have followed to date. Continued investment in renewable energy and biogas capture will likely mitigate some of the material risks, and these investments, along with our elite genetics, will drive additional value for all of our stakeholders.

The scenario analysis also indicated that the risks from climate change will increase in the long term, but given the geographical spread of our sites the risks remain relatively low, and none of the additional costs will materially impact the financial viability of our business.

In FY24 an ESG Working Group, reporting into the Sustainability Committee, was set up with a remit including a review of the quantitative and qualitative analysis of physical and transition risks. This working group, along with a series of internal workshops, confirmed that the geographical spread of our sites, in conjunction with our normal business continuity plans ('BCPs') ensures that we are unlikely to experience a material climate-related loss in the short to medium term and concluded that there have been no material changes to the outcomes of the scenario analysis.

In the next sections, we will examine our progress against each of the TCFD Recommendations and Recommended Disclosures.

Governance

The Board has overall responsibility and accountability for our Climate Change Policy and TCFD reporting. Genus's Chief Executive has formal responsibility for implementing and monitoring the strategy to manage climate-related risks and realise the opportunities, and the Board reviews the business's annual budgets, strategic plans and capital investments to ensure that the Company's climate change action plans are implemented and integrated into the Company's wider financial planning and strategy.

The Board is provided with regular reports on performance of our ESG strategy in terms of performance against our strategic goals (see page 66, absolute GHG emissions, and Genus's PIR.

Sustainability Committee

The GELT, as well as the Chairman of the Board's Audit & Risk Committee, have been appointed to the Sustainability Committee, alongside operational leaders and subject matter experts with accountability for delivering the Group's sustainability objectives. The Sustainability Committee meets three times a year and is chaired by Genus's Chief Executive. The risks and opportunities are reviewed at least annually.

Remuneration policy

Genus has incorporated incentives for the management of climate-related issues into its remuneration policy for Executives. Strategic objectives aligned with our sustainability goals account for 20% of the Performance Share Plan ('PSP') opportunity for the Executive Directors (see page 84).

Audit & Risk Committee

The Audit and Risk Committee evaluates risk management and internal control systems, including reporting requirements of the TCFD. The Audit and Risk Committee Chair is a member of the Sustainability Committee.

Strategy and risk management

Strategy

TCFD requires companies to describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning and to describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. The Company's risks and opportunities are outlined in the TCFD Reference Document.

Our strategic response to climate change

In the short to medium term, the most significant impacts for Genus and its strategies around porcine and bovine genetic improvement are likely to arise from transition risks, specifically policy-driven carbon price increases, and energy and raw material price increases. This risk may impact the cost of feed and electricity used in the animal protein supply chain, increasing the price of the product for the consumer in some regions. We also recognise in the medium term that changing consumer preferences may have an impact on our business strategies.

Genus believes that our ongoing climate change mitigation activities, in connection with our genetic improvement programmes and our operational carbon footprint, along with our continued investment in R&D, will continue to deliver sustainability and environmental benefits for our stakeholders.

Sustainability Report continued

In FY24, our porcine and bovine genetic improvement programmes continued to deliver sustainability and environmental benefits, that benefited our customers and help us to grow our business in partnership with the wider animal protein value chain. We are leading the development of new genetic improvement data, underpinned by independently peer-reviewed LCAs, to demonstrate that our genetics can deliver future carbon savings. Currently, Genus derives almost all its revenue from products and services that make a positive contribution towards climate change mitigation, by breeding animals which are healthier, grow faster, consume less feed and emit fewer emissions, whilst being more profitable for farmers. We see strong demand for our elite genetics, and anticipate that this demand will grow over time, particularly where customer demand is supported by data demonstrating fewer emissions, and stimulated by decarbonisation policies.

In FY24, we also continued to action our operational GHG footprint reduction through investments in renewables and biogas capture designed to better manage manure, applying renewable power solutions to our facilities and use energy more efficiently.

Genus can effect further change by working with our direct suppliers to reduce the embodied carbon emissions associated with our goods and services. Going forward, we will be engaging with our most material suppliers to understand where we can work in collaboration with them and to obtain more accurate information that can inform our future strategy development.

Risk management

As part of our Group risk management process, we regularly review and update our sustainability risks, including climate change risks. Our climate risks are managed at a Group level, but we do assess whether there are regional or business-unit specific risks that need to be addressed. Genus' typical business planning time horizons are defined as short (0-2 years), medium (3-5 years), and long (5+ years), which is in line with Genus' operational and strategic planning cycles. As climate scenario analysis is a tool to analyse the potential effects of different temperature pathways over the long term (usually 2050), we assessed the potential financial impacts for Genus for the following time horizons:

- Genus (2025)
- Short (2030)
- Medium (2040)
- Long (2050)

These time horizons are also aligned with our accounting policies for the depreciation of assets as described in Note 17 Property, Plant & Equipment, page 144. For example, freehold buildings are depreciated over a 10-40-year period.

Full details of risk identification and management processes are contained within our supporting TCFD Reference Document.

In addition to Genus's review and update of the quantitative and qualitative analysis of physical and transition risks, in FY24 we developed a new desktop tool to drive greater consistency for the BCP reviews and recommendations for mitigation options to avoid climate-related business interruption or physical damage. The BCP review process has not identified any sites where the climate risks require additional investment in equipment or reconfiguration of the sites to mitigate climate risks in the short to medium term.

As noted, the FY24 review concluded that the FY23 scenario analysis was still valid, and concluded that Genus's overall physical and transition risk exposure is limited in the short to medium term. Our current actions to reduce emissions, our BCPs and the isolated location of our facilities provide risk mitigation that will likely ensure that, in the short to medium term, there is no material detriment to our business. In the longer term, increases in the frequency and severity of physical risks, such as extreme weather events, water stress and higher ambient temperatures could have a greater potential to impact sites, supply networks and consumer value chains, whilst changes to regional climates may lead to changes to costs, the availability of raw materials, and the ability of our customers to produce feed and livestock.

Metrics and targets

Genus has committed to climate-related carbon reduction targets to drive performance in areas both directly controlled by Genus, and which provide usefulness across our value chain, including:

- Progress against Sustainability Goals, as set out on pages 39 to 41, which include genetic improvement targets for pork, beef and dairy;
- Improvement in Primary Intensity Ratio (tCO₂e/tonne animal weight) as discussed on page 44;
- Climate-related goals and targets for Executives and executive management (see page 84); and
- Net Zero GHG emissions by 2050.

Genus aims to have net zero emissions by 2050, which presents a significant challenge, not least in determining the actual impact of our business within our operations and across the value chain.

Genus has measured its Scope 1 and 2 emissions for several years, and our reporting of emissions is executed in line with the Greenhouse Gas Protocol methodologies. Our Scope 1, 2 and partial Scope 3 emissions are subjected to limited assurance by DNV and published externally to our Stakeholders in our Annual Report. Full details of how we measure our GHG emissions and the KPIs that form the basis of the TCFD disclosure can be found in the Basis of Reporting document published on our website.

Non-compliance with the TCFD recommendations and recommended disclosures

We have not complied with TCFD Strategy recommendations B and C. Recommendation B requires companies to describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning. Recommendation C is to describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Strategy & risk management

In FY23, we undertook our first scenario analysis, which only assessed the physical and transitional risks and opportunities at 11 priority sites, and we do not currently plan to expand our assessment beyond these sites which are owned sites, or joint venture sites where the risk is diluted by our equity stake.

For FY24 we have completed our scenario analysis evaluation and integrated the key finding into our BCPs and financial strategy. We are now able to partially quantify our upstream (Category 1–6) Scope 3 GHG emissions, and to identify future areas for management focus to reduce our exposure to carbon costs through investments in renewables or through examining and adjusting our supply chain. Despite this progress we do not fully comply with the TCFD because we need to focus further efforts to:

- perform a quantitative analysis for additional Genus sites for climate-related risks and opportunities;
- review and update our climate transition plan;
- fully understand how we can work in partnership with our value chain to drive down Scope 3 emissions associated with the goods and services we procure. This work will be piloted with a few strategic suppliers in FY25 to help us to develop a scalable process; and
- develop a financial model to assist in determining the climate change risks and opportunities with individual business investments.

Metrics & targets

We have not complied with Metrics and Targets recommendations B and C. TCFD requires companies to disclose Scope 1, Scope 2, and if appropriate, Scope 3 emissions, and the related risks, and describe the targets used by the organisation to manage climate-related risks and opportunities, including the performance against targets.

Whilst we have disclosed the partial Scope 3 upstream GHG emissions for categories 1–6, we have not been able to report Scope 3 GHG emissions for our third-party bovine multipliers, employee commuting (category 7) and our downstream value chain GHG emissions (categories 9–15).

In FY25 we will:

- complete our ISO-conformant suite of porcine LCAs; and
- complete the LCA work for our beef-on-dairy genetics, to support the development of a more comprehensive Scope 3 footprint.

Stakeholder Engagement

The Group actively engages with its stakeholders, to keep them updated and ensure we understand their priorities.

We look to understand our customers' and consumers' priorities, support our employees in pursuing our strategic goals and maintain strong relationships with shareholders while being a responsible and environmentally conscious citizen within our communities.

The Board carries out some engagement directly, while other engagement occurs during the running of the business, with the Board being kept informed through reports from management. On this page we describe our key stakeholders and examples of engagement during the year and actions which arose.

CUSTOMERS AND CONSUMERS

Board representative:
All Directors

How we engage

- The Board visits key customers and operators at different levels of the supply chain, including meeting with farmers, meat packers and processors, to understand what they look for in genetics to meet consumer demands
- Regular Board updates on targeted customers and customer wins
- Regular customer visits as part of our service offering, enabling our teams to work closely with customers to better understand their needs
- Keeping under review growth of alternative non-animal proteins, in light of consumer preference

Key issues identified

Need for a high-quality customer experience at an appropriate cost to serve

Actions arising

- Continued to roll out GenusOne in Italy, Mexico and India
- The Board scrutinised ABS management's Value Acceleration Programme

EMPLOYEES

Board representative:
Lesley Knox, Lysanne Gray

How we engage

- Direct engagement by Workforce Engagement Directors
- Regular CEO calls with the company's senior leaders
- Planned cadence of internal communications across the company
- Multi-channel communication following results announcements
- CEO-led global town hall meetings
- Employee-led resource group focused on diversity
- Health and safety training programme and regular updates/briefings
- Bi-annual Employee Your Voice survey and periodic pulse surveys
- Company Intranet and SharePoint sites

Key issues identified

- Improvement areas raised in the Your Voice survey:
 - refinement of hiring and selection processes
 - career development support for line managers
 - refinement of areas of our organisational structure

Actions arising

- The Board reviewed feedback from employees received directly and continued to monitor management's plans to address the key points raised in the FY24 Your Voice survey
- The Board reviewed management's succession plans, diversity and inclusion and talent development strategies
- The Board reviewed and approved the Company's new values
- Ensuring safe working environments with a continued focus on health and safety strategy and culture

SHAREHOLDERS

Board representative:
Iain Ferguson

How we engage

- Investor roadshows, led by the Chief Executive and Chief Financial Officer
- Results announcements, presentations and webcasts
- AGM and Capital Markets Day in November 2023
- Trading updates in November 2023 and February 2024
- Annual Report
- Regular news flow on key developments
- Shareholder consultation on governance matters

Key issues identified

- Progress of the PRP regulatory approval process
- Implementation of the ABS Value Acceleration Programme
- Ongoing shareholder interest in sustainability and environmental performance

Actions arising

- Continued focus on sustainability (see pages 35 to 49)

COMMUNITIES AND ENVIRONMENT

Board representative:
Lysanne Gray

How we engage

- A range of placement and employment opportunities offered for students and apprentices
- Support for charities close to local businesses
- Providing educational support for agriculture and animal science programmes
- Investing in activities designed to reduce GHG emissions, consistent with our Climate Change Policy

Key issues identified

- Potential impact of climate change on the business and our communities

Actions arising

- The Board continued to scrutinise management's strategy, plans and actions to achieve climate change targets
- The Board reviewed and approved the Company's TCFD disclosures, including an updated assessment of the Company's Scope 3 emissions (see pages 47 to 49)

Non-Financial and Sustainability Information Statement

The table below, and the information it refers to, is intended to help stakeholders understand our position on key non-financial and sustainability matters in line with the requirements contained in sections 414CA and 414CB of the Companies Act 2006.

Reporting requirement	Policies and standards which govern our approach	Risk management and additional information
Environmental matters	Sustainability Framework	See pages 35 to 49
Climate-related financial disclosures	Climate Change Policy	See pages 35 to 49
Employees	Global Employee Handbook	See page 33
	Whistleblower Policy	See page 33
Human rights	Global Employee Handbook	See page 33
	Whistleblower Policy	See page 33
Social matters	Charitable Donations Policy	See page 41
Anti-corruption and anti-bribery	Anti-Bribery and Corruption Policy	See page 33
Policy embedding, due diligence and outcomes	Global Employee Handbook	See Strategic Report on pages 1 to 31
Description of principal risks and impact of business activity	n/a	See Principal Risks and Uncertainties on pages 52 to 55
Description of the business model	n/a	See Business Model on pages 6 to 9
Non-financial key performance indicators	Sustainability Framework	See page 39 to 41

Section 172 Statement

Section 172(1) of the Companies Act 2006 imposes a general duty on every company director to act, in good faith, in the way they consider would be most likely to promote the success of the company for the benefit of its shareholders. In doing so, directors must take into account a list of factors that include:

- the likely long-term consequences of board decisions;
- how the company's actions and behaviours affect customers, employees, suppliers, the community and the environment;
- the desirability of maintaining a reputation for high standards of business conduct; and
- the need to act fairly between shareholders.

This statement explains how the Board has complied with its obligations under section 172.

Long-term consequences of Board decisions

Genus has a business model and strategy that deliver results on a multi-year basis. For example, we target customers where we can build long-term and mutually beneficial relationships, rather than seeking one-off transactions. Our investment in R&D can also take several years to result in revenue-generating products, meaning our success in the short term depends on long-term decisions taken in previous years. As a consequence, long-term decision-making is a natural part of the Board's approach.

Managing our stakeholder relationships

To effectively consider the impact of decisions on our stakeholders, we must have a good understanding of their needs and issues. We therefore actively listen to our stakeholders at all levels of the organisation, to ensure we take account of and respond to their interests. Information on how we engage with our stakeholders, including the Board's direct and indirect engagement with them, can be found on pages 65 to 67.

The agenda for each Board meeting indicates the relevant stakeholder groups against each item, ensuring the Directors are aware of the stakeholder interests they need to consider in their decisions.

Standards of business conduct

The Board is aware of the need to maintain high standards of business conduct. The Group has a strong ethical culture, underpinned by our values and policies, which are endorsed by the Board. The Group also has specific policies and procedures to prevent bribery and corruption, as described on page 33 and as made available on our website www.genusplc.com.

Maintaining high standards of business conduct also relies on having the right culture within the Group. Page 67 describes how the Board maintains oversight of culture.

Environmental impact

Information on the Group's environmental impact can be found on pages 35 to 49.

Lysanne Gray is the Board's Sustainability Sponsor. She is a member of the Sustainability Committee, which monitors progress against the five pillars of the Group's sustainability framework including the actions identified in the Group's Climate Change Policy.

Treating shareholders fairly

The Company's shares are owned by a wide range of institutional and individual shareholders, with no shareholder having a majority holding or significant influence over the Group. As a result, no situations arise in which any shareholders can be treated differently, ensuring fair treatment for all.

Principal Risks and Uncertainties

Risk Management

Genus is exposed to a wide range of risks and uncertainties as it fulfils its purpose of helping farmers produce high-quality meat and milk more efficiently and sustainably, which increases the availability of safe and affordable animal protein for consumers.

Some of these risks relate to our business operations, while others relate to future commercial exploitation of our leading-edge R&D programmes. We are also exposed to global economic and political risks such as trade restrictions attributed to the on-going conflicts in Russia-Ukraine, the Middle East, and trade restrictions attributed to disease outbreaks like Avian Flu in the US, which can restrict the movement of our products.

As part of our continuous risk management process we monitor current and emerging internal and external risks and where appropriate we reflect the changes in principal risks on our Group risk register.

Emerging risks

This year our reviews of emerging risks focused on:

- the impact of the general election in the UK and the upcoming US presidential election; and
- disease outbreaks, specifically Avian Flu in the US.

Changes to principal risk names

We have changed the principal risk name of the following risks to better reflect the nature of the risks, as follows:

- **Capturing Value through Acquisitions** was renamed to **Capturing Value through Corporate Transactions** to cover all M&A activity, investments, or divestments; and
- **Sustainability** was renamed to **Climate Change** to reflect the focus on climate-related impacts.

In reviewing our principal risks, we have made the following changes to better reflect the evolving risk landscape. We increased three risks:

- Developing Products with Competitive Advantage, to reflect the increased bovine market consolidation and competition for elite genetics;
- Hiring and Retaining Talented People, reflecting the global economic challenges and the fight for talent, our ABS Value Acceleration programme and the impact of significant change for the organisation; and
- Cyber Security, to reflect the increased risk attributed to the rapid development and use of Artificial Intelligence by malicious actors.






We decreased our Protecting IP risk to reflect our strong process of protecting our IP, supported by the settlement of a long-term dispute with STgenetics.

From our broad risk universe, we have identified 11 principal risks, which we regularly evaluate based on an assessment of the likelihood of occurrence and the magnitude of potential impact, together with the effectiveness of our risk mitigation controls.




The Directors confirm that they have undertaken a robust assessment of the principal and emerging risks and uncertainties facing the Group. More information on our risk management framework can be found in the Corporate Governance Statement on pages 75 to 79.

Link to strategy

➔ For more information on our strategic priorities, see page 13

-  Deliver a differentiated proprietary genetic offering
-  Focus on progressive protein producers globally
-  Share in the value delivered
-  Considered for Viability Assessment
-  Risk item focused on sustainability and TCFD reporting




Link to risk change

-  Increased
-  Reduced
-  No change

Risk	Risk description	How we manage risk	Risk change in FY24
Strategic Risks			
Developing products with competitive advantage STRATEGIC LINK 	<ul style="list-style-type: none"> Development programmes fail to produce best genetics for customers. Increased competition to secure elite genetics. 	<p>Dedicated teams align our product development to customer requirements. We use large-scale data and advanced genomic analysis to make sure we meet our breeding goals. We frequently measure our performance against competitors in customers' systems, to ensure the value added by our genetics remains competitive. We also partner with universities and other bodies to further our developments. This includes the life cycle assessments being undertaken for our porcine and bovine genetics to demonstrate the value of our products.</p>	<p>▲ Bovine market consolidation, competition, and downturn has put pressure on maintaining our genetic lead.</p> <p>However, our analysis and benchmarking continue to support the competitiveness of our genetic improvements in porcine, demonstrated by new porcine royalty customers in China.</p>
Continuing to successfully develop IntelliGen technology STRATEGIC LINK 	<ul style="list-style-type: none"> Failure to manage the technical, production and financial risks associated with the continued advancement of the IntelliGen business. 	<p>Our continued advancement of the technology and its deployment to new markets and customers is supported by dedicated internal resources and agreements with suppliers. We work with key customers on technological and performance improvements, and to ensure optimum performance we provide maintenance and specialist training to our customers and continuously monitor productivity.</p>	<p>= We have improved our technology, expanded the number of machines and our customer base this year and maintain optimal performance.</p> <p>This year we settled our long-term patent dispute with STgenetics.</p>
Developing and commercialising gene editing and other new technologies STRATEGIC LINK 	<ul style="list-style-type: none"> Failure to develop successfully and commercialise gene editing technologies due to technical, intellectual property ('IP'), market, regulatory or financial barriers. Competitors secure 'game-changing' new technology. Consumer acceptance of gene-edited proteins. 	<p>We stay aware of new technology opportunities through a wide network of academic and industry contacts. Our Genus Portfolio Steering Committee oversees our research, ensures we correctly prioritise our R&D investments and assesses the adequacy of resources and the relevant IP landscapes. We have formal collaboration agreements with key partners, to ensure responsible exploration and development of technologies and the protection of IP. The Board is updated regularly on key development projects.</p>	<p>= Key initiatives continue to progress through the R&D life cycle, which includes the commercial viability of the product with the businesses, and we maintain the high level of investment needed to bring the end products to market.</p> <p>We work closely with regulators to make sure our products meet exacting standards. We are actively working with the US FDA to obtain regulatory approval for our PRP in 2025.</p>
Capturing value through corporate transactions STRATEGIC LINK 	<ul style="list-style-type: none"> Failure to identify appropriate investment, merger, and divestment opportunities or to perform sound due diligence. Failure to successfully integrate an acquired business. 	<p>We have a rigorous process to evaluate market opportunities aligned with our strategic plans, values, and our aim to accelerate growth and create value for our shareholders, with all material projects being reviewed and approved by the Board. We also have a structured post-acquisition integration process focused on maximising value.</p>	<p>= This year we acquired the remaining shares of Xelect, our aquaculture genetic improvement business in Scotland and have integrated it into our operations.</p>

Principal Risks and Uncertainties continued

Risk	Risk description	How we manage risk	Risk change in FY24
Strategic Risks continued			
Succeeding in growth markets STRATEGIC LINK 	<ul style="list-style-type: none"> Failure to appropriately develop our business in China and other growth markets. 	<p>Our organisation blends local and expatriate executives, supported by the global species teams, to allow us to grow our business in key markets, while managing risks and ensuring we comply with our global standards and comply with sanctions. We also establish local partnerships where appropriate, to increase market access.</p>	<p>■ The ongoing global macroeconomic conditions, including conflicts in Russia-Ukraine and Israel-Palestine. However, in the second half of the year we have gained new royalty customers in China, a sign of our competitive porcine products. We are also exploring opportunities in Southeast Asia. The risks to our business in Russia are described in note 4.</p>
Climate change STRATEGIC LINK 	<ul style="list-style-type: none"> Failure to lead the market in efficient and sustainable animal protein production and help our customers to meet the challenge of producing meat and milk the same way, as climate change increases demand to reduce carbon emissions. Failure to fulfil our commitment to reduce the environmental impact of our own operations and implement our Climate Change Policy and TCFD reporting. 	<p>We have a global sustainability strategy and Climate Change Policy that are approved, and regularly reviewed, at Board level. Our Sustainability Committee oversees the implementation of the strategy and the annual objective-setting process as well as monitoring progress using key performance indicators and our sustainability risk register. We have developed our 2030 emissions reduction plan (and 2050 net zero plan) and developed quantifiable, robust performance indicators in relation to life cycle carbon reduction (per generation) of pigs and dairy cows. See our TCFD reporting on pages 47 to 49.</p>	<p>■ There is increasing regulation and demand for transparency and accuracy of reporting on sustainability targets. We continue to develop our reporting capability to enable better accuracy. There is a notable change in more frequent weather-related events across the globe.</p> <p>Our carbon reduction plans are on track to meet our 2030 goals and we have achieved a significant reduction in our intensity measures since 2019.</p>
Operational Risks			
Protecting IP STRATEGIC LINK 	<ul style="list-style-type: none"> Failure to protect our IP could mean Genus-developed genetic material, methods, systems and technology become freely available to third parties. 	<p>We have a global, cross-functional process to identify and protect our IP. Our customer contracts and our selection of multipliers and joint venture partners include appropriate measures to protect our IP. We maintain IP-appropriate landscape watches and where necessary conduct robust 'freedom to operate' searches, to identify third-party rights to technology.</p>	<p>■ We continue to actively protect our IP by filing patents attributed to our R&D activities.</p> <p>This year we settled our long-term patent dispute with STgenetics.</p>
Ensuring biosecurity and continuity of supply STRATEGIC LINK 	<ul style="list-style-type: none"> 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 and disputes. Lower demand for our products, due to industry-wide disease outbreaks. 	<p>We have stringent biosecurity standards, with independent reviews throughout the year to ensure compliance. We investigate biosecurity incidents, to ensure learning across the organisation. We regularly review the geographical diversity of our production facilities, to avoid over-reliance on single sites.</p>	<p>■ There continue to be global supply chain challenges driven by the current economic climate, increased trade sanctions, disease outbreaks and the continued spread of ASF, especially in China.</p>

Risk	Risk description	How we manage risk	Risk change in FY24
Operational Risks continued			
Hiring and retaining talented people STRATEGIC LINK 	<ul style="list-style-type: none"> Failure to recruit, develop and retain the global talent needed to deliver our growth plans and R&D programmes. 	<p>We have a robust talent and succession planning process, including annual assessments of our global talent pool and active leadership development programmes. The Group's reward and remuneration policies are reviewed regularly, to ensure their market competitiveness, and we have a long-term retention incentive scheme. We work closely with several specialist recruitment agencies, to identify candidates with the skills we need.</p>	<p>▲ The global economic challenges, the fight for talent, and our ABS Value Acceleration Programme increase the risk of employee turnover. However we have been able to attract and promote key talent to critical leadership roles for our ABS and PIC businesses.</p>
Cyber security STRATEGIC LINK 	<ul style="list-style-type: none"> Failure to adequately detect and mitigate a malicious cyber-attack by internal or external activists and the ability to quickly recover. Failure to properly protect our data and systems from an attack. 	<p>We utilise a flexible multi-layered approach that focuses on employee awareness and training, policies, software, and a third-party 24/7 monitoring Security Operations Centre and follow ISO 27001 standards and have cyber security insurance. We continue to improve our systems and data backup procedures and harden our servers to further strengthen our resilience and have a programme focused on continuous cyber security improvements. We have entered our final phase of our GenusOne programme which further strengthens our operational controls and IT security as we move to the cloud.</p>	<p>▲ The rapid development and use of Artificial Intelligence by malicious actors increases the intensity and frequency of attacks.</p> <p>To mitigate these risks, we partner with our third-party Security Operations Centre to alert us of potential attacks, employ best-in-class security programmes, engage in continuous employee awareness training, and have robust policies in place to mitigate any IT security incidents.</p>
Financial Risks			
Managing agricultural market and commodity prices volatility STRATEGIC LINK 	<ul style="list-style-type: none"> Fluctuations in agricultural markets affect customer profitability and therefore demand for our products and services. Increase in our operating costs due to commodity pricing volatility. Longer-term influence of climate factors on the cost and availability of agricultural inputs (animal feed). Geopolitical tensions and ongoing conflicts in Russia-Ukraine and the Middle East impacts agricultural markets. 	<p>We continuously monitor markets and seek to balance our costs and resources in response to market demand. We actively monitor and update our hedging strategy to manage our exposure. Our porcine royalty model and extensive use of third-party multipliers mitigates the impact of cyclical price and/or cost changes in pig production.</p>	<p>= There continues to be slow economic recovery and global inflationary pressures have eased, but cost pressures remain. Agricultural input prices are stabilising or reducing for producers in many of our markets.</p> <p>China has seen a small increase in pig prices and a reduction of input costs.</p>

Going Concern and Viability Statement

In the assessment of the Group's going concern and viability the Directors utilise a three-step approach focusing on a base case, modelling a 'severe yet plausible downside' scenario and utilising reverse stress test modelling.

Base case

The Board considered the budget and strategic plan alongside the Group's available finances, strategy, business model, and market outlook.

The annually prepared budget and strategic plan are compiled using a bottom-up process, aggregating those prepared by PIC and ABS. The consolidated Group budget and forecasts are then reviewed by the Board and used to monitor business performance. The Strategic Plan forms management's best estimate of the future performance and position of the Group.

The Board has considered the Group's access to available financing, which consists of the following over the term of the agreement:

	June 2024	From August 2024	From August 2025
Rolling			
Credit	190m GBP	208m GBP	186m GBP
Facilities	170m USD	161m USD	142m USD

Additionally, the agreement contains an uncommitted £11m accordion option which can be requested on one further occasion over the remaining lifetime of the facility.

The current facility expires in August 2026 having already exercised all extension options.

The Group will enter into discussions with the banking syndicate regarding a new facility during the first half of 2025, and given the current standing of our business relationship with the syndicate we have a reasonable expectation that a new facility would be offered on appropriate terms.

In their assessment of the Group's viability, the Directors have determined that a three-year time horizon, to June 2027, is an appropriate period to adopt. This was based on the Group's visibility of its product development pipeline, for example, because of the genetic lag of approximately three years between the porcine nucleus herds and customers' production systems and the pipeline of young bulls.

The Group's base case modelling (assuming a new facility on similar terms is secured before August 2026) shows headroom on all bank covenant thresholds across the going concern and viability periods.

Downside modelling

Our downside modelling has incorporated the Directors' assessment of events that could occur in a 'severe yet plausible downside' scenario. The risks modelled are linked to the 'Principal Risks and Uncertainties' described on pages 53 to 55.

The most significant material risks modelled were as follows; these are consistent with the previous year:

Ensuring biosecurity and continuity of supply

- Disease outbreaks in our Genetic Nucleus and Bull Stud farms, modelled as a one-off cash cost to clean and restock the farms.
- The impact of severe weather events impacting our global supply chain and the wider agricultural industry, modelled as a one-off cash cost.
- Loss of ability to move animals or semen freely (including across borders) due to disease outbreak, environmental incident or international trade sanctions and disputes, modelled as a multi-year cash impact resulting from increased supply costs and lost trading that cannot be replaced in the short term.

Managing agricultural market and commodity prices volatility

- Increase in our operating costs due to commodity pricing volatility, modelled as a multi-year cash reduction.
- Geopolitical tensions and ongoing conflicts in Russia & Ukraine and the Middle East impact agricultural markets, modelled as a multi-year cash impact resulting from loss of trade.

Succeeding in growth markets

- Failure to appropriately develop our business in China and other growth markets, modelled as a multi-year cash impact resulting from a reduction in the forecast growth rate in those markets.

Individually these scenarios do not result in the elimination of our facility headroom or breach of covenants. If multiple severe but plausible scenarios were to occur in combination the Board would be able to take mitigation measures to protect the Group in the short term. These would be realised through reductions in dividends and postponing capital spend and strategic investments.

We have considered the position if each of the identified risks materialised individually and where multiple risks occur in parallel. We have overlaid this downside scenario, net of mitigations, on our facility headroom and banking covenants.

Under this assessment our headroom remains adequate under these sensitivities including our ability to take mitigating actions and expectation of renewing appropriate facilities.

Reverse stress testing

To assess the level of headroom within our going concern and viability assessment a reverse stress test was performed, with the level of performance deterioration against the base case while applying the mitigations outlined previously.

Over the going concern and viability period the smallest required reduction in forecast Adjusted Operating Profit to exceed the permissible ratio of net debt to EBITDA (as calculated under our financing facilities) would be 26%. Similarly, a one-off cash cost of an equivalent size would increase net debt and result in the same outcome.

In all reverse stress scenarios, the covenant would be breached before the facility is exceeded.

Going concern assessment and viability conclusion

Based on this assessment, the Directors have a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future and for a period of at least 12 months from the date of this report. Accordingly, the Directors continue to adopt and consider appropriate the going concern basis in preparing the Annual Report.

Also, based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the viability period to 30 June 2027, subject to the credit facility being renewed.

There are no indications from this assessment that change this expectation when looking beyond 30 June 2027 at the Group's longer-term prospects.

The Strategic Report was approved by the Board of Directors on 4 September 2024 and signed on its behalf by:

Jorgen Kokke
Chief Executive
4 September 2024

Alison Henriksen
Chief Financial Officer
4 September 2024

A robust governance framework

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Chairman's Letter



Strong corporate governance is never more important than in uncertain times.

Iain Ferguson CBE
Non-Executive Chairman

Strong governance underpins our resilience

The last 12 months have been challenging. Tough economic conditions have affected many of our customers while the macro environment has become more unsettled, including new conflicts, increasing geopolitical tensions and growing evidence of the impact of climate change.

Strong corporate governance is never more important than in uncertain times. Through our rigorous focus on the factors that make the Group's business model sustainable, such as our investments in R&D and people, we ensure that Genus protects its competitive advantages and that the foundations of a successful future are in place. At the same time, we must focus on delivering the best possible performance in the short term, which allows us to reward our shareholders and our other stakeholders, while giving us the resources to continue our long-term investments. Our new strategic priorities are fundamental to this.

I am pleased to report that during FY24, we continued to comply in full with the 2018 edition of the UK Corporate Governance Code (see page 59). With the 2024 edition of the Code now issued, we will be working in FY25 to identify any gaps we need to close to ensure timely compliance. We have already engaged with our external auditor on the internal controls aspects of the new Code, and we will update you on our progress in the next Annual Report.

The Board's priorities and key decisions in FY24

In last year's report, I set out three priorities for the Board in FY24. The first was to ensure a successful transition from Stephen Wilson to Jorgen Kokke as Chief Executive. As I describe in my statement in the Strategic Report, Jorgen has hit the ground running and is already making a significant difference.

The Board's other priorities were to recruit a replacement for Lykele van der Broek, who retired as a NED during the year, and to pay close attention to the Group's strategic initiatives, especially the PRP and ABS's go-to-market approach.

These priorities were reflected in two of the Board's key decisions in the year. Following our review of the Board's composition and the skills and experience we needed, we were pleased to approve the appointment of Ralph Heuser as a NED. The Nomination Committee Report (page 71) details our succession planning, the recruitment process and the strengths Ralph brings to the Board.

The Board also approved management's four strategic priorities, which include successful PRP commercialisation and focusing the necessary resources on the Value Acceleration Programme in ABS. As noted in my statement in the Strategic Report, the strategic priorities are both actionable and measurable, and the Chief Executive is developing a dashboard to track progress with their implementation. The Board will monitor this carefully, supported by our existing rigorous process of agreeing and following up actions, with a rolling action list that forms part of my regular discussions with the Executive Directors.

The Board's other significant decision was approving the Group's new vision. The change in wording is subtle but important and we are pleased with the way it captures Genus's purpose. We also took close interest in the refresh of the Group's values, which reinforce the culture and behaviours we want to see in the business. While our values have not changed significantly, the new language brings them up to date and makes them more action-oriented, helping our people to apply them in their day-to-day work. For more on our vision and values, see the Chief Executive's review on page 12.

Our other discussions during FY24 devoted significant time to China, which is a critical market for both businesses, particularly PIC. We also focused on progress with all aspects of the PRP programme.

Understanding and managing risk

We have a well-defined risk management process, which supports successful delivery of our strategy and the operation of our business model. In addition to reviewing our principal risks and how our management mitigates them, the Audit & Risk Committee regularly considers important risk-related topics in detail, which this year included sustainability, biosecurity, cyber security and the different risks and opportunities in some of our growth markets (see pages 75 to 79).

The Board is also aware that new technology could emerge that would disrupt our business. The Scientific Advisory Board ('SAB') we established last year has a critical role in horizon scanning, so we keep abreast of how science is evolving. The SAB is chaired by Professor Jason Chin, who has attracted world-leading scientists to join him. They act as a sounding board and source of challenge for our scientists, who find it inspiring to engage with the SAB's expertise.

Considering our stakeholders

We carefully consider stakeholder views in all our decisions. The Board is well informed on shareholder matters, with the Executive Directors meeting throughout the year with current and potential investors. I have also met major shareholders this year, as has our SID and Remuneration Committee Chair, Lesley Knox. The Group also recruited its first Investor Relations Director, to further strengthen our direct connection to our investor base.

Lesley Knox and Lysanne Gray are our Workforce Engagement Directors, who ensure the employee voice is heard directly in the Boardroom. Board visits to Group sites around the world allow us to engage with our local teams, as well as their customers and suppliers. Our next visit will be to our Spanish operations in October 2024.

The Board's focus for FY25

The Board's primary focus in FY25 will be supporting and overseeing management's execution of the strategic priorities. Our evaluation exercise this year also identified a handful of areas for us to address, which are set out on page 74.

Iain Ferguson CBE
Non-Executive Chairman
4 September 2024

COMPLYING WITH THE CODE

Compliance statement

During the year ended 30 June 2024, Genus applied all the principles of the UK Corporate Governance Code 2018 (the 'Code') and complied with all of the Code's provisions. The Code is available at www.frc.org.uk.

The table below shows where information on our application of the Code's principles can be found.

Code principles

1. Board leadership and Company purpose

A	Leadership which promotes the Company's long-term sustainable success, benefiting shareholders and society.	65
B	Board to establish purpose, values and strategy, and ensure alignment with culture.	65
C	Board to ensure Company has resources to meet its objectives, measure performance against them, and ensure effective controls support risk management.	66
D	Engagement with shareholders and other stakeholders.	67
E	Ensure workforce policies and practices are consistent with values and support long-term sustainable success, and that the workforce can raise concerns.	67

2. Division of responsibilities

F	Chair's leadership of the Board.	69
G	Appropriate balance of executive and non-executive directors, and clear division of responsibilities.	69
H	Non-executive directors' time commitment and contribution.	70
I	Ensure policies, processes, information, time and resources enable the Board to function effectively.	68

3. Composition, succession and evaluation

J	Board appointments, succession planning and promoting diversity.	71 to 73
K	Balance of Board skills and experience, length of directors' service and refreshing Board membership.	64
L	Annual evaluation of Board and individual directors.	74

4. Audit, risk and internal control

M	Independence of internal and external audit, and integrity of financial and narrative reporting.	75 to 79
N	Fair, balanced and understandable assessment of the Company's position and prospects.	105
O	Procedures to manage risk, oversee internal controls and determine nature and extent of principal risks the Company is willing to take.	78

5. Remuneration

P	Remuneration that supports strategy, promotes long-term sustainable success, is aligned to purpose and values, and is linked to strategic delivery.	85
Q	Formal and transparent procedure for developing remuneration policy and determining director and senior management remuneration.	86
R	Director judgement and discretion when authorising remuneration outcomes.	87 to 90

Board of Directors and Company Secretary



**Iain
Ferguson**

Non-Executive Chairman



Board appointment

July 2020

Skills and experience

- Extensive Board, governance and leadership experience
- Strong commercial, science and agribusiness expertise across a range of industries, with a particular focus on consumer goods and food
- Deep appreciation of capital markets and investor sentiment

Current appointments

Chairman of Crest Nicholson Holdings plc; Chairman of Personal Assets Trust plc; Pro Chancellor of Cranfield University.

Past appointments

Chairman of Berendsen plc and Stobart Group Ltd; Senior Independent Director of Sygen International plc and Balfour Beatty plc; Non-Executive Director of Greggs plc; Lead Independent Director at the Department for Environment, Food and Rural Affairs; Chief Executive of Tate & Lyle plc; General Manager of Unilever AgriBusiness; Chair, Unilever Plantations and Plant Sciences Group; and Senior Vice President, Corporate Development at Unilever.



**Jorgen
Kokke**

Chief Executive Officer

Board appointment

May 2023

Skills and experience

- Deep experience in the international food and agriculture sectors, including 14 years in global leadership roles at Ingredion Incorporated, a leading New York listed food and beverage ingredient solutions company
- Led Ingredion's North and South American businesses, driving growth through R&D-led innovation and commercial and operational excellence
- Masters in Economics from the University of Amsterdam

Current appointments

None.

Past appointments

Senior roles at Ingredion, including Executive Vice President & President Americas, President, Asia Pacific and EMEA, and President, North America; Vice President of Food & Nutrition and Director of Strategy and Business Development at Corbion, a producer of sustainable ingredient solutions; and leadership positions at Loders Croklaan.



**Alison
Henriksen**

Chief Financial Officer

Board appointment

January 2020

Skills and experience

- Over 25 years of experience in finance, mergers and acquisitions, business transformation and investor relations, operating across Europe, Australia, Asia, the US and South Africa
- Proven track record of driving performance in public and privately held organisations, both business to business and business to consumer
- Qualified as a Chartered Accountant with Ernst & Young

Current appointments

None.

Past appointments

Chief Financial Officer of V.Group, a global leader in ship management; Finance Director, UK & Ireland and Finance Director, Australia, at Compass Group plc; and Chief Financial Officer of Specialty Fashion Group Ltd, a former ASX-listed company.



**Lesley
Knox**

Senior Independent Director



Board appointment

June 2018

Skills and experience

- Broad international, strategic and financial services experience, through executive and non-executive roles
- Has advised numerous companies including manufacturers and distributors of food products, encompassing poultry and poultry breeding companies
- One of our designated Workforce Engagement Directors

Current appointments

Senior Independent Director of 3i Group plc; and Senior Independent Non-Executive Director of Legal & General Group plc.

Past appointments

Founder Director of British Linen Advisers; senior roles at Dresdner Kleinwort Benson; solicitor at Slaughter & May; and numerous non-executive roles, including T Centrica, SAB Miller, Alliance Trust, Hays, Scottish Provident, Bank of Scotland, Grosvenor Group and Thomas Cook.



Professor Jason Chin

Non-Executive Director



Board appointment

April 2021

Skills and experience

- Deep scientific expertise gained in academic and commercial research institutions
- Working to develop and apply methods for reprogramming the genetic code of living organisms, spanning chemistry, chemical biology and synthetic biology
- Associate Faculty at the Wellcome Sanger Institute, where he researches synthetic genomics
- Fellow of the Academy of Medical Sciences; Trinity College, Cambridge; and the Royal Society

Current appointments

Head of the Centre for Chemical and Synthetic Biology at the Medical Research Council Laboratory for Molecular Biology; Founder and Chief Scientific Officer of Constructive Biology; Non-Executive Director of the Department for Science, Innovation & Technology.

Past appointments

Positions on the scientific advisory boards of a number of companies, including Synaffix BV, where he retains an advisory role.



Lysanne Gray

Non-Executive Director



Board appointment

April 2016

Skills and experience

- Significant experience of risk management, audit, business operations, acquisitions and disposals, and corporate governance, gained within the food sector
- Qualified Chartered Accountant
- The Board's Sustainability Sponsor and one of our designated Workforce Engagement Directors

Current appointments

None.

Past appointments

Global leadership roles at Unilever plc, including Executive Vice President Sustainable Business Performance and Reporting, Financial Controller, Chief Auditor of Unilever; Chief Financial Officer of Unilever's global food service business; and a number of other senior operational and financial positions.



Dr Ralph Heuser

Non-Executive Director



Board appointment

January 2024

Skills and experience

- Extensive experience in animal healthcare business globally
- Widespread experience in operations, commercial excellence and the animal health industry
- PhD in Agricultural Economics from the University of Bonn

Current appointments

Senior Advisor with Stonehaven Consulting (SC Group) AG.

Past appointments

Global leadership roles at Elanco Animal Health, including Vice President for Asia Pacific, Europe and International Commercial Operations. Previous roles at Pfizer; Boehringer Ingelheim, where he launched a PRRS vaccine in Germany; and Novartis's Consumer and Animal Health divisions.



Dan Hartley

Group General Counsel and Company Secretary

Board appointment

June 2014

Skills and experience

- Significant experience in multi-jurisdictional patent litigation, mergers and acquisitions, patent and technology licensing and managing product life cycles
- Degrees in science and law

Current appointments

None.

Past appointments

Senior Vice President and International Counsel of Shire plc; and senior and global roles in private practice, in the UK and Australia.

Key to committee memberships

- N** Nomination Committee
R Remuneration Committee

- A** Audit and Risk Committee
○ Committee Chair

Board gender breakdown

M		F	
M	Male	4	(57%)
F	Female	3	(43%)

Genus Executive Leadership Team ('GELT')



**Jorgen
Kokke**

Chief Executive Officer

Skills and experience

→ See page 60

Career

→ See page 60



**Alison
Henriksen**

Chief Financial Officer

Skills and experience

→ See page 60

Career

→ See page 60



**Dan
Hartley**

Group General Counsel and
Company Secretary

Skills and experience

→ See page 61

Career

→ See page 61



**Dr Matt
Culbertson**

Chief Operating Officer,
Genus PIC

Skills and experience

- Spent entire career in porcine industry
- Has led the development and implementation of Genus PIC's genetic strategy and technical services capability, as well as leading the commercial engagement with many of PIC's most significant customers
- Doctorate in Animal Breeding and Genetics from the University of Georgia

Career

- Joined Genus in 2011 as PIC's Director of Genetic Services and Sales and became Global Product Development and Technical Services Director in 2012, before becoming Chief Operating Officer in July 2023
- Previously spent nine years working for Murphy-Brown (now Smithfield Foods), where he managed the internal genetics programme and technical operations for its Eastern operations



**Jim
Low**

Chief Operating Officer,
Genus ABS

Skills and experience

- Very experienced and highly effective leader of complex global organisations
- Spent more than 25 years in the nutrition and food industry
- BA in Economics and Managerial Studies from Rice University and MBA from the University of Texas at Austin

Career

- Previously Chief Commercial Officer for Glanbia's \$1 billion global nutritional solutions business, delivering double-digit profit growth
- More than 20 years with Ingredion Incorporated in increasingly senior leadership roles, including General Manager for the Systems and Ingredients Solutions business and General Manager for Greater China and Japan, based in Shanghai



**Dr Elena
Rice**

Chief Scientific Officer and
Head of R&D

Skills and experience

- Deep expertise in running R&D programmes, regulatory science and portfolio management
- Has led the development and introduction of genetic improvement technologies and nurtured a portfolio of gene editing projects
- BSc and MSc in Biology from Moscow State University, and PhD in Plant Physiology and Biochemistry from the Timiryazev Institute of Plant Physiology in Moscow

Career

- Joined Genus as Chief Scientific Officer in July 2019
- Spent 18 years in increasingly senior roles at Bayer, leading teams using pioneering science and cutting-edge technology to help farmers grow food more sustainably



**Angelle
Rosata**

Chief Human Resources Officer

Skills and experience

- Combines commercial acumen with broad expertise in resourcing, talent and succession, leadership development, and health and safety
- Extensive strategic planning skills help align the Group's people agenda and its business needs
- Masters in Human Resource Development from Vanderbilt University

Career

- Joined Genus PIC in September 2013, following more than 20 years in the healthcare sector
- Developed and delivered PIC's people strategy, before becoming HR Director for ABS and then Group HR Director in July 2017



**Jerry
Thompson**

Regional Director,
ABS EMEA

Skills and experience

- Natural entrepreneur with deep industry knowledge, commercial skills and international experience
- Has helped Genus establish and grow businesses in countries as diverse as the UK, Russia, India and China
- Degree in Agriculture from the University of Plymouth and a graduate of Harvard Business School's Advanced Management Program

Career

- Joined PIC in 1992, working initially in the UK and then Siberia and Romania, before leading PIC in Central and Eastern Europe and then Europe as a whole
- Led PIC and ABS in Russia and Asia Pacific, before becoming COO for Genus Asia in 2012 and then COO for Genus ABS Beef in July 2016. He was appointed as Global Head of Beef and Aqua in April 2024. Jerry was appointed to his current role in July 2024

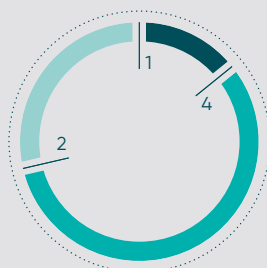
Exec gender breakdown

M		F	
M	Male	5	(62.5%)
F	Female	3	(37.5%)

The Board at a Glance

At 30 June 2024 and the date of this report the Board was made up as follows:

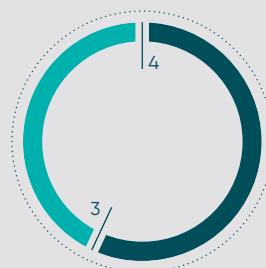
Board composition



Chair
NED
Executive Director

1
4
2

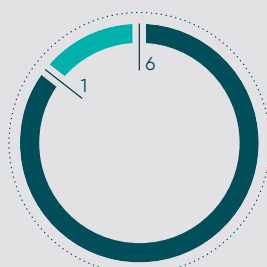
Board gender diversity



Male
Female

4
3

Board ethnic diversity



White
Mixed

6
1

Board tenure



0-2 years 2 6-8 years 1
2-4 years 2 8-9 years 1
4-6 years 1

Board skills

Competence

Low/Medium Good/High

Board and corporate governance	29%	71%
Strategy	14%	86%
Finance, banking and capital markets	43%	57%
Risk, culture change and change management	14%	86%
Politics and public affairs	14%	86%
Stakeholder and customer communications	14%	86%
Sustainability implementation and communications	57%	43%
Human resources	14%	86%
IT systems, transformation and data/cyber security	71%	29%
Science and biotechnology	43%	57%
Food sector	29%	71%
Review, launch and marketing of FDA-regulated products	86%	14%
International business	14%	86%
North America market	14%	86%
EMEA market	14%	86%
Asia market	43%	57%
LATAM market	71%	29%

Board Leadership and Company Purpose

The Board's role: leading the Group

The Board's primary responsibilities are set out below, along with the actions the Directors have taken in FY24 to promote our long-term success. For more information on the division of responsibilities between the Board and our leadership team, see page 69.

Key to stakeholders	Key to s172 considerations
E Employees	a Consequence of decisions in the long term
S Shareholders	b Interests of the Company's employees
C Customers	c Need to foster the Company's business relationships with suppliers, customers and others
SC Supply Chain	d Impact of the Company's operations on the community and environment
EN Environment	e Desirability of the Company maintaining a reputation for high standards of business conduct
	f Need to act fairly between members of the Company

Board responsibility:

Determining our purpose, strategy and corporate goals

Stakeholders considered:

all stakeholders

s172 considerations:

a

Topic	Activities and discussions in FY24
Our purpose	<p>The Group's purpose is set out in our vision of 'pioneering animal genetic improvement to sustainably nourish the world'.</p> <p>During the year, the Board reviewed and approved an update to our vision, to reflect the critical importance of sustainability to the business, our customers and the end consumers of the animal protein we help to produce. See the Chief Executive's Review on page 12 for more on our vision and how it defines our purpose.</p>
Our strategy and objectives	<p>The Board held its annual strategy meeting in January 2024. The Chief Executive's four strategic priorities were the primary focus for the session, following which the Board approved the strategic priorities and the Group's updated strategic plan, which is refreshed annually and covers a rolling five-year period. See the Chairman's Statement (page 10), the Chairman's Letter (page 58) and the Chief Executive's Review (page 12) for more on the Board's oversight of strategy and our strategic priorities.</p>
Annual budget	<p>The Board approved the annual budget for FY25. The budget is aligned to the five-year strategic plan approved in January 2024, so the Board can ensure it reflects where the Group is planning to grow, how it intends to achieve that growth and the resources needed to meet the Group's strategic objectives. The combination of the strategic planning and budgeting processes allow the Directors to make sure the opportunities facing the business have been effectively captured.</p> <p>The Board held a meeting in June 2024 specifically to review the budget. The Directors were provided with a comprehensive budget pack, enabling them to understand and discuss the underlying assumptions and determine that they were robust.</p>

Board responsibility:

Monitoring performance against strategy and objectives

Stakeholders considered:

C, SC, S, EN

s172 considerations:

a, c, d, f

Topic	Activities and discussions in FY24
Strategic developments	<p>Reflecting the Board's priorities for FY24, the Directors paid close attention to the Group's progress with PRP commercialisation and the changes to ABS's go-to-market approach, and received updates on progress throughout the year.</p> <p>The Board also continually reviewed the Group's business in Russia, in particular to ensure it was operating under the appropriate regulatory clearances.</p> <p>In addition, the Board received updates on the following strategic matters:</p> <ul style="list-style-type: none"> • bovine industry consolidation; • multi-species opportunities; • PRP regulatory reviews; • joint venture opportunities; and • M&A opportunities.

Board Leadership and Company Purpose continued

Board responsibility:

Monitoring performance against strategy and objectives continued

Stakeholders considered:

C, SC, S, EN

s172 considerations:

a, c, d, f

Topic	Activities and discussions in FY24
Performance against plan	<p>At each scheduled meeting, the Board received updates from:</p> <ul style="list-style-type: none"> the Chief Executive on business performance, business development, talent development and the competitive landscape; the Chief Financial Officer on the Group's financial performance and forecasts; and the Group General Counsel and Company Secretary, and the Group's external advisers, on corporate governance, material legal matters and sustainability issues. <p>The updates include the business units' operational and financial performance, and the market conditions for each division. As noted in the Chairman's Letter, in FY24 the Board regularly discussed market conditions in China and their impact on the Group's performance there, in particular for PIC.</p> <p>During FY24, the Directors received presentations from ABS on its Value Acceleration Programme, R&D on its portfolio strategy and PIC on PRP commercialisation.</p>
R&D progress	<p>The Board received updates on:</p> <ul style="list-style-type: none"> the process for obtaining regulatory approval for PRP; the strategic review of the R&D portfolio. <p>Jason Chin attends the Genus Portfolio Steering Committee and chairs the SAB, allowing him to keep the other Directors informed of their activities and the key topics discussed. See the Chairman's Letter on page 59 for more on the SAB.</p> <p>In May 2024, the Group held its annual R&D Innovation Day in Madison, Wisconsin. This event allows our scientists to present to our businesses on their current work, with the engagement and discussion helping to ensure our R&D efforts are aligned to our business needs. The SAB also attends, to advise and challenge our scientists. In addition to Jason Chin in his SAB role, Iain Ferguson and Ralph Heuser attended this year's event, meaning nearly half the Board had direct involvement in it.</p> <p>See pages 26 to 27 of the Strategic Report for more on our R&D activities in FY24.</p>
Sustainability performance	<p>The Board also received updates from the Sustainability Committee's discussions, outlining the Group's progress against its goals.</p>

Board responsibility:

Ensuring we have the resources, systems and controls to achieve our objectives

Stakeholders considered:

E, S

s172 considerations:

a, c, e

Topic	Activities and discussions in FY24
People	<p>The Board continued to:</p> <ul style="list-style-type: none"> review the recruitment pipeline and receive updates on key vacancies and hires, including the recruitment of Jim Low as COO of Genus ABS; monitor the pipeline of senior talent within the Group, including diversity characteristics; and receive updates on talent development in our leadership below GELT level. <p>The Directors also considered the output from employee engagement, such as the Your Voice survey and the Workforce Engagement Directors' meetings with employees (see the Culture section below).</p>
Systems	<p>Progress with implementing our GenusOne enterprise management system is a standing agenda item for the Audit & Risk Committee, which feeds back to the Board on its findings. Implementation continued successfully in FY24, with only the rollout in the Philippines remaining to be completed in FY25. See the Audit & Risk Committee report on page 77 for more information.</p>
Key financial issues (see pages 76 to 77)	<p>During the year, the Board received regular updates on the Group's tax position, treasury activities and pension funds, as well as financial control updates. The Directors also reviewed the going concern and viability statements (see page 56), and reports from the external auditor.</p>
Risk management and control	<p>The Board monitored the Group's risk register with the support of the Audit & Risk Committee, which discussed the Group's principal risks with management and with the internal and external auditors. In addition, the Audit & Risk Committee received detailed updates on key risk topics, which are set out on page 77.</p> <p>The Group has a Whistleblowing Policy and an independent hotline to allow employees to raise any concerns anonymously. This process is overseen by the Audit & Risk Committee on the Board's behalf, with the Board kept updated on reports and any investigations. More information can be found on page 77.</p>

Board responsibility:**Setting our culture and standards of behaviour****Stakeholders considered:**

E

s172 considerations:

b, e

Topic	Activities and discussions in FY24
Values	The Board approved the updated values at its meeting in April. See the Chairman's Letter (page 58) and the Chief Executive's Review (page 12).
Culture	<p>The Chief Executive's Review (page 12) discusses the culture that we are working to instil, the importance of our values in informing that culture, and how our culture aligns to our purpose and strategy.</p> <p>The Board has a number of ways of understanding and monitoring our culture, including:</p> <ul style="list-style-type: none"> • the Your Voice employee survey; • the Workforce Engagement Directors' interactions with employees; and • key operational metrics that provide insight into the Group's culture, such as health and safety performance (see below) and employee churn rates. <p>The Board has designated two Workforce Engagement Directors, Lesley Knox and Lysanne Gray, with Lysanne taking over from Lykele van der Broek on his retirement in November 2023. During FY24, the Workforce Engagement Directors met employees from head office functions.</p> <p>The Directors also meet numerous people from around the Group, including members of management who present at Board meetings (see above) and through site visits, with the next visits scheduled for October 2024, to the Group's operations in Spain. These events help the Directors to assess the culture across the business.</p> <p>This year's Your Voice survey showed high levels of employee engagement (see page 33) and the Board noted positive sentiment around the strategic priorities and the clarity and accountability they bring. The Board also identified areas to monitor arising from the Workforce Engagement Directors' meetings and the survey, including the impact of the lower share price on our employees, many of whom are shareholders, and the continued bedding-in of GenusOne.</p> <p>The operational metrics the Board reviews did not highlight any significant issues with the culture across the business in FY24.</p>
Health and safety	The Board reviewed the Group's health and safety strategy and FY25 targets, received updates from the Head of Health and Safety and monitored performance throughout the year. The trends in health and safety performance remained positive. See the People section (page 33) for more information.

Board responsibility:**Approving material contracts, acquisitions, licences and investments****Stakeholders considered:**

C, S

s172 considerations:

a

Topic	Activities and discussions in FY24
Acquisition	In 2021, the Group purchased a minority stake in Xelect, the leading global aquaculture genetic services company. During FY24, the Board approved exercising the Group's option to take full ownership of Xelect, and supported the proposal. The Group exercised its option in December.
Litigation	During FY24, the Board approved the terms of a settlement agreement between ABS Global, Inc. and certain affiliates ('ABS') and Inguran, LLC and certain affiliates (aka STgenetics ('ST')), pursuant to which the 439 Appeal, the ABS II Appeal, the ABS III/IV litigation and the New Zealand Litigation were discontinued.

Board responsibility:**Reporting to shareholders****Stakeholders considered:**

S

s172 considerations:

f

Topic	Activities and discussions in FY24
Reporting and dividends	The Board approved the annual and interim results and dividends, and reviewed the Audit & Risk Committee's assessment that the annual report was fair, balanced and understandable, and contained the necessary information (see page 105).
Investor attitudes	<p>The Executive Directors met with current and potential shareholders, in particular following the publication of the FY23 final results and the FY24 interim results. In addition, the Chairman and the Senior Independent Director engaged with shareholders, including at our Capital Markets Day in November 2023.</p> <p>In addition, the Board receives regular updates on meetings with shareholders, potential investors and analysts, from the Head of Investor Relations.</p> <p>See the Stakeholder Engagement section on page 50.</p>

Board Leadership and Company Purpose continued

Keeping the Board informed

The diagram below sets out our process for providing information to the Directors, ahead of scheduled Board meetings. To assist the Directors with discharging their duties under Section 172 of the Companies Act, each item included in the Board papers indicates the relevant considerations. More information can be found in the Section 172 statement on page 51.

The Directors all have access to the advice of the Group General Counsel and Company Secretary.



Attendance at meetings

The table below shows how many scheduled Board and Committee meetings each Director attended during the year.

Director	Board	Nomination	Audit & Risk	Remuneration
Non-Executive Chairman				
Iain Ferguson	8/8	3/3	5/5	5/5
Executive Directors				
Jorgen Kokke	8/8	3/3 ⁴	5/5 ⁴	5/5
Alison Henriksen	8/8	3/3 ⁴	5/5 ⁴	5/5
Stephen Wilson ¹	2/2	1/1 ⁴	2/2 ⁴	3/3
Non-Executive Directors				
Jason Chin	8/8	3/3	5/5	5/5
Lysanne Gray	8/8	3/3	5/5	5/5
Ralph Heuser ²	4/4	1/1	2/2	1/1
Lesley Knox	8/8	3/3	5/5	5/5
Lykele van der Broek ³	4/4	3/3	3/3	4/4

Note: The maximum number of scheduled meetings that Directors could have attended during the year: Board eight, Nomination Committee three, Audit & Risk Committee five and Remuneration Committee five.

¹ Retired from the Board on 30 September 2023

² Appointed to the Board on 1 January 2024

³ Retired from the Board on 22 November 2023

⁴ By invitation

Division of Responsibilities

Our Board, Committee and management structure

The diagram below shows the Board and the Committees that report to it:



The roles and responsibilities of the Board and its Committees are set out in the Matters Reserved for the Board and the Committees' Terms of Reference, which can be found in the Corporate Governance section of our website.

The Board sets formal authorisation levels and other controls that allow it to delegate authority to run our businesses to the Chief Executive, GELT and their management teams.

The Directors' roles and responsibilities

To ensure we have clear responsibilities at the top of the Company, the Board has set out well-defined roles for the Chairman and Chief Executive. These, along with the responsibilities of our other Directors, are summarised in the table below.

Title	Responsibilities
Chairman Iain Ferguson	Iain's primary responsibility is to lead the Board and ensure it operates effectively. He achieves this in part through promoting an open culture, which allows people to challenge the status quo, and by holding meetings with the NEDs without the Executives present. Iain also communicates directly with shareholders.
Chief Executive Officer Jorgen Kokke	Jorgen is responsible for devising and implementing our strategy and for managing our day-to-day operations. He is accountable to the Board for the Group's development, in line with its strategy, taking into account the risks, objectives and policies set out by the Board and its Committees.
Chief Financial Officer Alison Henriksen	Alison is responsible for helping the Chief Executive Officer to devise and implement the strategy, and for managing the Group's financial and operational performance.
Senior Independent NED Lesley Knox ¹	Lesley provides a sounding board for the Chairman and is an alternative line of communication between the Chairman and other Directors. She leads meetings of the NEDs, without the Chairman present, to appraise the Chair's performance, and consults with shareholders in the absence of the Chairman and Chief Executive.
NEDs Jason Chin, Lysanne Gray ^{1,2} , Ralph Heuser	The NEDs constructively challenge, oversee and help to progress the execution of our strategy, the management of the Group and the management of our governance structures, within the risk and control framework set by the Board.

¹ Also a Workforce Engagement Director

² Also the Board's Sustainability Sponsor

Division of Responsibilities continued

Non-Executive Director independence

The Board believes that all of the NEDs are independent in character and judgement, and that there are no relationships or circumstances that are likely to affect (or could appear to affect) their judgement. As required by the Code, the Chairman was independent on appointment.

Directors' time commitments

The Board effectiveness review (see page 74) considered each Director's other commitments and concluded that all of the Directors have sufficient time to discharge their duties to Genus.

Before approving Ralph Heuser's appointment as a Non-Executive Director, the Board considered his other time commitments and confirmed that he had sufficient time to devote to the Company. We require new NEDs to devote up to ten days to their induction process, which can include international travel to our sites. See the Nomination Committee report on page 72 for details of Ralph's induction.

The Board recognises shareholders' guidelines regarding the number of roles held by Directors and has noted that at the 2023 AGM, approximately 10.3% of the votes cast were against Iain Ferguson's re-election as a Director. The Senior Independent Director's engagement with shareholders after the AGM in 2022 had recognised some investors' concerns regarding Iain's other mandates. In addition to chairing Genus, Iain chairs Crest Nicholson plc and Personal Assets Trust plc.

The Board explored Iain's capacity as part of the Board effectiveness review and remains satisfied that he has sufficient time to dedicate to Genus. This took into account that Personal Assets Trust plc is externally managed and requires less time than a regular FTSE 250 appointment. The Board also remains satisfied that Iain has consistently demonstrated his ability to dedicate a significant and appropriate portion of his time to the Company. The Board has concluded that Iain's external appointments do not result in overboarding or a conflict of interest.

Composition, Succession and Evaluation

Nomination Committee Report



Iain Ferguson CBE

Nomination Committee Chair

Dear Shareholder

The Committee set itself two objectives for FY24 – to support Jorgen Kokke's transition into the Chief Executive role and to recruit a NED to replace Lykele van der Broek, who retired in November 2023.

As I discuss in my statement in the Strategic Report, Jorgen has had a strong first year as Chief Executive and is now well established in his role. Our recruitment plans also went well and we were pleased to welcome Dr Ralph Heuser to the Board. More details of the appointment process and the qualities he brings to the Board can be found below.

The Committee has also continued to focus on succession planning, diversity and talent management, reflecting the vital importance of bringing through our future leaders.

Iain Ferguson CBE

Nomination Committee Chair
4 September 2024

The Board's composition, skills and succession planning

At the year end, the Board comprised four independent NEDs, our two Executive Directors and me as Non-Executive Chairman. The independent NEDs therefore form a majority on the Board, as required by the Code. We carefully considered the Board's composition ahead of recruiting a new NED and concluded that the number of Directors and the balance between Executives and Non-Executives remained appropriate.

Using the succession planning process on page 72, we also reviewed the skills and experience we required on the Board and how we would fill any gaps through the forthcoming recruitment. We determined that we valued the capabilities Lykele van der Broek had brought to the Board and that we would seek a candidate with a similar profile to replace him. In addition, we debated the importance of increasing the Board's knowledge of artificial intelligence and digital technology, and noted that there were limited prospects of recruiting a NED who could add real value in these areas. The Board will continue to seek opportunities to increase its awareness of the way these technologies could transform the business. The Board's collective skills and experience at the year end can be found in the Board skills table on page 64.

We also considered succession for Lysanne Gray, who will reach nine years on the Board in April 2025. Lysanne is Chair of the Audit & Risk Committee and this will be a particularly significant role as the Group moves from Deloitte to PwC as its external auditor, which will take place following the 2024 AGM in November (see page 104). Given the importance of ensuring a smooth handover between audit firms and Lysanne's expertise in relevant areas such as audit, accounting and sustainability, we concluded the Board and the Group would benefit greatly from retaining her as Audit & Risk Committee Chair beyond the usual nine-year term for a NED. We were therefore pleased that Lysanne has agreed to remain on the Board for a further two years, subject to continued re-election by our shareholders. Lysanne has recently retired from her full-time position at Unilever, which will significantly reduce the other demands on her time.

Composition, Succession and Evaluation continued

Nomination Committee Report

The Committee also reviews succession planning for GELT members, with input from the Group HR Director. The geographical breadth of our businesses means that our succession pipeline features people from a diverse range of nationalities and backgrounds.

Our Three-Stage Succession Planning Process

1 Assessment

The Committee reviews the Board's current skills and experiences across a range of relevant areas.

This results in a skills matrix (see page 64), which identifies the skills coverage across all Board members.

Potential skills gaps are identified, so they can be incorporated into future succession planning at Board and Executive level.

Areas for ongoing Board upskilling are identified and discussed.

2 Approach

The Committee applies engagement rules for succession planning, including:

- ensuring succession planning is in line with the Committee's terms of reference;
- considering the need to replace the skills of any departing NED; and
- filling any missing skills required for the Company's strategic direction.

Job specifications for the Non-Executives and Executives are kept up to date.

3 Execution

The Committee identifies the desired skills for any new NED, for use in filling any future vacancies on the Board.

Potential internal candidates for promotion to Executive Director are identified.

Non-Executive Director recruitment

Through the review described above, we identified the need to recruit a Director with experience of commercialising long-cycle research and a strong international background. We also favoured a candidate based in mainland Europe, to give the Board a European presence. As Genus is unique as a quoted animal genetics company, we recognised that there would be very few candidates with both public company experience and a background in animal breeding. We therefore looked to recruit from parallel sectors, such as animal health or human genetics, which translate well to animal genetics. This has been successful for us before, for example when recruiting Jason Chin.

We used Russell Reynolds Associates to conduct an international search. It has no connection to the Group or to individual Directors, other than previously providing these services to us. The search resulted in a high-quality shortlist and our SID, Lesley Knox, and I conducted the initial interviews. Having reduced the list to three candidates, we then broadened the interview process to include other members of the Board, in particular the Chief Executive and CFO.

We concluded that Dr Ralph Heuser was the outstanding candidate, with his experience of commercial strategy and operations in agricultural and animal health businesses, across many global markets, as well as his knowledge of the regulatory world. The Board approved our recommendation to appoint Ralph, which became effective on 1 January 2024.

Ralph Heuser's induction

As noted on page 70, we require new NEDs to devote up to ten days to a thorough induction, which typically includes international travel to see our operations. Ralph's programme included:

- meetings with the Executive Directors, GELT members and other members of the senior management team;
- visiting the ABS site in Ruthin, UK, and PIC, ABS and IntelliGen locations in the US; and
- attending the R&D Innovation Day (see page 66) and an SAB meeting, to give him insight into our scientific work.

This programme included numerous opportunities to meet and engage with senior and local operational management and their teams, as well as tours of our facilities and meetings with customers of both PIC and ABS.

Board training and development

All Board members are required to complete regular annual training in areas such as anti-bribery and corruption, cyber security and avoiding bias, which we provide online through Genus University.

As part of his induction, Ralph Heuser received a training session from the Group Company Secretarial team, which covered directors' roles and powers, their fiduciary and general duties, Group policies and levels of authority, insurance for directors and officers, and sources of further information. Ralph also completed the mandatory training described above, as the first step in his induction.

Diversity

Our Board diversity policy requires us to consider diversity in its broadest sense. In addition to the competences that any board requires, such as experience in corporate governance, strategy, finance, risk and human resources, we need directors who between them have, among other things, a strong grasp of the food production value chain, science and biotechnology, regulated products and how to successfully operate in our core markets in North and Latin America, Asia and EMEA. We can only obtain this breadth of capability and successfully develop and execute our strategy by recruiting a diverse Board with different skills, backgrounds, regional and industry experiences, races, genders and other qualities.

As a result the Board, with the support of the Nomination Committee:

- considers all aspects of diversity when reviewing the Board's composition and when conducting the annual Board effectiveness evaluation;
- encourages development of internal high-calibre people, to help develop a pipeline of potential Executive Directors;
- considers a wide pool of candidates for appointment as Non-Executive Directors, including those with little or no listed company board experience;
- ensures a significant portion of the long-list for Non-Executive Director positions are women and candidates from a minority ethnic background;
- considers candidates against objective criteria and with regard to the benefits of Board diversity; and
- only engages executive search firms who have signed up to the voluntary Code of Conduct on gender and ethnic diversity and best practice.

A copy of the policy can be found on our website: www.genusplc.com. The Committee reviewed the policy in FY24 and concluded that it remained appropriate.

We followed the policy throughout the year, notably when considering the Board's composition and the NED recruitment process. As discussed above, there is a limited pool of people with the specific skills and experience we were seeking in this recruitment, and while we had one female candidate on our shortlist, the search did not identify suitable candidates from minority ethnic backgrounds. We also value other attributes that contribute to a diverse range of viewpoints and thinking styles around the Board table. As a German national, Ralph Heuser increases the number of nationalities on the Board and brings knowledge and experience that complement our other Directors.

The Board Diversity Policy commits us to meeting the Listing Rules targets for Board diversity, which we continue to achieve. At the year end:

- three (43%) of the Directors were female (target: at least 40%);
- female Directors held two of the Board's senior roles, with Alison Henriksen as CFO and Lesley Knox as SID (target: at least one); and
- we had one Director from a minority ethnic background (target: at least one).

Among our senior team, there were three female members of GELT, comprising 37.5% of the total. The direct reports to GELT, excluding support staff, were 22.4% female and 77.6% male.

The tables below show the diversity of the Board and our executive management at 30 June 2024:

Board and executive management gender breakdown

	Number of Board members	Percentage of the Board	Number of senior positions on the Board ¹	Number in executive management ²	Percentage of executive management
Men	4	57%	2	5	63%
Women	3	43%	2	3	37%
Not specified/ prefer not to say	–	–	–	–	–

Board and executive management ethnicity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board ¹	Number in executive management ²	Percentage of executive management
White British or other White (including minority white groups)	6	86%	4	8	100%
Mixed/multiple ethnic groups	1	14%	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/ prefer not to say	–	–	–	–	–

¹ Chair, Chief Executive, Chief Financial Officer and Senior Independent Director

² Executive management is the Genus Executive Leadership Team (see page 62), which includes the Chief Executive and CFO

Workforce gender breakdown

	30 June 2024		30 June 2023	
Male	2,161	64.9%	1,228	65%
Female	1,168	35.1%	2,308	35%

Service contracts and letters of appointment

Copies of the Directors' service contracts and letters of appointment will be available for inspection at the Company's registered office during normal business hours until the conclusion of the AGM on 20 November 2024, and at the AGM from at least 15 minutes prior to the meeting until its conclusion.

Committee effectiveness

The Board considered the Committee's effectiveness as part of the overall Board evaluation process described on page 74. This showed the Committee continues to perform well and there were no significant suggestions for change.

Focus areas for FY25

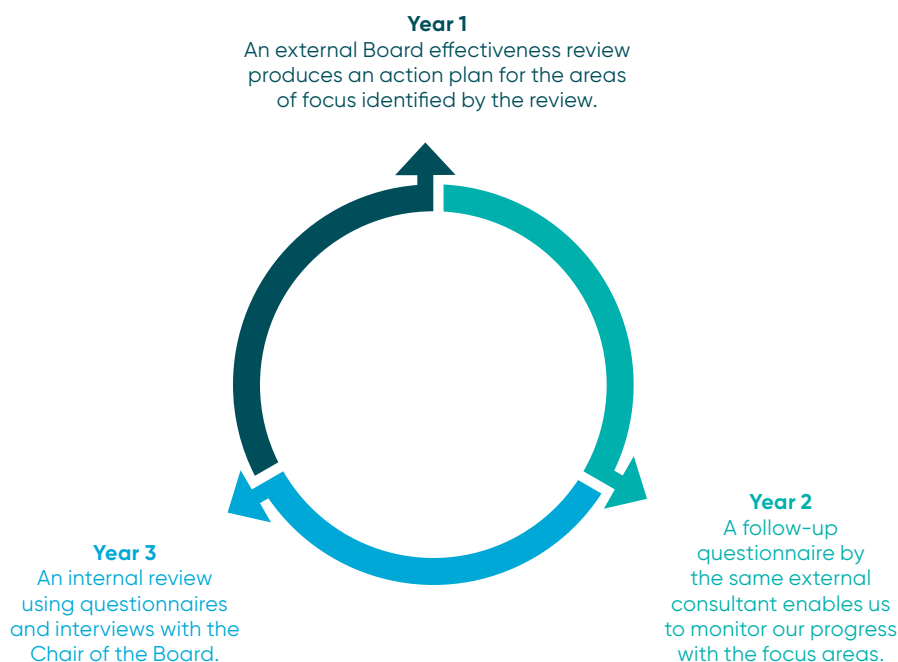
Our priorities for the year ahead are to continue to:

- support Ralph Heuser as he settles in to his role as a NED; and
- focus on succession planning and talent development.

Iain Ferguson CBE
Nomination Committee Chair
4 September 2024

Composition, Succession and Evaluation continued

Evaluating the Board's Effectiveness



This was the third year of our Board evaluation cycle, so we conducted an internal review. We intend to have an externally facilitated review in FY25.

The questionnaires followed the same format as the previous year, which allows us to assess trends in the responses. The topics covered included:

- the Board agenda and allocation of time to topics;
- the quality and timeliness of the information the Board receives;
- the quality and openness of the Board's discussions;
- the Directors' knowledge of Genus's different stakeholder groups; and
- the Group's priorities for the next three to five years.

The questionnaires also had separate sections on the Chairman's performance and each of the Board's Committees. All responses were anonymous and the Chairman collated the results and presented them to the Board.

The evaluation showed that Board's performance remained positive, having successfully overseen the transition between Chief Executives. Matters at the front of the Board's mind included:

- purpose and culture;
- the evolution of the strategy, together with milestones or targets and clear management reporting against our strategic priorities;
- stakeholder communications and engagement; and
- talent development and succession.

The Board monitors progress against these priorities each meeting. The evaluation did not identify any concerns about the Board's composition, which the Directors considered separately as part of the succession planning process (see the Nomination Committee Report on page 72).

Progress with FY24 Focus Areas

The FY23 review identified the following Board priorities for FY24:

- the successful transition between Stephen Wilson and Jorgen Kokke as Chief Executive;
- broader executive and non-executive succession planning; and
- the evolution of the ABS strategy.

These were all satisfactorily addressed during the year, as outlined in the Nomination Committee Report and the Chief Executive's Review.

Directors' evaluation, election and re-election

The Chairman meets all the Directors individually to discuss their performance and the Committee Chairs also receive feedback on their roles through the Committee evaluations. The Executive Directors have stretching financial and strategic targets each year, which determine their annual bonus payments (see the Remuneration Report on page 81).

As noted above, the evaluation process gathers feedback from the Directors on the Chairman's performance. The SID also leads meetings of the NEDs to appraise the Chairman and discusses the output with him.

Following these reviews, the Board confirms that all the Directors continue to be effective and demonstrate commitment to their roles. All the Directors are therefore offering themselves for re-election (or election for Ralph Heuser), as required by the Code. More information can be found in the Notice of AGM, which is available on the Company's website.

Audit, Risk and Internal Control

Audit & Risk Committee Report



Lysanne Gray

Chair of the Audit & Risk Committee

Dear Shareholder

On behalf of the Audit & Risk Committee, I am pleased to present the Committee's report for the year ended 30 June 2024. Our Committee acts on behalf of the Board and shareholders, to ensure the integrity of the Group's financial reporting, evaluate its system of risk management and internal control, and oversee the performance of the internal and external auditors. We have an annual work programme to deliver these commitments, which we followed during the year

All Audit & Risk Committee members are independent non-executive directors who bring a range of financial, commercial, and scientific expertise. During the year, we welcomed Dr Ralph Heuser to the Committee from 1 January 2024, following the retirement of Lykele van der Broek on 31 December 2023. The Committee's membership continues to comply with the UK Corporate Governance Code and related guidance.

All members received regular updates from the external auditor to maintain current knowledge of the accounting and financial reporting standards relevant to the Group and the regulatory changes and revisions to auditing standards relevant to the provision of external audit services. The Committee was briefed on the Financial Reporting Council's ('FRC') revisions to the UK Corporate Governance Code and the approach being taken to strengthen the Group's processes and controls in readiness for the changes. We have a programme of activities in place so that we will be compliant with the new requirements before they become effective.

Our focus on risk management continued throughout the year, with regular reviews and assessment of the Group's existing and emerging risks. During the year, we received and discussed detailed input from management on key risks and mitigation plans. In particular we focused on the risks associated with cyber security, biosecurity, sexing technology, TCFD reporting requirements, as well as the ongoing impact of the Russia-Ukraine conflict, alongside continued monitoring of macroeconomic and geopolitical issues and their impact on our global operations.

We reviewed the progress being made with implementing the GenusOne enterprise management system, which is now substantially complete in all planned locations.

We have carefully considered the critical accounting policies and judgements, assessed the quality of disclosures and compliance with financial reporting standards and reviewed the half-year report and Annual Report, together with the related management and external audit reports. We also supported the Board in reviewing the going concern and viability statements and supporting analysis and disclosure, as well as the Company's TCFD disclosures.

We have assessed the effectiveness of internal and external audit during the year by reviewing the work done, and through discussions with internal and external auditors. The Committee was satisfied with the performance of both the internal and external auditors.

Deloitte has been the Group's external auditor since 2006 and during FY21 a decision was made to tender the external audit for the financial year ending 30 June 2025. Consequently, one of the key activities of the Committee during the year was the audit tender. Following a very comprehensive, high-quality and competitive tender process, the Committee has recommended the appointment of PwC as auditor, subject to approval at the 2024 Annual General Meeting.

Lysanne Gray

Chair of the Audit & Risk Committee
4 September 2024

Audit, Risk and Internal Control continued

Audit & Risk Committee Report

Committee composition

The Committee members' biographies, along with information on Genus's other Board members, can be found on pages 60 to 61.

The Board has confirmed that it is satisfied that Committee members possess an appropriate level of independence and relevant financial and commercial experience across various industries relevant to the Company.

The Committee has formal terms of reference, approved by the Board, that comply with the UK Corporate Governance Code. These are available from our website, www.genusplc.com. The Committee reviewed these terms of reference during the year.

Committee role and responsibilities

The Committee reports its findings to the Board, identifies any matters that require action or improvement, and makes recommendations about the steps to be taken.

Committee effectiveness

Every three years the Board appoints an external consultant to independently evaluate its performance, and that of its Committees. The last external review was performed in 2022. The next external evaluation will be in 2025.

In 2024, the Committee's effectiveness was assessed through an internal evaluation (see page 74), and concluded that the Committee continued to operate effectively, independently and with a strong focus on risk identification and management.

The Committee's main activities during the year

During the year, the Committee held five meetings. Attendance at these meetings can be found on page 68. The Committee invited the Group's Chairman, Chief Executive, Chief Financial Officer, Group Financial Controller, Head of Risk Management and Internal Audit, Head of Financial Reporting, Head of Financial Control, and senior representatives of the external auditor to attend these meetings. The Committee also held separate private sessions during the year with the Head of Risk Management and Internal Audit and the external audit lead partner. At its meetings, the Committee focused on the following topics:

Financial reporting

The main areas of focus and matters where the Committee specifically considered and challenged management's judgements are set out below:

Financial reporting area

Judgements and assumptions considered

Impact of Russian sanctions on financial reporting

The Committee has reviewed the Group's assessment of the impact of Russian sanctions on the year-end financial reporting. The assessment considered whether:

- the Group still has control over the assets and operations of the Russian entities;
- it is still appropriate to consolidate the entities in the Group's financial statements;
- any impairment of assets held in those entities is required; and
- the Russian entities have sufficient cash resources to allow day-to-day operations to continue.

The Committee debated and considered management's assumptions on whether it has control over the operations and assets given the international sanctions currently in place, reviewed management's impairment analysis and discussed future plans and cash flow projections.

The assessment was performed with reference to IFRS 10 'Consolidated financial statements' and the Committee was satisfied with management's conclusion that it is still appropriate to consolidate the Russian entities, that there is no impairment of assets required at the year end and that the entities have sufficient cash flow to enable the businesses to operate on a day-to-day basis and be able to meet their liabilities as they fall due.

The Committee also reviewed the disclosures in note 4 – Critical Accounting Judgements relating to restricted cash balances held in Russia, management's judgements in applying the accounting policies and the key assumptions and sources of estimation that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Following this detailed review and discussion with management, the Committee has concluded that the presentation of the financial statements and the associated disclosures is appropriate.

Biological assets valuation

In compliance with IAS 41, Genus records its biological assets at fair value in the Group Balance Sheet (£329.7m), with the net valuation movement shown in the Income Statement.

The Committee has reviewed the methodology, which has remained unchanged, and outcomes of the biological assets valuation. The Committee debated and considered management's assumptions and estimates, through the current period, and discussed and reviewed the external auditor's report on this area, before concurring with management's proposals. The Committee also received updates on management's streamlining and automation of the models which are used for the valuation process and the control improvements identified to strengthen both the model and the review of its output. The Committee was satisfied with management's accounting treatment, including the Income Statement increase of £20.2m in the value of porcine biological assets and the decrease of £43.4m in the value of bovine biological assets.

Financial reporting area	Judgements and assumptions considered
Going concern and viability statement	<p>The Committee has reviewed the Group's assessment of going concern over a period of 12 months and viability over a period of three years.</p> <p>In assessing viability, the Committee has considered the Group's budget and strategic plan, its credit facility agreement, its principal risks and uncertainties, as detailed on pages 52 to 55, and the liquidity and capital projections over the period and is satisfied that this is appropriate in supporting the Group as a Going Concern.</p> <p>The Committee has concluded that the assumptions are appropriate and that the viability statement could be provided, and advised the Board that three years was a suitable period of review. The Committee was also satisfied with the disclosures in relation to the appropriateness of the assessment period selected, the assumptions made and how the underlying analysis was performed. The going concern and viability statement is disclosed on page 56 of this report.</p>
Presentation and disclosure of exceptional and adjusting items	<p>Genus had £60.6m of adjusting items, including £24.6m of net exceptional items in the Group Income Statement. The Committee considered the presentation of these items in the financial statements, due to the nature of these items and the guidelines on the use of alternative performance measures issued by the European Securities and Markets Authority. The Committee received detailed reports from management outlining the judgements applied in relation to the disclosure of adjusting items, which include net IAS 41 valuation movement on biological assets, amortisation of acquired intangible assets, share-based payment expense and exceptional items. For adjusting items, the Committee took into consideration their volatility and lack of correlation with core operational progress and performance of the business. Specifically, for exceptional items, the Committee took into consideration the materiality, frequency and nature of the items. Following this detailed review and active discussion with management, the Committee has concluded that the presentation of the financial statements is appropriate.</p>
Impairment review	<p>Goodwill and other intangibles are tested annually for impairment in accordance with IAS 36 Impairment of Assets. The Committee considered management's goodwill and intangible asset impairment review and, particularly in respect of the ABS CGU, considered the assumptions, associated disclosures, and management's models underpinning the estimates and judgements. The Committee also considered the external auditor's report on this area. After due challenge and discussion the Committee was satisfied with these assumptions and judgements, including the sensitivity analysis. Further detail is presented in note 4 and note 14 of the Annual Report.</p>

Monitoring business risks

The Committee discussed the principal risks identified along with management's plans to mitigate them and received regular detailed updates from the risk owners and their direct reports. In addition to reviewing the principal risks, the Committee received detailed updates on the following:

- Sustainability matters: the related current and emerging risks and the roadmap of actions supporting the climate change action plan, TCFD reporting requirements and improvements in the disclosures from the FRC review letter.
- Biosecurity and continuity of supply: the risk of losing key livestock or losing our ability to move animals and/or semen freely (including across borders), due to disease outbreak.
- Cyber security: the cyber security risk faced by the Group and the actions being taken to strengthen infrastructure and systems security.
- Sexing technology: advancements in the development of our proprietary sexing technology.
- Macroeconomic and geopolitical issues, including the slow economic recovery in some countries, the escalating conflict in the Middle East, and continuing Russia-Ukraine conflict.
- Regular updates on implementation of GenusOne, an enterprise management system, which is nearing completion in

all planned locations, with one more location scheduled for FY25.

Internal control system

Management is responsible for identifying and managing risks, and for maintaining a sound system of internal control. The internal control framework is intended to effectively manage rather than eliminate entirely the risks to achieving our business objectives. Our risk management and internal control frameworks are described in more detail on pages 78 to 79.

The key elements of the Group's internal control framework are monitored throughout the year and the Committee has conducted its annual review of the effectiveness of the Group's internal controls on behalf of the Board. The Committee's review included scrutiny of reports provided by management, Risk and Internal Audit, Internal Control and External Audit. The Committee reviewed the results of the key financial controls self-assessment process, which is performed every six months; internal audit's findings, including updates on the implementation of management's actions; and the Group's Whistleblowing Policy and bribery prevention procedures.

The review did not identify any significant control failings. Genus routinely identifies and implements control improvement opportunities, with all remediation plans monitored to completion and regularly reported to the Committee.

Oversight of internal audit and external audit

Internal audit

The Committee reviewed and approved the internal audit function's scope, terms of reference, resources and activities. The Committee was satisfied that the coverage and quality of the internal audit process remained appropriate. The Head of Risk Management and Internal Audit provided regular reports to the Committee on the work undertaken and management's responses to proposals made in the internal audit reports issued during the year. The Committee continued to meet the Head of Risk Management and Internal Audit without management being present. The Committee reviewed and was satisfied with the internal audit function's performance.

External audit

The Company has complied with the Statutory Audit Services Order for the financial year under review.

The Committee reviewed and agreed the external auditor's scope of work and fees, held detailed discussions on the results of its audit and continued to meet the external auditor without management being present. The Committee reviewed the external auditor's objectivity and independence and the Group's policy on engaging the external auditor to supply non-audit services.

Audit, Risk and Internal Control continued

Audit & Risk Committee Report

The Committee assessed the external auditor's performance in conducting the audit for the June 2023 year end. The Committee considered the quality, effectiveness, independence and objectivity of the external auditors through the review of all reports provided, regular contact, and dialogue both during Committee meetings and separately without management. Continuing from the process in the previous year, the Committee conducted an audit quality and effectiveness review through a questionnaire to Committee members, management, and members of the finance team, which delivered focused insight into Deloitte's effectiveness. The Committee considered the audit quality reviews on the firm and sought confirmation that recommendations were appropriately actioned where relevant to the audits of our Company.

During the year the Committee conducted a competitive external audit tender process for our FY25 audit.

External audit tender update

The Committee provided oversight of the audit tender process and approval at each key stage. The tender process was conducted in line with the FRC's UK Corporate Governance Code and the Audit Committees and the External Audit: Minimum Standard.

The eligible Big Four firms and two challenger firms were approached to consider their participation in the audit tender. Several firms declined to participate due to a variety of reasons including a lack of resource availability or expertise within our sector, and limitations within their networks affecting their ability to deliver a global audit for the Group. As a result, two firms – EY and PwC – participated in the tender:

- Partners from each of the two audit firms were interviewed by the Chair of the Board, Chair of the Committee, Chief Executive, Chief Financial Officer and senior finance managers. Formal invitations to tender were issued to the chosen audit partners.
- A virtual data room was established to share information and key management team members held meetings with each of the firms. Each audit firm visited our facilities in Ruthin, UK and Deforest, USA.
- The audit firms had regular opportunities to ask questions of the Chair of the Committee, Chief Financial Officer and Group Financial Controller.
- The tender documents submitted were reviewed by the Chair of the Committee and senior finance personnel.
- Each audit firm showcased their technology and data analytics capabilities to the Group Financial Controller, Head of Reporting, Head of Risk Management and Internal Audit and Head of Financial Control.

- Each audit firm presented to the Committee.

The audit firms were assessed against the following criteria:

- strength and experience of the lead audit partner and supporting team globally;
- understanding of Genus's business, reflecting both risks and opportunities;
- quality of audit approach and methodology;
- ability to deliver a straightforward and efficient transition; and
- differentiators providing added value and insights for Genus.

The Committee considered management's grading of the bids and preference following the firms' presentations to the Committee and decided to recommend the appointment of PwC as external auditor for the year ending 30 June 2025.

Resolutions to appoint PwC as auditors and to authorise the Directors to agree their remuneration will be put to shareholders at the Annual General Meeting on that will take place on 20 November 2024.

External auditor independence

Maintaining the objectivity and independence of the external auditors is essential. The Committee has taken appropriate steps to ensure that the Company's external auditors are independent of the Company and obtained written confirmation from them that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

Additional non-audit services provided by the auditors may impair, or appear to impair, their independence. The Group's policy on the provision of non-audit services is aligned with the FRC's Revised Ethical Standard 2024 to provide clarity over the type of work that is acceptable for the external auditors to carry out. The policy sets out the process required for approval and a cap to the total non-audit fees for permitted services (at 70% of the audit fee). The policy was last reviewed in the year ended 30 June 2024.

Audit and non-audit fees paid to Deloitte in the year were £1.4m and an analysis is presented in note 8 to the consolidated financial statements. Non-audit fees represent 6% of the audit fee and were for audit-related assurance services. The Committee concluded that the provision of such services was appropriate, given that they were closely related to the work performed in the external audit process and it was more efficient and effective to engage the external auditors due to their knowledge and expertise.

Risk management and internal control framework

The Audit & Risk Committee has responsibility for reviewing and monitoring the Group's risk management and internal control framework on behalf of the Board.

Risk management

The risk management system is designed to identify, evaluate and prioritise the risks and uncertainties we face. The Board sets our risk appetite, monitors the Group's risk exposure for our principal risks and ensures appropriate executive ownership for all risks. This ongoing risk management process for the Group's significant risks was in place for the year under review and up to the date of approval of the Annual Report and Accounts. Our principal risks and how we mitigate them are summarised on pages 52 to 55.

The Board performed its annual risk review in June 2024, identifying and evaluating new and emerging risks and reassessing the levels of risk facing Genus as it executes its strategy. The Committee considered whether the risk register covered all relevant risks. Updates to the principal risks were made to reflect the specific nature of the climate change risk, to broaden the risk relating to capturing value through mergers & acquisitions activity beyond acquisitions, and to recognise the increasing cyber security threat posed by developments in artificial intelligence. The Board continued to monitor the effect of macroeconomic and geopolitical risks, including those relating to the continued Russia-Ukraine conflict, and Middle East conflicts.

Internal control

A sound system of internal control incorporates a strong control environment and well-designed and consistently operated controls that mitigate risks to acceptable levels. An effective internal control system minimises surprises, enhances operational efficiency and supports both reliable reporting and compliance with laws and regulations, enabling the business to focus on performance.

Control environment

The control environment encompasses the culture, standards, processes and governance structures that define how the Company works and promotes the effective execution of control across the Group.

At Genus the tone from the top drives our control environment, with the Board and GELT establishing a clear commitment to integrity and ethical values, the importance of internal control and the expected standards of conduct. The Board provides the authority for management to determine the appropriate structures, reporting lines and delegations, so that responsibilities are carried out with clear accountability and by people with the right skills and expertise to enable Genus to achieve its objectives.

Strategic plans supported by detailed operational budgets, including capital expenditure, are prepared annually and approved by the Board. GELT regularly reviews business performance against strategy, budget and key performance indicators. Monthly business unit reviews held with the Chief Executive, Chief Financial Officer, Group General Counsel and Company Secretary, and Group Financial Controller consider financial results and variances, updated forecasts and key business risks.

The Board oversees the development and performance of internal controls, receiving and scrutinising assurance reports to inform its view on the effectiveness of the risk management and internal control frameworks.

Group policies were in place throughout the year, including our accounting policies which govern the preparation of the Group's consolidated accounts. Controls over segregation of duties, system access, management review, reconciliation processes and the consolidation and reporting system support the accuracy of financial reporting.

The control environment depends on the integrity and competence of employees, which is maintained through robust recruitment processes, mandatory training courses and a consistent approach to performance management.

Internal audit and assurance

Our internal audit programme is delivered by an in-house team, led by the Head of Risk Management and Internal Audit, supplemented by external specialist resources where needed. During the year, Internal Audit completed a risk-based audit programme approved by the Audit & Risk Committee, which covered a broad range of financial, operational, compliance and reporting controls.

Twice a year, all business units complete a risk and control self-assessment, designed to assess compliance with our minimum control standards. Internal audit independently reviews these assessments. An annual Fraud Risk Assessment is conducted with all the business units. The external auditor also provides observations on the control environment arising from its audit work.

The outcomes of the above activities, along with actions designed to mitigate any issues found, are presented to the Committee, senior management and the external auditor throughout the year. Internal Audit tracks actions to completion.

Effectiveness of risk management and internal control framework

On behalf of the Board, the Committee reviewed the effectiveness of our risk management and internal control framework. The review considered the results of the internal audit programme, the internal control self-assessment process, and reports prepared by management in support of the interim and final results and financial statements.

The Committee also considered how significant risks had been identified, evaluated, managed and controlled, whether any significant weaknesses had arisen, and how these were addressed. Opportunities to strengthen the risk management and internal control frameworks are routinely identified and acted upon. No significant internal control failures were brought to the attention of the Board or Committee's attention during the year. The Board is therefore satisfied that the risk management and internal control systems continue to operate effectively.

Lysanne Gray

Chair of the Audit & Risk Committee
4 September 2024

Remuneration Committee Report

Section A – Annual Statement



Lesley Knox

Senior Independent Non-Executive Director and Chair of the Remuneration Committee

KEY MESSAGES

- Strong positive shareholder vote at 2023 AGM on the Directors' Remuneration Report ('DRR') which details the CEO's joining arrangements.
- We will commence the review of the Directors' Remuneration Policy ('Remuneration Policy') in the coming months with major investors engaged in 2025.
- Target FY24 annual bonus payouts. No vesting under 2021 Performance Share Plan awards, reflecting challenging external market conditions.
- Modest salary/fee increases for CEO and Company chair which do not exceed the relevant country salary budgets for employees.

Terms of reference

The terms of reference for the Committee are in line with the 2018 UK Corporate Governance Code and available to view at www.genusplc.com.

Committee attendance

A consolidated table of Director attendance at all Board committee meetings is set out earlier in the corporate governance section.

Jorgen Kokke, Stephen Wilson (until his retirement from the Board) and Alison Henriksen also attended the Committee's meetings by invitation.

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On behalf of the Board, I am pleased to present the Directors' Remuneration Report for 2024.

We were pleased with the shareholder response at the 2023 AGM, with over 93% of shareholders voting for the remuneration report, which included the remuneration arrangements for the new Chief Executive.

Board changes

A number of Board changes are mentioned elsewhere in the Annual Report and Accounts; I will summarise them here in the context of reporting on the implications for remuneration and in terms of the membership of the Committee.

In November, Lykele van der Broek stepped down as a Non-Executive Director. Lykele contributed to the performance of the Committee over several years including the formulation of the existing Remuneration Policy approved by shareholders in 2022.

In January 2024 we had a further change to the Committee's membership when Ralph Heuser joined the Board. We look forward to benefiting from his perspective on Committee matters.

Stephen Wilson stepped down as an Executive Director on 30 September 2023. Details of his retirement arrangements were outlined initially in last year's remuneration report but are included for information on page 90 of the remuneration report. Having been appointed as an Executive Director last year, Jorgen Kokke became Chief Executive at the start of the financial year (on 1 July 2023). Full details of his remuneration package were disclosed in last year's remuneration report and were subject to a shareholder vote at the Annual General Meeting ('AGM') in November 2023.

The Committee determined that the remuneration arrangements for both Jorgen and Stephen were appropriate, fair and reasonable, consistent with the Directors' Remuneration Policy and, in respect of Stephen, in line with his contractual entitlements.

Executive Directors' remuneration for year ending June 2024

The Executive Directors' remuneration comprises a salary, market-appropriate benefits, pension provisions and variable remuneration which in 2024 was delivered through an annual bonus with deferral and an award under our Performance Share Plan ('PSP').

A significant proportion of Executive Directors' remuneration is linked to the delivery of stretching targets linked to Genus' short- and longer-term strategy. In approving remuneration outcomes for Executive Directors and other senior executives, the Committee is mindful of the experience of a range of stakeholders, including investors, employees and customers to provide a balanced assessment of performance.

2024 variable remuneration outcomes

As set out in last year's report, the Committee approved a number of changes to the assessment of performance under the annual bonus for 2024, including splitting PIC China from wider Group performance and measuring cash conversion rather than free cash flow (to drive a focus on effective cash generation across inventory management).

Group profit excluding PIC China (accounting for up to 50% of the annual bonus of Executive Directors) was between threshold and target for the year, whilst ongoing challenges in the China porcine market meant that threshold for PIC China element of the bonus (10% weighting) was not met. In respect of the 15% of bonus based on cash conversion, strong in-year performance resulted in a maximum payout under this element.

Overall, Executive Directors recorded an outcome under the financial elements of the bonus of 33% of the total award: the weighting for financials is 75% of the total.

The remaining 25% of Executive Directors' bonuses is based on a number of key strategic objectives. In assessing this element, the Committee discussed the broader strategic progress made during the year as well as performance against the original objectives set. It was noted that the CFO had continued to deliver strongly in her role, while the recently-appointed CEO had made an excellent start despite a difficult market backdrop, and had made swift progress in key areas linked to the long-term strategy for the business. The Board noted his strong focus in key areas like strategic review of R&D and the ongoing structure of ABS. Each was awarded an outcome of 70% of maximum for the personal element.

Overall bonuses for the CEO and CFO were 50.5% and 50.5% of maximum respectively. In line with our agreed policy, one-third of these will be delivered in Genus shares that will vest after three years subject to continued employment. The former CEO was eligible for a pro rata bonus for the three months to 30 September 2023. His aggregate payout was 46.8% of the maximum.

More information on the scorecard outcomes and assessment of individual performance against strategic priorities is set out on pages 87-89.

Awards under the Performance Share Plan ('PSP') granted in September 2021 were subject to our earnings per share ('EPS') performance over the three financial years ending 30 June 2024. Against a performance range of 5% to 15% annual EPS growth, there was no growth in EPS over the performance period. Threshold performance was not achieved so the awards will lapse in full. The Committee also confirmed that the zero vesting level was consistent with the business performance achieved over the three-year period.

We appreciate that, during the last 12 months, shareholders have experienced a fall in the Company's share price. This was considered by the Committee in its deliberations. However, we determined that the bonus outcomes were a fair representation of the Company's performance and the Executive Directors in FY24. In reaching this decision we noted that:

- Executive Directors had exposure to share price movement through their holdings and, in the case of the CEO, his buyout awards.
- Recent variable remuneration for Executive Directors had been modest. The 2021 PSP will lapse in full in September 2024 and bonus awards in the previous two years had ranged between 18 and 26% of the maximum payout.
- The Board retained the dividend for the current year.

The Committee determined that, notwithstanding the challenging external context, PIC ex-China has continued to perform robustly and as a result of the actions taken by management following the R&D strategic review in February 2024 and Value Acceleration Programme, ABS profitability is now improving. As such, the Committee felt that the overall outcome was a fair reflection of the performance of the business and actions taken by the management team during the year.

The Committee was comfortable that the Policy had operated as expected during the past year. No discretion was applied to performance outcomes for Executive Directors during the year by the Committee.

Remuneration Committee Report continued

Section A – Annual Statement

Looking forward to financial year ending 30 June 2025

Shareholder engagement and review of the Directors' Remuneration Policy

We were very pleased that the Remuneration Report was strongly supported in November 2023, with over 93% voting in favour. We look forward to continuing our discussions with investors in the coming months in the run-up to this year's AGM. The Committee will need to determine a new Directors' Remuneration Policy during the next 12 months for shareholder approval at the 2025 AGM. Therefore, we anticipate engaging with our major shareholders about any changes to our remuneration approach in early 2025.

Salary adjustments

The Committee approved an increase to Jorgen Kokke's salary of 4.0%, effective 1 September 2024, which was in line with the 2024-25 salary budget for US-based employees.

There was no change to Alison Henriksen's salary: we indicated in last year's report that the next review would be in September 2025.

Structure of variable remuneration

Our approach to variable remuneration focuses on growth and the long-term sustainable success of the business.

We have not made material changes to the measures and design of either the 2025 annual bonus or the 2024 PSP as they relate to Executive Directors or our Genus Executive Leadership Team ('GELT') members.

The 2025 annual bonus will be structured such that the financial scorecard will continue to determine 75% of the bonus (split as in 2024 between profit measures (60%) and cash conversion (15%)), with the remaining 25% being based on individual strategic objectives. As in 2024, we will separate out profit assessment, so that part is linked to PIC China performance, and the majority linked to the wider Group performance excluding PIC China.

Effective for financial year 2025, we will no longer exclude gene editing costs for bonus purposes, which is consistent with the existing approach under PSP. This reflects our move towards commercialisation of PRRS and embedding gene editing into core R&D platforms.

We remain committed to our stated double-digit medium-term growth aspirations. 80% of the 2024 PSP award will continue to be linked to EPS performance over a three-year period, rewarding sustained long-term growth of the business. We have agreed to use the same EPS range as for awards made in 2023, requiring annual EPS growth over the three-year performance period of 4% at threshold through to 12% or above for maximum vesting.

The Committee is aware of investor sentiment for ESG measures to be relevant to strategy, measurable and quantifiable. Our PSP awards continue to have a modest weighting to environmental and strategic measures. A summary of the measures and weightings is provided on page 92 and full retrospective disclosure of the targets and performance against them will be set out in the Annual Report following vesting.

Company Chairman fee and Non-Executive Director fees

The Committee approved an increase to Iain Ferguson's annual fee by 4.0% from £230,000 to £239,200, effective 1 September 2024. This is the first increase to the Chairman's fee since his appointment in 2020. The Committee noted that the 2024-25 salary budget for UK Genus plc employees was 4.5%.

The Committee plans to review the Chairman's fee regularly going forward, with the intention that the fee is increased by a similar level of salary adjustment awarded for the broader workforce (subject to an underlying market rationale).

Non-Executive Director fees were also reviewed by the Board and an increase of 4.0% to the base fee was agreed, effective 1 September 2024. This is the first increase to the base fee since 2017.

Ongoing debate around competitiveness of UK remuneration practices and other developments

As a Committee we have reflected and discussed the ongoing debate around the competitiveness of UK remuneration.

As a global organisation, operating within the highly competitive global genetics sector, the Committee is very aware of the challenges of providing competitive executive remuneration (both in terms of quantum and design) which reflects the markets in which our executives are based and from which we hire talent, while adhering to the expectations of some UK investors and the corporate governance environment.

In January 2024 the Financial Reporting Council ('FRC') published a revised UK Corporate Governance Code ('Code') which will apply from 1 January 2025. Following a consultation on potential changes during 2023, many of the proposed changes were not included in the revised Code, which we consider a helpful simplification. We will reflect the updates that have been made in next year's remuneration report.

We await with interest the extent to which our shareholders revise their remuneration guidelines during the next six months. Any updated guidance will be taken into account in the Committee's decision-making process for the new Remuneration Policy.

Wider workforce and employee engagement

As in previous years, we have provided insights on our people and culture elsewhere within the Annual Report, including the role played by our designated Non-Executive Workforce Engagement Directors (Lysanne Gray and myself) in understanding the overall employee experience and satisfaction with remuneration. We met with employee groups during the year and, as a Board, received updates on employee engagement survey results and associated action plans.

As a Committee we reviewed the progress on our gender pay position within Genus Breeding Limited, our largest UK subsidiary. We also receive periodic updates on the approach to remuneration across the Group including the competitiveness of our remuneration in our markets and our proposed salary budgets for the forthcoming year.

Lesley Knox

Chair of the Remuneration Committee
4 September 2024

Section B – At a Glance 2024 and 2025

→ For more detail please see pages 87 to 90

WHAT EXECUTIVE DIRECTORS WERE PAID IN YEAR ENDING JUNE 2024

	Chief Executive Jorgen Kokke	Chief Financial Officer Alison Henriksen	Former Chief Executive Stephen Wilson (Stepped down from the Board on 30 September 2023)																					
1	Salary and benefits <ul style="list-style-type: none">• Benefits included a car allowance• Pension allowance of 6% of salary	1 \$825,000 2 \$98,597 1 Salary 2 Pension and Benefits	1 £480,930 2 £42,579 1 Salary 2 Pension and Benefits																					
2	Annual bonus 2024 <ul style="list-style-type: none">• Metrics used and weighting: Group (excl. PIC China) adjusted operating profit, PIC China operating profit, cash conversion and strategic measures• Pro rata award for Stephen Wilson• One third is deferred in shares for three years	Maximum Opportunity 200% of salary Maximum \$1,650,000 50.5% FINAL OUTCOME = 50.5% OF MAXIMUM (\$833,250)	Maximum Opportunity 175% of salary Maximum £841,628 50.5% FINAL OUTCOME = 50.5% OF MAXIMUM (£425,021)																					
		Performance measures – outcome (as % of max) <table><thead><tr><th></th><th></th><th>Weighting</th></tr></thead><tbody><tr><td>Operating profit (excl China PIC)</td><td>36%</td><td>50%</td></tr><tr><td>Operating profit (China PIC)</td><td>0%</td><td>10%</td></tr><tr><td>Cash conversion</td><td>100%</td><td>15%</td></tr><tr><td>Strategic objectives (CEO)</td><td>70%</td><td>25%</td></tr><tr><td>Strategic objectives (CFO)</td><td>70%</td><td>25%</td></tr><tr><td>Strategic objectives (Former CEO)</td><td>55%</td><td>25%</td></tr></tbody></table>				Weighting	Operating profit (excl China PIC)	36%	50%	Operating profit (China PIC)	0%	10%	Cash conversion	100%	15%	Strategic objectives (CEO)	70%	25%	Strategic objectives (CFO)	70%	25%	Strategic objectives (Former CEO)	55%	25%
		Weighting																						
Operating profit (excl China PIC)	36%	50%																						
Operating profit (China PIC)	0%	10%																						
Cash conversion	100%	15%																						
Strategic objectives (CEO)	70%	25%																						
Strategic objectives (CFO)	70%	25%																						
Strategic objectives (Former CEO)	55%	25%																						
3	PSP (granted in 2021) The earnings per share ('EPS') performance condition attached to the awards granted in 2021 was not met. These awards will lapse on 15 September 2024	N/A	£0 Initial face value £731,850 Vesting (% max) 0%																					
			£0 Initial face value £1,233,800 Vesting (% max) 0%																					
4	Remuneration breakdown	1 \$1,756,847 2 \$0 3 \$833,250 4 \$98,597 5 \$825,000 1 Total 2 PSP vesting 3 Annual bonus 4 Pension and benefits 5 Salary	1 £948,530 2 £0 3 £425,021 4 £42,579 5 £480,930 1 Total 2 PSP vesting 3 Annual bonus 4 Pension and benefits 5 Salary																					
		1 £293,253 2 £0 3 £126,310 4 £12,718 5 £154,225 1 Total 2 PSP vesting 3 Annual bonus 4 Pension and benefits 5 Salary																						

Remuneration Committee Report continued

Section B – At a Glance 2024 and 2025

→ For more detail please see pages 91 to 93

WHAT EXECUTIVE DIRECTORS CAN EARN IN YEAR ENDING JUNE 2025 (AND HOW):

		Chief Executive Jorgen Kokke	Chief Financial Officer Alison Henriksen
1	Salary and benefits <ul style="list-style-type: none"> • Increase in salary for Jorgen Kokke effective 1 September 2024, in line with the all-employee salary budget in the US of 4% • Benefits include a car allowance (\$20,000 for Jorgen Kokke and £12,000 for Alison Henriksen) • The pension allowance is 6% of salary 	Salary \$858,000 (4% increase)	Salary £480,930 (unchanged from prior year)
2	Annual bonus for FY25 <ul style="list-style-type: none"> • Metrics used and weighting: Genus Group Operating Profit exc. PIC China (50%), PIC China (10%), Cash conversion (15%), Strategic measures (25%) • One-third is deferred in shares for three years • As Jorgen Kokke's salary is denominated in US dollars, a currency conversion is completed ahead of making any share awards (e.g. deferred shares, performance shares) to convert any US dollar denominated value into GB pounds to determine the number of Genus shares to be awarded. A prevailing exchange rate prior to grant is used 	Maximum bonus opportunity = 200% of salary	Maximum bonus opportunity = 175% of salary
3	PSP (to be awarded September 2024) <ul style="list-style-type: none"> • Awards vest subject to performance against identified measures • 80% of the awards are linked to adjusted EPS for FY27 (i.e. 7/26-6/27) compared to the FY24 adjusted EPS (including gene editing costs). Assessed based on a scale of 4% annual growth (threshold with 20% vesting) through to full vesting at 12% annual growth or above (straight-line basis) • Remainder linked to metrics core to our strategy (greenhouse gas reduction and genetic improvement) 	200% of salary	200% of salary

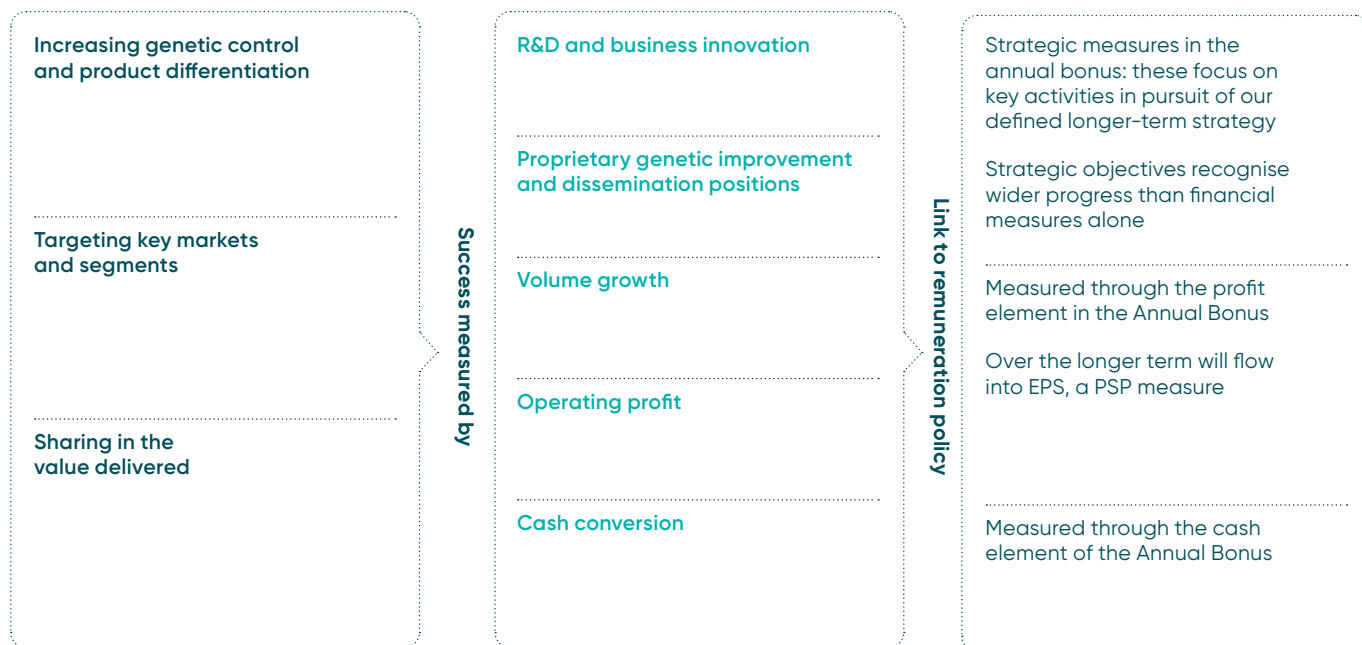
Our performance measures and their alignment to strategy

Element	FY25 annual bonus	2024 PSP	Alignment to strategy/rationale for selection
Profit growth	✓		<ul style="list-style-type: none"> • A key performance indicator of Group performance • Sharing in value created to deliver returns for shareholders
Cash conversion	✓		<ul style="list-style-type: none"> • Generation of cash for reinvestment and dividends
Delivery of strategic objectives	✓		<ul style="list-style-type: none"> • A focus on specific factors aligned with Genus' short- and medium-term priorities that provide the foundation for future growth
Adjusted earnings per share growth		✓	<ul style="list-style-type: none"> • A key performance indicator of underlying performance • Alignment to our stated medium-term growth aspirations
Genetic improvement within porcine, bovine and dairy		✓	<ul style="list-style-type: none"> • At the heart of our business: 'Pioneering animal genetic improvement to sustainably nourish the world'. Helping farmers produce more output with fewer inputs
Greenhouse gas reduction		✓	<ul style="list-style-type: none"> • Driving reduction in carbon intensity of our operations in pursuit of our stated target of a 25% reduction by 2030 against our 2019 baseline

Section C – Remuneration and Performance Statement

Genus's strategy and its link to performance-related pay

Our strategy and the way this is linked to variable reward is shown below.



Performance components and their impact on remuneration

	2023	2024	Movement %	Impact on remuneration
Adjusted results				
Revenue	£689.7m	£668.8m	(3%)	Input to Annual Bonus profit and earnings per share in PSP
Adjusted operating profit incl. JVs	£85.8m	£78.1m	(9%)	Profit is an Annual Bonus measure
Cash conversion incl. JVs	53%	71%	18% pts	Cash conversion is an Annual Bonus measure
Adjusted earnings per share	84.8p	65.6p	(23%)	PSP performance condition
Dividend per share	32.0p	32.0p	0%	Executives rewarded via dividends on vested shares post exercise
Share price at year end	2,166p	1,650p	(24%)	Influences the value of deferred bonuses and PSP awards

Values in the table are in actual currency as shown in the Annual Report. Adjustments can be made to these for the purposes of calculating awards under the variable remuneration plans as described in this report and/or in line with the Remuneration Policy.

Executive Directors' alignment to share price

The table below shows the value of shares currently held by the Executive Directors and those awarded under the Deferred Share Bonus Plan ('DSBP'), but not yet released (on a post-tax basis). It does not include unvested Performance Share Plan ('PSP') awards subject to future Company performance, which have the potential to significantly increase the alignment of the Executives, subject to the resulting level of vesting.

	Shares owned	Shares awarded under the DSBP (post-tax) ^{1,2}	Total share exposure	Indicative value on 30 June 2024 (£) ³	Consequence of a +/- 10% share price change (£)	Conclusion
Jorgen Kokke	0	71,845	71,845	1,278,123	127,812	CEO has significant alignment to Genus through share awards made on appointment (buying out awards from previous employer) and through his future variable remuneration opportunity
Alison Henriksen	5,375	14,364	19,739	351,158	35,116	CFO is aligned to share price movement through existing ordinary shareholding, in-flight share awards and her future variable remuneration opportunity

¹ Includes for Jorgen Kokke 126,935 shares granted in May 2023 on joining the Company as part of his buyout arrangements, of which 66,704 shares under option have vested but not yet been exercised. Includes for Alison Henriksen any vested but unexercised PSP awards

² For the purposes of this disclosure, the effective tax rates for Jorgen Kokke and Alison Henriksen are 43.4% and 47% respectively

³ Value calculated using the average share price for the final quarter of the financial year ended 30 June 2024 (1,779p)

Remuneration Committee Report continued

Section C – Remuneration and Performance Statement

How the operation of our Directors' remuneration approach addresses the key features set out in the UK Corporate Governance Code ('Code')

The following table summarises how our remuneration approach fulfils the factor set in provision 40 of the Code:

<p>Clarity Implementation of the strategy is monitored through KPIs including those used within the Annual Bonus and PSP. This ensures alignment between strategy execution and reward outcomes.</p> <p>The Committee is committed to providing open and transparent disclosures to shareholders and colleagues on its executive remuneration arrangements. Colleagues are able to express their views through regular surveys and feedback as well as through the designated NEDs for the workforce.</p>	<p>Simplicity We look to describe the structure of remuneration clearly to both participants and shareholders through effective disclosures, so all stakeholders are clear on the underlying remuneration principles and the way reward outcomes are determined.</p>	<p>Alignment to culture The primary objective of the remuneration approach is to support growth and our long-term success.</p> <p>The remuneration approach aligns to our business model and focuses on the experience of customers and employees. Measures linked to culture are used within variable plans, alongside delivery of long-term sustainable performance.</p>
<p>Predictability Variable remuneration is delivered primarily through share-based awards. The value of awards is, therefore, closely aligned to share price movement and the shareholder experience.</p> <p>The potential value and composition of the Executive Directors' remuneration at below threshold, target and maximum scenarios are provided within the report. These scenarios demonstrate the way that different performance levels change remuneration for Executive Directors and the associated impact of Company share price movement.</p>	<p>Proportionality A significant proportion of the total remuneration opportunity is performance-driven, with clear linkage between business measures and remuneration outcomes through clear targets and use of KPIs.</p> <p>Shares form the majority of variable remuneration and Executive Directors are required to develop and maintain a material shareholding in the business to fully align to the shareholder experience.</p>	<p>Risk The Committee retain ultimate discretion to vary outcomes from formulaic results if they do not judge this to accurately reflect underlying business performance.</p> <p>Malus and clawback provisions apply to all awards and we operate post-cessation shareholding requirements to further align Executive Directors to long-term business performance.</p>

In accordance with Code Provision 41, the Directors' Remuneration Report also describes the work of the Committee, including those areas mentioned in that provision. The table below highlights some of those areas:

Provision	Approach
Operation of policy	The Committee believes that the Remuneration Policy operates as intended in terms of Genus' performance and the quantum of remuneration delivered.
Shareholder engagement	<p>We undertook substantial engagement with our shareholders as part of the development of the Remuneration Policy in the run-up to the AGM in 2022. We are grateful for this feedback and subsequent input received that has shaped our thinking and decision-making.</p> <p>We have further engaged leading investors in recent years and will continue to engage stakeholders in the run-up to the 2025 AGM when we seek approval for a new remuneration policy.</p>
Workforce engagement	An outline of our approach to workforce engagement is set out on page 67.

Section D – Annual Report on Remuneration

Introduction

This section of the Directors' Remuneration Report is subject to an advisory vote at the November 2024 AGM. Remuneration in respect of the year ending June 2024 was determined in line with our Remuneration Policy agreed by over 93% of shareholders at the AGM in 2022. The detailed Policy can be found in our 2022 Annual Report (pages 77 to 85) which is available from our website at www.genusplc.com.

We have split this section into the following chapters to balance our formal disclosure obligations with our desire to have a clear and understandable report:

1. Reward outcomes for Executive Directors for 2024.
2. How we will implement and operate the Remuneration Policy in 2025.
3. The Remuneration Committee membership, advisers and its operation.
4. Comparison of the Chief Executive's remuneration to historical shareholder returns and to employees' remuneration.
5. The Chairman and Non-Executive Directors' fees.
6. Details of the Directors' shareholdings and rights to shares.
7. Details of the current Executive Directors' contracts and Non-Executive Directors' letters of appointment.

1. Remuneration outcomes for Executive Directors for year ending June 2024

Executive Directors' single total remuneration figure (audited)

The following table shows a single total figure of remuneration for the 2024 financial year for each of the Executive Directors and compares this figure to the prior year.

	Year	Salary	Benefits ¹	Pension ²	Fixed remuneration	Annual bonus ³	PSP ⁴	Buyout ⁵	Variable remuneration	Total
Executive Directors with remuneration denominated in USD (figures in \$000s)										
Jorgen Kokke	2024	825	49	50	924	833	–	–	833	1,757
	2023	120	5	6	131	413	–	4,493	4,906	5,037
Executive Directors with remuneration denominated in GBP (figures in £000s)										
Alison Henriksen	2024	481	14	29	524	425	0	–	425	949
	2023	418	13	25	456	149	143	–	292	748
Stephen Wilson ⁶	2024	154	3	9	166	126	0	–	126	292
	2023	617	13	49	679	245	242	–	487	1,166

1 Jorgen Kokke's benefits include an annual car allowance of \$20,000 plus the value of standard country executive benefits such as private medical and dental insurance and life assurance cover, as well as an estimated cost (£7,995) for tax advice to Genus and tax filing support for Jorgen Kokke in relation to his US (federal and state) and advice to Genus in relation to Jorgen's tax reporting requirements. In the UK these are cash benefits such as an annualised car allowance of £12,000 for Stephen Wilson and Alison Henriksen respectively and non-cash insured benefits such as private medical insurance that are taxable in the UK, as well as life assurance cover

2 Executive Directors may receive a cash allowance in lieu of pension, which is also shown in the pension column

3 Annual bonus includes the part of the award which is deferred into Company shares. Deferred share bonus awards are not subject to any further performance conditions

4 The value of the PSP is determined by the number of awards vesting in relation to performance ending in the relevant financial year. Dividend equivalents are not added to unvested awards made under the PSP

5 Details of the buyout for Jorgen Kokke were fully set out in last year's Report and Accounts, notably on page 94. For completeness and to ensure alignment with the single figure of total remuneration regulations, Jorgen Kokke's 2023 remuneration has been restated to include the initial face value of this buyout which was granted in May 2023 on his appointment as an Executive Director (see page 92 for more information on the calculation). In addition, the 2023 annual bonus column has been restated to include the cash bonus payment made to Jorgen in September 2023 as part of his transitional remuneration arrangements described in last year's Report and Accounts

6 Stephen Wilson's 2024 remuneration in the above table reflects his period as an Executive Director until 30 September 2023

How the Executive Directors' bonuses for year ending June 2024 were calculated

Overview

Jorgen Kokke and Alison Henriksen were eligible to participate in the Annual Bonus for 2024. Stephen Wilson, the former CEO, was also eligible to participate in respect of his three months as an Executive Director from 1 July to 30 September 2023. Awards were calculated by reference to performance against a challenging sliding scale of profit, cash conversion and strategic measures. Targets were set by the Committee to exclude the costs of gene editing. This was a decision by the Committee (as was the case in prior years) to ensure that management's reward was not unfairly affected by decisions to make the right long-term investment decisions on behalf of the business.

The following results were achieved for each element of the annual bonus incentive.

Bonus target ¹	Strategic objective	Weighting	Actual 2024 performance ²	Threshold (20% award)	Target (50% award)	Stretch (full award)	Extent to which targets were met (%)
Adjusted operating profit (excluding PIC China)	Sharing in value created to deliver returns for investors	50%	£91.7m	£89.1m	£93.8m	£99.1m	36%
Adjusted operating profit (PIC China)	Sharing in value created to deliver returns for investors	10%	£3.4m	£10.7m	£12.7m	£14.7m	0%
Cash conversion including JVs	Generate cash for reinvestment and dividends	15%	70.6%	50.9%	55.1%	59.9%	100%
Strategic measures	To build the foundation for future growth	25%	See table on next page		Jorgen Kokke 70% Alison Henriksen 70% Stephen Wilson 55%		

1 The financial elements of the bonus are payable on a straight-line basis between each threshold, target and stretch level. PIC China metric had 0% of award for threshold

2 Bonuses calculated in constant currency, exclude gene editing costs and include an approach as to how any budgeted contingency is attributed across individual businesses for bonus purposes. This explains the difference between the figures shown above and any adjusted operating profit figures shown elsewhere in the Report and Accounts

Remuneration Committee Report continued

Section D – Annual Report on Remuneration

Assessment of strategic measures under the 2024 annual bonus

The Committee reviewed and discussed achievement against targets set for strategic measures for each Executive Director in determining overall award levels. Performance against these targets is disclosed retrospectively, as follows:

	Theme	Objective	Key achievements in year
Jorgen Kokke	Strategy development and execution	Strengthen M&A pipeline seeking opportunities for value creation	<ul style="list-style-type: none"> Completed Xelect acquisition which serves as window into aqua genetics business Explored several potential opportunities for joint ventures, mergers or acquisitions and concluded that none were right for us as a company at this time Launched ABS VAP to address bovine and commercial challenges with cost savings identified. Value Acceleration Programme ('VAP') is putting business on path to earn cost of capital, with efficiencies expected to deliver material FY25 savings
	Leadership and culture	Strengthen leadership effectiveness	<ul style="list-style-type: none"> Upgraded leadership with appointment of single COO for ABS, our bovine division, bringing beef, dairy and IntelliGen production together in one structure under a single leader
		Improve gender diversity at manager level	<ul style="list-style-type: none"> Further year on year increase in female representation at managerial levels
		Improve health and safety culture	<ul style="list-style-type: none"> Achieved a 5% year-on-year reduction in recordable injury frequency rate
		Enhance Company culture and employee engagement	<ul style="list-style-type: none"> Began refresh of Genus values with a view to energising Genus's culture, building a performance culture and an enterprise mindset
	Innovation and sustainability	PPRS-resistant pig regulatory approval	<ul style="list-style-type: none"> Approval obtained in relation to Brazil and Colombia. Progress in FDA approval process, now focussed on post-approval regulatory compliance
		Lead industry in reproductive biology	<ul style="list-style-type: none"> Conducted strategic review of R&D activities resulting in sharpened focus of R&D portfolio and delivering multi-million saving
		Climate-smart genetics: achieve annual corporate sustainability goals	<ul style="list-style-type: none"> Genetic improvement targets for porcine, bovine and dairy achieved
	Commercial and operational excellence	Deliver financial performance in line with plan	<ul style="list-style-type: none"> Group FY24 adjusted operating profit (incl. JVs) was below target: in actual currency was £78.1m. Strong cash conversion in the year
		Restore PIC China to growth	<ul style="list-style-type: none"> Chinese porcine market continues to be challenging. However, PIC China's enhanced commercial focus and superior genetics have continued to drive further new royalty customer wins
		ABS: Deliver VAP Phase 1	<ul style="list-style-type: none"> H2 ABS profitability improved in constant currency from H1 FY24 because of actions taken under the VAP Phase 1. Plans for Phase 2 developed to enable execution of further profit improvements in FY25

	Theme	Objective	Key achievements in year
Alison Henriksen	Strategy development and execution	Work with the business to drive the strategy development and evaluate M&A opportunities	<ul style="list-style-type: none"> Explored several potential opportunities for joint ventures, mergers or acquisitions and concluded that none were right for us as a company at this time Completed Xelect acquisition which serves as window into aqua genetics business Five-year strategy plan developed with path to higher Genus ROIC. Simplified financial planning process implemented
	Leadership and culture	<ul style="list-style-type: none"> Finalise Finance team framework and extend career and succession planning Sustain leadership effectiveness 	<ul style="list-style-type: none"> Undertook extensive succession planning exercise for finance providing foundation for more work on organisation design and operating model in 2025 Actively supported the on-boarding and induction of the incoming CEO.
	Innovation and sustainability	Support the GenusOne plan for FY24	<ul style="list-style-type: none"> Assumed operational responsibility for IT and supported successful deployment of GenusOne in European countries, Mexico and India. Enhanced business and IT alignment in relation to priorities post the GenusOne implementation programme
		Support the Sustainability Plan	<ul style="list-style-type: none"> Genetic improvement targets for porcine, bovine and dairy achieved. Launched an automated solution to convert Scope 3 global spend to an appropriate kgCO₂ value to support reporting requirements
	Commercial and operational excellence	Deliver financial performance in line with plan	<ul style="list-style-type: none"> Group FY24 adjusted operating profit (incl. JVs) was below target: in actual currency was £78.1m. Strong cash conversion in the year
		Ensure compliance with regulatory changes	<ul style="list-style-type: none"> Audit tender completed successfully. Roll-out of new controls framework
		Drive changes in cash management processes	<ul style="list-style-type: none"> Enhanced processes to manage working capital including standardisation of supplier terms and improving ABS's inventory planning. Strong cash conversion performance in 2024
		Engagement with investors and markets, particularly in relation to PICC and PRRS commercialisation.	<ul style="list-style-type: none"> Hosted Capital Markets Day to increase awareness for PRP market opportunity and the key milestones to commercialisation
		Support ABS's delivery of VAP	<ul style="list-style-type: none"> H2 ABS profitability improved in constant currency from H1 FY24 because of actions taken under the VAP Phase 1. Plans for Phase 2 developed to enable execution of further profit improvements in FY25
Stephen Wilson	General	<ul style="list-style-type: none"> Stephen supported a smooth transition and transfer of responsibilities to the incoming CEO. Facilitated critical knowledge transfer and relevant introductions to key customers, suppliers, industry representative groups and other stakeholders. Oversaw finalisation of year end FY23 results and investor presentations and market update. Further deployment of GenusOne ERP in European markets. 	

Finalisation of individual annual bonus outcomes

	Jorgen Kokke	Alison Henriksen	Stephen Wilson
Maximum award (% of salary)	200%	175%	175%
Salary eligible for FY24 bonus	\$825,000	£480,930	£154,225
Maximum	\$1,650,000	£841,628	£269,894
Formulaic assessment of performance under the scorecard (financial and strategic)	50.50%	50.50%	46.80%
Discretion applied (+/- % pts)	0.00%	0.00%	0.00%
Final outcome for FY24 bonus			
– as a % of maximum	50.50%	50.50%	46.80%
– as a % of salary	101.00%	88.38%	81.90%
– as an amount	\$833,250	£425,021	£126,310
Amount in cash	\$555,500	£283,347	£84,207
Amount to be deferred in shares ¹	\$277,750	£141,674	£42,103

¹ One-third of bonus payable is deferred into Genus shares for three years. The number of shares awarded will be calculated in September 2024. For Jorgen Kokke his US dollar-denominated bonus value is converted into GB pounds using a prevailing rate before determining the number of Genus shares to be awarded

Remuneration Committee Report continued

Section D – Annual Report on Remuneration

How the PSP figure was calculated in the single figure of total remuneration table

2024 single figure of total remuneration

PSP awards granted to Stephen Wilson and Alison Henriksen in September 2021 were subject to a performance condition, based on the growth in adjusted earnings per share from 2021 to 2024. The range of targets applicable to the award, which had a value of 200% and 175% of salary at grant for Stephen and Alison respectively, was as follows:

Average annual growth in adjusted earnings per share	% of award vesting ¹
Less than 5% per annum	Nil
5% per annum	20%
15% per annum	100%

¹ Straight-line vesting between the points in the above table

The adjusted 2024 earnings per share after the cost of share-based payments and adjusting for costs relating to gene editing was 74.7p. This represents a reduction in adjusted earnings per share ('EPS') compared to the comparable 2021 adjusted EPS figure of 100.8p. The resulting level of vesting is 0% of maximum, as the threshold has not been met. Therefore, no PSP value is included in the single figure of total remuneration table for 2024.

2023 single figure of total remuneration

The 2023 PSP value has been restated based on the actual share price on vesting (14 September 2023). Last year's disclosure was based on the Company's average share price for the period from 1 April 2023 to 30 June 2023 (the final three months of the financial year) which was 2,572p.

	Shares vesting in September 2023	Share price on vesting date	Restated value of PSP for 2023
Alison Henriksen	6,594	2,176p	£143,485
Stephen Wilson	11,116	2,176p	£241,884

More information on the calculation of Jorgen Kokke's buyout value in the single figure of total remuneration table

Details of the buyout for Jorgen Kokke were fully set out in last year's Report and Accounts, notably on page 94. In summary, Jorgen was granted nil-price options over a total of 126,935 shares, with a price at grant of 2,878p. Using an exchange rate of £1:\$1.23, the aggregate buyout value was \$4,493,423.

Material contracts

There were no other contracts or arrangements during the financial year in which a Director of the Company was materially interested and/or which were significant in relation to the Group's business.

Payments for loss of office and payments to former Directors (audited)

Payments for loss of office

Stephen Wilson stepped down from the Board on 30 September 2023. His remuneration for the three months to 30 September 2023 is included in the single figure of total remuneration above. Details of the remuneration arrangements relating to Stephen's retirement were set out in last year's remuneration report. However, in summary, the Committee determined that the following termination arrangements were fair and reasonable, consistent with the Remuneration Policy and in line with his contractual entitlements:

- Stephen remained eligible to receive an annual bonus in respect of the three months to 30 September 2023. Details of his bonus are shown in the single figure of total remuneration above.
- The Committee determined that Stephen would be treated as a good leaver for the purposes of any unvested deferred share and performance share plan awards. These awards continue to vest over the original vesting period, i.e. there is no acceleration of vesting, and in the case of the PSP awards subject to the outcome of performance conditions, a pro rata adjustment for time served and a two-year holding period. The awards remain subject to malus and clawback.
- Stephen is subject to a post-cessation shareholding requirement meaning he must hold onto shares for 24 months following his cessation of employment in line with the Remuneration Policy.

There were no other payments for loss of office in the year.

Payments to former Directors

There were no payments to former Directors of the Company.

Discretion

No discretion was applied by the Committee during the year.

2. How we will implement and operate the Policy in 2025

We gained shareholder approval for our new Remuneration Policy at the 2022 AGM, a copy of which can be found in the 2022 Annual Report or on our website at www.genusplc.com.

Policy implementation – Executive Directors

Policy area	Implementation for year ending 30 June 2025			
Salary Key features <ul style="list-style-type: none"> To provide competitive fixed remuneration that will attract and retain employees with the experience necessary to develop and execute our strategy Normally reviewed annually effective 1 September Factors used to review include: <ul style="list-style-type: none"> Wider workforce changes in country where individual is based Comparable salaries when benchmarked against relevant market comparators Experience of the individual and the contribution they are making Overall Group performance and wider economic conditions 	Following a review by the Committee Jorgen Kokke's salary was increased as shown below. No further increases of this salary are scheduled until September 2025.			
		Annual Salary to 1 September 2023	Revised Annual Salary	Effective Date
	Jorgen Kokke	\$825,000	\$858,000	1 September 2024
	Alison Henriksen	£480,930	£480,930	n/a
Benefit provision Key features <ul style="list-style-type: none"> To provide a competitive range of benefits to drive engagement and commitment to Genus Benefits generally include a car allowance and insured benefits (e.g. life assurance and private medical insurance) Where Executive Directors are recruited from overseas or required to relocate (including on an international assignment), benefits such as travel and relocation costs and tax equalisation arrangements may be provided 	The Executive Directors receive benefits including a car allowance, life assurance, an annual medical screen and private medical insurance. The Company will also provide tax support assistance for preparation of foreign tax returns for Jorgen Kokke as required, as well as tax equalisation provision as required for any employment income taxable outside of the US.			
Pension/retirement benefits Key features <ul style="list-style-type: none"> To provide a competitive Company contribution that enables effective retirement planning To provide a benefit in line with the rate available to the wider workforce 	Executive Directors receive a pension allowance worth 6% of salary, consistent with our stated Policy to align rates for new hires to the wider workforce. Executive Directors can participate in Company-wide arrangements which may exist (including the benefit of a Company-provided match on employee contributions) and/or receive a cash allowance of equivalent value.			
Annual Bonus Key features <ul style="list-style-type: none"> To motivate and incentivise delivery of annual performance targets covering a combination of financial and strategic measures One third of the annual bonus is deferred into Company shares for a period of three years, subject to continued service. The remaining award is payable in cash Malus and clawback provisions exist for awards made under the Annual Bonus 	Annual Bonus			
	Value	A maximum of 200% of salary for Jorgen Kokke and 175% for Alison Henriksen.		
	Measures	Assessed across the following metrics: <ul style="list-style-type: none"> Genus Group operating profit (exc PIC China) – 50% of opportunity PIC China operating profit – 10% of opportunity Cash conversion – 15% of opportunity Strategic measures – 25% of opportunity 		
	Calibration of targets	The targets for the coming year have been determined. It would be commercially sensitive to disclose these targets in advance. These targets will be retrospectively disclosed along with the associated performance against them in the next year's remuneration report. The financial targets have been set considering agreed budgets and represent stretching business performance. Inevitably there are several factors which cannot be known at the time targets are originally set and could impact the FY25 bonus. These factors might include the impact of corporate activity, material regulatory or tax changes, joint ventures and accounting changes. In each case the Committee retains discretion whether and, if so, how a) to adjust targets post grant and/or b) to take impact into account when determining performance outcome.		

Remuneration Committee Report continued

Section D – Annual Report on Remuneration

Policy area

Performance Share Plan ('PSP')

Key features

- To incentivise executives, including Executive Directors, to achieve superior returns to shareholders over a three-year period, to retain key individuals and align with shareholder interests
- Awards scheduled to vest three years from grant, subject to continued employment and satisfaction of challenging three-year performance targets
- Following vesting the post-tax number of vested shares must be held for a further two-year period.

Implementation for year ending 30 June 2025

Awards to be granted in September 2024 to Jorgen Kokke and Alison Henriksen over 200% of prevailing salary as at date of grant. Under the PSP, the Committee has full discretion to ensure that the final outcomes are warranted based on Company performance in light of all relevant factors and that there have not been any windfall gains.

Awards granted will continue to require the Executive Director to retain the after-tax number of shares vesting in September 2026 for two years. Clawback and malus provisions will apply to these awards as outlined within our Remuneration Policy, including for reputational damage and corporate failure.

The following performance measures will be assessed independently of each other.

Metric	Weighting	Metric detail	Target for 2024 awards	
Earnings per share	80%	Average annual growth in adjusted earnings per share, measured over three years, inclusive of gene editing costs in the base year and final year of calculation.	Average annual growth in adjusted earnings per share¹	Vesting %
			Less than 4% per annum	0%
			4% per annum	20%
			12% per annum	100%
			Straight-line vesting between performance points shown above.	
Genetic improvement	10%	Improvement (expressed in standard deviations of improvement per generation) of genetics in Porcine, Bovine and Dairy. Target of one standard deviation of genetic improvement per generation across Dairy and Bovine, and 0.75 standard deviations of improvement per generation in Porcine.	Overall assessment guidelines (Final award will be determined by Committee having reviewed progress in each of the respective species)	Indicative award (max 10%)
			Performance at or exceeding target over period across all species or significant outperformance in one or more species with no 'weak' progress	8–10%
			Progress overall in line with stated target	5–7%
			Robust performance in one or two species, slower progress elsewhere	2–4%
			Progress below target each year in all species	No award
Greenhouse gas reduction	10%	Reduction in overall primary intensity ratio of our operations for the three-year period commencing 1 July 2024 and ending 30 June 2027.	% reduction across three years ending June 2027²	Vesting %
			Below 3%	Nil
			3% (threshold)	20%
			10% (stretch)	100%
			Straight-line vesting between threshold and stretch values in the above table.	

- 1 Growth in adjusted earnings per share over the three-year performance period will be calculated on a simple average annual growth rate after the cost of share-based payments
- 2 Greenhouse gas reduction is measured against FY24 baseline. More information on the primary intensity ratio is set out in the sustainability report on page 45
- 3 The Committee retains discretion to scale back overall vesting if it does not consider the vesting result to be consistent with the progress achieved against the Company's strategy during the performance period. This is considered appropriate to broaden the Executive team's focus beyond financial performance
- 4 The Committee also recognises that changes in the Company share price can materially change the number of shares that are awarded through PSP grants. The Committee will make these awards in the usual way in September 2024 and will review the ultimate level of vesting and associated business performance. In the event that the share price used to determine awards was not felt to be representative then the Committee has the ability to adjust ultimate vesting levels to prevent windfall gains on vesting
- 5 Inevitably there are several factors which cannot be known at the time targets are originally set and could impact the 2024 PSP. These factors might include the impact of corporate activity, material regulatory or tax changes, joint ventures and accounting changes. In each case the Committee retains discretion whether and, if so, how a) to adjust targets post grant and/or b) to take impact into account when determining performance outcome

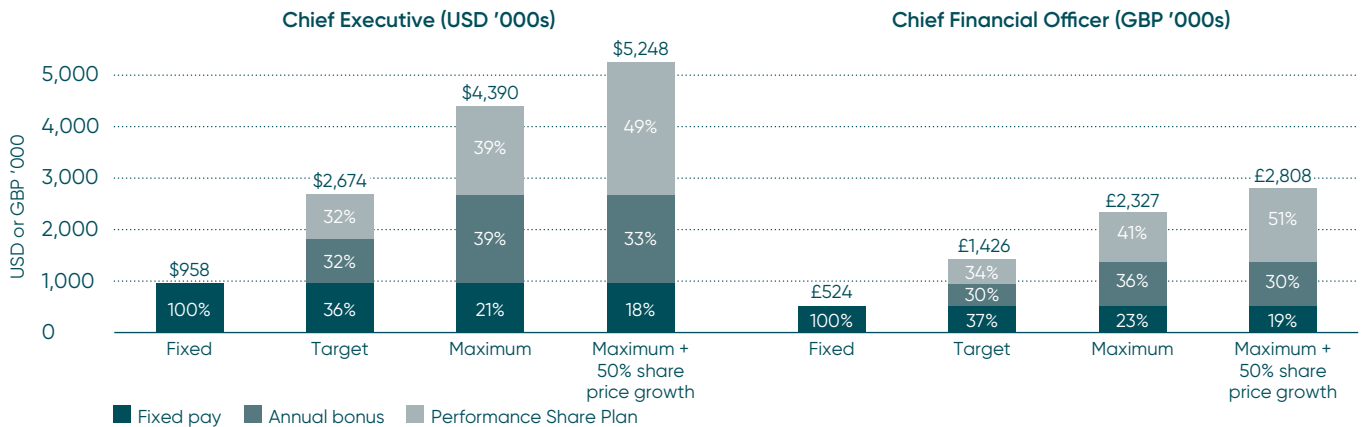
Shareholding

Key features

- To align Executive Directors and shareholders, executives are required to achieve a shareholding of 200% of salary. It is expected that this is achieved within five years of appointment, and that this shareholding is generated through retention of at least half of the shares that vest under the Deferred Share Bonus Plan and Performance Share Plan.

Projected total remuneration scenarios

The graphs below illustrate scenarios for the projected total remuneration of Executive Directors at four different levels of performance: minimum, target, maximum, and maximum including assumed share price appreciation of 50% (in accordance with the Corporate Governance Code). The impact of potential share price movements is excluded from the other three scenarios. These charts reflect projected remuneration for the financial year ending 30 June 2025.



Assumptions

- Fixed** – Shows the value of fixed pay using a salary value of \$858,000 for Chief Executive and £480,930 for Chief Financial Officer, with benefits as per the 2024 single figure value. Pension contributions are shown based on 6% of salary for illustration. Assumes no awards under variable plans.
- Target** – Calculation as per fixed with awards of 50% of maximum under the Annual Bonus (assuming 200% and 175% of salary opportunity for CEO and CFO respectively) and 50% vesting under the PSP (assuming 200% opportunity).
- Maximum** – Calculation as per fixed with full awards under the Annual Bonus and maximum vesting under the PSP.
- Maximum plus share price growth** – As maximum, but assumes a 50% share price increase between grant and vesting of PSP awards.

Policy implementation – Non-Executive Directors

Policy area

Fees

Key features

- To provide compensation that attracts high-calibre individuals and reflects their experience and knowledge
- The Board periodically reviews Non-Executive Directors' fees
- Additional fees may be paid to Non-Executive Directors with additional responsibilities, such as chairing a Board Committee, being Senior Independent Director ('SID')
- No Directors take part in meetings where their own remuneration is discussed
- Fees are based on the time commitments involved in each role and set with reference to the fees paid in other similarly sized UK-listed companies

2025 implementation

Company Chairman's fee increased by 4% from £230,000 to £239,200

Some increases have been made to Non-Executive Directors' fees effective 1 September 2024

- NED base fee increased by 4% from £55,000 to £57,200, the first increase since 2017
- Additional fee for chairing the Audit & Risk Committee and Remuneration Committee increased from £10,000 to £11,000

3. Remuneration Committee membership, advisers and its operation

The Committee complies with the UK Corporate Governance Code. It makes recommendations to the Board, within agreed terms of reference, on remuneration for the Executive Directors and other members of GELT. The Committee's full terms of reference are available on the Company's website at www.genusplc.com.

Committee membership

During the year ending 30 June 2024, the Committee comprised:

Director	Independent	Attendance at meetings ¹
Lesley Knox (Chair)	Yes	5/5
Lykele van der Broek	Yes	4/4
Jason Chin	Yes	4/4
Iain Ferguson	Yes	5/5
Lysanne Gray	Yes	5/5
Ralph Heuser	Yes	1/1

¹ The Committee had four scheduled meetings during the year and one ad hoc meeting in August 2023

None of the Committee members has any personal financial interest (other than as shareholders), conflicts of interests arising from cross-directorships or day-to-day involvement in running the business.

Remuneration Committee Report continued

Section D – Annual Report on Remuneration

Advice to the Committee

The Committee seeks advice from independent external advisers as appropriate. During the year PriceWaterhouseCoopers ('PwC') informed the Committee they would stand down as independent advisers no later than 30 June 2024 given PwC's proposed appointment as the Company's auditor. Accordingly, the Committee undertook a competitive tender process for the role of its independent adviser. As a result of this exercise, the Committee appointed Ellason LLP, effective 1 July 2024, as its new adviser. The Committee is satisfied that there are no conflicts of interest resulting from Ellason's appointment, from inside and outside the Group.

The Chief Executive and the Chief Financial Officer attend meetings at the Committee's invitation. Internal support was provided by the Group HR Director, the Company's executive reward adviser and other senior leadership from the Finance and Company Secretariat teams as appropriate. No individual was present when their own remuneration was discussed.

The Committee considered PwC's advice of value, objective and independent. PwC's fees for the year ending June 2024 were £45,000 for its remuneration advice to the Committee.

PwC's performance and independence as advisers was regularly reviewed. PwC and Ellason are members of the Remuneration Consultants Group and comply with its Code of Conduct. Separate teams within PwC provided unrelated advisory service to the Group, including taxation and actuarial advice to the Group.

What the Committee discussed at its meetings

During the year to 30 June 2024, the Committee met five times and discussion included the following matters:

July 2023 <ul style="list-style-type: none"> All-employee reward update Variable remuneration and performance update Variable remuneration structure for FY24 CEO FY24 objectives Review draft DRR disclosure Market update on reward 	September 2023 <ul style="list-style-type: none"> 2020 PSP vesting FY23 bonus outcomes FY24 bonus measures and targets 2024 PSP measures and targets Review DRR GELT FY24 objectives GELT year end shareholdings Share awards (for GELT and below) 	April 2024 <ul style="list-style-type: none"> Variable remuneration and performance update Gender Pay Gap Executive remuneration market and regulatory update All-employee share awards – diversity review Review of Committee advisers
August 2023 <ul style="list-style-type: none"> FY23 bonus outcomes FY24 bonus measures and targets GELT salary review 	November 2023 <ul style="list-style-type: none"> Review of shareholder vote post AGM Executive remuneration market update 	

Shareholder voting and how their views are considered

At the Annual General Meeting in November 2023, shareholders approved the Directors' Remuneration Report published in the Company's Annual Report and Financial Statements, receiving a strong vote in favour.

Details of recent shareholder votes on remuneration are shown below.

Item	For no.	For %	Against no.	Against %	Votes withheld
Directors' Remuneration Report – Nov 2023	44,212,267	93.1	3,297,336	6.9	1,359,344
Directors' Remuneration Policy – Nov 2022	46,353,666	93.1	3,433,110	6.9	8,806

The Committee greatly values the continued dialogue with our shareholders and engages with shareholders and representative bodies to take their views into account when setting and implementing our remuneration policies. The Directors have regular open discussions with investors and are available for feedback on remuneration matters.

We undertook substantial engagement with shareholders as part of the development of the Remuneration Policy in 2022. We are grateful for the feedback and input received during this time and the Committee looks forward to engaging with shareholders in the run-up to the forthcoming AGM and more widely in the coming 12 months as we review our Remuneration Policy.

How employees' pay is taken into account

While the Company does not directly consult employees on matters of Directors' remuneration, the Committee does take account of the approach for employees across the workforce when determining the Remuneration Policy for Directors.

Under this process, the Committee is presented information on the reward structures and approach across the organisation including the way remuneration levels are set with reference to internal and external factors, and how performance measures align with those used for GELT members (including Executive Directors). The process also includes sharing feedback received through staff engagement surveys that include questions on pay, as well as consulting employees informally on their views of the current overall Remuneration Policy. Additionally, discussions on remuneration have formed part of dialogue between the nominated Non-Executive Directors and employees as part of wider engagement activity as outlined elsewhere in the Annual Report. This forms part of the feedback provided to the Committee and is used to assess the Remuneration Policy's ongoing effectiveness and any changes that should be made.

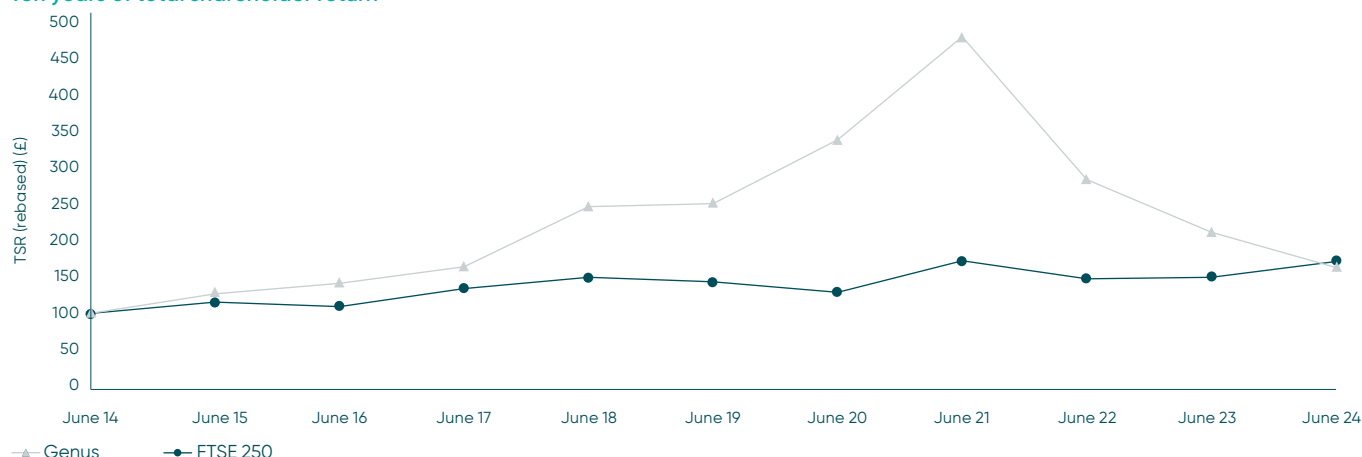
When setting the Executive Directors' salaries, the Committee considers the salary increases proposed for each Executive Director with those proposed for employees in their geographical location and, as appropriate, in the UK.

4. Comparison of Chief Executive's remuneration to historical shareholder returns and to employees' remuneration

Total shareholder return

The following graph shows the Company's performance measured by total shareholder return ('TSR'), compared with the TSR performance of the FTSE 250 Index. The FTSE 250 Index was selected as it represents a broad equity market of which the Company is a member.

Ten years of total shareholder return



As required under the reporting regulations, the table below shows the 'single figure' pay for the Chief Executive over the same period, to allow comparison between variability in remuneration and the shareholder experience over the same period.

	Karim Bitar					Stephen Wilson					Jorgen Kokke
	2015	2016	2017	2018	2019	2020	2020	2021	2022	2023	2024
Total remuneration (000s)	£1,622	£1,704	£2,856	£2,549	£815	£183	£2,161	£2,948	£1,380	£1,166	\$1,757
Annual Bonus (% of max)	99%	78%	59% ¹	64% ¹	Nil ²	Nil ²	91%	95%	18%	23%	51%
PSP vesting (% of max)	26%	34%	79%	56%	Nil ³	Nil ³	44.9%	81.2%	41.4%	36%	Nil ⁴

1 Includes the award under the Company Milestone element of the Annual Bonus under the previous Remuneration Policy

2 No awards were payable following the decision of Karim to resign from the business

3 Vesting was nil as Karim's employment cessation date was before scheduled vesting of PSP awards

4 Jorgen was not in role at the time the 2021 PSP awards were granted

Director remuneration compared to Genus employees

Change in remuneration received

The table below shows the percentage change in the annual remuneration of Directors from 2019 onwards. Also provided for comparison is a UK comparator number for each respective time period which considers all employees of Genus plc on 30 June 2024 (excluding Directors) and calculating on an FTE basis changes in salary, benefits and bonus compared to the previous year.

The percentage increases or decreases in the table below will reflect changes in populations year-on-year or, in the case of Directors, changes in responsibilities, e.g. committee memberships, or that the individual was not a Director for the whole year. Percentages for Directors are calculated using the respective figures in the single total figure for the remuneration.

	Salary/fees (% change)					Benefits (% change)					Bonus (% change)				
	2023 to 2024	2022 to 2023	2021 to 2022	2020 to 2021	2019 to 2020	2023 to 2024	2022 to 2023	2021 to 2022	2020 to 2021	2019 to 2020	2023 to 2024	2022 to 2023	2021 to 2022	2020 to 2021	2019 to 2020
Jorgen Kokke ¹	588	n/a	n/a	n/a	n/a	880	n/a	n/a	n/a	n/a	102	n/a	n/a	n/a	n/a
Alison Henriksen ²	15	0	2	2	n/a	8	0	3	0	n/a	65	-22	-72	7	n/a
Stephen Wilson ³	-74	0	2	9	41	-77	-17	2	0	0	-94	27	-81	6	158
Iain Ferguson	0	0	46	n/a	n/a	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lykele van der Broek	-58	0	0	0	0	0	0	-100	-60	25	n/a	n/a	n/a	n/a	n/a
Jason Chin	0	15	0	n/a	n/a	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lysanne Gray	5	8	0	0	0	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a
Ralph Heuser	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lesley Knox	0	8	0	-5	15 ³	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a
UK comparators	5.8	5.1	2.5	2.6	2.3	0	0	0	0	0	42	51	-66	24	124

1 Jorgen was appointed to the Board in May 2023. Remuneration in 2023 is for less than two months compared to a full year in 2024

2 Amounts have been annualised for 2020 for Alison to reflect her joining date of 13 January 2020

3 Appointed CEO on 13 September 2019. The 2020 year (July 2019 to June 2020) includes part year of salary as CFO through to 13 September 2019 and part year as CEO. Salary increase received in September 2020 was 2%. Retired from the Board in September 2023, hence the reduction between 2023 and 2024

Remuneration Committee Report continued

Section D – Annual Report on Remuneration

Distribution statement

	2023	2024	% change
Employee costs	£230m	£235m	2%
Distributions to shareholders ¹	£21m	£21m	0%

¹ Includes dividends and share buy-backs

5. The Chairman and Non-Executive Directors' fees

Fees payable to the Non-Executive Directors per annum effective from 1 September 2024 are as follows:

Position	2023 fees	2024 fees
Chairman	£230,000 ¹	£239,200
Base Non-Executive Director fee	£55,000 ²	£57,200
Additional fee for Chair of Audit & Risk Committee/Remuneration Committee	£10,000	£11,000
Additional fee for Scientific Adviser to R&D Global Portfolio Steering Committee ('GPSC') ³	£10,000	£10,000
Additional fee for Chair of Scientific Advisory Board ³	£10,000	£10,000
Additional fee for membership of Sustainability Committee ⁴	£5,000	£5,000

¹ The Chairman fee has been unchanged since his appointment in November 2020

² The NED base fee has been unchanged since 2017

³ Role held by Jason Chin

⁴ Role held by Lysanne Gray with a fee introduced effective 1 November 2023

Total single figure of remuneration (audited) for 2023 and 2024

		Fees (£000s)	Taxable expenses (£000s)	Benefits (£000s)	Total (£000s)
Iain Ferguson	2024	230	0	0	230
	2023	230	–	0	230
Lykele van der Broek ¹	2024	23	0	2	25
	2023	55	1	2	58
Jason Chin	2024	75	0	0	75
	2023	75	1	0	76
Lysanne Gray	2024	68	0	0	68
	2023	65	–	0	65
Ralph Heuser ²	2024	28	0	0	28
	2023	–	–	0	0
Lesley Knox	2024	65	0	0	65
	2023	65	3	0	68
Total	2024	475	0	2	477
	2023	490	5	2	497

¹ Lykele van der Broek stepped down from the Board on 22 November 2023

² Ralph Heuser was appointed to the Board on 1 January 2024

³ Taxable expenses are typically travel and hotel costs, which relate to attendance at meetings and discharging their duties as NEDs. Under UK HM Revenue and Customs' regulations these may be deemed taxable and would be grossed up for tax where applicable

6. Details of the Directors' shareholdings and rights to shares

Directors' shareholdings (audited)

At the year end, the Directors had the following interests in the Company's shares:

	Ordinary shares as at 30 June 2024 Number ¹	% of salary held ²	Shareholding guideline ³	Unvested DSBP awards or unvested nil-cost options at 30 June 2024 Number ⁴	Unvested PSP awards held at 30 June 2024 Number	Ordinary shares as at 30 June 2023 Number
Jorgen Kokke ⁵	0	195%	200%	60,231	124,042	–
Alison Henriksen ⁵	5,375	73%	200%	8,684	87,686	5,375
Stephen Wilson	86,902	269%	200%	12,008	65,483	76,757
Iain Ferguson	10,000	n/a	n/a	n/a	n/a	10,000
Lykele van der Broek	3,750	n/a	n/a	n/a	n/a	3,750
Jason Chin	0	n/a	n/a	n/a	n/a	–
Lysanne Gray	0	n/a	n/a	n/a	n/a	–
Lesley Knox	2,000	n/a	n/a	n/a	n/a	2,000
Ralph Heuser	0	n/a	n/a	n/a	n/a	–
Total	105,356	–	–	80,923	277,211	97,882

1 Or date of retirement from the Board if earlier

2 Based on the combined number of beneficially held shares, the net of tax DSBP awards (or nil-cost options) held and the net of tax vested PSP awards held. An average closing share price over the three months to 30 June 2024 of 1,779p has been used

3 Executive Directors are expected to work towards achieving a shareholding of 200% of salary as set out in our Remuneration Policy

4 The nil-cost options do not have performance conditions attached to them

5 Jorgen Kokke also holds vested nil-cost options over 66,704 shares and Alison Henriksen also holds vested DSBP and PSP awards over 2,536 and 15,882 shares respectively (as set out on the next page)

There were no changes in the Directors' interests between 30 June 2024 and the date of this report.

Exchange rates and share prices used in the Remuneration Report

The market price of the Company's shares on 30 June 2024 was 1,650p and the lowest and highest share prices during the financial year were 1,637p and 2,506p respectively. The average share price for the three months to 30 June 2024 was 1,779p.

The GBP:USD rate as at 30 June 2024 was 1.2649 and the average rate throughout the financial year was 1.2587.

Performance share awards granted in financial year ending 30 June 2024 (audited)

The awards granted under the 2019 PSP in September 2023 were as follows:

Executive	Number of shares comprising award	Face/maximum value of awards at grant date (% salary) ¹	% of award vesting at threshold	Performance period
Jorgen Kokke	124,042	£2,642,095 (400%) ²	20	01.07.23–30.06.26
Alison Henriksen	45,157	£961,844 (200%)	20	01.07.23–30.06.26

1 The closing average share price over the three days prior to the award being granted has been used to determine the maximum face value of the awards which was 2,130p (awards granted on 13 September 2023)

2 The higher award level for FY24, which was disclosed in last year's remuneration report, is within the exceptional circumstances limit in the remuneration policy and was designed to facilitate Jorgen's appointment

Awards granted as nil-cost share options and vesting will be subject to achievement against the following Company performance targets.

Remuneration Committee Report continued

Section D – Annual Report on Remuneration

Earnings per share (weighting 80% of the total award)

The adjusted earnings per share growth performance target for the above awards is:

Average annual growth in adjusted earnings per share ¹	Vesting (% award)
Less than 4% per annum	0%
4% per annum	20%
12% per annum	100%

1 Growth in adjusted earnings per share over the three-year performance period will be calculated on a simple average annual growth rate after the cost of share-based payments

2 Straight-line vesting between performance points

Genetic improvement (weighting 10% of the total award)

Measured using standard deviations of genetic improvement per generation of genetics in Porcine, Bovine and Dairy. Assessment determined by the Committee having reviewed progress in each of the respective species against a target of 1 standard deviation of improvement per generation in Dairy and Bovine, and 0.75 standard deviations of improvement per generation in Porcine.

Greenhouse gas reduction (weighting 10% of the total award)

Measured using reduction in overall primary intensity ratio of our operations for the three years ending 30 June 2026 against the following scale:

% reduction across three years ending 30 June 2026 ¹	Vesting (% award)
Below 3%	0%
3% (Threshold)	20%
10% (Stretch)	100%

1 Reduction is measured relative to overall primary intensity ratio for FY23 as set out in the sustainability report on page 45

2 Straight-line vesting between performance points

Deferred bonus awards granted in financial year ending 30 June 2024 (audited)

The following DSBP awards were granted in September 2023 in relation to the 2023 annual bonus:

Executive	Number of shares comprising award	Face value of awards at grant date ¹
Stephen Wilson	3,826	£81,494
Alison Henriksen	2,336	£49,757

These awards are not subject to any further performance conditions and will normally vest in full on 13 September 2026 subject to continued service.

1 The closing average share price over the three days prior to the award being granted has been used to determine the maximum face value of the awards which was 2,130p (awards granted on 13 September 2023)

Summary of scheme interests (audited)

As at 30 June 2024, the Executive Directors had the following beneficial interests in share awards and share options:

Grant date	Award	Vesting period	Share price at grant	At 30 June 2023	Granted in year (number)	Lapsed in year (number)	Exercised in year (number)	At 30 June 2024 ¹
Jorgen Kokke								
02.05.23	Nil-cost options	02.05.23 to 23.02.24	2,878p	59,055	–	–	–	59,055
02.05.23	Nil-cost options	02.05.23 to 02.05.24	2,878p	7,649	–	–	–	7,649
02.05.23	Nil-cost options	02.05.23 to 28.02.25	2,878p	44,933	–	–	–	44,933
02.05.23	Nil-cost options	02.05.23 to 02.05.25	2,878p	7,649	–	–	–	7,649
02.05.23	Nil-cost options	02.05.23 to 04.05.26	2,878p	7,649	–	–	–	7,649
13.09.23	PSP	13.09.23 to 13.09.26	2,130p	–	124,042	–	–	124,042
Total				126,935	124,042	0	0	250,977

Grant date	Award	Vesting period	Share price at grant	At 30 June 2023	Granted in year (number)	Lapsed in year (number)	Exercised in year (number)	At 30 June 2024 ¹
Alison Henriksen								
07.04.20	PSP	07.04.20 to 11.09.22	3,120p	9,288	–	–	–	9,288
14.09.20	PSP	14.09.20 to 14.09.23	3,898p	18,317	–	-11,723	–	6,594
14.09.20	DSBP	14.09.20 to 14.09.23	3,898p	2,536	–	–	–	2,536
15.09.21	PSP	15.09.21 to 15.09.24	5,613p	13,037	–	–	–	13,037
15.09.21	DSBP	15.09.21 to 15.09.24	5,613p	4,091	–	–	–	4,091
14.09.22	PSP	14.09.22 to 14.09.25	2,836p	29,492	–	–	–	29,492
14.09.22	DSBP	14.09.22 to 14.09.25	2,836p	2,257	–	–	–	2,257
13.09.23	PSP	13.09.23 to 13.09.26	2,130p	–	45,157	–	–	45,157
13.09.23	DSBP	13.09.23 to 13.09.26	2,130p	–	2,336	–	–	2,336
Total				79,018	47,493	-11,723	0	114,788
Stephen Wilson								
14.09.20	PSP	14.09.20 to 14.09.23	3,898p	30,877	–	-19,761	-11,116	0
14.09.20	DSBP	14.09.20 to 14.09.23	3,898p	8,079	–	–	-8,079	0
15.09.21	PSP	15.09.21 to 15.09.24	5,613p	21,979	–	–	–	21,979
15.09.21	DSBP	15.09.21 to 15.09.24	5,613p	5,925	–	–	–	5,925
14.09.22	PSP	14.09.22 to 14.09.25	2,836p	43,504	–	–	–	43,504
14.09.22	DSBP	14.09.22 to 14.09.25	2,836p	2,257	–	–	–	2,257
13.09.23	DSBP	13.09.23 to 13.09.26	2,130p	–	3,826	–	–	3,826
Total				112,621	3,826	-19,761	-19,195	77,491

1 Or date of retirement from the Board, if earlier

2 For the share awards to Jorgen Kokke and Alison Henriksen granted in September 2023, the closing average share price over the three trading days prior to 13 September 2023 (the grant date) of 2,130p was used to determine the number of shares comprising individual awards

3 As disclosed in last year's Directors' remuneration report, awards were granted to Jorgen Kokke in May 2023 as nil-cost options over ordinary shares on substantially similar terms to the Genus 2019 Performance Share Plan ('PSP'), albeit not subject to Company performance conditions. The awards were determined to be a fair value for awards that were forfeited at Ingression, with vesting dates designed to mirror the operation of those awards where applicable. The share price was based on the average of the Genus share price for the 60 days prior to appointment

4 Description of the performance measures and targets applying to the PSP awards made during the year are as described above

Dilution

The aggregate dilution of all relevant share incentives is 3.8% as at 30 June 2024, which is less than the permissible 10% in ten years dilution limit.

7. Current Executive Directors' contracts and current Non-Executive Directors' letters of appointment

Director	Appointment date	Current contract date	Expiry date	Notice period (months)
Executives				
Jorgen Kokke	2 May 2023	2 April 2023	n/a	12 from employer and 6 from employee
Alison Henriksen	13 January 2020	14 November 2019	n/a	12 from employer and 6 from employee
Non-Executives				
Iain Ferguson	1 July 2020	1 July 2020	1 July 2026	6 months
Jason Chin	1 April 2021	1 April 2024	1 April 2027	1 month
Lysanne Gray	1 April 2016	1 April 2022	1 April 2025	1 month
Ralph Heuser	1 January 2024	1 January 2024	1 January 2027	1 month
Lesley Knox	1 June 2018	1 June 2024	1 June 2027	1 month

Non-Executive Directors' service contracts are available for inspection at the AGM or at the Company's registered office.

Executive Directors are entitled to receive fees from external appointments. Jorgen Kokke and Alison Henriksen did not hold any external appointments at other listed companies for the last reported financial year. At the time of his retirement from the Board in September 2023, Stephen Wilson was a Non-Executive Director of Renishaw plc: his annualised fee was £75,000.

Remuneration Committee Report continued

Section E – Wider Workforce Remuneration

Introduction

The Committee is directly responsible for the remuneration of the Executive Directors and the executives on the Group Executive Leadership Team ('GELT'). The Committee is also given regular updates and, as required, takes key decisions on Group-wide remuneration plans. It takes changes in workforce remuneration into account when making decisions on executive remuneration.

All-employee approach to remuneration

The Committee developed the current Remuneration Policy, agreed by shareholders in 2022, having reviewed the wider remuneration framework across the organisation and the way that this drives alignment of individuals towards organisational goals. It receives updates annually on any material changes to wider workforce arrangements and additionally considers employee feedback on remuneration matters. This is from Group-wide mechanisms (such as our Your Voice survey) but additionally from direct interaction between designated Non-Executive Directors and employees.

Our remuneration principles apply to all employees and are designed to ensure we can attract, motivate and retain people fundamental to achieving our vision, and be part of a global organisation. We want employees engaged and delivering because they are excited by our vision, the part they can play in this, and the difference they can make.

These principles are applied as consistently as we can, such that remuneration is standardised wherever possible, and delivered in line with our values. While the quantum may vary between roles, the principle of aligning reward outcomes with performance is fundamental to the way we operate.

Remuneration element	Our approach
Base salary	Pay rates are determined with reference to the skill set and experience of the individual. All pay rates are reviewed annually across the Group, with adjustments with reference to individual performance levels, market pay competitiveness and overall business affordability.
Benefits	The countries we operate in display different practices in terms of benefit provision. Typical benefits include access to life insurance, pension or retirement provision and may include medical cover. Our approach is typically driven by local market factors (which may include legislative requirements) rather than a single common benefit offering globally. On some people policies we have established global minimum levels of benefit provision that should apply (e.g. our Family Leave Policy) to Genus employees.
Variable pay	<p>We operate a range of annual variable remuneration plans and most of our employees participate in one of the following three arrangements.</p> <p>Annual Bonus</p> <ul style="list-style-type: none"> Based on a combination of financial performance and non-financial metrics assessed through our performance management processes (which all employees participate in). Financial metrics based around profitability and cash performance. Where metrics are consistent with those used for Executive Directors or GELT members, then the same target/performance scale is used for everyone to drive alignment. <p>Production facilities – KPI plans</p> <ul style="list-style-type: none"> Linked to the balanced scorecard of local KPIs for facility, covering metrics such as production output levels and health and safety. <p>Commissions</p> <ul style="list-style-type: none"> Derived from individual sales performance of the individual. <p>In addition, we make discretionary share awards across the business to eligible employees, reflecting the contribution of the individual and to drive future alignment with our performance.</p>

Our CEO pay ratio for year ending June 2024

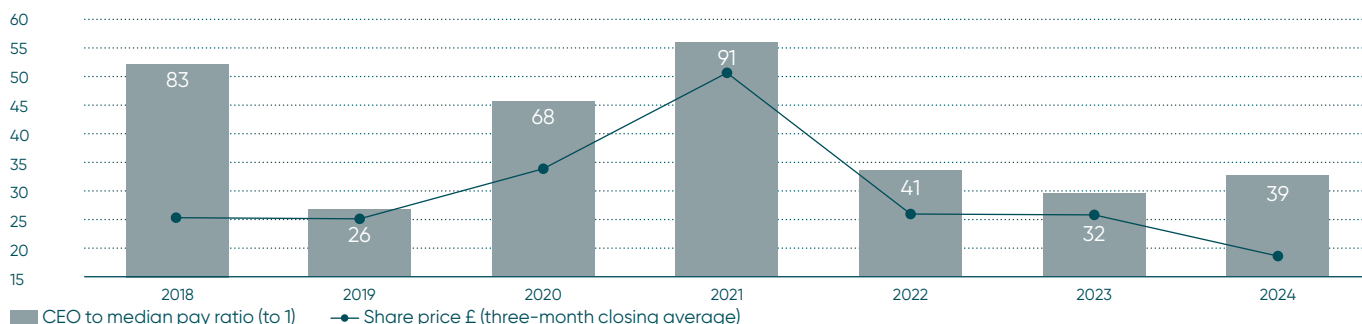
Our CEO pay ratio is shown in the table below. In addition, the graph shows the relationship between movement in the CEO pay ratio and share price over the last seven years.

Total pay and benefits Year ended	Calculation methodology	CEO single figure (£'000s)	25th percentile		Median		75th percentile		Median ratio vs target CEO single figure
			FTE reward	Ratio	FTE reward	Ratio	FTE reward	Ratio	
30 June 2024	A	£1,396	£30,561	46:1	£35,648	39:1	£49,476	28:1	57:1
30 June 2023	A	£1,166	£30,345	38:1	£35,924	32:1	£50,199	23:1	51:1
30 June 2022	A	£1,380	£27,774	50:1	£33,999	41:1	£44,818	31:1	54:1
30 June 2021	A	£2,948	£27,374	108:1	£32,464	91:1	£43,796	67:1	54:1
30 June 2020 ³	A	£2,161	£25,230	86:1	£31,748	68:1	£42,426	51:1	56:1
30 June 2019	A	£815	£24,638	33:1	£31,867	26:1	£41,792	20:1	57:1
30 June 2018	A	£2,549	£24,204	105:1	£30,759	83:1	£40,203	63:1	59:1

1 Where appropriate, the CEO single figure has been restated to reflect the actual value of PSP awards at the point they vested

2 For the purposes of calculating the 2024 pay ratio, the CEO's single figure of total remuneration has been converted into GB pounds using a three-month exchange rate of 1:2587

3 CEO single figure of remuneration in 2020 reflects the change in CEO during the year and includes salary and benefits for Karim Bitar through to his resignation and all applicable remuneration elements for Stephen Wilson from the date of his appointment as CEO (13 September 2019) to 30 June 2020



The respective quartiles were calculated using the Option A methodology which the Committee considers the most straightforward approach.

Three colleagues were identified whose full-time equivalent ('FTE') total remuneration places them at the 25th, 50th and 75th percentiles. We are confident that the colleagues identified at the lower, median and upper quartiles are remunerated in line with our wider policies on colleague pay, reward and progression.

	25th percentile	Median	75th percentile
Salary (FTE)	£29,663	£34,592	£45,996
Total pay and benefits	£30,561	£35,648	£49,476

Understanding our CEO pay ratio

There has been an increase in the pay ratio between 2023 and 2024. The 2024 calculation is based on the remuneration of the new CEO, Jorgen Kokke. There are a number of factors which impact the ratio. Jorgen's USD-denominated salary is higher relative to the former CEO, once converted into sterling using a prevailing rate. Although Jorgen did not have any performance share plan awards vesting during the year (in contrast to the prior year when the former CEO had some PSP awards which vested), his 2024 bonus was higher than the former CEO in 2023, reflecting stronger relative Company performance in 2024.

In the pay ratio table above, we detail the potential ratio based on the CEO's target remuneration, as set out under the remuneration policy. It is important to note that a high proportion of the CEO remuneration is based on performance against the short- and long-term incentive plans, and that payouts can significantly change year-on-year, significantly affecting the ratio going forward. This is the primary reason why the pay ratio has varied since 2018, both above and below the potential ratio based on the CEO's target remuneration. However, in the last three years, the actual median pay ratio has been in a range of 32:1 to 41:1, in each case below the notional ratio based on the CEO's target remuneration.

The Committee is satisfied that the individuals identified within each relevant percentile appropriately reflect the employee pay profiles at those quartiles and that the overall picture presented by the ratios is consistent with our approach to colleague remuneration. Pay relatives are just one of the factors that are taken into consideration in developing an appropriate remuneration framework within Genus.

Remuneration Committee Report continued

Section E – Wider Workforce Remuneration

Method of calculation

Under the pay ratio regulations, companies are required to identify the individuals with remuneration at the 25th, 50th and 75th percentiles of all UK employees for the relevant financial year and compare with total remuneration for the CEO as set out in the single figure of total remuneration.

The Company has chosen to use Option A to identify the employees at the 25th, 50th and 75th percentiles and their respective remuneration, as it is recognised that this is the most appropriate and accurate approach.

UK employees as at the year-end have been included in the reporting with employees ranked based on their 2023-24 remuneration. The following data assumptions for the year end 30 June 2024 have been used:

Element	Description
Salary	Full-time equivalent salary as at the year end
Allowances	Includes any functional, role-based, shift and car allowances
Benefits	Value of cash benefits
Incentives	Incentive payouts for the relevant financial year are included. In some cases, the decision on the level of bonuses is not made until after the publication of this report so a provisional figure may be used Analysis excludes the value of any PSP vesting in the year

Gender pay gap reporting

Genus Breeding Limited, our largest subsidiary in the UK, published its latest Gender Pay Gap Report in April 2024. This report shows that on a median basis, the 2023 gender pay gap was 13.3% (2022: 16.4%). This compares with a national average gender pay gap of 14.3% across all industries, calculated by the Office of National Statistics in November 2023.

Small changes in the total pay gap are expected each year due to changes in the composition of the workforce and hiring patterns, which can vary between men and women year-on-year.

Approved by the Board and signed on its behalf by:

Lesley Knox

Chair of the Remuneration Committee
4 September 2024

Directors' Report



Dan Hartley

Group General Counsel and
Company Secretary

Information incorporated by reference

The following information, required to be included in an Annual Financial Report in accordance with the UK Financial Conduct Authority's Listing Rule 9.8.4R and in a Directors' Report, is provided elsewhere in the Annual Report and is incorporated into the Directors' Report by cross-reference as appropriate.

Content	Location
Business model	Pages 6 to 9
Key performance indicators	Pages 16 to 17
Directors	Pages 60 to 61
Dividends	Page 31
Principal risks	Pages 52 to 55
Financial results	Pages 28 to 31
Audit & Risk Committee	Pages 75 to 79
Greenhouse gas emissions and energy consumption	Pages 35 to 49
Research and development activities	Pages 26 to 27
Financial risk management	Pages 28 to 31
Future developments in the business	Pages 18 to 27
Going concern and viability statement	Page 56
Directors' interests	Pages 97 to 99
Engagement with employees, customers, suppliers and others	Page 50
Long-term incentive schemes	Pages 167 to 168

Equal opportunities and employees with disabilities

Genus values diversity and aims to make best use of everyone's skills and abilities. We are therefore committed to equal opportunities at every stage of our employees' careers. Our policy on employees with disabilities is to fully and fairly consider people with disabilities for all vacancies.

We interview and recruit people with disabilities and endeavour to retain employees if they become disabled while they work for us. Where possible, we will retrain employees who become disabled and adjust their working environment, so they can maximise their potential.

Political contributions

The Group does not make political contributions.

Share capital

Note 31 gives details of the Company's issued share capital and any movements in the issued share capital during the year.

The Directors may only issue shares to the extent authorised by the shareholders in general meeting. The current power to allot shares was granted by shareholder resolution at the 2023 AGM and a new authority is being sought at the 2024 AGM, within the limits set out in the notice of meeting, that is up to a nominal value of £4,402,263.90 (representing two-thirds of the Company's current issued share capital).

The Company has one class of ordinary share, with the rights set out in the Articles of Association. All issued shares are fully paid and each share has the right to one vote at the Company's general meetings.

There are no specific restrictions either on the size of a holding or on the transfer of shares, which are both governed by our Articles of Association and prevailing legislation. No person has any special rights of control over the Company's share capital.

Details of the Company's employee share schemes are set out in note 30. In connection with these schemes, the Genus plc Employee Benefit Trust holds shares in the Company from time to time and abstains from voting in respect of any such shares.

For additional information on capital risk management including financial instruments, see note 26.

Directors' Report continued

Authority to acquire the Company's own shares

The Directors may only buy back shares to the extent authorised by the shareholders in general meeting. The current power to buy back shares was granted by shareholder resolution at the 2023 AGM and a new authority is being sought at the 2024 AGM within the limits set out in the notice of meeting, that is up to a nominal value of £660,339.50 (representing 10% of the Company's current issued share capital).

The Company did not buy back any shares under the authority granted at the 2023 AGM, from the date of that AGM up to the date of this report.

Substantial shareholdings

As at 31 August 2024, we were aware of the following material interests in the Company's ordinary shares:

Fund Manager	Shareholding	%
Baillie Gifford	5,147,927	7.8
abrdn	4,204,351	6.37
Wellington Management	3,741,242	5.67
BlackRock	3,551,781	5.38
Vanguard Group	3,347,470	5.07
Devon Equity Management	2,913,248	4.41
Capital Group	2,887,447	4.37
Columbia Threadneedle Investments	2,596,888	3.93
Royal London Asset Management	2,450,165	3.71

There have been no material changes in shareholdings since 30 June 2024. No other person has notified an interest in the Company's ordinary shares which is required to be disclosed to us.

Provision of information to the Company's auditor

Each of the Directors at the date of approval of this Annual 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 or she ought to have taken as a Director in order to make himself or herself 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 section 418 Companies Act 2006.

Appointment of auditor

Following the tender process described in the Audit & Risk Committee Report on page 78, the Board is recommending the appointment of PwC as external auditor for the year ending 30 June 2025. A resolution to appoint PwC will be proposed at the forthcoming AGM.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors, which were made during the year and remain in force at the date of this report.

Conflicts of interest

The Company has procedures for managing conflicts of interest. If a Director becomes aware that they or any of their connected parties have an interest in an existing or proposed transaction with Genus, they should notify the Chairman and the Company Secretary in writing or at the next Board meeting. Controls are in place to ensure that any related-party transactions involving Directors, or their connected parties, are conducted on an arm's length basis. Directors have an ongoing duty to update the Board on any changes to these conflicts.

Approved by the Board and signed on its behalf by:

Dan Hartley
Group General Counsel and
Company Secretary
4 September 2024

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 are required to prepare the Group Financial Statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The Directors have chosen to prepare the Parent Company Financial Statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 the Parent Company 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' has been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group Financial Statements, International Reporting Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Directors' responsibility statement

We confirm that to the best of our knowledge:

- the Financial Statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

Approved by the Board and signed on its behalf by:

Jorgen Kokke
Chief Executive
4 September 2024

Alison Henriksen
Chief Financial Officer
4 September 2024

Financial Statements

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Independent Auditor's Report To the members of Genus plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Opinion

In our opinion:

- the financial statements of Genus plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted International Accounting Standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Group Income Statement;
- the Group Statement of Comprehensive Income;
- the Group Statement of Changes in Equity;
- the Group Company Balance Sheet;
- the Group Statement of Cash Flows;
- the related notes 1 to 41;
- the Parent Company Balance Sheet;
- the Parent Company Statement of Changes in Equity; and
- the related notes to the Parent Company Financial Statements C1 to C19.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted International Accounting Standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).



2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and parent company for the year are disclosed in note 8 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> • valuation of Biological Assets under IAS 41 'Agriculture'; and • carrying value of ABS goodwill. <p>Within this report, key audit matters are identified as follows:</p> <p> Newly identified</p> <p> Similar level of risk</p>
Materiality	<p>The materiality that we used for the group financial statements was £2.5 million which was determined on the basis of 5% of forecast profit before tax excluding the impact of exceptional items and the net IAS 41 valuation movement on biological assets. Our determined materiality equates to 7% of this measure at year end.</p>
Scoping	<p>We performed detailed audit procedures over 13 components of the group. Of these, 8 were subject to a full scope audit, and 5 were subject to specified procedures. Our full-scope and specified procedures testing achieved coverage of 77% of Group revenue, 88% of Group net assets, and 88% of Group profit before tax, excluding the impact of exceptional items and the net IAS 41 valuation movement on biological assets.</p>
Significant changes in our approach	<p>We have identified a new key audit matter this year, being the carrying value of ABS goodwill. This change has been driven by performance in the ABS segment (Note 5) and the resultant reduced headroom on goodwill leading to increased sensitivity of management's models to key judgements and estimates.</p>

Independent Auditor's Report continued

To the members of Genus plc

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding the Group's process for assessing the going concern assumption including the relevant management review controls underpinning this assessment;
- Gaining an understanding as to the relevant assumptions used in the going concern models, including the Strategic Plan, and challenging these assumptions through comparison with our own understanding of the business, external information, and evidence gathered over the course of our audit, including:
 - Reading analyst reports, industry data and other external information and inspecting them for both corroborative and contradictory evidence in relation to these assumptions;
 - Challenging forecasted profit and cashflows by comparison to recent historical financial information;
 - Challenging the key underlying data used in forecast scenarios by assessing it for consistency with our understanding of the business model and risks; and
 - Evaluating the accuracy of current and forecast covenant calculations and performing additional analysis to determine the level of sensitivity in forecast headroom in relation to cash and covenants.
- Assessing the mechanical accuracy of the Group's models;
- Reviewing the terms of the Group's financing arrangements as at the balance sheet date, comprising a £190m multi-currency RCF, a US\$170m RCF and a partially utilised accordion arrangement; reperforming debt covenant computations over the going concern period; and evaluating the associated disclosures;
- Reviewing the terms of the extension of those facilities described above, and disclosed as a non-adjusting post balance sheet event in Note 27; and
- Evaluating the Group's disclosures against the requirements of IAS 1 'Presentation of Financial Statements'.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation of Biological Assets under IAS 41 'Agriculture'

Key audit matter description	<p>The Group carries biological assets at fair value in line with the requirements of IAS 41 'Agriculture'. Discounted cash flow analyses are performed in determining the valuation. As at 30 June 2024, the Group held total biological assets (excluding those recognised in inventory) of £329.7m (2023: £342.0m).</p> <p>Certain of the assumptions included within the valuation models are subject to estimation uncertainty, and accordingly, require the exercise of a significant degree of judgement. In planning our audit, we identified the following assumptions as being the most significant in the determination of the valuation of each species:</p> <p>Bovine: the growth rates over the forecast period of proven and genomic semen sales, and the discount rate applied to the forecast cash flows in respect of the Bovine herd.</p> <p>Porcine: the discount rates applied to the forecast cash flows in respect of the Pureline herds.</p> <p>Details of the key sources of estimation uncertainty identified, the Group's accounting policy, and the biological assets held are disclosed in notes 4 and 16 to the financial statements. The Audit and Risk Committee set out within their areas of focus on page 76 how they have considered the Group's judgements.</p>
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How the scope of our audit responded to the key audit matter	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of controls relevant to the review and approval of the valuation of biological assets; • Assessed the appropriateness of the logic and mechanical accuracy of the valuation models prepared and the methodology applied by the Group for compliance with the requirements of IAS 41 'Agriculture'; • Made enquiries of management to understand the rationale applied in the determination of key assumptions and any changes year on year; • Challenged the appropriateness of key assumptions applied within the underlying forecasts, with consideration given to historical forecasting accuracy and third-party benchmarking data, historical transactional data or other comparable sources, and performed a retrospective review of key assumptions applied; • Involved our valuation specialists in our consideration as to the appropriateness of the discount rates applied by the directors in determining the fair value of biological assets; • Performed independent 'stand-back' analysis to assess whether the valuation determined by the directors was consistent with our expectation and that any variations on prior year were supportable; and • Assessed the completeness and accuracy of disclosures made within the financial statements in accordance with IAS 41 'Agriculture', and IAS 1 'Presentation of Financial Statements'.
Key observations	We are satisfied that the valuation of biological assets and the related disclosures are appropriate.

5.2. Carrying value of ABS goodwill ⓘ

Key audit matter description	<p>As at 30 June 2024 the Group recognised goodwill of £110.3m (2023: £107.8m) with £30.8m (2023: £31.6m) attributed to the ABS cash generating unit ("CGU"). Details of the make-up of the goodwill balance are presented in Note 14 to the financial statements.</p> <p>Consistent with previous years, the group has reached the conclusion that there is no impairment to recognise in ABS goodwill. This is based on management's discounted cash flow model determining a value in use to be compare with the carrying amount of the CGU. Profitability in the year and a reassessment of forecasts for the ABS business has reduced headroom in the impairment calculation from £191.7m in 2023 to £76.3m as at the balance sheet date. Accordingly, the conclusion is more sensitive to changes in key assumptions. Sensitivities to key assumptions are also presented in Note 14.</p> <p>Our key audit matter is focused on the weighted average short-term profit growth rates in the ABS forecasts (referred to as 'CAGR' in Note 14), and particularly the forecast growth in profitability from the achieved 2024 results to the forecast 2025 results.</p>
How the scope of our audit responded to the key audit matter	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <ul style="list-style-type: none"> • Reviewed management's documentation and considered the appropriateness of the 'value in use' methodology; • Assessed the mechanical accuracy of the calculations; • With the support of our valuation specialists, challenged the appropriateness of the discount rates applied to future cash flows; • Challenged management's forecasts for ABS short-term profit growth rates in FY25, and separately for FY26 – FY29, through assessing management's expectations of changes in selling prices and product mix, and continued realisation of cost savings, and particularly in consideration of recent forecasting accuracy; • Assessed the consistency of the explanations received, and conclusions reached, with our wider audit procedures; and • Assessed the appropriateness of the disclosures provided in Note 14 to the financial statements, including the sensitivities applied.
Key observations	We are satisfied that the carrying value of ABS goodwill and the related disclosures are appropriate.

6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£2.5m (2023: £3.2m)	£2.3m (2023: £2.6m)
Basis for determining materiality	We determined materiality on the basis of 5% (2023: 5%) of forecast profit before tax excluding exceptional items (as defined in note 7) and changes in net IAS 41 valuation movement on biological assets (as explained in note 16). Our determined materiality equates to 7% (2023: 5.4%) of this measure at year end.	1% (2023: 1%) of Net Assets and capped at 90% of materiality for the Group financial statements.

Independent Auditor's Report continued

To the members of Genus plc

	Group financial statements	Parent company financial statements
Rationale for the benchmark applied	We determined profit before tax excluding exceptional items and changes in net IAS 41 valuation movement in biological assets as an appropriate benchmark for determining materiality so as to avoid distortion that could otherwise arise from non-recurring or highly volatile items including exceptional items and the IAS 41 fair value movements.	Net Assets were selected as an appropriate benchmark for determining materiality, as the Parent Company acts primarily as a holding company.

6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	70% (2023: 70%) of Group materiality	70% (2023: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: <ul style="list-style-type: none"> • Our cumulative knowledge of the Group and its control environment; • The low turnover in key management personnel; • The high degree of centralisation in the Group's financial reporting controls and processes; and • The low number and value of corrected and uncorrected misstatements identified in prior periods. 	

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £125k (2023: £160k), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Identification and scoping of components

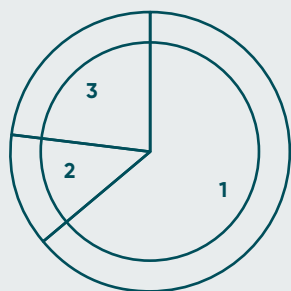
Our audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level.

The Group operates globally with PIC and ABS segments operating under different reporting lines in each country, and aggregated into regions. We determined that each segment within a country represents a component to our audit; for example ABS in the United Kingdom is an audit component.

Components were selected to provide an appropriate basis for undertaking audit work to address the risks of material misstatement identified. Based on that assessment, we identified 13 components of interest for the purposes of the group audit (2023: 13). Of these components, 8 were designated as subject to full scope audit procedures (2023: 8), with the remaining 5 subject to specified procedures (2023: 5). Excluding the Parent Company, our component audits were performed using materiality between £0.8m and £1.1m (2023: £1.1m and £1.3m). These components represent the principal business units and account for 77% of the Group's revenue (2023: 76%), 88% of the Group's net assets (2023: 87%) and 88% of the Group's profit before tax, excluding the impact of exceptional items and the net IAS 41 valuation movement on biological assets (2023: 86%).

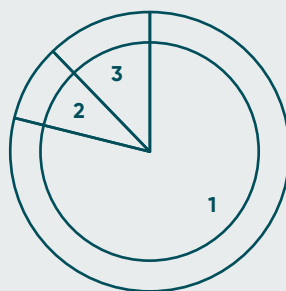
At the Group level, we evaluated the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement within the aggregated financial information of the remaining components not subject to full scope audit or specified procedures.

REVENUE



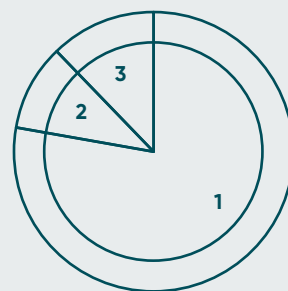
1 Full audit scope	64%
2 Specified audit procedures	13%
3 Review at Group level	23%

PROFIT BEFORE TAX



1 Full audit scope	79%
2 Specified audit procedures	9%
3 Review at Group level	12%

NET ASSETS



1 Full audit scope	78%
2 Specified audit procedures	10%
3 Review at Group level	12%

7.2. Our consideration of the control environment

The Group has been progressing through a programme of global ERP migration, with the majority of the worldwide operations now operating on 'GenusOne', a Microsoft Dynamic 365 technology. With the involvement of our IT specialists, we have maintained our scope of IT procedures in the current year and have assessed the transition processes, and obtained an understanding of general IT controls operating within the Microsoft Dynamics 365 platform. We have not placed reliance on any controls and our audit procedures (centrally and at components) are substantive in nature.

For all components we obtained an understanding of the relevant controls associated with the financial reporting process, areas of significant audit risk, and significant accounting estimates.

7.3. Our consideration of climate-related risks

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements.

As discussed on page 48, the Group has assessed the risks and opportunities associated with various future climate-related scenarios and its own commitment to transition to an operating model that has a reduced level of GHG emissions. As a part of our audit procedures, we have obtained management's climate-related risk assessment and held discussions with those charged with governance to understand the process of identifying climate-related risks, the determination of mitigating actions and the impact on the Group's financial statements.

We have considered the Group's assessment of the impact of these risks and opportunities on the financial statements and their conclusion that there is no material impact on the Group's carrying value of assets and liabilities at the balance sheet date. We have also evaluated the appropriateness of disclosures included in the financial statements in note 3, and have read the climate related disclosures in the Sustainability report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

7.4. Working with other auditors

Where appropriate, the group audit team engaged component audit teams to perform the audit procedures as set out in section 7.1. We engaged component audit teams in the UK, US, China, Brazil and Mexico; the group audit team performed specified audit procedures directly on components in Chile, Canada, and Spain.

The group audit team held regular communication with the component auditors in planning for, and throughout, the year end audit process. Oversight of the component auditors included attending internal planning and status meetings, attending close meetings held with local management, and reviewing relevant audit documentation. We visited the UK (ABS and PIC), US (ABS and PIC) and China (PIC) component teams, held in-person discussions and reviewed on site. For the rest of the components, our oversight utilised our remote collaboration tools and we enhanced this oversight through a number of measures (as appropriate to each component), including accessing and directly reviewing their audit files, more frequent dialogue and use of video conferencing and screen-sharing facilities.

8. Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report continued

To the members of Genus plc

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the group's own assessment of the risks that irregularities may occur either as a result of fraud or error as approved by the Board;
- results of our enquiries of management, internal audit, the directors and the Audit and Risk committee about their own identification and assessment of the risks of irregularities, including those that are specific to the group's sector;
- any matters we identified having obtained and reviewed the group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance, including in relation to Russian Sanctions (described in the Audit and Risk Committee report on page 76 and in note 4 to the financial statements, and defined in the Glossary on page 200;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, pensions, ESG, and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the area of unusual adjustments to revenue. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Listing Rules, pensions legislation, and global tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's compliance with health and safety regulations, environmental regulations, and the Russian Sanctions.

11.2. Audit response to risks identified

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing relevant correspondence with HMRC;
- in addressing the risk of non-compliance with the Russian Sanctions, enquiring of internal legal counsel and evaluating correspondence with external legal counsel, and reviewing relevant licences and documentation;
- in addressing the risk of fraud through unusual adjustments to revenue, leveraging bespoke analytics to identify revenue entries with characteristics that appeared unusual, and testing the appropriateness of these entries by tracing to supporting documentation and evaluating the business rationale; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 56;
- the directors' explanation as to its assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 56;
- the directors' statement on fair, balanced and understandable set out on page 105;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 78;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 79; and
- the section describing the work of the Audit and Risk Committee set out on pages 75 to 79.

14. Matters on which we are required to report by exception

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1. Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors on 8 June 2006 to audit the financial statements for the year ending 30 June 2006 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 19 years, covering the years ending 30 June 2006 to 30 June 2024. As set out in the Audit and Risk Committee on page 75, the year ending 30 June 2024 is the final year of our audit tenure.

15.2. Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

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.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Mark Tolley FCA

For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
4 September 2024

Group Income Statement

For the year ended 30 June 2024

	Note	2024 £m	2023 £m
REVENUE	5, 6	668.8	689.7
Adjusted operating profit	5	67.0	74.6
Adjusting items:			
– Net IAS 41 valuation movement on biological assets	16	(23.2)	(16.9)
– Amortisation of acquired intangible assets	15	(5.8)	(7.7)
– Share-based payment expense	30	(7.0)	(6.0)
Exceptional items (net)	7	(36.0) (24.6)	(30.6) (3.5)
Total adjusting items		(60.6)	(34.1)
OPERATING PROFIT	8	6.4	40.5
Share of post-tax profit of joint ventures and associates retained	18	19.1	10.5
Other gains and losses	26	(1.7)	2.7
Finance costs	10	(22.2)	(15.4)
Finance income	10	3.9	1.1
PROFIT BEFORE TAX		5.5	39.4
Taxation	11	(3.1)	(7.6)
PROFIT FOR THE YEAR		2.4	31.8
ATTRIBUTABLE TO:			
Owners of the Company		7.9	33.3
Non-controlling interest		(5.5)	(1.5)
		2.4	31.8
EARNINGS PER SHARE			
Basic earnings per share	12	12.0p	50.8p
Diluted earnings per share	12	11.9p	50.5p
	Note	2024 £m	2023 £m
Alternative Performance Measures			
Adjusted operating profit		67.0	74.6
Adjusted operating loss attributable to non-controlling interest		0.9	0.4
Pre-tax share of profits from joint ventures and associates excluding net IAS 41 valuation movement		10.2	10.8
Adjusted operating profit including joint ventures and associates		78.1	85.8
Net finance costs	10	(18.3)	(14.3)
Adjusted profit before tax		59.8	71.5
Adjusted earnings per share			
Basic adjusted earnings per share	12	65.5p	84.8p
Diluted adjusted earnings per share	12	65.0p	84.2p

Adjusted results are the Alternative Performance Measures ('APMs') used by the Board to monitor underlying performance at a Group and operating segment level, which are applied consistently throughout. These APMs should be considered in addition to statutory measures, and not as a substitute for or as superior to them. For more information on APMs, see APM Glossary.

Group Statement of Comprehensive Income

For the year ended 30 June 2024

	Note	2024 £m	2024 £m	2023 £m	2023 £m
PROFIT FOR THE YEAR			2.4		31.8
Items that may be reclassified subsequently to profit or loss					
Foreign exchange translation differences		(16.0)		(27.2)	
Fair value movement on net investment hedges	26	0.4		–	
Fair value movement on cash flow hedges		(1.6)		0.8	
Tax relating to components of other comprehensive expense/(income)	11	(0.1)		3.1	
			(17.3)		(23.3)
Items that may not be reclassified subsequently to profit or loss					
Actuarial loss on retirement benefit obligations	29	(6.0)		(40.4)	
Movement on pension asset recognition restriction	29	3.9		38.3	
Release of additional pension liability	29	2.1		3.0	
(Loss)/gain on equity instruments measured at fair value		(2.8)		1.7	
Tax relating to components of other comprehensive expense/(income)	11	(0.1)		(1.2)	
			(2.9)		1.4
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR			(20.2)		(21.9)
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR			(17.8)		9.9
ATTRIBUTABLE TO:					
Owners of the Company		(12.3)		11.1	
Non-controlling interest		(5.5)		(1.2)	
			(17.8)		9.9

Group Statement of Changes in Equity

For the year ended 30 June 2024

	Note	Called-up share capital £m	Share premium account £m	Own shares £m	Trans- lation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m	Non- controlling interest £m	Total equity £m
BALANCE AT 30 June 2022		6.6	179.1	(0.1)	50.9	1.4	340.6	578.5	(6.4)	572.1
Foreign exchange translation differences, net of tax		–	–	–	(24.2)	–	–	(24.2)	0.3	(23.9)
Fair value movement on net investment hedges, net of tax		–	–	–	–	–	–	–	–	–
Fair value movement on cash flow hedges, net of tax		–	–	–	–	0.6	–	0.6	–	0.6
Gain on equity instruments measured at fair value, net of tax		–	–	–	–	–	0.7	0.7	–	0.7
Actuarial loss on retirement benefit obligations, net of tax		–	–	–	–	–	(30.3)	(30.3)	–	(30.3)
Movement on pension asset recognition restriction, net of tax		–	–	–	–	–	28.7	28.7	–	28.7
Recognition of additional pension liability, net of tax		–	–	–	–	–	2.3	2.3	–	2.3
Other comprehensive (expense)/income for the year		–	–	–	(24.2)	0.6	1.4	(22.2)	0.3	(21.9)
Profit/(loss) for the year		–	–	–	–	–	33.3	33.3	(1.5)	31.8
Total comprehensive income/(expense) for the year		–	–	–	(24.2)	0.6	34.7	11.1	(1.2)	9.9
Recognition of share-based payments, net of tax		–	–	–	–	–	6.3	6.3	–	6.3
Dividends	13	–	–	–	–	–	(21.0)	(21.0)	–	(21.0)
Adjustment arising from change in non-controlling interest and written put option		–	–	–	–	–	–	–	(0.1)	(0.1)
BALANCE AT 30 June 2023		6.6	179.1	(0.1)	26.7	2.0	360.6	574.9	(7.7)	567.2
Foreign exchange translation differences, net of tax		–	–	–	(16.6)	–	–	(16.6)	–	(16.6)
Fair value movement on net investment hedges, net of tax		–	–	–	0.4	–	–	0.4	–	0.4
Fair value movement on cash flow hedges, net of tax		–	–	–	–	(1.1)	–	(1.1)	–	(1.1)
Loss on equity instruments measured at fair value, net of tax		–	–	–	–	–	(2.8)	(2.8)	–	(2.8)
Actuarial loss on retirement benefit obligations, net of tax		–	–	–	–	–	(4.6)	(4.6)	–	(4.6)
Movement on pension asset recognition restriction, net of tax		–	–	–	–	–	2.9	2.9	–	2.9
Recognition of additional pension liability, net of tax		–	–	–	–	–	1.6	1.6	–	1.6
Other comprehensive (expense)/income for the year		–	–	–	(16.2)	(1.1)	(2.9)	(20.2)	–	(20.2)
Profit/(loss) for the year		–	–	–	–	–	7.9	7.9	(5.5)	2.4
Total comprehensive income/(expense) for the year		–	–	–	(16.2)	(1.1)	5.0	(12.3)	(5.5)	(17.8)
Recognition of share-based payments, net of tax		–	–	–	–	–	6.6	6.6	–	6.6
Dividends	13	–	–	–	–	–	(21.0)	(21.0)	–	(21.0)
Adjustment arising from change in non-controlling interest and written put option		–	–	–	–	–	–	–	8.9	8.9
BALANCE AT 30 June 2024		6.6	179.1	(0.1)	10.5	0.9	351.2	548.2	(4.3)	543.9

Group Balance Sheet

As at 30 June 2024

	Note	2024 £m	2023 £m
ASSETS			
Goodwill	14	110.3	107.8
Other intangible assets	15	65.4	66.2
Biological assets	16	297.4	318.2
Property, plant and equipment	17	182.0	164.4
Interests in joint ventures and associates	18	60.5	53.5
Other investments	19	1.1	8.8
Derivative financial assets	26	1.2	4.9
Other receivables	21	11.8	8.2
Deferred tax assets	11	28.1	16.5
TOTAL NON-CURRENT ASSETS		757.8	748.5
Inventories	20	57.1	61.3
Biological assets	16	32.3	23.8
Trade and other receivables	21	135.2	132.1
Cash and cash equivalents	22	42.5	36.3
Income tax receivable		2.1	4.0
Derivative financial assets	26	1.9	1.5
TOTAL CURRENT ASSETS		271.1	259.0
TOTAL ASSETS		1,028.9	1,007.5
LIABILITIES			
Trade and other payables	23	(123.2)	(122.0)
Interest-bearing loans and borrowings	27	(4.9)	(4.2)
Provisions	25	(1.0)	(1.8)
Deferred consideration	38	(0.6)	–
Obligations under leases	28	(14.0)	(10.0)
Tax liabilities		(5.2)	(7.4)
Derivative financial liabilities	26	(1.7)	(1.8)
TOTAL CURRENT LIABILITIES		(150.6)	(147.2)
Trade and other payables	23	(4.2)	–
Interest-bearing loans and borrowings	27	(228.2)	(196.0)
Retirement benefit obligations	29	(6.6)	(6.9)
Provisions	25	(0.4)	(10.3)
Deferred consideration	38	(0.2)	(0.6)
Deferred tax liabilities	11	(44.4)	(51.2)
Derivative financial liabilities	26	(6.3)	(6.2)
Obligations under leases	28	(44.1)	(21.9)
TOTAL NON-CURRENT LIABILITIES		(334.4)	(293.1)
TOTAL LIABILITIES		(485.0)	(440.3)
NET ASSETS		543.9	567.2
EQUITY			
Called-up share capital	31	6.6	6.6
Share premium account		179.1	179.1
Own shares	31	(0.1)	(0.1)
Translation reserve	31	10.5	26.7
Hedging reserve	31	0.9	2.0
Retained earnings		351.2	360.6
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		548.2	574.9
Non-controlling interest	39	1.2	(2.2)
Put option over non-controlling interest	39	(5.5)	(5.5)
TOTAL NON-CONTROLLING INTEREST		(4.3)	(7.7)
TOTAL EQUITY		543.9	567.2

The Financial Statements were approved and authorised for issue by the Board of Directors on 4 September 2024.

Signed on behalf of the Board of Directors

Jorgen Kokke
Chief Executive

Alison Henriksen
Chief Financial Officer

Group Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 £m	2023 £m
NET CASH FLOW FROM OPERATING ACTIVITIES	32	29.8	50.4
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from joint ventures and associates	18	4.7	2.6
Joint venture and associate loan investment	18	(2.2)	(1.9)
Acquisition of joint venture and associate	18	–	(1.0)
Sale of other investments		5.1	3.4
Acquisition of Xelect Limited	41	(2.9)	–
Acquisition of other investments		–	(0.4)
Payment of deferred consideration	38	–	(0.8)
Purchase of property, plant and equipment		(14.8)	(25.9)
Purchase of intangible assets		(9.9)	(9.3)
Proceeds from sale of property, plant and equipment		0.7	2.4
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(19.3)	(30.9)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of borrowings		140.4	126.8
Repayment of borrowings		(108.5)	(111.7)
Payment of lease liabilities		(13.7)	(11.1)
Equity dividends paid		(21.0)	(21.0)
Dividend to non-controlling interest		–	(0.1)
Debt issue costs		–	(1.1)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		(2.8)	(18.2)
NET INCREASE IN CASH AND CASH EQUIVALENTS		7.7	1.3
Cash and cash equivalents at start of the year		36.3	38.8
Net increase in cash and cash equivalents		7.7	1.3
Effect of exchange rate fluctuations on cash and cash equivalents		(1.5)	(3.8)
TOTAL CASH AND CASH EQUIVALENTS AT 30 JUNE	22	42.5	36.3

Notes to the Group Financial Statements

For the year ended 30 June 2024

1. REPORTING ENTITY

Genus plc (the 'Company') is a public company limited by shares and incorporated in England, United Kingdom under the Companies Act 2006. Its company number is 02972325 and its registered office is Matrix House, Basing View, Basingstoke, Hampshire RG21 4DZ. The Group Financial Statements for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the 'Group'). We have used the equity method to account for the Group's interests in joint ventures and associates. Our business model on pages 8 to 9 explains the Group's operations and principal activities.

2. BASIS OF PREPARATION

We have prepared the Group Financial Statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The Group Financial Statements have also been prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

Unless otherwise stated, we have consistently applied the material accounting policy information set out below to all periods presented in these Group Financial Statements.

The going concern statement has been included in the Strategic Report on page 56 and forms part of these statements.

Functional and presentational currency

We present the Group Financial Statements in Sterling, which is the Company's functional and presentational currency. All financial information presented in Sterling has been rounded to the nearest £0.1m.

Use of estimates

Preparing financial statements requires management to make judgements, estimates and assumptions that affect our application of accounting policies and our reported assets, liabilities, income and expenses. Our actual results may differ from these estimates. We review our estimates and underlying assumptions on an ongoing basis, and recognise revisions to accounting estimates in the period in which we revise the estimate and in any future periods affected.

Note 4 provides information about significant areas of estimation uncertainty and the critical judgements we made in applying accounting policies that have the most effect on the amounts recognised in the Financial Statements.

Alternative Performance Measures ('APMs')

In reporting financial information, the Group presents APMs, which are not defined or specified under the requirements of IFRS and which are not considered to be a substitute for, or superior to, IFRS measures.

The Group believes that these APMs provide stakeholders with additional helpful information on the performance of the business. The APMs are consistent with how we plan our business performance and report on it in our internal management reporting to the Board and GELT. Some of these measures are also used for the purpose of setting remuneration targets.

For a full list of all APMs please see the Alternative Performance Measures Glossary section of the Annual Report on pages 192 to 199.

Change of reportable segments

During the year, management determined that product development revenues, costs and attributable assets and liabilities are more accurately presented as part of each trading unit's profit and loss account. This adjustment aligns our external reporting with our internal reporting structure, reflecting how the performance of the trading units is assessed and managed. As a result, the prior period comparatives in note 5, note 6, note 8 and note 9 have been restated to reflect the change.

	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Revenue			
Genus PIC	349.5	18.6	368.1
Genus ABS	318.8	2.8	321.6
Genus Research and Development			
Porcine product development	18.5	(18.5)	–
Bovine product development	2.8	(2.8)	–
Gene editing	0.1	(0.1)	–
Other research and development	–	–	–
	21.4	(21.4)	–
	689.7	–	689.7

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

2. BASIS OF PREPARATION CONTINUED

	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Adjusted operating profit			
Genus PIC	135.0	(36.6)	98.4
Genus ABS	43.4	(25.6)	17.8
Genus Research and Development			
Porcine product development	(29.7)	29.7	–
Bovine product development	(25.6)	25.6	–
Gene editing	(14.3)	6.9	(7.4)
Other research and development	(17.4)	–	(17.4)
	(87.0)	62.2	(24.8)
Adjusted segment operating profit	91.4	–	91.4
Central	(16.8)	–	(16.8)
Adjusted operating profit	74.6	–	74.6

	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Depreciation			
Genus PIC	5.0	4.9	9.9
Genus ABS	16.0	1.7	17.7
Genus Research and Development			
Research	1.3	(0.4)	0.9
Porcine product development	4.5	(4.5)	–
Bovine product development	1.7	(1.7)	–
	7.5	(6.6)	0.9
Segment total	28.5	–	28.5
Central	1.7	–	1.7
Total	30.2	–	30.2

	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Amortisation			
Genus PIC	6.8	–	6.8
Genus ABS	4.4	0.4	4.8
Genus Research and Development			
Research	–	–	–
Porcine product development	–	–	–
Bovine product development	0.4	(0.4)	–
	0.4	(0.4)	–
Segment total	11.6	–	11.6
Central	1.8	–	1.8
Total	13.4	–	13.4

2. BASIS OF PREPARATION CONTINUED

	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Additions to non-current assets (excluding deferred taxation and financial instruments)			
Genus PIC	6.8	2.2	9.0
Genus ABS	21.8	4.9	26.7
Genus Research and Development			
Research	1.6	(1.0)	0.6
Porcine product development	1.2	(1.2)	–
Bovine product development	4.9	(4.9)	–
	7.7	(7.1)	0.6
Segment total	36.3	–	36.3
Central	7.0	–	7.0
Total	43.3	–	43.3

	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Segment assets			
Genus PIC	265.4	269.9	535.3
Genus ABS	281.7	126.5	408.2
Genus Research and Development			
Research	11.4	(2.3)	9.1
Porcine product development	269.1	(269.1)	–
Bovine product development	125.0	(125.0)	–
	405.5	(396.4)	9.1
Segment total	952.6	–	952.6
Central	54.9	–	54.9
Total	1,007.5	–	1,007.5

	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Segment liabilities			
Genus PIC	(66.0)	(55.6)	(121.6)
Genus ABS	(72.5)	(21.3)	(93.8)
Genus Research and Development			
Research	(4.5)	2.0	(2.5)
Porcine product development	(55.3)	55.3	–
Bovine product development	(19.6)	19.6	–
	(79.4)	76.9	(2.5)
Segment total	(217.9)	–	(217.9)
Central	(222.4)	–	(222.4)
Total	(440.3)	–	(440.3)

3. MATERIAL ACCOUNTING POLICY INFORMATION APPLIED IN THE CURRENT REPORTING PERIOD THAT RELATES TO THE FINANCIAL STATEMENTS AS A WHOLE

This section sets out our material accounting policy information as it relates to the Financial Statements as a whole. Where an accounting policy is generally applicable to a specific note to the Financial Statements, the policy has been described in that note. We have also detailed below the new accounting pronouncements that we will adopt in future years and our current view of the impact they will have on our financial reporting.

Accounting convention

We prepare the Group Financial Statements under the historical cost convention, except for our biological assets, share-based payment expense, pension liabilities and derivative financial instruments. In accordance with IFRS, we measure biological assets at fair value less point-of-sale costs, which represent distribution costs and selling expenses, and share-based payment expense, pension liabilities, and certain financial instruments at fair value.

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION APPLIED IN THE CURRENT REPORTING PERIOD THAT RELATES TO THE FINANCIAL STATEMENTS AS A WHOLE CONTINUED

Basis of consolidation

Subsidiaries are entities the Group controls. We have control of an entity when we are exposed, or have the rights, to variable returns from the entity and have the ability to affect the returns through power over the entity. In assessing control, we take into account potential voting rights that we can currently exercise or convert. We fully consolidate the results of subsidiaries we acquire from the date that control transfers to the Group. We cease consolidating the results of subsidiaries that we cease to control from the date that control passes.

In preparing the Group Financial Statements, we eliminate intra-Group balances and any unrealised income and expenses arising from intra-Group transactions. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment, to the extent of our interest in the investee. We eliminate unrealised losses in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currencies

We record foreign currency transactions in the relevant Group entity's functional currency, at the exchange rate on the transaction date. At each balance sheet date, we retranslate monetary assets and liabilities denominated in foreign currencies at the exchange rate on the balance sheet date. We recognise the foreign exchange differences arising on retranslation in the Group Income Statement.

When non-monetary assets and liabilities are measured at historical cost in a foreign currency, we translate them at the exchange rate at the transaction date. When non-monetary assets and liabilities are stated at fair value in a foreign currency, we translate them at the prevailing exchange rate on the date we determined the fair value. We recognise the foreign exchange differences arising on retranslation in the Group Statement of Comprehensive Income.

The assets and liabilities of foreign operations, including goodwill arising on consolidation, are translated into Sterling at the prevailing exchange rates at the balance sheet date. The resulting exchange differences are booked into foreign currency translation reserves and reported in the Group Statement of Comprehensive Income. We translate these operations' revenues and expenses using an average rate for the period.

When exchange differences arise from the fair value movement of related effective hedges, we take them to the foreign currency translation reserve. When we dispose of a foreign operation, we release these differences to the Income Statement. Exchange movements on inter-company loans considered to be permanent equity are recognised in the Group Statement of Comprehensive Income, together with any related taxation.

The principal exchange rates were as follows:

	Average			Closing		
	2024	2023	2022	2024	2023	2022
US Dollar/£	1.26	1.21	1.32	1.27	1.27	1.22
Euro/£	1.17	1.15	1.18	1.18	1.16	1.16
Brazilian Real/£	6.35	6.20	6.94	7.07	6.08	6.39
Mexican Peso/£	21.69	22.84	26.97	23.12	21.74	24.45
Chinese Yuan/£	9.06	8.44	8.55	9.19	9.21	8.15
Russian Rouble/£	115.46	86.29	98.75	108.18	112.79	66.73

Research and development

We undertake research with the aim of gaining new scientific or technical knowledge, and recognise this expenditure in the Income Statement as it is incurred.

The Group constantly monitors its research activities. When research projects achieve technical feasibility and are commercially viable, our policy is to capitalise further development costs within intangible assets, in accordance with IAS 38.

Our development activities include developing and maintaining our porcine genetic nucleus herd and our bovine pre-stud herds. We do not capitalise development expenditure separately for these herds, as their fair value is included in the fair value of the Group's biological assets, in accordance with IAS 41.

We disclose the costs of research and development activities, as required by IAS 38 (see note 8).

Other income and deferred income

During the year ended 30 June 2019, the Company entered into a strategic collaboration with Beijing Capital Agribusiness ('BCA') under which BCA will establish and fund a collaboration-specific entity ('BCA Future Bio-Tech') which will use Genus's intellectual property and know-how to pursue the PRRS-resistance regulatory and development work in China. Genus will receive consideration after meeting certain milestones in the development programme.

Each milestone is considered to be either a separate performance obligation, or a set of separate performance obligations, under this agreement and milestones are unbundled in the contractual arrangement as if they are distinct from one another.

We assess each separate performance obligation relating to the milestone payments, and upon completion of those performance obligations recognise the fair value of amounts earned in other income. Some performance obligations, such as the transfer of know-how, are recognised at a point in time whereas others, such as the provision of technical services, are recognised over time. We recognise any received but unearned consideration as deferred income.

We will apply the same accounting policy to any other comparable agreements.

3. MATERIAL ACCOUNTING POLICY INFORMATION APPLIED IN THE CURRENT REPORTING PERIOD THAT RELATES TO THE FINANCIAL STATEMENTS AS A WHOLE CONTINUED

Reversals of impairment

We reverse an impairment loss in respect of assets other than goodwill when the impairment loss may no longer exist and we have changed the estimates we used to determine the recoverable amount.

We only reverse an impairment loss to the extent that the asset's carrying amount does not exceed the carrying amount it would have had, net of depreciation or amortisation, if we had not recognised the impairment loss.

Climate change

In preparing these consolidated financial statements we have considered the impact of both physical and transition climate change risks on the current valuation of our assets and liabilities. We do not believe that there is a material impact on the financial reporting judgements and estimates arising from our considerations and as a result the valuations of our assets or liabilities have not been significantly impacted by these risks as at 30 June 2024. In concluding, we specifically considered the impact of climate change on the growth rates and projected cash flows as part of our goodwill impairment testing (see note 14). As government policies evolve as a result of commitments to limit global warming to 1.5°C, we will continue to monitor implications on the valuations of our assets and liabilities that could arise in future years.

New standards and interpretations

In the current period, the Group has applied a number of amendments to IFRS issued by the International Accounting Standards Board that are mandatorily effective for an accounting period that begins after 1 January 2023 and have been implemented with effect from 1 July 2023. These are:

- Amendments to IAS 1 and IFRS Practice Statement 2 – 'Disclosure of Accounting Policies';
- Amendments to IAS 8 – 'Definition of Accounting Estimates';
- Amendments to IAS 12 – 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'; and
- Amendments to IAS 12 – 'International Tax Reform Pillar Two Model Rules – application of the exception and disclosure of that fact'.

Their application has not had any material impact on the disclosures or amounts reported in the Group Financial Statements.

New standards and interpretations not yet adopted

At the date of the Annual Report, the following standards and interpretations which have not been applied in the report were in issue but not yet effective (and in some cases had not yet been adopted by the UK). The Group will continue to assess the impact of these amendments prior to their adoption. These are:

- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information';
- IFRS S2 'Climate-related Disclosures';
- Amendments to IAS 1 – 'Classification of Liabilities as Current or Non-Current';
- Amendments to IAS 7 and IFRS 7 – 'Disclosures: Supplier Finance Arrangements';
- Amendments to IAS 12 – 'International Tax Reform Pillar Two Model Rules – other disclosure requirements';
- Amendments to IAS 21 – 'Lack of Exchangeability';
- Amendments to IFRS 16 – 'Lease Liability in a Sale and Leaseback';
- IFRS 18 – 'Presentation and Disclosure in Financial Statements'; and
- Amendment to IFRS 9 and IFRS 7 – 'Classification and Measurement of Financial Instruments'.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of Consolidated Financial Statements requires the Group to make estimates and judgements that affect the application of policies and reported amounts.

Critical judgements represent key decisions made by management in the application of the Group's accounting policies, where a significant risk of materially different outcomes exists due to management assumptions or sources of estimation uncertainty. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next 12 months are discussed below.

Critical accounting judgements

Adjusting items

The Directors believe that the adjusted profit and earnings per share measures provide additional information to shareholders on the performance of the business. These measures are consistent with how business performance is measured internally by the Board and GELT. Further descriptions and reconciliations are provided in the APM glossary.

The profit before tax and adjusting items measures are not recognised profit measures under IFRS and may not be directly comparable with adjusted profit measures used by other companies. The classification of adjusting items requires significant judgement, after considering the nature and intentions of a transaction. The Group's definitions of adjusting items are outlined within the Group accounting policies and have been applied consistently year-on-year.

Key sources of estimation uncertainty

Determination of the fair value of biological assets including those held in equity-accounted investees (note 16 and note 18)

Determining the fair values of our bovine and porcine biological assets requires the application of a number of estimates and assumptions.

Below is a list of these estimates and assumptions, showing whether we consider them to be observable or unobservable inputs to the fair value determination. In addition, we identify those inputs that are 'readily obtainable' transactional data or 'open market prices'.

Sensitivities of the estimates and assumptions given below are disclosed in note 16.

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

	Estimates and assumptions	Observable/unobservable	Source
Bovine	Long-term dairy volume growth rate	Unobservable	n/a
	Short-term dairy volume growth rate	Unobservable	n/a
	Value at point of production ¹	Unobservable	n/a
	Current unit prices	Observable	Readily obtainable
	Growth in unit prices ¹	Unobservable	n/a
	Animals' useful lifespan	Observable	Readily obtainable
	Percentage of new dairy bulls to be produced internally each year	Unobservable	n/a
	Age profile of bulls	Unobservable	n/a
	Risk-adjusted discount rate ¹	Unobservable	n/a
Porcine (non pure line herds)	Animals' useful lifespan	Observable	Readily obtainable
	The proportion of animals that go to slaughter	Observable	Readily obtainable
	The mix of boars and gilts	Observable	Readily obtainable
	Risk-adjusted discount rate	Unobservable	n/a
Porcine (pure line herds)	Number of future generations attributable to the current herds	Observable	Readily obtainable
	Fair value prices achieved on sales	Observable	Open market prices
	Animals' expected useful lifespan and productivity	Observable	Readily obtainable
	The proportion of animals that go to breeding sales ¹	Observable	Readily obtainable
	Risk-adjusted discount rate ¹	Unobservable	n/a

¹ Key sources of estimation uncertainty

Impairment of Bovine goodwill (see note 14)

Determining whether bovine goodwill is impaired requires us to consider any specific impairment indicators and to estimate the value in use of the cash-generating units to which we have allocated goodwill. The value in use calculation requires us to estimate the future cash flows arising from the cash-generating unit ('CGU'), the appropriate discount rate and the growth rates, in order to calculate present value.

Impact of Russian sanctions

The Group has two group operating companies that are incorporated in Russia – Limited Liability Co. Genus ABS Russia and PIC Genetics LLC ('Russian-based subsidiaries/entities'). Following the sanctions that have been put in place by the UK and other governments, the Group implemented a comprehensive screening process with external counsel to ensure that its Russian entities do not trade with sanctioned individuals or entities controlled by them. The main impact of the sanctions regime on our business has been to categorise the banks in Russia into sanctioned and non-sanctioned banks. Where we receive money from sanctioned banks we are unable to use the cash without a licence from His Majesty's Treasury ('HMT'). For cash receipts from non-sanctioned banks into the entities' non-sanctioned banks we are able to use the cash in Russia for day-to-day operations.

The Group applied to HMT for a licence on 25 April 2022: to allow the use of payments from sanctioned banks by non-sanctioned Russian customers for the delivery of porcine and bovine genetics; to allow the use of money in a non-sanctioned Russian bank account in the name of Genus Russia to pay Russian suppliers who continue to use sanctioned Russian bank accounts; and to remit any excess money in Genus Russia's non-sanctioned Russian bank account (regardless of whether it was received from a sanctioned or non-sanctioned Russian bank account) to other Genus Group company UK bank accounts.

The UK Office of Financial Sanctions Implementation ('OFSI') issued a general licence for trading in agricultural commodities in Russia effective on the 4 November 2022 which provides exemptions to the sanctions regime in connection with the export, production and transport of agricultural commodities. This definition includes reproductive materials such as are supplied by Genus. Under this general licence, receipts from non-sanctioned customers received from and before 4 November 2022 from sanctioned banks no longer need to be frozen and can be freely used. Also receipts from a sanctioned customer, if made through a non-sanctioned bank, no longer need to be frozen and can be freely used. If any customer is or becomes sanctioned and pays through a sanctioned bank, these funds would still need to be frozen even after 4 November 2022.

Under the requirements of IAS 7, where there is cash that is not available to be used by the rest of the Group this needs to be disclosed. As at 30 June 2024, we had a cash balance of £5.2m (30 June 2023: £3.1m) in the Russian entities of which £0.9m (30 June 2023: £0.8m) is not currently available to be used by the Group due to being received from sanctioned banks and held in a sanctioned bank.

Management has reviewed the operations and cash flow over a period of 18 months from 30 June 2024 to 31 December 2025, based upon the 2025 plans, to determine whether the Russian entities have sufficient non-sanctioned cash flow to enable them to continue day-to-day operations and to meet liabilities as they fall due. The analysis indicates they do have sufficient non-sanctioned cash flow to enable them to meet their day-to-day operational needs.

Critical accounting judgement – exercise of control

Management has assessed whether the actions of the UK and Russian Governments have caused the Group to lose control of these Russian-based subsidiaries.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

Genus PLC applied for a licence to the Department for International Trade ('DIT') on 22 September 2022, to allow for UK-based employees within the Genus group to provide accounting, business and management consulting services to the Russian-based subsidiaries, for the purpose of helping them carry out business operations in Russia, delivery of humanitarian assistance activity and for the production or distribution of food, provided that it is for the benefit of the civilian population.

The licence was authorised by the DIT and came into force on 11 January 2023. It authorises the following services:

- The fullest possible range of accounting services, business and management consulting services, to include advisory, guidance and operational assistance services provided for business policy and strategy, and the overall planning, structuring, and control of the organisation.
- The oversight that a parent company would typically provide to its subsidiaries in the areas of accounting, financial controls, tax, treasury, finance and human resources, along with similar oversight in the areas of information technology, supply chain and other types of technology.

The licence expires on 11 January 2025 and, provided the facts and circumstances surrounding the issuance of the licence currently in place do not change materially we do not foresee any reasons why the licence could not be renewed.

We have concluded that we do have control over the Russian-based subsidiaries for the year ended 30 June 2024, as defined under IFRS 10 'Consolidated financial statements', and we are still able to consolidate them despite short-term restrictions on extracting cash. We have also assessed each of the asset balances for impairment. The material areas that could give rise to impairment are:

- PIC Russia farm: £2.5m (30 June 2023: £2.4m) – the value of the farm is predicated on the future economic benefit of the animals that are being reared there. We would need to assess if the property's open market price (less cost to sell) would support the carrying value.
- Trade receivables: £4.4m (30 June 2023: £2.7m) – the ongoing financial sanctions may affect our customers' ability to pay us for their goods. If it is determined that our customers are unlikely to repay these amounts, then they should be provided for.
- IAS 41 valuation: £2.7m (30 June 2023: £3.9m) – the ongoing impacts of both the local economic outlook and our customers' ability to pay us could result in a reversal of the fair value of the Russian biological assets in the June valuation.

Management's impairment analysis indicates that, under the current business environment and based on the plans for the FY25 no impairment is required as at 30 June 2024.

Management will continue to monitor the situation closely to see if any further changes require additional analysis that may result in a different conclusion.

In the event of changes in legislation, such as more restrictive sanctions imposed by the UK Government or actions taken by the Russian Government, we may determine that we do not exercise control, as defined under IFRS 10 'Consolidated financial statements', over the assets and operations of the Russian entities and we would not be able to consolidate these companies into the Financial Statements. The deconsolidation would mean that we would reclassify the Russian entities as investments and we would need to assess for impairment. A charge of up to £15.8m (2023: £11.7m) may need to be recognised in the Income Statement, representing the total net assets of the two Russian entities. Dependent on the nature of the events leading to the decision to deconsolidate the entities, there may be additional expenses incurred which we are unable to estimate at this time. In addition, revenues would not be consolidated into the Financial Statements from the date of any deconsolidation. Revenues from the Russian entities were £15.0m in the year ended 30 June 2024 (2023: £21.7m).

5. SEGMENTAL INFORMATION

IFRS 8 'Operating Segments' requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive and the Board, to allocate resources to the segments and to assess their performance. The Group's operating and reporting structure comprises three operating segments: Genus PIC, Genus ABS and Genus Research and Development. These segments are the basis on which the Group reports its segmental information. The principal activities of each segment are as follows:

- Genus PIC – our global porcine sales business;
- Genus ABS – our global bovine sales business; and
- Genus Research and Development – our global spend on research and development.

A segmental analysis of revenue, operating profit, depreciation, amortisation, non-current asset additions, segment assets and liabilities and geographical information is provided below. We do not include our adjusting items in the segments, as we believe these do not reflect the underlying performance of the segments. The accounting policies of the reportable segments are the same as the Group's accounting policies, as described in the Financial Statements.

	2024 £m	(restated ¹) 2023 £m
Revenue		
Genus PIC	352.5	368.1
Genus ABS	314.9	321.6
Central	1.4	–
	668.8	689.7

1 See note 2 for details of the prior period restatement

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

5. SEGMENTAL INFORMATION CONTINUED

Adjusted operating profit by segment is set out below and reconciled to the Group's adjusted operating profit. A reconciliation of adjusted operating profit to profit for the year is shown on the face of the Group Income Statement.

	2024 £m	(restated ¹) 2023 £m
Adjusted operating profit		
Genus PIC	93.8	98.4
Genus ABS	12.7	17.8
Genus Research and Development	(21.8)	(24.8)
Adjusted segment operating profit	84.7	91.4
Central	(17.7)	(16.8)
Adjusted operating profit	67.0	74.6

1 See note 2 for details of the prior period restatement

Our business is not highly seasonal and our customer base is diversified, with no individual customer generating more than 2% of revenue.

Exceptional items of £24.6m net expense (2023: £3.5m net expense). Genus ABS £16.4m net expense (2023: £2.7m net expense), Genus PIC £0.6m expense (2023: £nil), Genus Research and Development £0.7m expense (2023: £nil) and our Central segment £6.9m net expense (2023: £0.8m net expense). Note 7 provides details of these exceptional items.

We consider share-based payment expenses on a Group-wide basis and do not allocate them to reportable segments.

Other segmental information

	Depreciation		Amortisation		Additions to non-current assets (excluding deferred taxation and financial instruments)	
	2024 £m	(restated ¹) 2023 £m	2024 £m	(restated ¹) 2023 £m	2024 £m	(restated ¹) 2023 £m
Genus PIC	14.1	9.9	4.8	6.8	41.8	9.0
Genus ABS	18.0	17.7	5.0	4.8	20.0	26.7
Genus Research and Development	0.9	0.9	–	–	0.4	0.6
Segment total	33.0	28.5	9.8	11.6	62.2	36.3
Central	1.7	1.7	2.5	1.8	12.5	7.0
Total	34.7	30.2	12.3	13.4	74.7	43.3

	Segment assets		Segment liabilities	
	2024 £m	(restated ¹) 2023 £m	2024 £m	(restated ¹) 2023 £m
Genus PIC	591.7	535.3	(157.0)	(121.6)
Genus ABS	363.9	408.2	(50.9)	(93.8)
Genus Research and Development	6.7	9.1	(3.7)	(2.5)
Segment total	962.3	952.6	(211.6)	(217.9)
Central	66.6	54.9	(273.4)	(222.4)
Total	1,028.9	1,007.5	(485.0)	(440.3)

1 See note 2 for details of the prior period restatement

5. SEGMENTAL INFORMATION CONTINUED

Geographical information

The Group's revenue by geographical segment is analysed below. This analysis is stated on the basis of where the customer is located.

Revenue

	2024 £m	2023 £m
North America	263.5	288.5
Latin America	109.9	105.6
UK	92.3	93.1
Rest of Europe, Middle East, Russia and Africa	114.8	109.6
Asia	88.3	92.9
Total revenue	668.8	689.7

Non-current assets (excluding deferred taxation and financial instruments)

The Group's non-current assets by geographical segment are analysed below and are stated on the basis of where the assets are located.

	2024 £m	2023 £m
North America	482.8	508.6
Latin America	75.5	69.6
UK	70.1	71.5
Rest of Europe, Middle East, Russia and Africa	45.4	43.8
Asia	54.7	33.6
Non-current assets (excluding deferred taxation and financial instruments)	728.5	727.1

6. REVENUE

Accounting policy

The Group recognises revenue from the following sources:

- sale of bovine and porcine semen, porcine breeding animals, embryos and ancillary products;
- royalties;
- consulting;
- technical services and advice revenues;
- installation and maintenance of IntelliGen technology;
- licensing of IntelliGen technology;
- slaughter animal sales; and
- bovine partnership contracts.

Revenue is measured based on the consideration the Group expects to be entitled to under a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The sale of bovine and porcine semen, porcine breeding animals, embryos and ancillary products

Revenue from the sale of bovine and porcine semen, porcine breeding animals, embryos and ancillary products is recognised when the control of the goods has transferred to the customer or distributor. This is either when we ship to customers or on delivery, depending on the terms of sale. Payment of the transaction price is due immediately, or within a short period of time, from the point the customer or distributor controls the goods.

Royalties

Royalties are recognised when the performance obligation is met. We receive royalty payments from certain porcine customers based on key performance variables, such as the number of pigs born per litter, the number of litters born per sow and the average slaughter weight of the animals born. This amount is confirmed directly to Genus by the customer. Payment of the transaction price is due immediately from the customer, or within a short period of time, once the performance obligation is satisfied.

Consulting

Revenue from consulting represents the amounts we charged for services we provided during the year, including recoverable expenses. We recognise consulting services provided but not yet billed as revenue, based on a fair value assessment of the work we have delivered and our contractual right to receive payment. Where unbilled revenue is contingent on a future event, we do not recognise any revenue until the event occurs.

Technical services and advice revenues

Revenue from technical services and advice revenues represents the amounts we charged for services we provided during the year, including recoverable expenses. We recognise technical services and advice revenues provided but not yet billed as revenue, based on a fair value assessment of the work we have delivered and our contractual right to receive payment. Where unbilled revenue is contingent on a future event, we do not recognise any revenue until the event occurs. Technical services and advice revenues are presented in ancillary services in the table on the following page.

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

6. REVENUE CONTINUED

Installation and maintenance of IntelliGen technology

Revenue from the installation of IntelliGen technology is recognised by reference to the stage of completion of the installation and is based on milestones being met. Maintenance is provided as a distinct service to customers and is recognised over the period of the service agreement. These revenues are presented in ancillary services in the following table.

Licensing of IntelliGen technology

Revenue from the licensing of IntelliGen technology is recognised at a point in time when the licence is granted. In determining the transaction price, any minimum royalties due under the contracts are included in the value apportioned to the grant of the licence, excluding any royalties that arise on units produced in excess of the guaranteed minimums. These additional royalties have been determined to be a usage-based royalty and are recognised as revenue at the point in time that the units are produced. These revenues are presented in ancillary services in the following table.

Slaughter of animals

Revenue from the slaughter of animals is recognised when control of the goods has transferred to the slaughterhouse, which is generally on the delivery of animals to the slaughterhouse. Payment of the transaction price is due immediately, or within a short period of time, from the point the slaughterhouse controls the goods.

Bovine partnership contracts

Partnership contracts include the provision of multiple bovine products and services for a single price. The contract price is allocated to the individual performance obligations based on their standalone selling prices. The expected revenue is recognised for the products and services once the individual performance obligation has been satisfied. Revenues from partnership contracts are presented in sale of animals, semen, embryos and ancillary products and services.

	2024 £m	(restated ¹) 2023 £m
Genus PIC	175.1	192.1
Genus ABS	301.5	310.6
Central	–	–
Sale of animals, semen, embryos and ancillary products and services	476.6	502.7
Genus PIC	177.4	176.0
Genus ABS	0.4	1.4
Central	–	–
Royalties	177.8	177.4
Genus PIC	–	–
Genus ABS	13.0	9.6
Central	1.4	–
Consulting services	14.4	9.6
Total revenue	668.8	689.7

Revenue from contracts with customers

The Group's revenue is analysed below by the timing at which it is recognised.

	2024 £m	(restated ¹) 2023 £m
Genus PIC	347.0	362.2
Genus ABS	283.5	293.1
Central	–	–
Recognised at a point in time	630.5	655.3
Genus PIC	5.5	5.9
Genus ABS	31.4	28.5
Central	1.4	–
Recognised over time	38.3	34.4
Total revenue	668.8	689.7

¹ See note 2 for details of the prior period restatement

An analysis of contract assets and contract liabilities is provided in note 24.

7. EXCEPTIONAL ITEMS

Accounting policy

We present exceptional items separately, as we believe this helps to improve understanding of the Group's underlying performance.

In determining whether an item should be presented as exceptional, we consider items which are material either because of their size or their nature, and those which are non-recurring. For an item to be considered exceptional, it must initially meet at least one of the following criteria:

- it is a one-off material item;
- it has been directly incurred as the result of either a corporate transaction, integration or other major restructuring programme;
- it has been previously classified as an exceptional item, and as such consistent accounting treatment is being applied; or
- it is unusual in nature, e.g. outside the normal course of business.

If an item meets at least one of the criteria, we then exercise judgement as to whether the item should be classified as exceptional.

For the tax and cash impact of exceptional items see notes 11 and 32, respectively.

Operating (expense)/credit	2024 £m	2023 £m
Litigation	(10.4)	(4.5)
Corporate transactions	(7.4)	(0.4)
ABS restructuring	(6.0)	1.7
R&D restructuring	(0.7)	–
Other	(0.1)	(0.3)
Net exceptional items	(24.6)	(3.5)

Litigation

Litigation includes legal fees, settlement and related costs of £10.4m (2023: £4.5m) related to the actions between ABS Global, Inc. and certain affiliates ('ABS') and Inguran, LLC and certain affiliates (also known as STgenetics ('ST')).

Material litigation activities to 31 August 2024

In July 2014, ABS launched a legal action against ST in the US District Court for the Western District of Wisconsin and initiated anti-trust proceedings, which ultimately enabled the launch of ABS's IntelliGen sexing technology in the US market ('ABS I'). In June 2017, ST filed proceedings against ABS in the same District Court, where ST alleged that ABS infringed seven patents and asserted trade secret and breach of contract claims ('ABS II'). On 29 January 2020, ST filed a new US complaint against ABS in the same court ('ABS III').

On 10 March 2020, the United States Patent and Trademark Office ('USPTO') issued patent 10,583,439 (the '439 patent'), and subsequently ST asked the court for permission to file a supplemental complaint in ABS III asserting infringement of the '439 patent. On 15 April 2020, ST filed a new complaint ('ABS IV'), asserting the same claim of infringement of the '439 patent alleged in its supplemental complaint and then moved to consolidate the ABS IV and ABS III litigation. The ABS I, ABS II, ABS III and ABS IV proceedings in the periods before the year ended 30 June 2023 are more fully described in the Notes to the Financial Statements in previous Annual Reports.

On 26 October 2020, ABS filed Inter Partes Reviews ('IPR') against the '439 patent with the USPTO. On 4 May 2021, the Patent Trial and Appeal Board ('PTAB') instituted the '439 patent IPR, and on 28 April 2022 PTAB issued its decision and declined to invalidate the claims of the '439 patent. ABS has appealed the '439 patent decision (the '439 Appeal').

On 20 December 2021, the Wisconsin Federal Court reached a decision on certain ABS III and ABS IV motions. In relation to ABS III, the court dismissed ABS III litigation in its entirety and ST appealed certain aspects of the decision (the 'ABS III Appeal').

On 1 July 2022, the court reached a decision on the ABS II post-judgment motions as well as the pending motions in ABS IV. The court followed the jury decision in ABS II, and in relation to ABS IV the Court denied ABS's motion to dismiss the patent claims. Appeals were filed by ABS on the validity of the 8,206,987 patent (the '987 Appeal'), the 7,311,476 patent and the 7,611,309 patent (the 'ABS II Appeal') and ST appealed the award of the \$5.3m in costs (the 'Fee Award Appeal').

On 27 December 2022, ABS and ST settled the 987 Appeal, the Fee Award Appeal and the Indian Patent Proceedings (see below).

On 5 July 2023, the Court of Appeals accepted ST's arguments in the ABS III Appeal in relation to claim preclusion for technology transfer. The ABS III and ABS IV litigations were then consolidated, and the hearing moved to 31 March 2025.

On 19 October 2023, the Court of Appeals for the Federal Circuit overturned PTAB's decision in the 439 Appeal and found the independent claims of the '439 patent unpatentable. The Court of Appeals vacated PTAB's decision and remanded the decision back to the Board for further consideration.

On 11 January 2024, a settlement agreement relating to the '439 Appeal, the ABS II Appeal, the ABS III/IV litigation and the New Zealand Litigation (see below) was agreed between the parties and each of these matters were discontinued. Other than the details given in note 23, the terms of the settlement agreement are confidential. The CCI Appeal remains ongoing between the parties (see below).

Indian Litigation: In September 2019, ST also filed parallel patent infringement proceedings against ABS in India, alleging infringement of the Indian patent 240790 ('790 patent'). The '790 patent is the equivalent of the US '476 and '309 patents and US patent 7,311,476 asserted in ABS II (the 'Indian Patent Proceedings'). In June 2021, ST appealed the decision of the Competition Commission of India ('CCI') which had confirmed that ABS India had not breached the Indian Competition Act in relation to its participation in a sexed semen tender offered by the Uttar Pradesh Livestock Development Board (the 'CCI Appeal').

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

7. EXCEPTIONAL ITEMS CONTINUED

New Zealand Litigation: On 14 June 2023, ST initiated proceedings against ABS, Genus, ABS Genus (NZ) Limited, CRV International BV and CRV Limited in New Zealand, alleging patent infringement and seeking a preliminary injunction. ABS sought a stay of the New Zealand Litigation while the US courts consider whether the settlement agreement between ABS and ST dated 27 December 2022 precludes the New Zealand Litigation. The hearing of the ABS's stay application and ST's preliminary injunction application was on 27 November 2023 and on 14 December 2023 the New Zealand Court awarded the ST parties the interim injunction for a limited three-month period to 30 March 2024 and dismissed the ABS stay application.

Corporate transactions

During the year, £7.4m (2023: £0.4m) of exceptional cost was incurred, primarily in relation to potential corporate transactions which are no longer active.

ABS restructuring

As part of an ongoing strategic global Value Acceleration Programme, significant one-off expenses were incurred in relation to £3.0m of staff redundancies, £1.1m fixed asset and inventory writedowns and £1.9m consultancy fees.

R&D restructuring

As part of an ongoing strategic review of Research and Development, significant one-off expenses in relation to £0.7m of staff redundancies were incurred.

Other

Included within other is £0.6m expense that relates to costs of repairing extensive weather damage to part of our elite porcine farm in Canada, offset by £0.6m credit resulting from a share forfeiture exercise.

8. OPERATING PROFIT

Operating costs comprise:

	2024 £m	(restated ¹) 2023 £m
Other costs of goods sold	(284.4)	(299.0)
Net IAS 41 valuation movement on biological assets	(23.2)	(16.9)
Amortisation of multiplier contract intangible assets	(1.0)	(1.2)
Cost of goods sold	(308.6)	(317.1)
Other cost of sales, excluding product development and amortisation expense	(129.1)	(130.1)
Product development expenses	(50.9)	(51.8)
Amortisation of customer relationship intangible assets	(1.5)	(3.2)
Other cost of sales	(181.5)	(185.1)
Research and Development expenditure	(21.8)	(24.8)
Amortisation and impairment of technology, software and licences and patents	(6.0)	(6.2)
Research and Development costs	(27.8)	(31.0)
Administrative expenses (excluding exceptional items)	(109.1)	(103.6)
Share-based payment expense	(7.0)	(6.0)
Amortisation of software, licences and patents	(3.8)	(2.9)
Net exceptional items within administrative expenses	(24.6)	(3.5)
Total administrative expenses	(144.5)	(116.0)
Total operating costs	(662.4)	(649.2)

¹ See note 2

8. OPERATING PROFIT CONTINUED

Profit for the year is stated after charging/(crediting):

	2024 £m	2023 £m
Net foreign exchange losses	0.6	0.8
Depreciation of owned fixed assets (see note 17)	18.4	18.4
Depreciation of right-of-use assets (see note 17)	16.3	11.8
Loss/(profit) on disposal of fixed assets and right-of-use assets	1.1	(1.4)
Impairment of owned fixed assets (see note 17)	1.7	–
Rental expense for short-term leases	0.1	0.1
Employee costs	233.7	227.9
Net increase/(decrease) in expected credit losses (see notes 21 and 24)	1.2	(0.5)
Increase of inventory impairment	1.0	0.6
Cost of inventories recognised as an expense	110.4	105.8

Auditor's remuneration is as follows:

	2024 £m	2023 £m
Fees payable to the Company's auditor and its associates for the audit of the Company's Annual Report and Financial Statements	0.8	0.5
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries	0.6	0.5
Total audit fees	1.4	1.0
Total fees to the Group's auditor	1.4	1.0
Fees payable to other auditors of Group companies	–	–

Non-audit services, classified as other assurance services, of £63,000 (2023: £22,000) principally comprise agreed-upon procedures in relation to half-year reporting and corporate transaction support. These services fall within the non-audit services policy approved by the Company's Audit & Risk Committee at the time of engagement.

9. EMPLOYEE COSTS

This note shows the total employment costs and the average number of people employed by segment during the year.

Employee costs, including Directors' remuneration, amounted to:

	2024 £m	2023 £m
Wages and salaries (including bonuses and sales commission)	201.7	198.1
Social security costs	18.8	18.1
Contributions to defined contribution pension plans	8.1	7.1
Share-based payment expense (excluding National Insurance)	6.8	6.4
	235.4	229.7

The employee costs above include £1.7m (2023: £1.8m) which has been capitalised into intangible assets as part of the development of GenusOne and other digital projects. Additionally, they include £3.7m (2023: £nil) of staff redundancies as part of an ongoing strategic global Value Acceleration Programme and strategic review of Research and Development.

The average monthly number of employees and full-time equivalent employees, including Directors, was as follows:

	Number of employees		Full-time equivalent	
	2024 Number	(restated) ¹ 2023 Number	2024 Number	(restated) ¹ 2023 Number
Genus PIC	951	856	924	839
Genus ABS	2,451	2,558	2,348	2,453
Research and Development	95	134	94	116
Central	84	80	73	68
	3,581	3,628	3,439	3,476
Included in the totals above:				
UK	883	889	806	798

¹ See note 2

The Directors' Remuneration Report sets out details of the Directors' remuneration, pensions and share options.

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

10. NET FINANCE COSTS

Net finance costs mainly arise from interest due on bank loans, pension scheme liabilities, amortisation of debt issue costs, unwinding of discounts on put options and the results of hedging transactions used to manage foreign exchange and interest rate movements.

Accounting policy

We recognise interest income and interest expense in the Income Statement, as they accrue, based on the effective interest rate method.

Interest income includes income on cash and cash equivalents, and income on other financial assets. Finance costs include interest costs in relation to financial liabilities. This includes interest on lease liabilities, which represents the unwinding of the discount rate applied to lease liabilities.

	2024 £m	2023 £m
Interest payable on bank loans and overdrafts	(17.8)	(12.3)
Amortisation of debt issue costs	(0.9)	(1.1)
Other interest payable	(0.2)	(0.3)
Unwinding of discount on put options	(0.2)	(0.3)
Net interest cost in respect of pension scheme liabilities	(0.3)	(0.2)
Interest on lease liabilities	(2.8)	(1.2)
Total interest expense	(22.2)	(15.4)
Interest income on bank deposits	0.6	0.1
Net interest income on derivative financial instruments	3.3	1.0
Total interest income	3.9	1.1
Net finance costs	(18.3)	(14.3)

11. TAXATION AND DEFERRED TAXATION

This note explains how our Group tax charge arises. The deferred tax section of the note also provides information on our expected future tax charges and sets out the tax assets and liabilities held across the Group, together with our view on whether or not we expect to be able to make use of them in the future.

Accounting policies

Tax on the profit or loss for the year comprises current and deferred tax. We recognise tax in the Income Statement, unless:

- it relates to items we have recognised directly in equity, in which case we recognise it in equity; or
- it arises as a fair value adjustment in a business combination.

We provide for current tax, including UK corporation tax and foreign tax, at the amounts we expect to pay (or recover), using the tax rates and the laws enacted or substantively enacted at the balance sheet date, together with any adjustments to tax payable in respect of previous years.

Deferred tax is tax we expect to pay or recover due to differences between the carrying amounts of our assets and liabilities in our Financial Statements and the corresponding tax bases used in calculating our taxable profit. We account for deferred tax using the balance sheet liability method.

We generally recognise deferred tax liabilities for all taxable temporary differences, and deferred tax assets to the extent that we will probably have taxable profits to utilise deductible temporary differences against. We do not recognise these assets and liabilities if the temporary difference arises from:

- our initial recognition of goodwill; or
- our initial recognition of other assets and liabilities in a transaction (other than a business combination) that affects neither our taxable profit nor our accounting profit.

We recognise deferred tax liabilities for taxable temporary differences arising on our investments in subsidiaries, and interests in joint ventures and associates, except where we can control the reversal of the temporary difference and it is probable that it will not reverse in the foreseeable future.

We calculate deferred tax at the tax rates we expect to apply in the period when we settle the liability or realise the asset. We charge or credit deferred tax in the Income Statement, except when it relates to items we have charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

11. TAXATION AND DEFERRED TAXATION CONTINUED

Income tax expense

	2024 £m	2023 £m
Current tax expense		
Current period	20.3	20.6
Adjustment for prior periods	1.3	0.9
Total current tax expense in the Group Income Statement	21.6	21.5
Deferred tax expense		
Origination and reversal of temporary differences	(14.0)	(9.2)
Adjustment for prior periods	(4.5)	(4.7)
Total deferred tax credit in the Group Income Statement	(18.5)	(13.9)
Total income tax expense excluding share of income tax of equity-accounted investees	3.1	7.6
Share of income tax of equity-accounted investees (see note 18)	5.7	3.9
Total income tax expense in the Group Income Statement	8.8	11.5

Reconciliation of effective tax rate

	2024 %	2024 £m	2023 %	2023 £m
Profit before tax		5.5		39.4
Add back share of income tax of equity-accounted investees		5.7		3.9
Profit before tax excluding share of income tax of equity-accounted investees		11.2		43.3
Income tax at UK corporation tax rate of 25.0% (2023: 20.5%)	25.0	2.8	20.5	8.9
Effect of tax rates in foreign jurisdictions	46.4	5.2	13.6	5.9
Non-deductible expenses	51.8	5.8	6.7	2.9
Tax-exempt income and incentives	(17.9)	(2.0)	(3.0)	(1.3)
Change in tax rate	1.8	0.2	(1.2)	(0.5)
Movements in recognition of tax losses	(8.0)	(0.9)	(5.0)	(2.2)
Change in unrecognised temporary differences	27.7	3.1	(7.8)	(3.4)
Tax over/(under) provided in prior periods	(28.5)	(3.2)	1.8	0.8
Change in provisions	(15.2)	(1.7)	0.5	0.2
Tax on undistributed reserves	(4.5)	(0.5)	0.5	0.2
Total income tax expense in the Group Income Statement	78.6	8.8	26.6	11.5

The tax rate for the year depends on our mix of profits by country and our ability to recognise deferred tax assets in respect of losses in some of our smaller territories. Tax is calculated using prevailing tax legislation, reliefs and existing interpretations and practice.

The statutory profit tax charge for the period, including share of income tax of equity-accounted investees of £8.8m (2023: £11.5m), represents an effective tax rate ('ETR') of 78.6% (2023: 26.6%). The increase in the statutory ETR of 52 points results primarily from an increase of 18.8% in the impact of fixed withholding taxes as a percentage of the lower statutory profit, an increase of 45.1% in non-deductible expenses due to the disallowance for tax of adviser fees on increased corporate transaction activity, less the favourable (13.5)% impact of changes in judgements on deferred tax balances, movements in provisions and prior year credits.

The UK Finance (No. 2) Act 2023, which contains the UK's provisions addressing the implementation of BEPS Pillar Two, was substantively enacted on 20 June 2023. This legislation implements domestic and multinational top-up taxes, designed to achieve a global minimum effective tax rate of 15%, and is expected to first apply to Genus in the year ended 30 June 2025. The Group has performed an assessment of its potential exposure to Pillar Two income taxes. This assessment is based on the most recent information available regarding the financial performance of the constituent entities in the Group. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. The Group therefore does not expect to have a material exposure to Pillar Two income taxes in future years. In the current year, the Group has applied the exception under the related IAS 12 amendment to recognising and disclosing information about deferred tax assets and liabilities related to Pillar 2 income taxes.

The tax credit attributable to exceptional items is a credit of £3.9m (2023: credit of £0.9m).

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

11. TAXATION AND DEFERRED TAXATION CONTINUED

Income tax recognised directly in the Statement of Comprehensive Income and Statement of Changes in Equity

	2024 £m	2023 £m
Financial instruments	0.4	(0.5)
Foreign exchange differences on long-term intra-Group currency loans and balances	(0.1)	0.4
Gain on equity instruments measured at fair value	–	(1.0)
Actuarial movement on retirement benefit obligations	(0.1)	(0.2)
Foreign exchange differences on translation of biological assets, intangible assets and leases	(0.4)	3.2
Income tax recognised directly in the Statement of Comprehensive Income and Statement of Changes in Equity	(0.2)	1.9
Income tax recognised directly to the Statement of Changes in Equity		
Share-based payment expense	0.1	(0.1)
Income tax recognised directly to the Statement of Changes in Equity	0.1	(0.1)

Unrecognised deferred tax assets and liabilities

At the balance sheet date, the Group had unused tax losses which were available for offset against future profits, with a potential tax benefit of £21.3m (2023: £18.1m). We have recognised a deferred tax asset in respect of £16.5m (2023: £12.6m) of these benefits, as we expect these losses to be offset against future profits of the relevant jurisdictions in the near term. We have not recognised a deferred tax asset in respect of the remaining £4.8m (2023: £5.5m), due to uncertainty about the availability of future taxable profits in the relevant jurisdictions.

At 30 June 2024, the expiry dates of deferred tax assets in respect of losses available for the carry-forward were as follows:

	Expiring within		Unlimited £m	Total £m
	1–10 years £m	11–20 years £m		
Losses for which a deferred tax asset is recognised	0.6	–	15.9	16.5
Losses for which no deferred tax asset is recognised	–	–	4.8	4.8
Total tax losses	0.6	–	20.7	21.3

In addition, at the balance sheet date, the Group had an unrecognised deferred tax asset in respect of other timing differences of £2.4m (2023: £2.3m). These unrecognised timing differences have an unlimited expiry date.

At 30 June 2023, the expiry dates of deferred tax assets in respect of losses available for the carry-forward were as follows:

	Expiring within		Unlimited £m	Total £m
	1–10 years £m	11–20 years £m		
Losses for which a deferred tax asset is recognised	0.2	–	12.4	12.6
Losses for which no deferred tax asset is recognised	0.2	–	5.3	5.5
Total tax losses	0.4	–	17.7	18.1

The gross value of losses for which deferred tax assets are recognised is £63.5m (2023: £49.7m). The gross value of losses for which deferred tax assets are not recognised is £16.8m (2023: £19.3m). We have not recognised deferred tax liabilities totalling £4.6m (2023: £4.0m) for the withholding tax and other taxes that would be payable on the unremitted earnings of certain overseas subsidiaries. This is because we can control the timing and reversal of these differences and it is probable that the differences will not reverse in the foreseeable future.

Recognised deferred tax assets and liabilities

We have offset deferred tax assets and liabilities, to the extent that they arise in the same tax jurisdiction.

The analysis of deferred tax balances is set out below:

	2024 £m	2023 £m
Deferred tax assets	(28.1)	(16.5)
Deferred tax liabilities	44.4	51.2
Net deferred tax liabilities	16.3	34.7

11. TAXATION AND DEFERRED TAXATION CONTINUED

Movement in net deferred tax liabilities during the year

	As at 1 July 2023 £m	Recognised in Income Statement £m	Changes in tax rate recognised in Income Statement £m	Prior year adjustments recognised in Income Statement £m	Recognised in equity £m	Acquisitions/ (disposals) £m	Foreign exchange difference £m	As at 30 June 2024 £m
Property, plant and equipment	3.7	0.4	0.2	(0.5)	–	–	–	3.8
Intangible assets	5.0	(0.7)	–	0.1	–	0.5	–	4.9
Biological assets	67.7	(1.0)	0.1	(0.1)	(0.3)	–	(0.1)	66.3
Retirement benefit obligations	(1.3)	–	–	–	0.1	–	–	(1.2)
Share-based payment expense	(2.2)	(0.1)	–	–	(0.1)	–	–	(2.4)
Short-term timing differences	(25.6)	(9.5)	(1.0)	(2.3)	(0.1)	–	(0.1)	(38.6)
Tax loss carry-forwards	(12.6)	(1.3)	–	(2.8)	–	–	0.2	(16.5)
Net deferred tax assets/(liabilities)	34.7	(12.2)	(0.7)	(5.6)	(0.4)	0.5	–	16.3

	As at 1 July 2022 £m	Recognised in Income Statement £m	Changes in tax rate recognised in Income Statement £m	Prior year adjustments recognised in Income Statement £m	Recognised in equity £m	Foreign exchange difference £m	As at 30 June 2023 £m
Property, plant and equipment	3.5	2.6	0.4	(2.4)	(0.1)	(0.3)	3.7
Intangible assets	6.7	(0.6)	–	(0.9)	(0.2)	–	5.0
Biological assets	73.0	(3.0)	(0.2)	1.6	(3.5)	(0.2)	67.7
Retirement benefit obligations	(1.3)	0.2	–	(0.4)	0.2	–	(1.3)
Share-based payment expense	(2.4)	(0.1)	–	0.1	0.1	0.1	(2.2)
Short-term timing differences	(17.7)	(9.1)	(0.8)	(0.6)	1.8	0.8	(25.6)
Tax loss carry-forwards	(11.6)	1.2	0.1	(2.1)	–	(0.2)	(12.6)
Net deferred tax assets/(liabilities)	50.2	(8.8)	(0.5)	(4.7)	(1.7)	0.2	34.7

12. EARNINGS PER SHARE

Basic earnings per share is the profit generated for the financial year attributable to equity shareholders, divided by the weighted average number of shares in issue during the year.

Basic earnings per share from continuing operations

	2024 (pence)	2023 (pence)
Basic earnings per share	12.0	50.8

The calculation of basic earnings per share from continuing operations is based on the net profit attributable to owners of the Company from continuing operations of £7.9m (2023: £33.3m) and a weighted average number of ordinary shares outstanding of 65,686,000 (2023: 65,557,000), which is calculated as follows:

Weighted average number of ordinary shares (basic)

	2024 000s	2023 000s
Issued ordinary shares at the start of the year	66,027	65,774
Effect of own shares held	(345)	(468)
Shares issued on exercise of stock options and share incentive plans	4	1
Shares issued in relation to Employee Benefit Trust	–	250
Weighted average number of ordinary shares in year	65,686	65,557

Diluted earnings per share from continuing operations

	2024 (pence)	2023 (pence)
Diluted earnings per share	11.9	50.5

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

12. EARNINGS PER SHARE CONTINUED

The calculation of diluted earnings per share from continuing operations is based on the net profit attributable to owners of the Company from continuing operations of £7.9m (2023: £33.3m) and a weighted average number of ordinary shares outstanding, after adjusting for the effects of all potential dilutive ordinary shares, of 66,174,000 (2023: 65,998,000), which is calculated as follows:

Weighted average number of ordinary shares (diluted)

	2024 000s	2023 000s
Weighted average number of ordinary shares (basic)	65,686	65,557
Dilutive effect of share awards and options	488	441
Weighted average number of ordinary shares for the purposes of diluted earnings per share	66,174	65,998

Adjusted earnings per share from continuing operations

	2024 (pence)	2023 (pence)
Adjusted earnings per share	65.5	84.8
Diluted adjusted earnings per share	65.0	84.2

Adjusted earnings per share is calculated on profit before the net IAS 41 valuation movement on biological assets, amortisation of acquired intangible assets, share-based payment expense, other gains and losses and exceptional items, after charging taxation associated with those profits, of £43.0m (2023: £55.6m), which is calculated as follows:

	2024 £m	2023 £m
Profit before tax from continuing operations	5.5	39.4
Add/(deduct):		
Net IAS 41 valuation movement on biological assets (see note 16)	23.2	16.9
Amortisation of acquired intangible assets (see note 15)	5.8	7.7
Share-based payment expense (see note 30)	7.0	6.0
Exceptional items (see note 7)	24.6	3.5
Other gains and losses (see note 26)	1.7	(2.7)
Net IAS 41 valuation movement on biological assets in joint ventures (see note 18)	(14.6)	(3.6)
Tax on joint ventures and associates (see note 18)	5.7	3.9
Attributable to non-controlling interest	0.9	0.4
Adjusted profit before tax	59.8	71.5
Adjusted tax charge	(16.8)	(15.9)
Adjusted profit after tax	43.0	55.6
Effective tax rate on adjusted profit	28.1%	22.2%

Reconciliation of effective tax rate

	2024 Profit £m	2024 Tax £m	2024 %
Profit before tax excluding share of income tax of equity-accounted investees	11.2	8.8	78.6
Net IAS 41 valuation movement on biological assets	23.2	4.7	20.3
Amortisation of acquired intangible assets	5.8	1.5	25.9
Share-based payment expense	7.0	0.7	10.0
Other gains and losses	1.7	0.4	23.5
Exceptional items (see note 7)	24.6	3.9	15.9
Net IAS 41 valuation movement on biological assets in joint ventures	(14.6)	(3.2)	(21.9)
Attributable to non-controlling interest	0.9	–	–
Adjusted profit before tax	59.8	16.8	28.1

	2023 Profit £m	2023 Tax £m	2023 %
Profit before tax excluding share of income tax of equity-accounted investees	43.3	11.5	26.6
Net IAS 41 valuation movement on biological assets	16.9	1.5	8.9
Amortisation of acquired intangible assets	7.7	1.9	24.7
Share-based payment expense	6.0	0.8	13.0
Other gains and losses	(2.7)	(0.7)	25.0
Exceptional items (see note 7)	3.5	0.9	25.7
Net IAS 41 valuation movement on biological assets in joint ventures	(3.6)	–	–
Attributable to non-controlling interest	0.4	–	–
Adjusted profit before tax	71.5	15.9	22.2

13. DIVIDENDS

Dividends are one type of shareholder return, historically paid to our shareholders in late November/early December and late March.

Amounts recognised as distributions to equity holders in the year

	2024 £m	2023 £m
Final dividend		
Final dividend for the year ended 30 June 2023 of 21.7 pence per share	14.3	–
Final dividend for the year ended 30 June 2022 of 21.7 pence per share	–	14.3
Interim dividend		
Interim dividend for the year ended 30 June 2024 of 10.3 pence per share	6.7	–
Interim dividend for the year ended 30 June 2023 of 10.3 pence per share	–	6.7
Total dividend	21.0	21.0

The Directors have proposed a final dividend of 21.7 pence per share for 2024. This is subject to shareholders' approval at the AGM and we have therefore not included it as a liability in these Financial Statements. The total proposed and paid dividend for year ended 30 June 2024 is 32.0 pence per share (2023: 32.0 pence per share).

14. GOODWILL

Accounting policies

When we acquire a subsidiary, associate or joint venture, the goodwill arising is the excess of the acquisition cost, excluding transaction costs, over our interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Identifiable assets include intangible assets which could be sold separately, or which arise from legal rights, regardless of whether those rights are separable.

We state goodwill at cost less any accumulated impairment losses. We allocate goodwill to cash-generating units ('CGUs'), which are the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. We do not amortise goodwill but we do test it annually for impairment.

IAS 21 'The Effects of Changes in Foreign Exchange Rates' requires us to treat the following as assets and liabilities of the acquired entity, rather than of the acquiring entity:

- goodwill arising on acquisition of a foreign operation; and
- any fair value adjustments we make on acquisition to the carrying amounts of the acquiree's assets and liabilities.

We therefore express them in the foreign operation's functional currency and retranslate them at the balance sheet date.

Impairment

We review the carrying amounts of our tangible and intangible assets at each balance sheet date, to determine whether there is any indication of impairment. If any indication exists, we estimate the asset's recoverable amount.

For goodwill, and tangible and intangible assets that are not yet available for use, we estimate the recoverable amount at each balance sheet date. The recoverable amount is the greater of their fair value less cost to sell and value in use. In assessing value in use, we discount the estimated future cash flows to their present value, using a pre-tax discount rate, which is derived from the Group's weighted average cost of capital ('WACC'). For some countries we add a premium to this rate, to reflect the risk attributable to that country. If the asset does not generate largely independent cash inflows, we determine the recoverable amount for the CGU that the asset belongs to.

We recognise an impairment loss in the Income Statement whenever the carrying amount of an asset or its CGU exceeds its recoverable amount.

When we recognise an impairment loss in respect of a CGU, we first allocate it to reduce the carrying amount of any goodwill allocated to the CGU, and then apply any remaining loss to reduce the carrying amount of the unit's other assets on a pro rata basis.

The aggregate carrying amounts of goodwill allocated to each operating segment are as follows:

	Genus PIC £m	Genus ABS £m	Xelect £m	Total £m
Cost				
Balance at 1 July 2022	78.3	32.7	–	111.0
Effect of movements in exchange rates	(2.1)	(1.1)	–	(3.2)
Balance at 30 June 2023	76.2	31.6	–	107.8
Business combination (see note 41)	–	–	4.0	4.0
Effect of movements in exchange rates	(0.7)	(0.8)	–	(1.5)
Balance at 30 June 2024	75.5	30.8	4.0	110.3
Impairment losses				
Balance at 1 July 2022, 30 June 2023 and 30 June 2024	–	–	–	–
Carrying amounts				
At 30 June 2024	75.5	30.8	4.0	110.3
At 30 June 2023	76.2	31.6	–	107.8

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For the year ended 30 June 2024

14. GOODWILL CONTINUED

To test impairment, we allocate goodwill to our CGUs, which are in line with our operating segments. These are the lowest level within the Group at which we monitor goodwill for internal management purposes.

We test goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. We determine the recoverable amount of our CGUs by using value in use calculations. The key assumptions for these calculations relate to discount rates, long-term growth rates and short-term growth rates (which includes consideration of expected changes to selling prices, cost savings derived from the IntelliGen technologies, and changes in product mix).

We have estimated the pre-tax discount rate using the Group's WACC. We risk-adjusted the discount rate for risks specific to each market, adding between nil and 21% (2023: nil and 27%) to the WACC as appropriate. The pre-tax discount rate of 12.2% (2023: 11.9%) we applied to our cash flow projections equates to a post-tax rate of 9.8% (2023: 9.8%). Our estimates of changes in selling prices and direct costs are based on past experience and our expectations of future changes in the market.

The annual impairment test is performed on 31 March (2023: 31 March). It is based on cash flows derived from our most recent financial and strategic plans approved by management, over the next five years, taking into account the impact of climate change. A growth rate of 2.5% (2023: 2.5%) has been used to extrapolate cash flows beyond this period. Short-term profitability and growth rates are based on past experience, current trading conditions (including the impact of inflation) and our expectations of future changes in the market.

There have been no additional indicators of impairment identified after this date for the Genus PIC and Xelect CGUs that would require the impairment test to be reperformed. The impairment review has been updated for the ABS CGU on 30 June 2024 reflecting updated forecasts and currency impacts. The conclusion on 30 June 2024 did not differ from the conclusion at 31 March 2024.

The Genus PIC, Genus ABS and Xelect CGUs are deemed to be significant. The individual country assumptions used to determine value in use for these CGUs are:

	Risk premium used to adjust discount rate		Short-term profit growth rates (CAGR)		Long-term market growth rates	
	2024	2023	2024	2023	2024	2023
Genus PIC	nil-17%	nil-19%	nil-72%	nil-64%	2.5%	2.5%
Genus ABS	nil-21%	nil-27%	nil-16%	nil-52%	2.5%	2.5%
Xelect	nil-5%	n/a	nil-18%	n/a	2.5%	n/a

	Weighted average risk-adjusted pre-tax discount rate		Weighted average risk-adjusted post-tax discount rate		Weighted average short-term profit growth rates (CAGR)	
	2024	2023	2024	2023	2024	(restated ¹) 2023
Genus PIC	12.2%	11.4%	9.8%	9.3%	13.1%	13.7%
Genus ABS	12.2%	12.4%	9.8%	10.3%	23.6%	20.2%
Xelect	19.0%	n/a	15.0%	n/a	17.6%	n/a

1 During the period, the Group revised its impairment modelling methodology to utilise a five-year CAGR (previously four-year CAGR). To aid comparability, the prior year's comparative figures have been restated to reflect the equivalent five-year CAGR

The rates towards the higher end of the range above represent those which are applied to our smaller entities and those in emerging markets and hence appear high relative to others.

Sensitivity to changes in assumptions

Management has performed the following sensitivity analysis:

- changing the key assumptions, with other variables held constant;
- simultaneously changing the key assumptions; and
- incorporating the potential impact of the principal risks and uncertainties outlined on pages 53 to 55, in particular the impacts of biosecurity, market downturns, continuity of supply, increased competition and the impact of a global pandemic, taking into account the likely degree of available mitigating actions.

Management has concluded that no reasonably possible changes in any of the key assumptions would lead to a material impairment in the carrying amounts of goodwill to exceed the value in use of the Genus PIC CGU and Xelect CGU.

However, there are reasonably possible changes to key assumptions that would lead to the carrying value of the Genus ABS CGU exceeding the recoverable amount based on our value in use calculations.

The recoverable amount of the ABS CGU is estimated to exceed the carrying amount of the CGU at 30 June 2024 by £76.3m (2023: 191.7m). Management has identified the following assumptions as key sources of estimation uncertainty within the ABS CGU (see note 4).

	2024	2023	Sensitivity	Change required to eliminate headroom
Weighted average risk-adjusted discount rate	9.8%	10.3%	Increase of 1% in the discount rate would decrease the recoverable amount by £47.9m	Increase by 1.7%
Weighted average short-term profit growth rates (CAGR)	23.6%	20.2%	Decrease of 1% in the CAGR would decrease the recoverable amount by £14.3m	Decrease by 5.8%
Long-term market growth rate	2.5%	2.5%	Decrease of 1% in the long-term growth rate would decrease the recoverable amount by £38.1m	Decrease by 2.3%

Applying our estimate of the potential impact of the principal risks and uncertainties outlined on pages 53 to 55, and taking into account available mitigating actions, would eliminate headroom within the ABS CGU.

15. INTANGIBLE ASSETS

Our Group Balance Sheet contains significant intangible assets, including acquired technology, customer relationships, software and our IntelliGen development project.

Accounting policies

Identifiable intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be reliably measured.

For 'Software as a Service' ('SaaS') arrangements, we do not capitalise costs relating to the configuration and customisation of SaaS arrangements as intangible assets except where control of the software exists.

Intangible assets that we have acquired in a business combination since 1 April 2005 are identified and recognised separately from goodwill, where they meet the definition of an intangible asset and we can reliably measure their fair values. Their cost is their fair value at the acquisition date.

After their initial recognition, we report these intangible assets at cost less accumulated amortisation and accumulated impairment losses. This is the same basis as for intangible assets acquired separately. The estimated useful lives for intangible assets are as follows:

• Porcine and bovine genetics technology	20 years	• Customer relationships	10 to 17 years
• Multiplier contracts	15 years	• IntelliGen	10 years
• Brands	10 to 15 years	• Patents and licences	term of agreement (4 years)
		• Software	2 to 10 years

Intangible assets acquired separately

We carry intangible assets acquired other than through a business combination at cost less accumulated amortisation and any impairment loss. We charge amortisation on a straight-line basis over their estimated useful lives and review the useful life and amortisation method at the end of each financial year, accounting for the effect of any changes in estimate on a prospective basis.

	Porcine and bovine genetics technology £m	Brands, multiplier contracts and customer relationships £m	Separately identified acquired intangible assets £m	Software £m	Assets under construction £m	IntelliGen £m	Patents, licences and other £m	Total £m
Cost								
Balance at 1 July 2022	56.5	102.9	159.4	28.9	3.7	26.8	4.4	223.2
Additions	–	–	–	–	9.3	–	–	9.3
Transfers	–	–	–	5.9	(5.9)	–	–	–
Effect of movements in exchange rates	(0.2)	(4.0)	(4.2)	(0.3)	(0.1)	(1.1)	–	(5.7)
Balance at 30 June 2023	56.3	98.9	155.2	34.5	7.0	25.7	4.4	226.8
Additions	–	–	–	0.1	9.9	–	–	10.0
Business combination (see note 41)	–	1.9	1.9	–	–	–	0.1	2.0
Transfers	–	–	–	8.1	(8.1)	–	–	–
Effect of movements in exchange rates	(0.5)	(1.0)	(1.5)	–	–	–	–	(1.5)
Balance at 30 June 2024	55.8	99.8	155.6	42.7	8.8	25.7	4.5	237.3
Amortisation and impairment losses								
Balance at 1 July 2022	39.1	80.1	119.2	15.5	–	12.3	4.2	151.2
Amortisation for the year	3.3	4.4	7.7	2.9	–	2.7	0.1	13.4
Effect of movements in exchange rates	0.1	(3.3)	(3.2)	(0.2)	–	(0.6)	–	(4.0)
Balance at 30 June 2023	42.5	81.2	123.7	18.2	–	14.4	4.3	160.6
Amortisation for the year	3.3	2.5	5.8	3.8	–	2.6	0.1	12.3
Effect of movements in exchange rates	(0.3)	(0.7)	(1.0)	–	–	–	–	(1.0)
Balance at 30 June 2024	45.5	83.0	128.5	22.0	–	17.0	4.4	171.9
Carrying amounts								
At 30 June 2024	10.3	16.8	27.1	20.7	8.8	8.7	0.1	65.4
At 30 June 2023	13.8	17.7	31.5	16.3	7.0	11.3	0.1	66.2

Included within brands, multiplier contracts and customer relationships are carrying amounts for brands of £0.5m (2023: £0.6m), multiplier contracts of £7.9m (2023: £9.2m) and customer relationships of £8.4m (2023: £7.9m).

Included within the software class of assets is £13.3m (2023: £9.5m) and included in assets in the course of construction is £0.2m (2023: £2.3m) that relate to the ongoing development costs of GenusOne, our single global enterprise system, and £5.0m (2023: £1.6m) that relate to IntelliGen.

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

16. BIOLOGICAL ASSETS

The Group applies quantitative genetics and biotechnology to animal breeding. We use these techniques to identify and select animals with the genes responsible for superior milk and meat, high health and performance traits. We sell breeding animals, semen and embryos to customers, who use them to produce offspring which yield greater production efficiency and milk and meat quality, for the global dairy and meat supply chain. We recognise that accounting for biological assets is an area which includes key sources of estimation uncertainty. These are outlined in note 4 and sensitivities are provided below.

Accounting policies

Biological assets and inventories

In bovine, we use research and development to identify genetically superior bulls in a number of breeds, primarily the Holstein dairy breed. Each selected bull has its performance measured against its peers, by using genomic evaluations and progeny testing of its daughters' performance. We collect and freeze semen from the best bulls, to satisfy our customers' demand. Farmers use semen from dairy breeds to breed replacement milking stock. They use the semen we sell from beef breeds in either specialist beef breeding herds, for multiplying breeding bulls for use in natural service, or on dairy cows to produce animals to be reared for meat.

Our research and development also enables us to produce and select our own genetically superior females, from which we will breed future bulls.

We hold our bovine biological assets for long-term internal use and classify them as non-current assets. We transfer bull semen to inventory at its fair value at the point of harvest, which becomes its deemed cost under IAS 2. We state our inventories at the lower of this deemed cost and net realisable value.

Sorting semen is a production process rather than a biological process. As a result, we transfer semen inventory into sexed semen production at its fair value at the point of harvest, less the cost to sell, and it becomes a component of the production process. We carry sexed semen in finished goods at production cost.

In porcine, we maintain and develop a central breeding stock (the 'nucleus herd'), to provide genetically superior animals. These genetics help make farmers and food processors more profitable, by increasing their output of consistently high-quality products, which yield higher value. So we can capitalise on our intellectual property, we outsource the vast majority of our pig production to our global multiplier network. We also sell the offspring or semen we obtain from animals in the nucleus herd to customers, for use in commercial farming.

Pig sales generally occur in one of two ways: 'upfront' and 'royalty'. Under upfront sales, we receive the full fair value of the animal at the point we transfer it to the customer. Under royalty sales, the pig is regarded as comprising two separately identifiable components: its carcass and its genetic potential. We receive the initial consideration, which is approximately the animal's carcass value, at the point we transfer the pig to the customer. We retain our interest in the pig's genetic potential and receive royalties for the customer's use of this genetic potential.

The breeding animal biological assets we own, and our retained interest in the biological assets we have sold under royalty contracts, are recognised and measured at fair value at each balance sheet date. We recognise changes in fair value in the Income Statement, within operating profit for the period.

We classify the porcine biological assets we are using as breeding animals as non-current assets and carry them at fair value. The porcine biological assets we are holding for resale, which are the offspring of the breeding herd, are carried at fair value and classified as current assets.

Determination of fair values – biological assets

IAS 41 'Agriculture' requires us to show the carrying value of biological assets in the Group Balance Sheet. We determine this carrying value according to IAS 41's provisions and show the net valuation movement in the Income Statement. There are important differences in how we value our bovine and porcine assets, as explained below.

Bovine – we base the fair value of all bulls on the net cash flows we expect to receive from selling their semen, discounted at a current risk-adjusted market-determined rate. The significant assumptions determining the fair values are the expected future demand for semen, the estimated biological value and the marketable life of bulls. The biological value is the estimated value at the point of production. We adjust the fair value of the bovine herd and semen inventory where a third party earns a royalty from semen sales from a particular bull. Females are valued by reference to market prices and published independent genetic evaluations.

Porcine – the fair value of porcine biological assets includes the animals we own entirely and our retained interest in the genetics of animals we have sold under royalty arrangements. The fair value of animals we own is calculated using the animals' average live weights, plus a premium where we believe that their genetics make them saleable. We base the live weight value and the genetic premium on recent transaction prices we have achieved. The significant assumptions in determining fair values are the breeding animals' expected life, the percentage of production animals that are saleable as breeding animals and the expected sales prices. For our retained interest in the genetics of animals sold under royalty contracts, we base the initial fair value on the fair values we achieved in recent direct sales of similar animals, less the amount we received upfront for the carcass element. We then remeasure the fair value of our retained interest at each reporting date. The significant assumption in determining the fair value of the retained interest is the animals' expected life.

We value the pigs in our pure line herds, which are the repository of our proprietary genetics, as a single unit of account. We do this using a discounted cash flow model, applied to the herds' future outputs at current prices. The significant assumptions we make are the number of future generations attributable to the current herds, the fair value prices we achieve on sales, the animals' expected useful lifespan and productivity, and the risk-adjusted discount rate.

16. BIOLOGICAL ASSETS CONTINUED

Non-recognition of porcine multiplier contracts where the Group does not retain a contractual interest

To manage commercial risk, a very large part of our porcine business model involves selling pigs to farmers ('multipliers') who produce piglets on farms we neither manage nor control. We have the option, but not the obligation, to buy the offspring at slaughter market value plus a premium. Because the offspring have superior genetics, we can then sell them to other farmers at a premium.

We do not recognise the right to purchase offspring on the Group Balance Sheet, as we enter into the contracts and continue to hold them for the purpose of receiving non-financial items (the offspring), in accordance with our expected purchase requirements. This means the option is outside the scope of IFRS 9. We do not recognise the offspring as biological assets under IAS 41, as we do not own or control them.

Fair value of biological assets	Bovine £m	Porcine £m	Total £m
Non-current biological assets	88.0	245.7	333.7
Current biological assets	–	33.1	33.1
Balance at 30 June 2022	88.0	278.8	366.8
Increases due to purchases	23.2	228.9	252.1
Decreases attributable to sales	–	(259.4)	(259.4)
Decrease due to harvest	(14.6)	(31.4)	(46.0)
Changes in fair value less estimated sale costs	6.6	38.2	44.8
Effect of movements in exchange rates	(3.9)	(12.4)	(16.3)
Balance at 30 June 2023	99.3	242.7	342.0
Non-current biological assets	99.3	218.9	318.2
Current biological assets	–	23.8	23.8
Balance at 30 June 2023	99.3	242.7	342.0
Increases due to purchases	18.8	200.0	218.8
Decreases attributable to sales	–	(214.8)	(214.8)
Decrease due to harvest	(11.7)	(32.2)	(43.9)
Changes in fair value less estimated sale costs	(44.5)	73.0	28.5
Effect of movements in exchange rates	0.4	(1.3)	(0.9)
Balance at 30 June 2024	62.3	267.4	329.7
Non-current biological assets	62.3	235.1	297.4
Current biological assets	–	32.3	32.3
Balance at 30 June 2024	62.3	267.4	329.7

Bovine

Bovine biological assets include £7.7m (2023: £8.9m) representing the fair value of bulls owned by third parties but managed by the Group, net of expected future payments to such third parties, which are therefore treated as assets held under leases.

There were no movements in the carrying value of the bovine biological assets in respect of sales or other changes during the year.

A risk-adjusted rate of 12.5% (2023: 13.2%) has been used to discount future net cash flows from the sale of bull semen.

Decreases due to harvest represent the semen extracted from the biological assets. Inventories of such semen are shown as biological asset harvest in note 20.

Porcine

Included in increases due to purchases is the aggregate increase arising during the year on initial recognition of biological assets in respect of multiplier purchases, other than parent gilts, of £85.1m (2023: £91.5m).

Decreases attributable to sales during the year of £214.8m (2023: £259.4m) include £103.3m (2023: £104.6m) in respect of the reduction in fair value of the retained interest in the genetics of animals, other than parent gilts, transferred under royalty contracts.

Also included is £89.9m (2023: £96.5m) relating to the fair value of the retained interest in the genetics in respect of animals, other than parent gilts, sold to customers under royalty contracts in the year.

Total revenue in the year, including parent gilts, includes £259.7m (2023: £281.9m) in respect of these contracts, comprising £82.3m (2023: £105.9m) on initial transfer of animals and semen to customers and £177.4m (2023: £176.0m) in respect of royalties received.

A risk-adjusted rate of 12.5% (2023: 12.9%) has been used to discount future net cash flows from the expected output of the pure line porcine herds. The number of future generations which have been taken into account is seven (2023: seven) and their estimated useful lifespan is 1.4 years (2023: 1.4 years).

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

16. BIOLOGICAL ASSETS CONTINUED

Year ended 30 June 2024

	Bovine £m	Porcine £m	Total £m
Changes in fair value of biological assets	(44.5)	73.0	28.5
Inventory transferred to cost of sales at fair value	1.1	(32.2)	(31.1)
Biological assets transferred to cost of sales at fair value	–	(21.3)	(21.3)
	(43.4)	19.5	(23.9)
Fair value movement in related financial derivative	–	0.7	0.7
Net IAS 41 valuation movement on biological assets ¹	(43.4)	20.2	(23.2)

Year ended 30 June 2023

	Bovine £m	Porcine £m	Total £m
Changes in fair value of biological assets	6.6	38.2	44.8
Inventory transferred to cost of sales at fair value	1.4	(31.4)	(30.0)
Biological assets transferred to cost of sales at fair value	–	(31.4)	(31.4)
	8.0	(24.6)	(16.6)
Fair value movement in related financial derivative	–	(0.3)	(0.3)
Net IAS 41 valuation movement on biological assets ¹	8.0	(24.9)	(16.9)

¹ This represents the difference between operating profit prepared under IAS 41 and operating profit prepared under historical cost accounting, which forms part of the reconciliation to adjusted operating profit (see APMs)

Fair value measurement

All of the biological assets inputs fall under Level 3 of the hierarchy defined in IFRS 13. Significant increases/(decreases) in any of these inputs in isolation would result in a significantly lower or higher fair value measurement.

16. BIOLOGICAL ASSETS CONTINUED

Unobservable inputs and key sources of estimation uncertainty

	2024	2023	Sensitivity
Bovine			
Risk-adjusted discount rate ¹	12.5%	13.2%	1 percentage point increase in the discount rate would result in approximately a £1.5m (2023: £2.7m) reduction in value.
Value at point of production ¹	32.4%	32.7%	1 percentage point decrease in the rate would result in approximately a £4.5m (2023: £6.2m) reduction in value.
Percentage of new dairy bulls to be produced internally in future years	FY25 75% FY26 69% FY27 71% FY28 and thereafter 69%	FY24 76% FY25 81% FY26 84% FY27 and thereafter 85%	If percentage remained at FY24 level of 73% (2023: 79%) there would be an increase in value of approximately £0.2m (2023: £0.4m decrease).
Age profile of Holstein bulls generating future sales	FY25 – avg age 3.8 yrs FY26 – avg age 3.8 yrs FY27 – avg age 3.8 yrs FY28 and thereafter – avg age 3.8 yrs	FY24 – avg age 4.0 yrs FY25 – avg age 4.0 yrs FY26 – avg age 4.0 yrs FY27 and thereafter – avg age 4.0 yrs	If age profile remains at FY24 average age of 3.9 years (2023: 4.1 years), there would be an increase in value of approximately £0.7m (2023: £0.5m).
Age profile of US beef-on-dairy bulls generating future sales	FY25 – avg age 4.7 yrs FY26 – avg age 4.7 yrs FY27 – avg age 4.7 yrs FY28 and thereafter – avg age 4.7 yrs	FY24 – avg age 4.5 yrs FY25 – avg age 4.5 yrs FY26 – avg age 4.5 yrs FY27 and thereafter – avg age 4.3 yrs	If age profile remains at FY24 average age of 5.4 years (2023: 3.9 years), there would be an increase in value of approximately £0.6m (2023: £1.2m decrease).
Long-term dairy volume growth rate	(0.6%)	1.8%	1 percentage point decrease in the Holstein growth rate would result in approximately a £0.1m (2023: £0.2m) reduction in value.
Short-term dairy volume growth rate	0.5%	1.9%	1 percentage point decrease in the Holstein growth rate would result in approximately a £0.8m (2023: £1.4m) reduction in value.
Growth in unit prices ¹	2.7%	4.3%	1 percentage point increase in the forecasted unit price growth would result in approximately a £3.4m increase in value (2023: £5.0m).
Porcine			
Risk-adjusted discount rate – pure line herd ¹	12.5%	12.9%	1 percentage point increase in the discount rate would result in approximately a £3.9m (2023: £3.1m) reduction in value. Any additional increase in the percentage would lead to a linear impact.
Proportion of animals that go to breeding sales ¹	Gilts – 9.1% to 9.9%	Gilts – 10.7%	1 percentage point increase in the go to breeding sales would result in approximately a £10.1 (2023: £6.7m) increase in value.
	Boars – 8.7% to 9.9%	Boars – 10.6%	1 percentage point increase in the go to breeding sales would result in approximately a £10.0m (2023: £7.5m) increase in value.

¹ Key sources of estimation uncertainty

Additional information	2024	2023
Bovine		
Quantities at period end		
Number of bulls in production	720	953
Number of bulls under development (including calves)	999	749
Total number of bulls	1,719	1,702
Number of doses of semen valued in inventory	13.3m	16.1m
Amounts during the year		
Fair value of agricultural produce – semen harvested during the period	£11.7m	£14.6m
Porcine		
Quantities at period end		
Number of pigs (own farms)	138,481	81,846
Number of pigs, excluding parent gilts, despatched on a royalty basis and valued at fair value	61,807	65,407
Amounts during the year		
Fair value of agricultural produce – semen harvested during the period	£32.2m	£31.3m

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

17. PROPERTY, PLANT AND EQUIPMENT

We make significant investments in our property, plant and equipment. All assets are depreciated over their useful economic lives.

Accounting policies

We state property, plant and equipment at cost, together with any directly attributable acquisition expenses, or at their latest valuation, less depreciation and any impairment losses. Where parts of an item of property, plant and equipment have different useful lives, we account for them separately.

We charge depreciation to the Income Statement on a straight-line basis, over the estimated useful lives of each part of an asset.

The estimated useful lives are as follows:

- Freehold buildings 10 to 40 years
- Leasehold buildings over the term of the lease
- Plant and equipment 3 to 20 years
- Motor vehicles 3 to 5 years

We do not depreciate land or assets under construction.

Right-of-use assets

Right-of-use assets are measured initially at cost, based on the value of the associated lease liability, adjusted for any payments made before inception, initial direct costs and an estimate of the dismantling, removal and restoration costs required in the terms of the lease. Subsequent to initial recognition, we record an interest charge in respect of the lease liability. The related right-of-use asset is depreciated over the term of the lease or, if shorter, the useful economic life of the leased asset. The lease term shall include the period of an extension option where it is reasonably certain that the option will be exercised. Where the lease contains a purchase option, the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised.

	Land and buildings £m	Plant, motor vehicles and equipment £m	Assets under construction £m	Total owned assets £m	Land and buildings £m	Plant, motor vehicles and equipment £m	Total right-of-use assets £m	Total £m
Cost or deemed cost								
Balance at 1 July 2022	100.2	113.6	29.6	243.4	31.5	28.4	59.9	303.3
Additions	0.2	3.1	19.8	23.1	2.0	8.9	10.9	34.0
Transferred from assets held for sale	0.2	–	–	0.2	–	–	–	0.2
Transfers	18.3	12.1	(30.4)	–	–	–	–	–
Disposals	(1.3)	(3.7)	(0.3)	(5.3)	–	(4.9)	(4.9)	(10.2)
Effect of movements in exchange rates	(6.4)	(5.4)	(1.8)	(13.6)	(1.8)	(0.8)	(2.6)	(16.2)
Balance at 30 June 2023	111.2	119.7	16.9	247.8	31.7	31.6	63.3	311.1
Additions	1.4	2.3	12.8	16.5	32.7	8.8	41.5	58.0
Business combination (see note 41)	–	0.3	–	0.3	0.4	–	0.4	0.7
Transfers	11.3	8.4	(19.7)	–	–	–	–	–
Disposals	(0.2)	(5.4)	–	(5.6)	(2.5)	(2.1)	(4.6)	(10.2)
Effect of movements in exchange rates	(1.3)	(1.2)	0.1	(2.4)	(1.1)	0.5	(0.6)	(3.0)
Balance at 30 June 2024	122.4	124.1	10.1	256.6	61.2	38.8	100.0	356.6
Depreciation and impairment losses								
Balance at 1 July 2022	32.2	73.3	–	105.5	11.4	15.0	26.4	131.9
Depreciation for the year	5.6	12.8	–	18.4	4.6	7.2	11.8	30.2
Disposals	(1.1)	(2.7)	–	(3.8)	–	(4.7)	(4.7)	(8.5)
Effect of movements in exchange rates	(2.2)	(3.6)	–	(5.8)	(0.7)	(0.4)	(1.1)	(6.9)
Balance at 30 June 2023	34.5	79.8	–	114.3	15.3	17.1	32.4	146.7
Depreciation for the year	5.5	12.9	–	18.4	8.9	7.4	16.3	34.7
Disposals	(0.1)	(3.9)	–	(4.0)	(2.3)	(0.9)	(3.2)	(7.2)
Impairment	1.5	0.2	–	1.7	–	–	–	1.7
Effect of movements in exchange rates	(0.4)	(0.7)	–	(1.1)	(0.7)	0.5	(0.2)	(1.3)
Balance at 30 June 2024	41.0	88.3	–	129.3	21.2	24.1	45.3	174.6
Carrying amounts								
At 30 June 2024	81.4	35.8	10.1	127.3	40.0	14.7	54.7	182.0
At 30 June 2023	76.7	39.9	16.9	133.5	16.4	14.5	30.9	164.4

Included within additions right-of-use assets is £24.2m relating to the lease of two pig farms in China.

18. EQUITY-ACCOUNTED INVESTEEES

We hold interests in several joint ventures and associates where we have significant influence.

Accounting policies

Joint ventures are entities over whose activities we have joint control, under a contractual agreement. The Group Financial Statements include the Group's share of profit or loss arising from joint ventures.

Associates are entities in which the Group has significant influence, but not control, over the financial and operating policies. The Group Financial Statements include the Group's share of the total recognised income and expense of associates on an equity-accounted basis, from the date that significant influence commences until the date it ceases. When our share of losses exceeds our interest in an associate, we reduce the carrying amount to nil and stop recognising further losses, except to the extent that the Group has incurred legal or constructive obligations or made payments on an associate's behalf.

Under the equity method, investments in joint ventures or associates are initially recognised in the Group Balance Sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint ventures and associates. Related-party transactions with the Group's joint ventures and associates primarily comprise the sale of products and services. As each arrangement is a separate legal entity and control rights are substantially equal with the other parties, no significant judgements are required.

The Group's share of profit after tax in its equity-accounted investees for the year was £19.1m (2023: £10.5m).

The carrying value of the investments is reconciled as follows:

	2024 £m	2023 £m
Balance at 1 July	53.5	41.2
Share of post-tax retained profits of joint ventures and associates	19.1	10.5
Additions	–	1.0
Acquisition of controlling interest of Xelect Limited (see note 41)	(2.5)	–
Long-term loan investment	2.2	1.9
Dividends received from Agrocères – PIC Genética de Suínos Ltda (Brazil)	(3.2)	(2.4)
Dividends received from Società Agricola GENEETIC S.r.l (Italy)	(0.2)	(0.2)
Dividends received from Zhidan – Yan'an Xinyongxiang Technology Co., Ltd (China)	(1.3)	–
Effect of other movements including exchange rates	(7.1)	1.5
Balance at 30 June	60.5	53.5

The long-term loan investment in the year solely relates to cash injections made to Inner Mongolia Haoxiang Pig Breeding Co. Ltd. to fund their operation.

There are no significant restrictions on the ability of the joint ventures and associates to transfer funds to the Parent, other than those imposed by the Companies Act 2006 or equivalent government rules within the joint venture's jurisdiction.

Related-party transactions with joint ventures and associates

	Transaction value		Balance outstanding	
	2024 £m	2023 £m	2024 £m	2023 £m
Sale of goods and services to joint ventures and associates	–	–	–	–
Purchase of goods and services from joint ventures and associates	7.7	4.1	(2.5)	–

All outstanding balances with joint ventures and associates are priced on an arm's length basis and are to be settled in cash within six months of the reporting date. None of the balances are secured.

Summary financial information for equity-accounted investees, adjusted for the Group's percentage ownership, is shown on the following page.

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

18. EQUITY-ACCOUNTED INVESTEEES CONTINUED

Joint ventures and associates – year ended 30 June 2024

Net assets	Ownership	Cash and cash equivalents £m	Other current assets £m	Non-current assets £m	Biological assets £m	Total assets £m	Current liabilities £m	Total liabilities £m	Net assets £m
Agroceres – PIC Genética de Suínos Ltda (Brazil)	49%	2.9	13.5	37.3	19.1	72.8	(18.3)	(18.3)	54.5
Inner Mongolia Haoxiang Pig Breeding Co. Ltd. (China) ¹	49%	0.3	1.6	5.2	(0.4)	6.7	(0.4)	(4.9)	1.8
Chitale Genus ABS (India) Private Limited (India)	50%	0.3	0.9	–	0.5	1.7	–	(0.1)	1.6
Yan'an Xinyongxiang Technology Co., Ltd (China) ¹	49%	1.2	1.1	0.9	0.1	3.3	(1.0)	(1.0)	2.3
Società Agricola GENEETIC S.r.l. (Italy) ¹	33%	–	1.1	–	–	1.1	(0.9)	(0.9)	0.2
Società Agricola GENEETIC Service S.r.l. (Italy) ¹	33%	–	–	–	0.1	0.1	–	–	0.1
Net assets		4.7	18.2	43.4	19.4	85.7	(20.6)	(25.2)	60.5

¹ Classified as an associate. All other investments are classified as joint ventures

Income Statement	Ownership	Revenue £m	Net IAS 41 valuation movement on biological assets £m	Expenses £m	Operating profit/(loss) £m	Taxation £m	Profit/(loss) after tax £m
Agroceres – PIC Genética de Suínos Ltda (Brazil)	49%	26.1	14.4	(14.5)	26.0	(5.7)	20.3
Inner Mongolia Haoxiang Pig Breeding Co. Ltd. (China) ¹	49%	1.1	(0.3)	(2.3)	(1.5)	–	(1.5)
Yan'an Xinyongxiang Technology Co., Ltd (China) ¹	49%	4.1	0.5	(4.7)	(0.1)	–	(0.1)
Chitale Genus ABS (India) Private Limited (India)	50%	0.5	–	(0.3)	0.2	–	0.2
Società Agricola GENEETIC S.r.l. (Italy) ¹	33%	0.9	–	(0.7)	0.2	–	0.2
Società Agricola GENEETIC Service S.r.l. (Italy) ¹	33%	0.1	–	(0.1)	–	–	–
Profit / (loss)		32.8	14.6	(22.6)	24.8	(5.7)	19.1

¹ Classified as an associate. All other investments are classified as joint ventures

Joint ventures and associates have a December year end, except Chitale Genus ABS (India) Private Limited, which has a March year end. Where the year end differs from the year of the Group this is due to local regulatory requirements.

Our Brazilian joint venture, Agroceres, includes results from an Argentinian trading subsidiary. Its profit has been impacted by hyperinflation and the significant devaluation of the Argentinian Peso. The net IAS 41 valuation movement on biological assets relates to the stocking of the newly operational genetic nucleus farm, which holds pure line animals.

18. EQUITY-ACCOUNTED INVESTEEES CONTINUED**Joint ventures and associates – year ended 30 June 2023**

Net assets	Ownership	Cash and cash equivalents £m	Other current assets £m	Non-current assets £m	Biological assets £m	Total assets £m	Current liabilities £m	Total liabilities £m	Net assets/(liabilities) £m
Agrocères – PIC Genética de Suínos Ltda (Brazil)	49%	3.1	10.9	40.2	9.8	64.0	(19.5)	(19.5)	44.5
Inner Mongolia Haoxiang Pig Breeding Co. Ltd. (China) ¹	49%	0.2	1.0	5.0	(0.1)	6.1	(0.2)	(5.1)	1.0
Chitale Genus ABS (India) Private Limited (India)	50%	0.3	1.0	–	0.2	1.5	–	(0.1)	1.4
Yan'an Xinyongxiang Technology Co., Ltd (China) ¹	49%	2.0	1.4	0.7	(0.3)	3.8	(0.3)	(0.3)	3.5
Xelect Limited (United Kingdom) ¹	39%	0.1	0.2	2.3	–	2.6	(0.1)	(0.1)	2.5
Società Agricola GENEETIC S.r.l. (Italy) ¹	33%	0.1	0.6	–	0.4	1.1	(0.6)	(0.6)	0.5
Società Agricola GENEETIC Service S.r.l. (Italy) ¹	33%	–	–	–	0.1	0.1	–	–	0.1
Net assets		5.8	15.1	48.2	10.1	79.2	(20.7)	(25.7)	53.5

¹ Classified as an associate. All other investments are classified as joint ventures

Income Statement	Ownership	Revenue £m	Net IAS 41 valuation movement on biological assets £m	Expenses £m	Operating profit / (loss) £m	Taxation £m	Profit/(loss) after tax £m
Agrocères – PIC Genética de Suínos Ltda (Brazil)	49%	38.8	2.5	(25.7)	15.6	(3.9)	11.7
Inner Mongolia Haoxiang Pig Breeding Co. Ltd. (China) ¹	49%	1.8	1.1	(4.4)	(1.5)	–	(1.5)
Yan'an Xinyongxiang Technology Co., Ltd (China) ¹	49%	5.2	–	(5.3)	(0.1)	–	(0.1)
Chitale Genus ABS (India) Private Limited (India)	50%	0.5	–	(0.3)	0.2	–	0.2
Xelect Limited (United Kingdom) ¹	39%	0.7	–	(0.6)	0.1	–	0.1
Società Agricola GENEETIC S.r.l. (Italy) ¹	33%	1.0	–	(0.9)	0.1	–	0.1
Società Agricola GENEETIC Service S.r.l. (Italy) ¹	33%	0.1	–	(0.1)	–	–	–
Profit / (loss)		48.1	3.6	(37.3)	14.4	(3.9)	10.5

¹ Classified as an associate. All other investments are classified as joint ventures

19. OTHER INVESTMENTS

We hold a number of unlisted and listed investments.

Accounting policies

Financial assets at fair value through other comprehensive income ('FVOCI') comprise equity securities which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise as FVOCI. The Group considers this classification relevant as these are strategic investments.

Financial assets at FVOCI are adjusted to the fair value of the asset at the balance sheet date, with any gain or loss being recognised in other comprehensive income and held as part of other reserves. On disposal any gain or loss is recognised in other comprehensive income.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through income statement, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the income statement are expensed in the Income Statement.

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19. OTHER INVESTMENTS CONTINUED

Other investments may include equity investments (where the Group does not have control, joint control or significant influence in the investee), short-term deposits with banks and other investments with original maturities of more than three months. Any dividends received are recognised in the Income Statement.

	2024 £m	2023 £m
Investments carried at fair value		
Listed equity shares – Caribou Biosciences, Inc.	0.2	0.4
Unlisted equity shares – Dairy LLC ('BoviSync')	–	2.4
Listed equity shares – NMR	–	4.4
Unlisted equity shares – Labby, Inc.	0.5	0.5
Unlisted equity shares – SwineTech, Inc.	0.4	0.4
Unlisted equity shares – Other	–	0.7
Other investments	1.1	8.8

Caribou Biosciences, Inc shares are measured at fair value using the valuation basis of a Level 1 classification. Caribou shares are publicly traded on the NASDAQ.

We hold a strategic non-controlling interest in BoviSync, a herd management software company. The investment is measured at fair value and the valuation basis of a Level 3 classification, with the nil valuation reflecting the current trading performance in difficult market conditions.

NMR ordinary shares were acquired as part of the NMR pension agreement, and are measured at fair value. The valuation basis is Level 1 classification, where fair value techniques are quoted (unadjusted) prices in active markets for identical assets and liabilities. On 21 August 2023 these shares were sold and the total funds received were £4.6m.

Other unlisted equity investments primarily consist of strategic non-controlling interests in bovine technology companies, which are measured at fair value and the valuation basis is Level 3 classification, where fair value techniques use inputs which have a significant effect on the recorded fair value and are not based on observable market data.

20. INVENTORIES

Our inventory primarily consists of bovine semen, raw materials and ancillary products.

Accounting policies

Inventory (excluding biological assets' harvest) is stated at the lower of cost and net realisable value. Cost is determined on the basis of weighted average costs and comprises direct materials and, where appropriate, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

For our biological assets accounting policies, see note 16.

	2024 £m	2023 £m
Biological assets' harvest classed as inventories	20.0	22.7
Raw materials and consumables	4.5	3.9
Goods held for resale	32.6	34.7
Inventories	57.1	61.3

21. TRADE AND OTHER RECEIVABLES

Our trade and other receivables mainly consist of amounts owed to us by customers and amounts we pay to our suppliers in advance.

Accounting policies

We state trade and other receivables at their amortised cost less any impairment losses.

	2024 £m	2023 £m
Trade receivables	94.9	95.4
Less expected credit loss allowance	(4.7)	(3.9)
Trade receivables net of impairment	90.2	91.5
Other debtors	7.3	8.1
Prepayments	9.6	7.7
Contract assets net of impairment (see note 24)	25.0	22.4
Other taxes and social security	3.1	2.4
Current trade and other receivables	135.2	132.1
Other debtors	4.9	3.0
Contract assets net of impairment (see note 24)	6.9	5.2
Non-current other receivables	11.8	8.2
Trade and other receivables	147.0	140.3

21. TRADE AND OTHER RECEIVABLES CONTINUED**Trade receivables**

The average credit period our customers take on the sales of goods is 49 days (2023: 48 days). We do not charge interest on receivables for the first 30 days from the date of the invoice.

The Group always measures the loss allowance for trade receivables and contract assets at an amount equal to lifetime expected credit losses ('ECLs'). The ECLs on trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the general economic conditions of the industry and country in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date. The Group writes off a trade receivable and a contract asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The Group recognises ECLs with reference to the following matrix, in accordance with the simplified approach permitted in IFRS 9. There has been no change in the estimation techniques during the current reporting period. A component of the calculation is the risk premium of the countries in which our customers operate. The risk premiums are updated on each reporting date, to reflect changes in the global economy.

		North America	Latin America	EMEA	Asia
2024	Risk premium (%)	1.7%	4.5%	2.6%	2.3%
	Trade receivables (£m)	20.6	21.8	37.5	15.0
2023	Risk premium (%)	1.0%	5.6%	3.1%	2.6%
	Trade receivables (£m)	19.8	23.6	34.5	17.5

The following table shows the movement in lifetime ECLs that has been recognised for trade receivables, in accordance with the simplified approach set out in IFRS 9.

	2024 £m	2023 £m
Balance at the start of the year	3.9	4.3
Change in loss allowance due to new trade and other receivables originated net of those derecognised due to settlement	5.8	3.4
Amounts written off as uncollectable	(1.2)	–
Impairment losses reversed	(3.6)	(3.9)
Effect of movements in exchange rates	(0.2)	0.1
Balance at the end of the year	4.7	3.9

The ageing of trade receivables is presented below:

Days past due	Trade receivables		Trade receivables net of impairment	
	2024 £m	2023 £m	2024 £m	2023 £m
Not yet due	64.5	69.3	62.6	67.1
0–30 days	14.1	13.2	13.8	12.8
31–90 days	8.2	8.1	7.9	7.7
91–180 days	5.4	3.7	5.0	3.1
Over 180 days	2.7	1.1	0.9	0.8
	94.9	95.4	90.2	91.5

No customer represents more than 5% of the total balance of trade receivables (2023: no more than 5%).

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

Trade and other receivables denominated in currencies other than Sterling comprise £46.7m denominated in US Dollars (2023: £42.3m), £15.9m denominated in Euros (2023: £15.5m) and £50.2m denominated in other currencies (2023: £49.8m).

Other debtors

Included in other debtors is an amount of £2.5m (2023: £2.3m) which comprises security deposits held in respect of porcine farms.

Notes to the Group Financial Statements continued

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22. CASH AND CASH EQUIVALENTS

We hold cash and bank deposits which have a maturity of three months or less, to enable us to meet our short-term liquidity requirements.

Accounting policies

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand form an integral part of our cash management and are included in interest-bearing loans and borrowings due in less than one year.

	2024 £m	2023 £m
Cash at bank and in hand	42.5	36.3

The carrying amount of these assets approximates to their fair value.

The credit quality of cash and cash equivalents can be assessed by reference to external credit ratings of the counterparty where the account or deposit is placed.

Counterparties with external credit ratings	2024 £m	2023 £m
A to AA-	31.8	25.8
BBB- to BBB	3.9	8.0
B- to BB+	0.7	1.1
CCC to CCC-	1.1	0.6
No ratings	5.0	0.8
Cash at bank and in hand	42.5	36.3

Within our cash and cash equivalents there is a cash balance of £5.2m (2023: £3.1m) in our Russian entities of which £0.9m (2023: £0.8m) is not currently available to be used by the Group due to being received from and held in sanctioned banks.

23. TRADE AND OTHER PAYABLES

Our trade and other payables mainly consist of amounts we owe to our suppliers that have been invoiced or are accrued. They also include taxes and social security amounts due in relation to our role as an employer.

Accounting policies

Trade payables are not interest bearing and are stated at their nominal value.

	2024 £m	2023 £m
Trade payables	34.0	34.8
Other payables	11.2	11.6
Accrued expenses	62.6	58.1
Contract liabilities (see note 24)	8.1	9.8
Other taxes and social security	7.3	7.7
Current trade and other payables	123.2	122.0
Other payables	4.0	–
Contract liabilities (see note 24)	0.2	–
Non-current trade and other payables	4.2	–

The average credit period taken for trade purchases is 33 days (2023: 32 days).

Other payables include an amount of £11.9m (2023: £nil), of which £4.0m is classified as non-current that relates to the ST litigation settlement, agreed to be paid over the next 18 months. Additionally, it includes £0.1m (2023: £7.5m) repayable on demand to a third-party business partner.

Payables denominated in currencies other than Sterling comprise £51.1m denominated in US Dollars (2023: £52.9m), £15.4m denominated in Euros (2023: £14.9m) and £31.8m denominated in other currencies (2023: £30.3m).

The carrying values of these liabilities are a reasonable approximation of their fair values.

24. CONTRACT BALANCES

Accounting policy

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time, for example the completion of future performance obligations under the terms of the contract with the customer. In some instances, the Group receives payments from customers based on a billing schedule, as established in the contract, which may not match the pattern of performance under the contract.

Where payment is received ahead of performance a contract liability will be created, and where performance obligations are satisfied ahead of billing, then a contract asset will be recognised.

	2024 £m	2023 £m
Current contract assets net of impairment	25.0	22.4
Non-current contract assets net of impairment	6.9	5.2
Contract assets net of impairment (see note 21)	31.9	27.6
Current contract liabilities	(8.1)	(9.8)
Non-current contract liabilities	(0.2)	–
Contract liabilities (see note 23)	(8.3)	(9.8)
	Contract assets £m	Contract liabilities £m
Balance at 1 July 2022	22.2	(10.3)
Increases as a result of performance in advance of billing	175.5	–
Transfers to receivables during the year	(169.2)	–
Increases as a result of billing ahead of performance	–	(63.8)
Decreases as a result of revenue recognised in the year	–	63.6
Effect of movements in exchange rates	(0.9)	0.7
Balance at 30 June 2023	27.6	(9.8)
Increases as a result of performance in advance of billing	283.1	–
Transfers to receivables during the year	(278.5)	–
Increases as a result of billing ahead of performance	–	(82.1)
Decreases as a result of revenue recognised in the year	–	83.4
Decreases as a result of change in loss allowance	(0.4)	–
Effect of movements in exchange rates	0.1	0.2
Balance at 30 June 2024	31.9	(8.3)

In some cases, the Group receives payments from customers based on a billing schedule, as established in our contracts. The contract assets relate to revenue recognised for performance in advance of scheduled billing and have increased, as the Group has provided more services ahead of the agreed payment schedules for certain contracts. The contract liability relates to payments received in advance of performance under contract and varies based on performance under these contracts.

The transaction price allocated to partially unsatisfied performance obligations at 30 June 2024 is £9.7m (2023: £15.0m). It is expected that the Group will recognise this revenue over the following nine years.

Refer to note 21 for the Group's accounting policies on measuring loss allowance for contract assets. A component of the calculation is the risk premium of the countries in which our customers operate. The risk premiums are updated on each reporting date, to reflect changes in the global economy.

		North America	Latin America	EMEA	Asia
2024	Risk premium (%)	1.7%	3.2%	2.4%	2.6%
	Contract assets (£m)	9.2	2.9	15.0	4.8
2023	Risk premium (%)	1.0%	3.4%	1.8%	1.9%
	Contract assets (£m)	9.5	2.5	14.0	1.6

The following table shows the movement in lifetime ECLs that has been recognised for contract assets, in accordance with the simplified approach set out in IFRS 9.

	2024 £m	2023 £m
Balance at the start of the year	–	–
Change in loss allowance	0.4	–
Effect of movements in exchange rates	–	–
Balance at the end of the year	0.4	–

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25. PROVISIONS

A provision is a liability recorded in the Group Balance Sheet, where there is uncertainty over the timing or amount that will be paid, and is therefore estimated. The main provisions we hold relate to litigation damages, legal provisions, customer claims and share forfeiture.

Accounting policies

We recognise a provision in the Balance Sheet when an event results in the Group having a current legal or constructive obligation, and it is probable that we will have to settle the obligation through an outflow of economic benefits. If the effect is material, we discount provisions to their present value.

	ST litigation £m	Share forfeiture £m	Other provisions £m	Total £m
Balance at 1 July 2022	10.1	0.5	3.3	13.9
Additional provision in the year	0.1	–	0.5	0.6
Utilisation of provision	(0.1)	–	(1.1)	(1.2)
Release of provision	–	(0.2)	(0.4)	(0.6)
Effect of movement in exchange rates	(0.4)	–	(0.2)	(0.6)
Balance at 30 June 2023	9.7	0.3	2.1	12.1
Additional provision in the year	–	–	0.4	0.4
Utilisation of provision	(9.8)	–	(0.2)	(10.0)
Release of provision	–	(0.1)	(1.1)	(1.2)
Effect of movement in exchange rates	0.1	–	–	0.1
Balance at 30 June 2024	–	0.2	1.2	1.4
			2024 £m	2023 £m
Current			1.0	1.8
Non-current			0.4	10.3
			1.4	12.1

ST litigation relates specifically to our litigation only with Sexing Technologies, as described in note 7.

Other provisions mainly relate to legal provisions (excluding ST litigation) and customers' claims. The timing and cash flows associated with the majority of legal claims are expected to be less than one year. However, for some legal claims the timings of cash flows may be long term in nature and are disclosed as such.

The share forfeiture provision of £0.2m relates to potential claims that could be made by untraced members over the next three years, relating to the resale proceeds of shares that were identified during the prior year as being forfeited.

26. FINANCIAL INSTRUMENTS

This note details our treasury management and financial risk management objectives and policies, as well as the Group's exposure and sensitivity to credit, liquidity, interest and foreign exchange rate risk, and the policies in place to monitor and manage these risks.

Financial risk management objectives

The Group's corporate treasury function provides services to the business, coordinates our access to domestic and international financial markets, and monitors and manages the financial risks relating to the Group's operations, through internal risk reports that analyse exposures by degree and magnitude of risk. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

We seek to minimise the effects of these risks by hedging them using derivative financial instruments. Our use of financial derivatives is governed by policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Board of Directors regularly reviews our compliance with policies and exposure limits. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Key financial risks and exposures are monitored through a monthly report to the Board of Directors, together with an annual Board review of corporate treasury matters.

Financial risk

The principal financial risks our activities expose us to are the risks of changes in foreign currency exchange rates, interest rates and commodity prices. We use derivative financial instruments to manage our exposure to interest rate, foreign currency and commodity price risks, including:

- forward foreign exchange contracts, to hedge the exchange rate risk arising on the sale of goods and purchase of supplies in foreign currencies;
- interest rate swaps, to mitigate the risk of rising interest rates; and
- forward commodity contracts, to hedge commodity price risk.

26. FINANCIAL INSTRUMENTS CONTINUED

Accounting policies

Financial instruments

Financial assets and liabilities in respect of financial instruments are recognised on the Group Balance Sheet when the Group becomes a party to the instrument's contractual provisions.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that provides a residual interest in the Group's assets after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Put option arrangements over non-controlling interest

The potential cash payments related to put options issued by the Group over the equity of subsidiary companies are accounted for as financial liabilities.

The amount that may become payable under the option on exercise is initially recognised at present value within financial liabilities, with a corresponding charge directly to equity. The charge to equity is recognised separately as written put options over non-controlling interest, adjacent to non-controlling interest in the net assets of consolidated subsidiaries.

Such options are subsequently measured at amortised cost, using the effective interest rate method, in order to accrete the liability up to the amount payable under the option at the date at which it first becomes exercisable. The charge arising is recorded as a financing cost. If the option expires unexercised, the liability is derecognised, with a corresponding adjustment to equity.

Derivative financial instruments

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the Income Statement immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Income Statement depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements, unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

The fair value of interest rate swaps is the estimated amount that we would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the creditworthiness of the swap counterparties.

The fair values of forward exchange contracts and forward commodity contracts are their quoted market prices at the balance sheet date, which is the present value of the quoted forward price.

Hedging activities

The Group designates certain derivatives as hedging instruments in respect of foreign exchange risk, interest rate risk and commodity risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationship meets all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

The Group designates only the intrinsic value of option contracts as a hedged item, i.e. excluding the time value of the option. The changes in the fair value of the aligned time value of the option are recognised in Other Comprehensive Income and accumulated in the cost of hedging reserve. If the hedged item is transaction-related, the time value is reclassified to the Income Statement when the hedged item affects the Income Statement. If the hedged item is time-period-related, then the amount accumulated in the cost of hedging reserve is reclassified to the Income Statement on a rational basis, applying straight-line amortisation. Those reclassified amounts are recognised in the Income Statement in the same line as the hedged item. If the hedged item is a non-financial item, then the amount accumulated in the cost of hedging reserve is removed directly from equity and included in the initial carrying amount of the recognised non-financial item. Furthermore, if the Group expects that some or all of the loss accumulated in the cost of hedging reserve will not be recovered in the future, that amount is immediately reclassified to the Income Statement.

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For the year ended 30 June 2024

26. FINANCIAL INSTRUMENTS CONTINUED

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve, and limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement and is included in the 'other gains and losses' line item.

Amounts previously recognised in Other Comprehensive Income and accumulated in equity are reclassified to the Income Statement in the periods when the hedged item affects the Income Statement, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect Other Comprehensive Income. Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to the Income Statement.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in Other Comprehensive Income and accumulated in the cash flow hedging reserve at that time remains in equity and is reclassified to the Income Statement when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedging reserve is reclassified immediately to the Income Statement.

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed-rate debt held and the cash flow exposures on the issued variable-rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the yield curves at the reporting date and the credit risk inherent in the contract. The average interest rate is based on the outstanding balances at the end of the financial year.

If the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Group performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite directions, in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedging relationships.

Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the foreign currency forward contracts relating to the effective portion of the hedge is recognised in Other Comprehensive Income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement, and is included in the 'other gains and losses' line item.

Gains and losses on the hedging instrument accumulated in the foreign currency translation reserve are reclassified to the Income Statement on the disposal or partial disposal of the foreign operation.

We only apply net investment hedge accounting in the Group Financial Statements.

Other gains and losses

Included with other gains and losses is a £2.1m loss on the mark-to-market valuation ('MTM') in relation to £60m of SONIA interest rate swaps executed in April 2023. Whilst the interest rate swaps are a perfect commercial hedge of a similar amount of our GBP borrowings for at least a three-year period, as the executing banks have a written option at the three-year point to unilaterally terminate the swaps at no cost, the transaction does not qualify for hedge accounting treatment. Accordingly the MTM loss on the valuation of these swaps as at 30 June 2024 is recognised in the Group Income Statement. Also included is a £0.4m release of contingent deferred consideration in relation to Dairy LLC ('BoviSync').

	2024 £m	2023 £m
Release of contingent deferred consideration	0.4	–
(Loss)/gain on derivative	(2.1)	2.7
Other gains and losses	(1.7)	2.7

Capital risk management

The Group manages its capital to ensure that Group entities can continue as going concerns, while maximising the return to shareholders by optimising our debt and equity balance. The Group's capital structure consists of debt, which includes the borrowings disclosed in note 27, cash and cash equivalents, and equity attributable to equity holders of the Parent, comprising issued capital, reserves and retained earnings, as disclosed in note 31.

26. FINANCIAL INSTRUMENTS CONTINUED

Gearing ratio

The Group keeps its capital structure under review and monitors it monthly to ensure the gearing ratio remains below 60%. The Group is not subject to externally imposed capital requirements. The gearing ratio at the year end was as follows:

	2024 £m	2023 £m
Debt (see note 27)	291.2	232.1
Cash and cash equivalents (see note 22)	(42.5)	(36.3)
Net debt (see note 32)	248.7	195.8
Equity	543.9	567.2
Net debt to equity ratio	46%	35%

Debt is defined as long-term and short-term borrowings, including lease obligations as detailed in note 27.

Equity includes all capital and reserves of the Group attributable to equity holders of the Parent.

Categories of financial instruments

We have categorised financial instruments held at fair value into a three-level fair value hierarchy, based on the priority of the inputs to the valuation technique in accordance with IFRS 13. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure fair value fall within different levels of the hierarchy, we base the category level on the lowest priority level input that is significant to the fair value measurement of the instrument in its entirety. We have estimated the fair values of the Group's outstanding interest rate swaps by calculating the present value of future cash flows, using appropriate market discount rates, representing Level 2 fair value measurements as defined by IFRS 13.

	2024 Carrying value				2023 Carrying value			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets								
Other investments	0.2	–	0.9	1.1	4.8	–	4.0	8.8
Trade receivables and other debtors, excluding prepayments	–	137.4	–	137.4	–	132.6	–	132.6
Cash and cash equivalents	–	42.5	–	42.5	–	36.3	–	36.3
Derivative instruments in non-designated hedge relationships	–	0.9	–	0.9	–	0.8	–	0.8
Derivative instruments in designated hedge accounting relationships	–	2.2	–	2.2	–	5.6	–	5.6
	0.2	183.0	0.9	184.1	4.8	175.3	4.0	184.1
Financial liabilities								
Trade and other payables, excluding other taxes and social security (see note 23)	–	(120.1)	–	(120.1)	–	(114.3)	–	(114.3)
Loans and overdrafts (see note 27)	–	(233.1)	–	(233.1)	–	(200.2)	–	(200.2)
Leasing obligations (see note 28)	–	(58.1)	–	(58.1)	–	(31.9)	–	(31.9)
Derivative instruments in non-designated hedge relationships	–	(0.6)	–	(0.6)	–	(0.9)	–	(0.9)
Derivative instruments in designated hedge accounting relationships	–	–	–	–	–	–	–	–
Put option over non-controlling interest	–	(7.4)	–	(7.4)	–	(7.1)	–	(7.1)
Deferred consideration (see note 38)	–	–	(0.8)	(0.8)	–	–	(0.6)	(0.6)
	–	(419.3)	(0.8)	(420.1)	–	(354.4)	(0.6)	(355.0)

Foreign currency risk management

We undertake transactions denominated in foreign currencies.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (excluding short-term amounts related to our ongoing trade, recognised as trade receivables and trade payables) at the reporting date were as follows:

	Liabilities		Assets	
	2024 £m	2023 £m	2024 £m	2023 £m
US Dollar	(101.8)	(87.7)	0.8	3.5
Euro	(30.1)	(30.5)	0.7	0.7
Canadian Dollar	(0.2)	(0.1)	–	–
New Zealand Dollar	–	–	0.1	–
Chilean Peso	–	–	0.1	–

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

26. FINANCIAL INSTRUMENTS CONTINUED

Foreign currency Income Statement sensitivity analysis

The Group is mainly exposed to movements in the US Dollar, Euro, Brazilian Real, Mexican Peso, Chinese Yuan and Russian Rouble exchange rates.

The following table details the Group's profit sensitivity to a 10% and 20% increase and decrease in Sterling against these currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management and represents our assessment of a significant change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% or 20% change in foreign currency rates. It includes external loans, as well as loans to foreign operations within the Group where the loan is denominated in a currency other than the lender or borrower's currency. A positive number below indicates an increase in profit when Sterling weakens against the relevant currency. A strengthening of Sterling against the relevant currency would produce an equal but opposite reduction in profit, and the balances below would be negative.

	20% currency movement		10% currency movement	
	2024 £m	2023 £m	2024 £m	2023 £m
Euro	4.1	3.2	2.0	1.6
US Dollar	1.9	1.5	1.0	0.7
Brazilian Real	3.0	3.0	1.5	1.5
Mexican Peso	4.3	3.9	2.1	2.0
Chinese Yuan	(0.1)	3.2	–	1.6
Russian Rouble	1.5	2.1	0.8	1.1

Forward foreign exchange contracts

The Group's policy is to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The following table details the forward foreign exchange contracts outstanding as at the year end:

	Average exchange rate		Foreign currency	Contract value		Fair value	
	2024	2023		2024 £m	2023 £m	2024 £m	2023 £m
Outstanding contracts							
Buy CHF	0.87	0.88	CHF	0.4	0.5	–	–
Sell CNY	9.07	9.02	CNY	2.0	0.3	–	–
Buy AUD	1.91	1.91	AUD	2.3	2.3	–	–
Buy PHP	–	70.39	PHP	–	–	–	–
Sell PHP	74.62	–	PHP	–	–	–	–
Buy EUR	1.18	1.16	EUR	5.6	6.6	(0.1)	–
Buy MXN	23.38	22.03	MXN	23.5	14.7	0.4	0.2
Buy USD	1.27	1.26	USD	5.1	3.4	–	0.2
Sell BRL	–	6.17	BRL	–	0.2	–	–
Sell INR	–	102.79	INR	–	0.3	–	–
Sell CAD	–	1.67	CAD	–	0.1	–	–
Sell RUB	117.18	–	RUB	0.1	–	–	–
Sell PLN	5.05	–	PLN	0.2	–	–	–
Buy USD/Sell NZD	1.62	–	NZD	0.2	–	–	–
Buy USD/Sell UAH	–	37.84	UAH	–	0.7	–	–
Buy USD/Sell BRL	5.36	4.94	BRL	3.1	3.0	0.1	(0.2)
Buy USD/Sell CNY	7.13	7.19	CNY	4.1	2.9	–	–
Buy CLP/Sell USD	916.63	–	CLP	0.2	–	–	–
Buy PHP/Sell USD	58.90	55.57	PHP	3.6	7.1	–	–
Buy USD/Sell CAD	1.37	1.33	CAD	2.6	6.8	–	(0.1)
Buy USD/Sell EUR	1.07	1.10	EUR	1.2	0.1	–	–
Buy USD/Sell RUB	90.55	–	RUB	0.8	–	–	–
Buy USD/Sell INR	83.55	82.49	INR	0.6	4.0	–	–
Buy USD/Sell ZAR	18.29	18.44	ZAR	0.1	0.4	–	–
Buy USD/Sell ARS	949.50	–	ARS	0.4	–	–	–
Buy MXN/Sell USD	18.51	17.31	MXN	0.4	0.2	–	–
						0.4	0.1

Interest rate risk management

The Group is exposed to interest rate risk, as Group entities borrow funds at both fixed and floating interest rates. We manage this risk centrally, by maintaining an appropriate mix between fixed and floating rate borrowings, using interest rate swaps. We regularly review our hedging activities, to align with our interest rate views and defined risk appetite, thereby ensuring we apply optimal hedging strategies to minimise the adverse impact of fluctuations in interest expense through different interest rate cycles.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

26. FINANCIAL INSTRUMENTS CONTINUED

Interest rate sensitivity analysis

We have determined the sensitivity analyses below, based on the Group's exposure to interest rates for both derivatives and non-derivative instruments, at the balance sheet date. For floating rate liabilities, we prepared the analysis assuming the liability outstanding at the balance sheet date was outstanding for the whole year. A 1.0 percentage point increase or decrease is used when reporting interest rate risk internally to key management and is our assessment of a significant change in interest rates.

If interest rates had been 1.0 percentage point higher or lower and all other variables were held constant, the Group's profit would have decreased or increased by £1.3m (2023: decrease/increase by £1.6m). This impact is smaller than would otherwise be the case, due to our fixed-rate hedging.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts, calculated on agreed notional principal amounts. These contracts enable us to mitigate the risk of changing interest rates on the cash flow exposures on the variable-rate debt we hold. We determine the fair value of interest rate swaps at the reporting date by discounting the future cash flows, using the yield curves at the reporting date and the credit risk inherent in the contract. This fair value is disclosed on the following pages. The average interest rate is based on the outstanding balances at the end of the financial year.

Cash flow hedges

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding, as at the reporting date:

	Average contract fixed interest rate		Notional principal amount		Fair value	
	2024 %	2023 %	2024 £m	2023 £m	2024 £m	2023 £m
Outstanding receive-floating, pay-fixed interest rate swaps						
USD interest rate swaps						
One to five years	4.09	3.43	67.2	66.9	0.4	1.3
EUR interest rate swaps						
One to five years	0.36	0.36	21.2	21.4	0.5	1.2
GBP interest rate swaps						
One to five years	3.45	3.45	60.0	60.0	0.8	2.8

The interest rate swaps settle on a quarterly basis. The corresponding floating rate on the interest rate swaps is three months. We settle the difference between the fixed and floating interest rate on a net basis.

Interest rate swap contracts that exchange floating-rate interest amounts for fixed-rate interest amounts are designated as cash flow hedges, to reduce our cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and we recognise the amount deferred in equity in the Income Statement, over the period that the floating rate interest payments on debt affect the Income Statement.

Commodity hedges

The Group hedges both feed and slaughter exposures using Chicago Mercantile Exchange lean hog, corn and soybean meal commodity futures contracts.

	Average price		Notional principal amount		Fair value	
	2024 US\$	2023 US\$	2024 £m	2023 £m	2024 £m	2023 £m
Commodity hedge						
Open commodity contracts as at June						
Lean hog	0.84	0.97	14.9	8.5	0.9	0.6
Corn	4.71	5.68	(9.4)	(6.4)	(0.4)	(0.6)
Soybean meal	353.10	402.00	(3.4)	(4.6)	(0.1)	(0.1)
			2.1	(2.5)	0.4	(0.1)

Net investment hedges

The Group's net investment policy is to hedge up to 90% of the net investment value of its wholly owned subsidiaries in a particular currency. At the beginning of the year the Group had a net investment hedge designating the first EUR 12.5m of the net assets of Pig Improvement Company España S.A. as a hedged item, using EUR 12.5m of borrowings. On 31 May 2023, the Group designated a further EUR 3m of the net assets of Pig Improvement Company España S.A. as a hedged item, using EUR 3m of borrowings as an additional net investment hedge.

In February 2022, the Group entered into a second net investment hedge designating the first EUR 25m net assets of its subsidiary Fyfield Holland BV as the hedged item in a net investment hedge using USD 28m of borrowings converted to a EUR 25m liability, using a cross-currency swap as the related hedging instrument. On 28 November 2022, USD 14.1m/EUR 12.5m of the cross-currency swap was closed out and replaced in the net investment hedge designation by a new EUR 12.5m borrowing, maintaining the existing hedge amount. On 31 May 2023, the Group designated a further EUR 7m of the net assets of Fyfield Holland BV as a hedged item using EUR 7m of borrowings as an additional net investment hedge.

In summary, as at 30 June 2024 the Group has designated EUR 15.5m (GBP 13.1m) of the net assets of its subsidiary Pig Improvement Company España S.A. and EUR 32m (GBP 27.1m) of the net assets of its subsidiary Fyfield Holland B.V. as net investment hedges. These net investment hedges represent 66% of the Group's Euro net assets as at this date.

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

26. FINANCIAL INSTRUMENTS CONTINUED

The table below shows a reconciliation of the gains or loss deferred in equity:

	2024 £m	2023 £m
Loss at the start of the year	(0.5)	(0.8)
Effective gains recognised in equity in period	0.5	0.3
Balance carried forward in equity as effective losses	–	(0.5)

Credit risk management

Credit risk is the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. We have a policy of only dealing with creditworthy counterparties. We regularly monitor our exposure and the credit ratings of our counterparties, and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure on financial instruments is controlled by counterparty limits that the Board reviews and approves annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. We carry out ongoing credit evaluation of the financial condition of accounts receivable.

Liquidity risk management

The Board of Directors has ultimate responsibility for managing liquidity risk. We manage this risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

For non-derivative financial liabilities, see notes 27, 28 and 38.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities, excluding trade payables and other creditors which are short term and, as disclosed in note 23, have an average credit period of 33 days (2023: 32 days). We have drawn up the table based on the undiscounted cash flows of financial liabilities, using the earliest date on which we can be required to pay. The table includes both interest and principal cash flows.

	Weighted average effective interest rate %	Less than 1 month £m	1–3 months £m	3 months– 1 year £m	1–5 years £m	5+ years £m	Total £m
2024							
Loans and borrowings	5.67	6.9	2.3	12.3	230.7	–	252.2
Lease liabilities	4.27	1.7	3.0	11.1	36.7	11.4	63.9
Deferred consideration	–	–	0.6	–	0.2	–	0.8
Variable interest rate instruments	5.37	8.6	5.9	23.4	267.6	11.4	316.9
2023							
Loans and borrowings	5.48	6.6	1.7	9.4	197.9	–	215.6
Lease liabilities	3.74	1.0	2.5	7.3	20.2	3.7	34.7
Deferred consideration	–	–	–	–	0.6	–	0.6
Variable interest rate instruments	5.23	7.6	4.2	16.7	218.7	3.7	250.9

The following table details the Group's expected maturity for other non-derivative financial assets, excluding trade receivables and other debtors. We have drawn up this table based on the undiscounted contractual maturities of the assets, including interest we will earn on them, except where we expect the cash flow to occur in a different period.

	Weighted average effective interest rate %	Less than 1 month £m	1–3 months £m	3 months– 1 year £m	1–5 years £m	5+ years £m	Total £m
2024							
Variable interest rate instruments	1.17	42.5	–	–	–	–	42.5
2023							
Variable interest rate instruments	0.42	36.3	–	–	–	–	36.3

The Group has financing facilities with a total unused amount of £106.7m (2023: £118.7m) at the balance sheet date. We expect to meet our other obligations from operating cash flows and the proceeds of maturing financial assets. We expect to reduce the debt to equity ratio, as borrowings decrease through repayment from operating cash flows.

26. FINANCIAL INSTRUMENTS CONTINUED

The following table details the Group's liquidity analysis for its derivative financial instruments. We have drawn up the table based on the undiscounted net cash outflows on derivative instruments that settle on a net basis and the undiscounted gross outflows on derivatives that require gross settlement. When the amount payable or receivable is not fixed, we have determined the amount disclosed by reference to the projected interest and foreign currency rates, as illustrated by the yield curves at the reporting date.

	Less than 1 month £m	1–3 months £m	3 months– 1 year £m	1–5 years £m	5+ years £m	Total £m
2024						
Foreign exchange contracts	0.4	–	–	–	–	0.4
Commodity swaps	(0.1)	0.1	0.4	–	–	0.4
Interest rate swaps	(0.3)	(0.4)	(2.2)	0.8	–	(2.1)
2023						
Foreign exchange contracts	0.1	–	–	–	–	0.1
Commodity swaps	–	–	(0.1)	–	–	(0.1)
Interest rate swaps	0.2	0.5	2.6	2.3	–	5.6

Commodity swaps and interest rate swaps are always settled on a net basis. Foreign exchange contracts can be settled on a net or gross basis; the net cash flows presented in the table above reflect an inflow of £85.9m and outflow of £85.5m (2023: inflow of £110.6m and outflow of £110.5m).

27. LOANS AND BORROWINGS

The Group's borrowing for funding and liquidity purposes comes from a range of committed bank facilities.

Interest-bearing loans and borrowings

We initially recognise interest-bearing loans and borrowings at their fair value, less attributable transaction costs. After this initial recognition, we state them at amortised cost and recognise any difference between the cost and redemption value in the Income Statement over the borrowings' expected life, on an effective interest rate basis. The carrying values of these liabilities are a reasonable approximation of their fair values.

	2024 £m	2023 £m
Non-current liabilities		
Unsecured bank loans	228.2	196.0
Obligations under leases	44.1	21.9
	272.3	217.9
Current liabilities		
Unsecured bank loans and overdrafts	4.9	4.2
Obligations under leases	14.0	10.0
	18.9	14.2
Total interest-bearing liabilities	291.2	232.1

Terms and debt repayment schedule

Terms and conditions of outstanding loans and overdrafts were as follows:

	Currency	2024 Interest rate	2024 £m	2023 £m
Revolving credit facility and overdraft	GBP	7.2%	104.0	91.6
Revolving credit facility, term loan and overdraft	USD	7.5%	94.8	78.0
Revolving credit facility and overdraft	EUR	5.6%	30.1	30.1
Obligations under leases	USD	4.3%	58.1	31.9
Other unsecured bank borrowings	Other	6.6%	4.2	0.5
Total interest-bearing liabilities			291.2	232.1

The above revolving credit facilities are unsecured. Information about the Group's exposure to interest rate and foreign currency risks is shown in note 26.

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

27. LOANS AND BORROWINGS CONTINUED

	2024 £m	2023 £m
Loans and borrowings (excluding leases) comprise amounts falling due:		
In one year or less or on demand	5.1	5.3
In more than one year but not more than two years	228.2	–
In more than two years but not more than five years	–	196.0
	233.3	201.3
Less: unamortised issue costs	(0.2)	(1.1)
	233.1	200.2
Current liabilities	(4.9)	(4.2)
Non-current liabilities	228.2	196.0

At the balance sheet date, the Company's credit facilities comprised a £190m multi-currency revolving credit facility ('RCF') and a USD 170 million RCF. The original term of the facility was for three years to 24 August 2023. On 24 August 2021 and 26 August 2022, the Company and its lenders extended the maturity date of the total facilities to 24 August 2024 and 24 August 2025 respectively. The Company's credit facility at 30 June 2024 also included a remaining balance of £38.9m from the facility's original £100m uncommitted accordion option. On 31 July 2024, the total facility was extended for another year to 24 August 2026 and £28.2m of the accordion was exercised as of 23 August 2024, leaving a remaining unsecured accordion facility of £10.7m. This additional exercise was requested in part to replace the £17m reduction in headroom following the departure of Bankinter from the facility from 23 August 2024, as this bank did not participate in the second one-year extension request because of changes in their corporate strategy to concentrate on businesses with a clear connection to their Spanish homeland. Following the departure of Bankinter and the exercise of the accordion increase, £208.2m and USD161m RCFs are available to the Group to 24 August 2025. A new multi-year facility will be negotiated and put in place during the year to 30 June 2025.

As part of its interest rate hedging strategy, the Company has entered into interest rate swaps to hedge variable interest rates. During the year to 30 June 2024, bank loan and overdrafts included borrowings of USD85m fixed at 3.90%, borrowings of £60m fixed at 3.45%, borrowings of EUR12.5m fixed at 0.37%, and borrowings of USD13.9m, swapped via a cross-currency swap into EUR12.5m, fixed at 0.36%, excluding applicable bank margins. On 30 June 2024, USD45m of our fixed rate cover expired and replacement cover was put in place at a fixed rate of 4.576%. Approximately 65% of total facility borrowings are covered by these interest rate swaps as at 30 June 2024 with an average maturity of 19 months.

28. OBLIGATIONS UNDER LEASES

A lease is a commitment to make a payment in the future, primarily in relation to property, plant and machinery and motor vehicles.

Accounting policies

In accordance with IFRS 16, we recognise as an expense any payments made in respect of short-term leases (those with a term of less than 12 months) and leases for low-value items, on a straight-line basis over the life of the lease.

For all other leases we recognise a liability at the date at which the leased asset is made available for use, and a corresponding right-of-use asset is recognised and depreciated over the term of the lease (see note 17).

Lease liabilities are measured at the present value of the future lease payments, excluding any payments relating to non-lease components. Future lease payments include fixed payments, in-substance fixed payments, and variable lease payments that are based on an index or a rate, less any lease incentives receivable. Lease liabilities also take into account amounts payable under residual value guarantees and payments to exercise options, to the extent that it is reasonably certain that such payments will be made. The payments are discounted at the rate implicit in the lease or, where that cannot be measured, at an incremental borrowing rate.

We remeasure the lease liability (and make a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of the exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

28. OBLIGATIONS UNDER LEASES CONTINUED

The changes in the lease liabilities are as follows:

	2024 £m	2023 £m
Balance at the start of the year	31.9	34.6
Leases entered into during the year	41.2	10.4
Business combination (see note 41)	0.4	–
Leases terminated early	(1.2)	(0.7)
Payments made	(16.5)	(12.3)
Interest	2.8	1.2
Effect of movements in exchange rates	(0.5)	(1.3)
Balance at the end of the year	58.1	31.9
Current	14.0	10.0
Non-current	44.1	21.9
	58.1	31.9

We have drawn up the following table based on the undiscounted cash flows of the obligations under leases, using the earliest date on which we can be required to pay.

	2024 £m	2023 £m
FY24	–	10.8
FY25	15.8	8.2
FY26	13.5	5.9
FY27	10.6	3.9
FY28	8.0	2.2
FY29	4.6	1.6
FY30	3.8	1.1
FY31	3.6	1.0
After FY32	4.0	–
	63.9	34.7
Presented as:		
Current	15.8	10.8
Non-current	48.1	23.9
	63.9	34.7

Lease obligations denominated in currencies other than Sterling comprise £13.9m denominated in US Dollars (2023: £15.3m), £7.5m denominated in Euros (2023: £3.5m), £32.7m denominated in CNY (2023: £6.9m) and £1.9m denominated in other currencies (2023: £2.5m).

29. RETIREMENT BENEFIT OBLIGATIONS

The Group operates a number of defined contribution and defined benefit pension schemes, covering many of its employees. The principal funds are the Milk Pension Fund ('MPF') and the Dalgety Pension Fund ('DPF') in the UK, which are defined benefit schemes. The assets of these funds are held separately from the Group's assets, and are administered by trustees and managed professionally.

Accounting policies

Defined contribution pension schemes

A number of our employees are members of defined contribution pension schemes. We charge contributions to the Income Statement as they become payable under the scheme rules. We show differences between the contributions payable and the amount we have paid as either accruals or prepayments in the Balance Sheet. The schemes' assets are held separately from the Group's assets.

Defined benefit pension schemes

The Group operates defined benefit pension schemes for some of its employees. These schemes are closed to new members and to further accrual. We calculate our net obligation separately for each scheme, by estimating the amount of future benefit that employees have earned, in return for their service to date. We discount that benefit to determine its present value and deduct the fair value of the plan's assets (at bid price). The liability discount rate we use is the market yield at the balance sheet date on high-quality corporate bonds, with terms to maturity approximating our pension liabilities. Qualified actuaries perform the calculations, using the projected unit method.

We recognise actuarial gains and losses in equity in the period in which they occur, through the Group Statement of Comprehensive Income. Actuarial gains and losses include the difference between the expected and actual return on scheme assets and experience gains and losses on scheme liabilities.

Genus and the other participating employers are jointly and severally liable for the MPF's obligations. We account for our section of the scheme and our share of any orphan assets and liabilities, and provide for any amounts we believe we will have to pay under our joint and several liability. The joint and several liability also means we have a contingent liability for the scheme's obligations that we have not accounted for.

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

29. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

Under the joint and several liability, we initially recognise any changes in our share of orphan assets and liabilities in the Income Statement. After this initial recognition, any actuarial gains and losses on the orphan assets and liabilities are recognised directly in equity through the Group Statement of Changes in Equity, in the period in which they occur.

During the year, the DPF defined benefit pension scheme purchased annuities in order to hedge longevity risk for pensioners within the scheme. As permitted by IAS 19, the Group has opted to recognise the difference between the fair value of the plan assets and the cost of the policy as an actuarial loss in Other Comprehensive Income.

We measure the fair value of our qualifying insurance policy assets to be the deemed present value of the related obligation.

Retirement benefit obligations

The financial positions of the defined benefit schemes, as recorded in accordance with IAS 19 and IFRIC 14, are aggregated for disclosure purposes. The liability/(asset) split by principal scheme is set out below.

	2024 £m	2023 £m
The Milk Pension Fund – Genus's share	–	–
The Dalgety Pension Fund	–	–
National Pig Development Pension Fund	(0.6)	(0.2)
Post-retirement healthcare	0.5	0.5
Other unfunded schemes	6.7	6.6
Overall net pension liability	6.6	6.9

Overall, we expect to pay £0.4m (2023: £0.9m) in contributions to defined benefit plans in the 2025 financial year.

The defined benefit plans are administered by trustee boards that are legally separated from the Group. The trustee board of each pension fund consists of representatives who are employees, former employees or are independent from the Company. The boards of the pension funds are required by law to act in the best interest of the plan participants and are responsible for setting certain policies, such as investment and contribution policies, and for the governance of the fund.

The defined benefit pension schemes expose the Group to actuarial risks such as greater than expected longevity of members, lower than expected return on investments and higher than expected inflation, which may increase the plans' liabilities or reduce the value of their assets.

UK pensions are regulated by The Pensions Regulator, a non-departmental public body established under the Pensions Act 2004 and sponsored by the Department for Work and Pensions, operating within a legal regulatory framework set by the UK Parliament. The Pensions Regulator has statutory objectives set out in legislation, which include promoting and improving understanding of the good administration of work-based pensions, protecting member benefits and regulating occupational defined benefit and contribution schemes. The Pensions Regulator's statutory objectives and regulatory powers are described on its website at www.thepensionsregulator.gov.uk.

All defined benefit schemes are registered as an occupational pension plan with HMRC and are subject to UK legislation and oversight from The Pensions Regulator. UK legislation requires that pension schemes are funded prudently and valued at least every three years. Separate valuations are required for each scheme. Within 15 months of each valuation date, the plan trustees and the Group must agree any contributions required to ensure that the plan is fully funded over time, on a suitably prudent measure.

Funding plans are individually agreed with the respective trustees for each of the Group's defined benefit pension schemes, taking into account local regulatory requirements.

In June 2023 the High Court ruled, in the case of Virgin Media vs NTL Pension Trustees II Limited, that certain historical adjustments to defined benefit schemes may be invalid. We are aware and will continue to monitor the issue, but note the ruling is subject to appeal and at this stage, until the legal position is clarified, we make no allowance for the impact of the judgment.

The Milk Pension Fund ('MPF')

The MPF was previously operated by the Milk Marketing Board and was also open to staff working for Milk Marque Ltd (the principal employer, now known as Community Foods Group Limited), National Milk Records plc, First Milk Ltd, hauliers associated to First Milk Ltd, Dairy Farmers of Britain Ltd (which went into receivership in June 2009) and Milk Link Ltd. Genus Breeding Limited is currently the principal employer.

We have accounted for our section of the scheme and our share of any orphan assets and liabilities, which together represent approximately 86% of the MPF (2023: 86%). Although the MPF is managed on a sectionalised basis, it is a 'last man standing' scheme, which means that all participating employers are jointly and severally liable for all of the fund's liabilities. With effect from 30 June 2013, Genus's remaining active members ceased accruing benefits in the fund and became deferred pensioners.

The most recent actuarial triennial valuation of the MPF was at 31 March 2021 and was carried out by qualified actuaries. The valuation has been agreed by the trustees.

29. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

The principal actuarial assumptions adopted in the 2021 valuation were that:

- investment returns on existing assets would exceed fixed-interest gilt yields by 1.6% per annum until 31 March 2030, then by 0.5% per annum thereafter;
- Consumer Price Index ('CPI') price inflation is expected to be 0.7% per annum lower than Retail Price Index ('RPI') price inflation until 31 March 2030, then less 0.1% per annum thereafter; and
- pensions in payment and pensions in deferment would increase in future in line with CPI price inflation, subject to various minimum and maximum increases.

At 31 March 2021, the market value of the fund's assets was £492m. This represented approximately 103% of the value of the uninsured liabilities, which were £480m at that date.

The surplus in the fund as a whole, by reference to the 31 March 2021 valuation, was £12m (of which Genus's notional share was £10m). Reflecting the improvement in the funding position, with effect from 1 September 2021 no deficit repair contributions are payable and with effect from 1 February 2023 no contributions in respect of the scheme's operating expenses are payable until 30 September 2028.

The disclosures required under IAS 19 have been calculated by an independent actuary, based on accurate calculations carried out as at 31 March 2021 and updated to 30 June 2024.

At 30 June 2024, the MPF was in an overall net pension asset position of £31.9m (2023: £34.6m). However, the Company does not have the unilateral right to this surplus and therefore in line with IFRIC 14, the recognition of this asset is restricted.

Dalgety Pension Fund ('DPF')

The most recent actuarial valuation of the DPF was at 31 March 2021 and was carried out by qualified actuaries.

The principal actuarial assumptions adopted in the 2021 valuation were that:

- investment returns on existing assets are gilt yields less 0.35% per annum;
- CPI price inflation is expected to be 0.7% per annum lower than RPI price inflation until 2030, then utilising the RPI curve from 2030 onwards; and
- pensions in payment and pensions in deferment would increase in future in line with CPI price inflation, subject to various minimum and maximum increases.

The market value of the available assets at 31 March 2021 was £938m. The value of those assets represented approximately 100% of the value of the uninsured liabilities, which were £937m at 31 March 2021. Under the funding agreement, the Company will not have to make deficit repair contributions.

The disclosures required under IAS 19 have been calculated by an independent actuary, based on accurate calculations carried out as at 31 March 2021 and updated to 30 June 2024.

At 30 June 2024, the DPF, which includes a £6.1m separate reserve held against future unknown liabilities materialising, was in an overall net pension asset position of £4.5m (2023: £5.7m). However, the Company does not have the unilateral right to this surplus and therefore in line with IFRIC 14, the recognition of this asset is restricted.

The primary bulk annuity policy was secured with an insurance company in July 1999, which matched the benefit entitlement of almost all of the fund's current and deferred pension liabilities at that time. The value of the policy and related liabilities at 30 June 2024 was £449m (2023: £463m). We do not have any legal rights to any surplus relating to these bulk annuity policies.

National Pig Development Company Pension Fund ('NPD')

The Group operates a closed defined benefit scheme for a small number of former employees of the National Pig Development Company Limited. The total market value of scheme assets and liabilities at 30 June 2024, under the provisions of IAS 19, were £5.4m (2023: £5.0m) and £4.8m (2023: £4.8m), respectively.

The most recent actuarial triennial valuation of the NPD was at 30 June 2023 and was carried out by qualified actuaries. The valuation has been agreed by the trustees.

The principal actuarial assumptions adopted in the 2023 valuation were that:

- investment returns on existing assets are gilt yields less 0.35% per annum;
- CPI price inflation is expected to be 0.6% per annum lower than RPI price inflation; and
- pensions in payment and pensions in deferment would increase in future in line with CPI price inflation, subject to various minimum and maximum increases.

The market value of the available assets at 30 June 2023 was £5.0m. The value of those assets represented approximately 92% of the value of the uninsured liabilities, which were £5.4m at 30 June 2023. In May 2024, it was agreed under the trustee-prepared schedule of contributions that no deficit repair contributions will be payable from 1 June 2024.

The disclosures required under IAS 19 have been calculated by an independent actuary, based on accurate calculations carried out as at 30 June 2023 and updated to 30 June 2024.

Other unfunded schemes

When the Group acquired Sygen International plc in 2005, it also acquired three unfunded defined benefit schemes and an unfunded retirement health benefit plan, which it now operates for the benefit of the previous Group's senior employees and Executives.

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

29. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

Unfunded defined benefit schemes

The scheme liabilities for the three unfunded defined benefit schemes amounted to £4.6m (2023: £4.6m), based on IAS 19's methods and assumptions. This amount is included within pension liabilities in the Group Balance Sheet. It also includes several unfunded defined benefits which amounted to £2.1m (2023: £2.0m). Interest on pension scheme liabilities amounted to £0.3m (2023: £0.2m). The disclosures required under IAS 19 have been calculated by an independent actuary, using the principal assumptions used to calculate the scheme liabilities for the defined benefit schemes.

Post-retirement healthcare

The scheme liabilities for the unfunded retirement health benefit plan amounted to £0.5m (2023: £0.5m), based on IAS 19's methods and assumptions. This amount is included within retirement benefit obligations in the Group Balance Sheet. Interest on plan liabilities amounted to £nil (2023: £nil).

The principal assumptions used to calculate the plan liabilities were that the discount rate would be 5.15% (2023: 5.25%) and that the long-term rate of medical expense inflation would be 6.90% (2023: 7.05%).

Aggregated position of defined benefit schemes

	2024 £m	2023 £m
Present value of funded obligations (includes Genus's 86% share of MPF (2023: 86%))	722.8	746.8
Present value of unfunded obligations	7.4	7.4
Total present value of obligations	730.2	754.2
Fair value of plan assets (includes Genus's 86% share of MPF (2023: 86%))	(760.0)	(787.6)
Restricted recognition of asset (MPF and DPF)	36.4	40.3
Recognised liability for defined benefit obligations	6.6	6.9

Each of the defined benefit schemes manages risks through a variety of methods and strategies, including equity protection, to limit the downside risk of falls in equity markets, as well as inflation and interest rate hedging. By funding its defined benefits schemes, the Group is exposed to the risk that the cost of meeting its obligations is higher than anticipated. This could occur for several reasons, for example:

- Investment returns on the schemes' assets may be lower than anticipated, especially if falls in asset values are not matched by similar falls in the value of the schemes' liabilities.
- The level of price inflation may be higher than that assumed, resulting in higher payments from the schemes.
- Scheme members may live longer than assumed, for example due to advances in healthcare. Members may also exercise (or not exercise) options in a way that leads to increases in the schemes' liabilities, for example through early retirement or commutation of pension for cash.
- Legislative changes could also lead to an increase in the schemes' liabilities.

Aggregated position of defined benefit schemes

The fair value of the total plan assets at the end of the reporting period for each category is as follows:

	Level 1 £m	Level 2 £m	Level 3 £m	2024 £m	Level 1 £m	Level 2 £m	Level 3 £m	2023 £m
Equities	–	–	–	–	–	16.3	–	16.3
Diversified growth funds	–	102.0	–	102.0	–	46.1	–	46.1
Liability-driven investments	–	108.7	–	108.7	–	108.4	–	108.4
Gilts and corporate bonds	–	34.1	–	34.1	–	73.0	–	73.0
Cash	1.4	1.6	–	3.0	1.6	3.6	–	5.2
Property	1.6	–	20.8	22.4	2.4	–	22.8	25.3
Direct lending	–	1.1	26.3	27.4	–	2.9	34.3	37.2
Bulk annuity policy	–	–	462.4	462.4	–	–	476.1	476.1
	3.0	247.5	509.5	760.0	4.0	250.3	533.2	787.6

Note:

Level 1: valued using unadjusted quoted prices in active markets for identical financial instruments.

Level 2: valued using techniques based on information that can be obtained from observable market data.

Level 3: valued using techniques incorporating information other than observable market data.

Movement in the liability for defined benefit obligations

	2024 £m	2023 £m
Liability for defined benefit obligations at the start of the year	754.2	866.0
Benefits paid by the plans	(57.7)	(56.3)
Current service costs and interest	38.0	32.6
Actuarial gains recognised on fund liabilities arising from changes in demographic assumptions	(3.8)	(15.2)
Actuarial losses/(gains) recognised on fund liabilities arising from changes in financial assumptions	1.9	(104.0)
Actuarial (gains)/losses recognised on fund liabilities arising from experience (other)	(2.3)	31.0
Exchange rate adjustment	(0.1)	0.1
Liability for defined benefit obligations at the end of year	730.2	754.2

29. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

Movement in plan assets

	2024 £m	2023 £m
Fair value of plan assets at the start of the year	787.6	936.3
Administration expenses	(0.3)	(0.7)
Contributions paid into the plans	0.8	1.5
Benefits paid by the plans	(57.7)	(56.3)
Interest income on plan assets	39.8	35.4
Actuarial losses recognised in equity	(10.2)	(128.6)
Fair value of plan assets at the end of the year	760.0	787.6

Aggregated position of defined benefit schemes

Summary of movements in Group deficit during the year

	2024 £m	2023 £m
Deficit in schemes at the start of the year	(6.9)	(8.3)
Administration expenses	(0.3)	(0.7)
Contributions paid into the plans	0.8	1.5
Net pension finance cost	(0.3)	(0.2)
Actuarial losses recognised during the year	(6.0)	(40.4)
Movement in restriction of assets	3.9	38.3
Release of additional liability	2.1	3.0
Exchange rate adjustment	0.1	(0.1)
Deficit in schemes at the end of the year	(6.6)	(6.9)

Amounts recognised in the Group Income Statement

	2024 £m	2023 £m
Administrative expenses	0.3	0.7
Interest obligation	38.0	32.6
Interest income on plan assets	(39.8)	(35.4)
Interest on additional liability	2.1	3.0
	0.6	0.9

The expense is recognised in the following line items in the Group Income Statement

	2024 £m	2023 £m
Administrative expenses	0.3	0.7
Net finance charge	0.3	0.2
	0.6	0.9

Actuarial losses/(gains) recognised in the Group Statement of Comprehensive Income

	2024 £m	2023 £m
Cumulative loss at the start of the year	59.2	60.0
Actuarial losses recognised during the year	6.0	40.4
Movement in restriction of assets	(3.9)	(38.3)
Release of additional liability	(2.1)	(3.0)
Exchange rate adjustment	(0.1)	0.1
Cumulative loss at the end of the year	59.1	59.2

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

29. RETIREMENT BENEFIT OBLIGATIONS CONTINUED

Actuarial assumptions and sensitivity analysis

Principal actuarial assumptions (expressed as weighted averages) are:

	2024	2023
Discount rate	5.15%	5.25%
Consumer Price Index	2.55%	2.65%
Retail Price Index	2.90%	3.05%

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. For 2024, the mortality tables used are 100% of the S3PMA (males)/S3PFA_M (females) all lives tables, with birth year and CMI 2023 projections with parameters of Sk=7.0 and A=0.5% and weighting parameters of w2020=0%, w2021=0%, w2022=55% and w2023=15%, subject to a long-term rate of improvement of 1.50% per annum for males and females; and for 2023, the mortality tables used are 100% of the S3PMA (males)/S3PFA_M (females) all lives tables, with birth year and CMI 2022 projections with parameters of Sk=7.0 and A=0.5% and weighting parameters of w2020=0%, w2021=0% and w2022=25%, subject to a long-term rate of improvement of 1.50% per annum for males and females.

Aggregated position of defined benefit schemes

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

		2024 Years	2023 Years
Retiring at balance sheet date at age 65	Male	22.1	22.1
	Female	24.1	24.0
Retiring at age 65 in 20 years' time	Male	23.7	23.7
	Female	25.9	25.8

Duration of benefit obligations

	2024 Years	2023 Years
Weighted average duration of the defined benefit obligations	10.1	10.1
Weighted average duration of the defined benefit obligations, excluding defined benefit obligations backed by purchased annuities	12.1	12.4

Sensitivity analysis

Measurement of the Group's defined benefit obligation is sensitive to changes in certain key assumptions. The sensitivity analysis below shows how a reasonably possible increase or decrease in a particular assumption would, in isolation, result in an increase or decrease in the present value of the defined benefit obligation as at 30 June 2024. We have included additional sensitivity analysis, which excludes the value of our defined benefit obligations backed by purchased annuities, as the asset value is the deemed present value of obligations, with no movement to the overall scheme deficits.

	Discount rate		Rate of inflation		Life expectancy	
	Decrease by 0.5% £m	Increase by 0.5% £m	Decrease by 0.5% £m	Increase by 0.5% £m	Decrease by 1 year £m	Increase by 1 year £m
Increase/(decrease) in present value of defined obligation	42.6	(41.4)	(27.0)	31.1	(27.6)	27.6
Excluding purchased annuity obligations increase/(decrease) in present value of defined obligation	15.6	(15.2)	(9.9)	11.4	(10.1)	10.1

The sensitivity analysis may not be representative of an actual change in the defined benefit obligation, as it is unlikely that changes in assumptions would occur in isolation from one another.

The sensitivities assume the funds' assets remain unchanged. However, in practice changes in interest rates and inflation will also affect the value of the funds' assets. The funds' investment strategy is to hold matching assets with values that move in line with the liabilities of the fund, to protect against changes in interest rates and inflation.

This sensitivity analysis has been prepared using the same method adopted when adjusting results of the latest funding valuation to the balance sheet date. This is the same approach as adopted in previous periods.

The history of experience adjustment is as follows:

	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Present value of the defined benefit obligation	730.2	754.2	866.0	1,106.6	1,169.3
Fair value of plan assets	(760.0)	(787.6)	(936.3)	(1,147.2)	(1,182.5)
Restrict recognition of asset and recognition of additional liability	36.4	40.3	78.6	51.7	31.3
Deficit in the plans	6.6	6.9	8.3	11.1	18.1
Experience adjustments arising on plan liabilities (%)	1.0	17.2	21.0	2.1	1.8
Experience adjustments arising on plan assets (%)	0.9	16.3	19.3	2.4	1.6

30. SHARE-BASED PAYMENTS

We have a number of share plans used to award shares to Directors and senior management as part of their remuneration. To record the cost of these, a charge is recognised over the vesting period in the Group Income Statement, based on the fair value of the award on the date of grant.

Accounting policies

We recognise the fair value of share awards and options granted as an employee expense, with a corresponding increase in equity. We measure the fair value at the grant date and spread it over the vesting period of each option. We use a binomial valuation model to measure the fair value of options and a Black-Scholes valuation model to measure the fair value of share awards. We adjust the amount we recognise as an expense, to reflect the estimated performance against non-market-related conditions and the number of share awards and options that actually vest at the end of the vesting period.

The Group recognised a total share-based payment expense of £7.0m (2023: £6.0m), including National Insurance contributions expense of £0.2m (2023: £0.4m credit).

Share awards

There were 1,041,981 conditional share awards outstanding at 30 June 2024. These conditional shares were awarded to Executive Directors and senior management under the 2014 and 2019 Performance Share Plans. In accordance with the plan's terms, participants have received a conditional annual award of shares or nil cost option awards, which will normally vest after three years, with the proportion of the award vesting depending on growth in the Group's adjusted earnings per share. Further details of the plan's performance conditions are given in the Directors' Remuneration Report.

During the year ended 30 June 2024:

- 456,144 awards were granted on 13 September 2023 with an aggregate fair value of £9,464,000. The fair value of services received in return for share awards granted is based on the fair value of share awards granted, measured using a Black-Scholes valuation model. At the date of grant, the fair value of a share awarded was £20.75, based on an expected dividend yield of 1.66%.

	Number of awards 2024	Number of awards 2023
Outstanding at the start of year	821,681	560,511
Exercised during the year	(109,299)	(137,998)
Forfeited during the year	(153,545)	(137,362)
Granted during the year	456,144	536,530
Outstanding at 30 June	1,014,981	821,681
Exercisable at 30 June	28,586	13,764

Bonus and restricted stock share awards

In addition to the outstanding share awards above, there were 45,962 bonus and restricted stock share awards outstanding at 30 June 2024. The bonus shares were awarded to Executive Directors and senior management as part of the compulsory deferred bonus, and restricted stock share awards were granted to senior management in connection with recruitment. In accordance with the awards' terms, participants have received a conditional annual bonus award of shares or nil-cost option awards, which will normally vest between one and three years after award, providing the participant is employed by the Group at that time.

In the year ended 30 June 2024, 15,385 bonus share awards were granted on 13 September 2023, with an aggregate fair value of £319,000.

	Number of awards 2024	Number of awards 2023
Outstanding at the start of year	48,728	61,313
Exercised during the year	(18,151)	(20,738)
Forfeited during the year	–	–
Granted during the year	15,385	8,153
Outstanding at 30 June	45,962	48,728
Exercisable at 30 June	–	–

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

30. SHARE-BASED PAYMENTS CONTINUED

Share options

On 12 August 2004, the Group established a share option programme that entitles key management and other senior employees to purchase shares in the Company. Further grants on similar terms were offered to these employee groups as set out below. The terms and conditions of the grants are as set out below. All options are to be settled by physical delivery of shares and meet the criteria for being treated as equity-settled.

Share options

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2024	Number of options 2024	Weighted average exercise price 2023	Number of options 2023
Outstanding at the start of year	1,413p	3,884	1,400p	11,430
Forfeited during the year	–	–	1,413p	(1,975)
Share appreciation rights effected during the year	1,413p	(2,565)	1,386p	(2,618)
Exercised during the year	1,413p	(1,319)	1,387p	(2,953)
Outstanding at 30 June	–	–	1,413p	3,884
Exercisable at 30 June	–	–	1,413p	3,884

The weighted average share price at the date of exercise during the year was £21.38p (2023: £29.56p).

31. CAPITAL AND RESERVES

Called-up share capital is the number of shares in issue at their par value. A number of shares were issued in the year, in relation to the employee share schemes.

Accounting policies

Equity instruments issued by the Group are recorded at the amounts of the proceeds received, net of direct issuance costs.

Own shares

We include the transactions, assets and liabilities of the Group-sponsored Qualifying Employee Share Ownership Trust ('QUEST') in the Group Financial Statements. In particular, the trust's purchases of the Company's shares are deducted from shareholders' funds until they vest unconditionally with employees.

Share capital

	2024 Number	2023 Number	2024 £m	2023 £m
Issued and fully paid				
Ordinary shares of 10 pence	66,032,782	66,027,210	6.6	6.6

There is no authorised share capital limit.

The holders of ordinary shares are entitled to receive dividends, as declared from time to time.

The movement in share capital for the period was as follows:

	2024 Number	2023 Number	2024 £m	2023 £m
Issued under the Executive Share Option Plan	1,319	2,953	–	–
Issued to Employee Benefit Trust	–	250,000	–	–
Issued to Genus plc Share Incentive Plan	4,253	637	–	–
	5,572	253,590	–	–

Shares issued under the Executive Share Option Plan were issued at option prices as follows:

	2024 Number	2024 Option price	2023 Number	2023 Option price
Executive Share Option Plan	–	–	983	1334.00p
	1,319	1413.00p	1,970	1413.00p
	1,319		2,953	

31. CAPITAL AND RESERVES CONTINUED

Reserve for own shares

The Company's shares are held by a QUEST, which is an employee benefit trust established to facilitate the operation of our long-term incentive scheme for senior management. The reserve amount represents the deduction in arriving at shareholders' funds for the consideration the trust paid for the Company's shares, which had not vested unconditionally at the balance sheet date. The number and market value of the ordinary shares held by the Employee Benefit Trust and the QUEST were:

	2024 Number	2023 Number	2024 £m	2023 £m
Shares allocated but not vested	252,384	375,998	4.2	8.1
Unallocated shares	92,334	92,334	1.5	2.0
	344,718	468,332	5.7	10.1

The shares have a nominal value of £34,472 (2023: £46,833).

Translation reserve

The translation reserve comprises all foreign currency differences arising from translating the financial statements of our foreign operations.

The Group uses foreign currency denominated borrowings of £40.2m (2023: £41.0m) as a hedge against the translation exposure on the Group's net investment in overseas companies. Where the hedge is fully effective at hedging the variability in the net assets of such companies caused by changes in exchange rates, the changes in value of the borrowings are recognised in the Consolidated Statement of Comprehensive Income and accumulated in the hedging and translation reserves. The ineffective part of any change in value caused by changes in exchange rates is recognised in the Consolidated Income Statement.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments, net of taxation.

Hedging and translation reserves

	Hedging reserve £m	Translation reserve £m
Balance at 30 June 2022	1.4	50.9
Exchange differences on translation of overseas operations	–	(27.5)
Loss recognised on cash flow hedges – interest rate swaps and cross-currency swaps	0.8	–
Income tax related to net losses recognised in other comprehensive income	(0.2)	3.3
Balance at 30 June 2023	2.0	26.7
Exchange differences on translation of overseas operations	–	(16.0)
Gain recognised on net investment hedges	–	0.4
Loss recognised on cash flow hedges – interest rate swaps and cross-currency swaps	(1.6)	–
Income tax related to net losses recognised in other comprehensive income	0.5	(0.6)
Balance at 30 June 2024	0.9	10.5

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

32. NOTES TO THE CASH FLOW STATEMENT

	2024 £m	2023 £m
Profit for the year	2.4	31.8
Adjustment for:		
Net IAS 41 valuation movement on biological assets	23.2	16.9
Amortisation of acquired intangible assets	5.8	7.7
Share-based payment expense	7.0	6.0
Share of profit of joint ventures and associates	(19.1)	(10.5)
Other gains and losses	1.7	(2.7)
Finance costs (net)	18.3	14.3
Income tax expense	3.1	7.6
Exceptional items (net)	24.6	3.5
Adjusted operating profit from continuing operations	67.0	74.6
Depreciation of property, plant and equipment	34.7	30.2
Loss on disposal of plant and equipment	0.8	0.1
Amortisation and impairment of intangible assets	6.4	5.7
Adjusted earnings before interest, tax, depreciation and amortisation	108.9	110.6
Cash impact of exceptional items relating to operating activities	(17.9)	(7.1)
Other movements in biological assets and harvested produce	(9.6)	(11.1)
Decrease in provisions	(1.0)	(1.0)
Additional pension contributions in excess of pension charge	(0.5)	(0.6)
Other	0.1	0.2
Operating cash flows before movement in working capital	80.0	91.0
Increase in inventories	(1.3)	(9.6)
Increase in receivables	(10.1)	(9.3)
Increase in payables	0.2	6.6
Cash generated by operations	68.8	78.7
Interest received	0.5	0.1
Interest and other finance costs paid	(14.5)	(10.7)
Interest on leased assets	(2.8)	(1.2)
Cash flow from derivative financial instruments	(0.7)	1.3
Income taxes paid	(21.5)	(17.8)
Net cash from operating activities	29.8	50.4

Analysis of net debt

Total changes in liabilities due to financing activities are as follows:

	At 1 July 2023 £m	Net cash flows £m	Foreign exchange £m	Other non-cash movements £m	At 30 June 2024 £m
Cash and cash equivalents (see note 22)	36.3	7.7	(1.5)	–	42.5
Interest-bearing loans – current (see note 27)	(4.2)	0.2	–	(0.9)	(4.9)
Lease liabilities – current (see note 28)	(10.0)	13.7	0.3	(18.0)	(14.0)
	(14.2)	13.9	0.3	(18.9)	(18.9)
Interest-bearing loans – non-current (see note 27)	(196.0)	(32.1)	(0.1)	–	(228.2)
Lease liabilities – non-current (see note 28)	(21.9)	–	0.6	(22.8)	(44.1)
	(217.9)	(32.1)	0.5	(22.8)	(272.3)
Total debt financing	(232.1)	(18.2)	0.8	(41.7)	(291.2)
Net debt	(195.8)	(10.5)	(0.7)	(41.7)	(248.7)

Included within non-cash movements is £40.4m in relation to net new leases and £0.9m in relation to the unwinding of debt issue costs.

32. NOTES TO THE CASH FLOW STATEMENT CONTINUED

	At 1 July 2022 £m	Net cash flows £m	Foreign exchange £m	Other non-cash movements £m	At 30 June 2023 £m
Cash and cash equivalents (see note 22)	38.8	1.3	(3.8)	–	36.3
Interest-bearing loans – current (see note 27)	(7.1)	3.8	0.2	(1.1)	(4.2)
Lease liabilities – current (see note 28)	(10.1)	11.1	0.5	(11.5)	(10.0)
	(17.2)	14.9	0.7	(12.6)	(14.2)
Interest-bearing loans – non-current (see note 27)	(182.1)	(17.8)	3.9	–	(196.0)
Lease liabilities – non-current (see note 28)	(24.5)	–	0.8	1.8	(21.9)
	(206.6)	(17.8)	4.7	1.8	(217.9)
Total debt financing	(223.8)	(2.9)	5.4	(10.8)	(232.1)
Net debt	(185.0)	(1.6)	1.6	(10.8)	(195.8)

Included within non-cash movements is £9.7m in relation to net new leases and £1.1m in relation to the unwinding of debt issue costs.

33. OPERATING LEASES

Accounting policies

For short-term leases (those with a term of less than 12 months) and low-value items, we charge the rentals payable to the Income Statement on a straight-line basis over the lease term.

The Company has elected not to apply IFRS 16 to contracts where the right-of-use asset would be recognised as an intangible asset (e.g. software licences).

Total of future minimum lease payments under non-cancellable operating leases which expire:

	2024 £m	2023 £m
In less than one year	1.2	1.2
Between one and five years	–	1.2
In more than five years	–	–
	1.2	2.4

34. CAPITAL AND OTHER COMMITMENTS

At 30 June 2024, outstanding contracted capital expenditure amounted to £nil (2023: £nil).

35. CONTINGENCIES AND BANK GUARANTEES

Contingent liabilities are potential future cash outflows, where the likelihood of payments is considered more than remote but is not considered probable or cannot be measured reliably. Assessing the amount of liabilities that are not probable is highly judgemental.

The retirement benefit obligations referred to in note 29 include obligations relating to the MPF defined benefit scheme. Genus, together with other participating employers, is joint and severally liable for the scheme's obligations. Genus has accounted for its section and its share of any orphan assets and liabilities, collectively representing approximately 86% (2023: 86%) of the MPF. As a result of the joint and several liability, Genus has a contingent liability for the scheme's obligations that it has not accounted for. The total deficit of the MPF from the most recent triennial valuation can be found in note 29.

The Group makes a provision for amounts to the extent that an outflow of economic benefit is probable and can be reliably estimated. However, there are specific claims identified in the litigation where the Group considers the outcome of the claim is not probable and will not result in the outflow of economic benefit.

The Group's future tax charge and effective tax rate could be affected by factors such as countries reforming their tax legislation to implement the OECD's BEPS recommendations and by European Commission initiatives including state aid investigations. Further information can be found in note 11.

At 30 June 2024, the Group had entered into bank guarantees totalling £0.6m (2023: £12.6m).

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

36. DIRECTORS AND KEY MANAGEMENT COMPENSATION

In accordance with IAS 24 'Related Party Disclosures', key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. Key management personnel comprise the Directors and the other members of GELT.

	2024 £m	2023 £m
Salaries and short-term employee benefits	6.7	5.4
Post-employment benefits	0.1	0.2
Share-based payment expense	3.8	3.0
	10.6	8.6

Directors

Further details of Directors' compensation are included in the Directors' Remuneration Report.

Other transactions with key management personnel

Other than remuneration, there were no transactions with key management personnel.

37. GROUP ENTITIES

In accordance with section 409 of the Companies Act 2006, a list of subsidiaries and joint ventures and associates as at 30 June 2024 is set out below. All subsidiary undertakings are subsidiary undertakings of their immediate parent undertaking(s), unless otherwise indicated.

Nature of business

Bovine

Name of undertaking	Registered address	Country of incorporation	Direct/indirect Group interest	Share class	% of share capital/voting rights held by Group companies
ABS (Beijing) International Trade Co., Ltd.	B1608, Lucky Tower, No. 3, East 3rd Ring North Road, Chaoyang District, Beijing, 100027, China	China	Indirect	No Par Value Common Stock	100%
ABS Argentina S.A.	A. Castellanos 1169, (3080) Esperanza, Sante Fe, Argentina	Argentina	Direct	ARS1 Ordinary	100%
ABS Chile Limitada	Avenida del Parque #4161 office #601, Huechuraba, Santiago, Chile	Chile	Direct	CLP0.10 Common Stock	100%
ABS Genetics South Africa (Pty) Ltd	Prestige Park Block B, Unit No. 5B, Pastorelle Street, Durbanville Industrial Park, Durbanville, 7550, South Africa	South Africa	Indirect	ZAR1 Ordinary	100%
ABS Global (Canada) Inc.	1525 Floradale Road, Elmira ON N3B 2Z1, Canada	Canada	Indirect	CAD1 Common	100%
ABS Global, Inc.	1525 River Road, De Forest WI 53532, United States	United States	Indirect	USD0.01 Common	100%
ABS Italia S.r.l.	Via Bastida nr. 6, loc. Cavatigozzi, 26020, Cremona, Italy	Italy	Indirect	€1 Quota	100%
ABS México, S.A. de C.V.	6, 746 Independencia, New Los Angeles, Tereon, 27140, Mexico	Mexico	Direct	MXN10 Class 1 MXN10 Class 2	100%
ABS Polska Sp. z o.o.	Szafirowa 22A, 82-300 Gronowo G6rne, Poland	Poland	Indirect	PLN1,000 Ordinary	100%
Bovec SASU	69 Chemin des Moli6res, PA du Charpenay, 69210, Lentilly, France	France	Indirect	€10 Ordinary	100%
Chitale Genus ABS (India) Private Limited	Gat No 29, Bramha Facility, Burungwadi Near Bhilawadi Railway Station, Taluka Palus, Maharashtra, Sangli, 416303, India	India	Indirect	INR100 Ordinary	50% ¹
De Novo Genetics LLC	1286 Oriole Drive, New Albin IA 52160, United States	United States	Indirect	No Par Value LLC Units	51%
Genus ABS (NZ) Limited	Generate Accounting Group Limited, Level 1, 317 New North Road, Kingsland, Auckland, 1021, New Zealand	New Zealand	Indirect	NZD1 Ordinary	100%
Genus ABS Colombia SAS	Avenida Carrera 70, No. 105 – 51, Bogota, Colombia	Colombia	Indirect	COP10,000 Ordinary	100%
Genus ABS Netherlands B.V.	Hoogoorddreef 15, Amsterdam, 1101BA, Netherlands	Netherlands	Indirect	EUR1 Ordinary	100%

37. GROUP ENTITIES CONTINUED

Nature of business Bovine

Name of undertaking	Registered address	Country of incorporation	Direct/indirect Group interest	Share class	% of share capital/voting rights held by Group companies
Genus Australia Pty Ltd	15 Scholar Drive, Bundoora VIC 3083, Australia	Australia	Indirect	AUD1.388 Ordinary	100%
Genus Breeding India Private Limited	5th FLOOR, C WING, ETERNIA PREMISES CO-OP SOC, NEAR DA UNIT NO 505, 506, DAGDI BUNGLOW, WAKDEWADI, Maharashtra, Pune, 411005, India	India	Indirect	INR10 Ordinary	100%
Genus Breeding Limited (01192037) ²	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Direct	£1 Ordinary	100%
'Genus Ukraine' LLC	Pidlisna str., 1, KYIV 03164, Ukraine	Ukraine	Indirect	No Par Value Common Stock	100%
JB1 Genetics LLC	130 North Kelsey Street, Visalia CA 93291, United States	United States	Indirect	No Par Value LLC Units	100%
LLC Genus ABS Rus	Zheleznodorozhnaya Street, House 51, Letter Zh, Premises 2, Tula, 300062 Russian Federation	Russian Federation	Indirect	RUB1 Ordinary	100%
Millwood Products Ltd (08662101) ²	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Indirect	£1 Ordinary	100%
Pecplan ABS Imp. e Exp. Ltda.	Rod. BR 050 Km 196 + 150metros, Zona Rural, Delta, MG – 38108-000, Brazil	Brazil	Indirect	BRL1 Ordinary	100%
St Jacobs Animal Breeding Corp.	1525 River Road, De Forest WI 53532, United States	United States	Indirect	No Par Value Common	100%
Zitery S.A.	Maximo Tajes 7286, Uruguay	Uruguay	Indirect	No Par Value Common	100%

Nature of business Porcine

Name of undertaking	Registered address	Country of incorporation	Direct/indirect Group interest	Share class	% of share capital/voting rights held by Group companies
Agrocercos PIC Genética de Suínos Ltda	Rua 1 JN, nº 1411, Sala 16 – Jardim Novo, Rio Claro/SP – CEP, 13.502-741, Brazil	Brazil	Indirect	BRL1 Ordinary	49% ¹
Agrocercos PIC Suínos Ltda	Rua 1 JN, nº 1411, Sala 17 – Jardim Novo, Rio Claro/SP – CEP, 13.502-741, Brazil	Brazil	Indirect	BRL1 Ordinary	49% ¹
GENEETIC Service S.R.L.	Viale Europa 71, Belluno, 32100, Italy	Italy	Indirect	€1 Ordinary	33% ¹
Inner Mongolia Genus Biotechnology Co., Ltd	3rd Floor, Building A-15 North, Intelligent Manufacturing Industrial Park, Inner Mongolia, Helinger New Area, China	China	Indirect	CNY1 Ordinary	100%
Inner Mongolia Haoxiang Pig Breeding Co. Ltd	Jintang Village, Jinding Town, Zhidan County, Yan An Municipality, Shaanxi Province, China	China	Indirect	CNY1 Ordinary	49% ¹
Liao Ning PIC Agriculture Science and Technology Co., Ltd	Gunzigou Village, Gao Guan Town, Benxi County, Benxi City, Liaoning Province, China	China	Indirect	CNY1 Ordinary	100%
PIC (Qiannan) Agriculture Science and Technology Co., Ltd.	Rongxiang Village, Luokun Town, Luodian County, Qiannan Prefecture, Guizhou Province, China	China	Indirect	CNY1 Ordinary	100%
PIC (Shanghai) Agriculture Science and Technology Company Limited	Office 803A-305, Building 1, Hongqiao Pingan Fortune Center, Lane 1588, Shenchang Road, Minhang District, Shanghai, 201100, China	China	Indirect	CNY1 Ordinary	100%
PIC (Zhangjiagang) Pig Improvement Co., Ltd.	Office 1210, International Finance Tower, 20 Jingang Road, Zhangjiagang Bonded Zone, Zhangjiagang City, Jiangsu Province, China	China	Indirect	CNY1 Ordinary	100%
PIC Andina SpA	Avenida del Parque #4161 office #601, Huechuraba, Santiago, Chile	Chile	Indirect	CLP1 Ordinary	100%

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

37. GROUP ENTITIES CONTINUED

Nature of business Porcine

Name of undertaking	Registered address	Country of incorporation	Direct/ indirect Group interest	Share class	% of share capital/voting rights held by Group companies
PIC Ankang Agriculture Science and Technology Co., Ltd.	Shishubian Village, Hanbin District, Shaanxi Province, Ankang, China	China	Indirect	CNY1 Ordinary	100%
PIC Canada Ltd.	Borden Ladner Gervais LLP, Centennial Place, East Tower, 1900, 520 – 3rd Ave SW, Calgary, AB, T2P 0R3, Canada	Canada	Indirect	CAD1 Ordinary	100%
PIC France SA	69 Chemin des Molières, PA du Charpenay, Lentilly, 69210, France	France	Indirect	€17 Ordinary	100%
PIC Genetics Designated Activity Company	Riverside One, Sir John Rogerson's Quay, Dublin 2, D02 X576, Ireland, Europe	Ireland	Indirect	€1.27 Ordinary €1.27 Redeemable preference shares	100%
PIC Genetics LLC	79 Narodniy Boulevard, 308000, Belgorod, Russian Federation	Russian Federation	Indirect	RUB1 Ordinary	100%
Pig Improvement Company de México, S. de R.L. de C.V.	Wenceslao de la Barquera No.7, Col. Villas del Sur, 76040 Queretaro, Queretaro, Mexico	Mexico	Indirect	No Par Value Common Stock	100%
Pig Improvement Company Deutschland GmbH	Lorbeerrosenweg 10, Isernhagen, 30916, Germany	Germany	Indirect	No Par Value Common Stock	100%
Pig Improvement Company España, S.A.	C/Pau Vila, 22 2º puerta 6, 08174 Sant Cugat del Valles, Barcelona, Spain	Spain	Indirect	€25 Ordinary	100%
Pig Improvement Company UK Limited (00716304) ²	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Indirect	£0.10 Ordinary	100%
PIC Italia S.r.l.	Strada dei Loggi 22, 06135, Ponte San Giovanni, Perugia, Italy	Italy	Indirect	€1 Ordinary	85%
PIC Philippines, Inc.	Unit 2101-2103 and 2203, Jollibee Plaza, F. Ortigas, Jr. Rd., Ortigas Center, Pasig City, 1605, Philippines	Philippines	Indirect	PHP100 Ordinary	100%
PIC USA, Inc.	100 BlueGrass Commons Blvd, Suite 2200, Hendersonville, TN 37075, United States	United States	Indirect	USD1 Ordinary	100%
RenOVate Biosciences, Inc.	6874 Caravan Ct, Columbia MD 21044, United States	United States	Direct	USD0.001 Series Seed Preferred	33% ¹
Società Agricola GENEETIC S.R.L.	Via Marche n. 2, Reggio Emilia, 42122, Italy	Italy	Indirect	€1 Ordinary	33% ¹
Shaanxi PIC Pig Improvement Co., Ltd.	12105, 21st floor, Yun Tian Building, 12 Feng Cheng Second Street, Xian Economic Development District, Xian City, Shaanxi Province, China	China	Indirect	CNY1 Ordinary	100%
Yan'an Xinyongxiang Agriculture Technology Co., Ltd.	Jintang Village, Jinding Town, Zhidan County, Yan An Municipality, Shaanxi Province, China	China	Indirect	CNY1 Ordinary	49% ¹

Nature of business Other

Name of undertaking	Registered address	Country of incorporation	Direct/ indirect Group interest	Share class	% of share capital/voting rights held by Group companies
Accounting & Managerial Services S. de R.L. de C.V.	Kansas No. 2028, Quintas Campestre, 31214, Chihuahua, Chih., Mexico	Mexico	Indirect	MXN1 Class 1	96%
ABS International, Inc.	1525 River Road, De Forest WI 53532, United States	United States	Indirect	USD1 Ordinary	100%
ABS Pecplan Ltda.	Rod. BR 050 Km 196 + 150metros, Zona Rural, Delta, MG – 38108-000, Brazil	Brazil	Direct	BRL1 Ordinary	100%

37. GROUP ENTITIES CONTINUED

Nature of business
Other

Name of undertaking	Registered address	Country of incorporation	Direct/indirect Group interest	Share class	% of share capital/voting rights held by Group companies
Brazilian Holdings Limited (00479048) ²	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Indirect	£1 Ordinary	100%
Brazilian Properties Limited	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Direct	£1 Ordinary	100%
Busby Participações Ltda.	Av. Leopoldino de Oliveira, 4.113, Sala 303, Centro, CEP: 38010-000, UBERABA-MG, Brazil	Brazil	Indirect	BRL1 Ordinary	100%
Cannavarro Participações Ltda.	Av. Leopoldino de Oliveira, 4.113, Sala 303, Centro, CEP: 38010-000, UBERABA-MG, Brazil	Brazil	Indirect	BRL1 Ordinary	100%
Dalco Exportadora Ltda.	Av. Leopoldino de Oliveira, 4113 – Sala 303, Uberaba, Minas Gerais, CEP 38010-000, Brazil	Brazil	Indirect	BRL1 Ordinary	100%
Dalgety Pension Trust Limited	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Indirect	£1 Ordinary	100%
Fyfield (SM) Limited (01026475) ²	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Indirect	£1 Ordinary	100%
Fyfield Dormant	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Indirect	£1 Ordinary	100%
Fyfield Holland B.V.	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	Netherlands	Indirect	€1 Ordinary	100%
Fyfield Ireland Unlimited Company	Riverside One, Sir John Rogerson's Quay, Dublin 2, DO2 X576, Ireland	Ireland	Indirect	€0.001 'A' Ordinary €0.001 'B' Ordinary	100%
Genus Investments Limited (02028517) ²	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Direct	£1 Ordinary	100%
Genus Quest Trustees Limited	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Direct	£1 Ordinary	100%
Genus R&D, Inc.	1525 River Road, De Forest WI 53532, United States	United States	Indirect	US\$0.01 Common	100%
Genus Trustees Limited	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Direct	£1 Ordinary	100%
GIL Finance S.à.r.l.	31, rue de Hollerich, L-1741, Luxembourg	Luxembourg	Indirect	USD1 Ordinary	100%
PIC Do Brasil Empreendimentos e Participações Ltda.	Rua 1 JN, no. 1411, Sala 13, Jardim Novo, Rio Claro, Estado De São Paulo, CEP 13.502.741, Brazil	Brazil	Indirect	BRL0.01 Ordinary	100%
PIC Fyfield Limited (00019739) ²	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Indirect	£1 Ordinary	100%
Pig Improvement Company Overseas Limited (01583814) ²	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Indirect	£1 Ordinary	100%
Pigtales Limited (00723762) ²	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Indirect	£1 Ordinary	100%
Promar International Limited (03004562) ²	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Direct	£1 Ordinary	100%
Skogluno Participações Ltda.	Av. Leopoldino de Oliveira, 4.113, Sala 303, Centro, CEP: 38010-000, UBERABA-MG, Brazil	Brazil	Indirect	BRL1 Ordinary	100%
Spillers Limited	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Indirect	£0.25 Ordinary	100%
Spillers Overseas Limited	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Indirect	£0.25 Ordinary	100%
Sygen, Inc.	100 BlueGrass Commons Blvd, Suite 2200, Hendersonville, TN 37075 United States	United States	Indirect	USD1 Common	100%
Sygen International Limited (03215874) ²	Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, United Kingdom	UK	Direct	£0.10 Ordinary	100%

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

37. GROUP ENTITIES CONTINUED

Nature of business Other

Name of undertaking	Registered address	Country of incorporation	Direct/ indirect Group interest	Share class	% of share capital/voting rights held by Group companies
Sygen Investimentos Ltda.	Av. Leopoldino de Oliveira, 4113 – Sala 303, Uberaba, Minas Gerais, CEP 38010-000, Brazil	Brazil	Indirect	BRL0.63 Ordinary	100%
Usicafé SA	c/o Cabinet Mayor, avocats, Rue Jean-Gabriel Eynard 6, 1205 Genève, Switzerland	Switzerland	Indirect	CHF1,000 Ordinary	100%
Xelect Limited ²	Horizon House, Abbey Walk, St Andrews, Fife, KY16 9LB, Scotland	UK	Indirect	£0.001 Ordinary	100%

¹ Associated undertakings including joint venture interests

² UK subsidiaries taking advantage of the audit exemption within section 479A of the Companies Act 2006

38. DEFERRED CONSIDERATION

Accounting policies

We recognise deferred consideration on the Balance Sheet when a business combination contains a contractual clause that defers a portion of the purchase price. When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Subsequent contingent consideration fair value remeasurements that do not qualify as measurement period adjustments are recognised in the Income Statement.

Contingent deferred consideration is measured at fair value and the valuation basis is Level 3 classification, where fair value techniques use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Contingent deferred consideration £m	Deferred consideration £m	Total £m
Balance at 1 July 2022	0.5	1.0	1.5
Business combination	–	–	–
Payment of consideration	–	(0.8)	(0.8)
Transfer	–	–	–
Effect of movement in exchange rates	(0.1)	–	(0.1)
Balance at 30 June 2023	0.4	0.2	0.6
Business combination (see note 41)	0.6	–	0.6
Release of contingent deferred consideration	(0.4)	–	(0.4)
Transfer	(0.6)	0.6	–
Effect of movement in exchange rates	–	–	–
Balance at 30 June 2024	–	0.8	0.8
Current	–	0.6	0.6
Non-current	–	0.2	0.2
Balance at 30 June 2024	–	0.8	0.8
Current	–	–	–
Non-current	0.4	0.2	0.6
Balance at 30 June 2023	0.4	0.2	0.6

38. DEFERRED CONSIDERATION CONTINUED

The balance at 30 June 2024 relates to the following transactions:

	Fiscal year of transaction	Contingent deferred consideration £m	Deferred consideration £m	Total £m
Xelect Limited	2024	–	0.6	0.6
T.A.C. – Laboratório de Reprodução Animal Ltda.	2022	–	0.2	0.2
Balance at 30 June 2024		–	0.8	0.8

39. NON-CONTROLLING INTEREST

	2024 £m	2023 £m
Non-controlling interest	1.2	(2.2)
Put option over non-controlling interest at inception	(5.5)	(5.5)
Total non-controlling interest	(4.3)	(7.7)

Summarised financial information in respect of each of the Group's subsidiaries that has a material non-controlling interest is set out below before intra-Group eliminations.

	De Novo Genetics LLC £m	PIC Italia S.r.l. £m	2024 £m
Revenue	3.4	3.6	7.0
Expenses	(14.8)	(2.8)	(17.6)
Total comprehensive (expense)/income for the year	(11.4)	0.8	(10.6)
Total comprehensive (expense)/income attributable to owners of the Company	(5.8)	0.7	(5.1)
Total comprehensive (expense)/income attributable to the non-controlling interest	(5.6)	0.1	(5.5)
Biological assets	6.9	–	6.9
Current assets	–	1.9	1.9
Other non-current assets	0.6	1.1	1.7
Current liabilities	(7.2)	(1.0)	(8.2)
Net assets	0.3	2.0	2.3
Equity attributable to owners of the Company	0.6	(1.7)	(1.1)
Non-controlling interest	0.9	0.3	1.2

No dividends were paid to non-controlling interests (2023: £0.1m).

	De Novo Genetics LLC £m	PIC Italia S.r.l. £m	2023 £m
Revenue	4.1	5.1	9.2
Expenses	(7.4)	(4.6)	(12.0)
Total comprehensive (expense)/income for the year	(3.3)	0.5	(2.8)
Total comprehensive (expense)/income attributable to owners of the Company	(1.7)	0.4	(1.3)
Total comprehensive (expense)/income attributable to the non-controlling interest	(1.6)	0.1	(1.5)
Biological assets	15.6	–	15.6
Current assets	–	1.7	1.7
Other non-current assets	0.8	1.4	2.2
Current liabilities	(22.9)	(2.0)	(24.9)
Net (liabilities)/assets	(6.5)	1.1	(5.4)
Equity attributable to owners of the Company	4.1	(0.9)	3.2
Non-controlling interest	(2.4)	0.2	(2.2)

Notes to the Group Financial Statements continued

For the year ended 30 June 2024

40. RELATED-PARTY TRANSACTIONS

Bomaz, Inc. and Bogz Dairy, LLC, are well-recognised breeders in the industry, and are related parties to the Group as these entities are under the control of relatives of Nate Zwald, our former ABS Dairy COO.

We transact with Bomaz, Inc. and Bogz Dairy, LLC as part of our bull product development effort, under a variety of contracts and agreements. Payments in 2024 amounted to £1.2m (2023: £1.3m). As at 30 June 2024, the balance owing to these entities was £nil (2023: £0.1m). All amounts were settled in cash.

These related-party transactions were made on terms equivalent to those that prevail in arm's length transactions.

41. BUSINESS COMBINATIONS

On 5 December 2023, the Group exercised an option to acquire the remaining 61% of the issued share capital of Xelect Limited ('Xelect'). Prior to this, the Group owned 39% of the issued share capital. Xelect is a leading provider of specialist genetics and breeding management services to the aquaculture industry. Xelect was acquired to establish a window into the Aqua sector and a foundational platform upon which the Group can build an entry into the aqua germplasm space.

The amounts recognised in respect of the identifiable assets acquired and the liabilities assumed are as set out in the table below.

	£m
Other intangible assets	2.0
Property, plant and equipment	0.3
Right-of-use assets	0.4
Inventories	0.1
Trade and other receivables	0.4
Cash and cash equivalents	0.4
Trade and other payables	(0.3)
Obligations under leases	(0.4)
Deferred tax liabilities	(0.5)
Total identifiable assets	2.4
Goodwill	4.0
Total consideration	6.4
Satisfied by:	
Cash	3.3
Previously held 39% (note 18)	2.5
Contingent consideration arrangement	0.6
Total consideration transferred	6.4
Cash consideration	3.3
Less: cash and cash equivalent balances acquired	(0.4)
Net cash outflow arising on acquisition	2.9

Prior to control being obtained Xelect was accounted for as an associate (see note 18); when control was obtained the carrying value of the asset was £2.5m. The goodwill of £4.0m arising from the acquisition consists of the knowledge and experience of the workforce. The contingent consideration arrangement is based on the performance of Xelect in the remainder the year ending 30 June 2024. The total value of the contingent consideration will not exceed £0.6m. Acquisition-related costs (including administrative costs) amount to £0.1m.

Xelect contributed £1.2m of revenue and a profit after tax of £0.1m for the period between the date control was achieved and the balance sheet date. Prior to control being achieved £nil was recognised in the Group's profit for our 39% share of Xelect's results to that date. If control of Xelect had been achieved on the first day of the financial year, the contribution to revenue would have been £2.0m and a profit after tax of £nil.

Parent Company Balance Sheet

As at 30 June 2024

	Note	2024 £m	2023 £m
Non-current assets			
Intangible assets	C3	13.5	11.8
Property, plant and equipment	C4	0.7	0.9
Investments in subsidiaries	C5	313.6	319.4
Other investments	C6	–	4.4
Other receivables	C7	71.2	70.9
Derivative financial asset	C15	1.2	4.9
Deferred tax asset	C8	16.3	6.8
		416.5	419.1
Current assets			
Other receivables	C7	136.0	103.3
Cash and cash equivalents		3.9	1.3
		139.9	104.6
Current liabilities			
Current payables	C9	(70.9)	(59.0)
Provisions	C11	(0.3)	(0.3)
		(71.2)	(59.3)
Net current assets		68.7	45.3
Total assets less current liabilities		485.2	464.4
Non-current liabilities			
Non-current payables	C10	(228.6)	(196.6)
Provisions	C11	(0.1)	(0.1)
		(228.7)	(196.7)
Net assets		256.5	267.7
Equity			
Called-up share capital	C16	6.6	6.6
Share premium account		179.1	179.1
Own shares		(0.1)	(0.1)
Retained earnings		70.3	80.3
Hedging reserve		0.6	1.8
Total equity		256.5	267.7

The Company recognised profit for the year of £4.2m (2023: £20.1m profit).

The Financial Statements were approved and authorised for issue by the Board of Directors on 4 September 2024.

Signed on behalf of the Board of Directors.

Jorgen Kokke
Chief Executive

Alison Henriksen
Chief Financial Officer

Company number: 02972325

Parent Company Statement of Changes in Equity

For the year ended 30 June 2024

	Called-up share capital £m	Share premium account £m	Own shares £m	Retained earnings £m	Hedging reserve £m	Total equity £m
Balance at 1 July 2022	6.6	179.1	(0.1)	73.5	0.3	259.4
Fair value of movement on cash flow hedges, net of tax	–	–	–	–	1.5	1.5
Gain on equity instruments measured at fair value, net of tax	–	–	–	1.2	–	1.2
Actuarial loss on retirement benefit obligations, net of tax	–	–	–	(3.6)	–	(3.6)
Movement on pension asset recognition restriction, net of tax	–	–	–	3.6	–	3.6
Other comprehensive income for the year	–	–	–	1.2	1.5	2.7
Total profit for the financial year	–	–	–	20.1	–	20.1
Total comprehensive income for the financial year	–	–	–	21.3	1.5	22.8
Dividends paid	–	–	–	(21.0)	–	(21.0)
Share-based payment expense, net of tax	–	–	–	6.5	–	6.5
Balance at 30 June 2023	6.6	179.1	(0.1)	80.3	1.8	267.7
Fair value of movement on cash flow hedges, net of tax	–	–	–	–	(1.2)	(1.2)
Gain on equity instruments measured at fair value, net of tax	–	–	–	0.1	–	0.1
Actuarial loss on retirement benefit obligations, net of tax	–	–	–	(0.4)	–	(0.4)
Movement on pension asset recognition restriction, net of tax	–	–	–	0.4	–	0.4
Other comprehensive income for the year	–	–	–	0.1	(1.2)	(1.1)
Total profit for the financial year	–	–	–	4.2	–	4.2
Total comprehensive income for the financial year	–	–	–	4.3	(1.2)	3.1
Dividends paid	–	–	–	(21.0)	–	(21.0)
Share-based payment expense, net of tax	–	–	–	6.7	–	6.7
Balance at 30 June 2024	6.6	179.1	(0.1)	70.3	0.6	256.5

For information on dividends see note 13, on cash flow hedges see note 26 and on share-based payment expense see note 30.

Notes to the Parent Company Financial Statements

For the year ended 30 June 2024

C1. ACCOUNTING INFORMATION AND POLICIES

Basis of preparation

The Parent Company Financial Statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ('FRS 101') and the Companies Act 2006 (the 'Act'). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard, which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of the Companies Act 2006. The Group Financial Statements have also been prepared in accordance with International Financial Reporting Standards as issued by the IASB.

The Company Financial Statements have been prepared using the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities and in accordance with the Act. The Financial Statements have been prepared on a going concern basis, as set out in note 2 of the Consolidated Financial Statements of Genus plc. The accounting policies set out below and stated in the relevant notes have been applied consistently to all periods presented in these Financial Statements.

The Company has taken advantage of the disclosure exemptions available under FRS 101 in relation to share-based payments, business combinations, financial instruments, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards issued not yet effective, impairment of assets and related-party transactions. Where required, equivalent disclosures are given in the Consolidated Financial Statements of Genus plc.

As permitted by section 408 of the Act, the Company has not presented its own Income Statement in this Annual Report.

The functional currency of the Company is Sterling.

Critical accounting judgements and key sources of estimation uncertainty

Preparing company financial statements in conformity with FRS 101 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Impairment of investment held in subsidiaries (see note C5)

Determining whether the carrying value of the investment held in subsidiaries is impaired requires us to consider specific impairment indicators and estimate the value in use of the cash-generating units ('CGU'). This estimation involves projecting future cash flows from the CGU, selecting an appropriate discount rate, and determining growth rates to calculate the present value.

Significant accounting policies applied in the current reporting period that relate to the Financial Statements as a whole

This section sets out our significant accounting policies that relate to the Financial Statements as a whole. Where an accounting policy is generally applicable to a specific note to the Financial Statements, the policy has been described in that note.

Other income and deferred income

The Company has entered into a strategic collaboration with Beijing Capital Agribusiness ('BCA') under which BCA will establish and fund a collaboration-specific entity ('BCA Future Bio-Tech') which will use Genus's intellectual property and know-how to pursue the PRRS-resistance regulatory and development work in China. Genus will receive consideration after meeting certain milestones in the development programme.

Each milestone is considered to be either a separate performance obligation, or a set of separate performance obligations, under this agreement and milestones are unbundled in the contractual arrangement as if they are distinct from one another.

We assess each separate performance obligation relating to the milestone payments, and upon completion of those performance obligations recognise the fair value of amounts earned in other income. Some performance obligations, such as the transfer of know-how, are recognised at a point in time whereas others, such as the provision of technical services, are recognised over time. We recognise any received but unearned consideration as deferred income.

We will apply the same accounting policy to any other comparable agreements.

Pensions

A number of our employees are members of defined contribution pension schemes. We charge contributions to profit and loss as they become payable under the schemes' rules. We show differences between the contributions payable and the amounts actually paid as either accruals or prepayments in the Balance Sheet. The schemes' assets are held separately from those of the Company.

Certain former employees of the Company are members of one of the Group's defined benefit pension schemes, details of which are given in note 29 to the Group Financial Statements. The schemes are all multi-employer defined benefit schemes, whose assets and liabilities are held independently from the Group but within their sponsored Group company.

Taxation

We provide for current tax, including UK corporation tax and foreign tax, at the amounts we expect to pay or recover, using the tax rates and the laws enacted or substantively enacted at the balance sheet date.

Deferred tax is tax we expect to pay or recover due to the differences between the carrying amounts of our assets and liabilities in our Financial Statements and the corresponding tax bases used in calculating out taxable profit. We account for deferred tax using the balance sheet liability method.

Notes to the Parent Company Financial Statements continued

For the year ended 30 June 2024

C1. ACCOUNTING INFORMATION AND POLICIES CONTINUED

Foreign currencies

We record transactions in foreign currencies at the rate ruling at the transaction date. We retranslate monetary assets and liabilities denominated in foreign currencies at the prevailing rate of exchange at the balance sheet date. All differences are taken to the Income Statement.

Own shares

The Company has adopted FRS 101, which requires us to recognise the assets and liabilities associated with the Company's investment in its own shares in the Company's Financial Statements, where there is de facto control of the assets and liabilities.

The Company's own shares held by a Qualifying Employee Share Ownership Trust remain deducted from shareholders' funds until they vest unconditionally with employees.

Employee share schemes

The Company's Executive Directors and Chief Operating Officers receive part of their remuneration in the form of share awards, which vest upon meeting performance criteria over a three-year period.

We measure the cost of these awards by reference to the shares' fair value at the award date. At the end of each financial reporting period, we estimate the extent to which the performance criteria will be met at the end of three years and record an appropriate charge in the profit and loss account, together with a corresponding credit to profit and loss reserves. Changes in estimates of the number of shares vesting may result in charges or credits to the profit and loss account in subsequent periods.

Share-based payments

We have implemented the generally accepted accounting principle for accounting for share-based payments with subsidiary undertakings under FRS 101, whereby the Company has granted rights to its shares to employees of its subsidiary undertakings under an equity-settled arrangement, and the subsidiaries have not reimbursed the Company for these rights. Under this arrangement, the Company treats the share-based payment recognised in the subsidiary's financial statements as a cost of investment in the subsidiary and credits equity with an equal amount.

Derivative financial instruments and hedging

Our activities expose us primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

We use interest rate swaps to hedge interest rate risk. We also use forward foreign currency contracts, implemented through a medium-term US Dollar cross-currency borrowing and related interest rate swap, to hedge exposure to translation risk associated with US Dollar net assets of subsidiaries. Forward foreign currency contracts do not qualify for hedge accounting in the Parent Company Financial Statements, as the hedged item is not in its Balance Sheet.

Our use of financial derivative instruments is governed by the Group's policies, which are approved by the Board of Directors. The notes to the Group Financial Statements include information about the Group's financial risks and their management, and its use of financial instruments and their impact on the Group's risk profile, performance and financial condition.

The fair value of the US Dollar and interest rate swaps is the estimated amount that we would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the creditworthiness of the swap counterparties.

The fair value of forward exchange contracts is their quoted market price at the balance sheet date, which is the present value of the quoted forward price.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve, and limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in the Income Statement, and is included in the 'other gains and losses' line item.

Amounts previously recognised in Other Comprehensive Income and accumulated in equity are reclassified to the Income Statement in the periods when the hedged item affects the Income Statement, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in Other Comprehensive Income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. This transfer does not affect Other Comprehensive Income. Furthermore, if the Company expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to the Income Statement.

The Company discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in Other Comprehensive Income and accumulated in the cash flow hedging reserve at that time remains in equity and is reclassified to the Income Statement when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedging reserve is reclassified immediately to the Income Statement.

Under interest rate swap contracts, the Company agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Company to mitigate the risk of changing interest rates on the fair value of issued fixed-rate debt held and the cash flow exposures on the issued variable-rate debt held. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the yield curves at the reporting date and the credit risk inherent in the contract. The average interest rate is based on the outstanding balances at the end of the financial year.

C1. ACCOUNTING INFORMATION AND POLICIES CONTINUED

As the critical terms of the interest rate swap contracts and their corresponding hedged items are the same, the Company performs a qualitative assessment of effectiveness and it is expected that the value of the interest rate swap contracts and the value of the corresponding hedged items will systematically change in opposite directions, in response to movements in the underlying interest rates. The main source of hedge ineffectiveness in these hedge relationships is the effect of the counterparty and the Company's own credit risk on the fair value of the interest rate swap contracts, which is not reflected in the fair value of the hedged item attributable to the change in interest rates. No other sources of ineffectiveness emerged from these hedging relationships.

C2. EMPLOYEES

Staff costs including Directors' remuneration during the year amounted to:

	2024 £m	2023 £m
Wages and salaries	7.5	7.4
Social security costs	0.9	0.7
Pension costs	0.2	0.2
Share-based payment expense	1.2	2.2
	9.8	10.5

The Directors' Remuneration Report sets out details of the Directors' remuneration, pensions and share options.

The average monthly number of employees including Directors during the year was as follows:

	2024 Number	2023 Number
Administration	47	45

C3. INTANGIBLE ASSETS

Accounting policies

Patents, licences and software are stated at acquisition cost less accumulated amortisation. The amortisation period is determined by reference to expected useful life, which is reviewed at least annually. Amortisation is charged to the Income Statement on a straight-line basis over the estimated useful life. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

See note 15 for useful economic life. We do not amortise assets under construction.

	Software £m	Patents and licences £m	Assets under construction £m	Total £m
Cost				
Balance at 1 July 2022	9.4	3.7	2.7	15.8
Additions	–	–	3.3	3.3
Transfers	3.7	–	(3.7)	–
Balance at 30 June 2023 and 1 July 2023	13.1	3.7	2.3	19.1
Additions	–	–	3.2	3.2
Transfers	5.3	–	(5.3)	–
Balance at 30 June 2024	18.4	3.7	0.2	22.3
Amortisation				
Balance at 1 July 2022	2.5	3.7	–	6.2
Amortisation for the year	1.1	–	–	1.1
Balance at 30 June 2023 and 1 July 2023	3.6	3.7	–	7.3
Amortisation for the year	1.5	–	–	1.5
Balance at 30 June 2024	5.1	3.7	–	8.8
Carrying amounts				
At 30 June 2024	13.3	–	0.2	13.5
At 30 June 2023	9.5	–	2.3	11.8
At 30 June 2022	6.9	–	2.7	9.6

Included within the software class of assets is £13.3m (2023: £9.5m) and included in assets in the course of construction is £0.2m (2023: £2.3m) that relate to the ongoing development costs of GenusOne, our single global enterprise system.

Notes to the Parent Company Financial Statements continued

For the year ended 30 June 2024

C4. PROPERTY, PLANT AND EQUIPMENT

Accounting policies

We state property, plant and equipment at cost, together with any incidental acquisition expenses, or at their latest valuation, less depreciation and any provision for impairment. We calculate depreciation on a straight-line basis, to write the assets down to their estimated residual values over their estimated useful lives. The rates of annual depreciation on tangible fixed assets are as follows:

- Leasehold improvements period of lease
- Leased buildings period of lease
- Equipment 3 to 10 years

We review the carrying value of fixed assets for impairment, if events or changes in circumstances indicate that the carrying value may not be recoverable.

Right-of-use assets

Right-of-use assets are measured initially at cost based on the value of the associated lease liability, adjusted for any payments made before inception, initial direct costs and an estimate of the dismantling, removal and restoration costs required in the terms of the lease. Subsequent to initial recognition, we record an interest charge in respect of the lease liability. The related right-of-use asset is depreciated over the term of the lease or, if shorter, the useful economic life ('UEL') of the leased asset. The lease term shall include the period of an extension option where it is reasonably certain that the option will be exercised. Where the lease contains a purchase option, the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised.

	Leasehold improvements £m	Equipment £m	Owned assets £m	Right-of-use leased buildings £m	Total £m
Cost					
Balance at 1 July 2023	0.5	0.3	0.8	1.2	2.0
Additions	–	0.1	0.1	–	0.1
Disposals	–	(0.1)	(0.1)	–	(0.1)
Balance at 30 June 2024	0.5	0.3	0.8	1.2	2.0
Depreciation					
Balance at 1 July 2023	0.3	0.3	0.6	0.5	1.1
Depreciation for the year	0.1	–	0.1	0.2	0.3
Disposals	–	(0.1)	(0.1)	–	(0.1)
Balance at 30 June 2024	0.4	0.2	0.6	0.7	1.3
Carrying amounts					
At 30 June 2024	0.1	0.1	0.2	0.5	0.7
At 30 June 2023	0.2	–	0.2	0.7	0.9

C5. INVESTMENTS IN SUBSIDIARIES

Accounting policies

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

The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, then we estimate the recoverable amount. If the recoverable amount of the cash-generating unit is less than the value of the investment, it is considered to be impaired and we write it down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

	Shares in subsidiary undertakings £m
Cost	
Balance at 1 July 2023	527.9
Additions	7.0
Balance at 30 June 2024	534.9
Provision for impairment	
Balance at 1 July 2023	208.5
Provided during the year	12.8
Balance at 30 June 2024	221.3
Carrying amounts	
At 30 June 2024	313.6
At 30 June 2023	319.4

Additions relate to increasing our investments in Genus Investments (£5.5m) and ABS Argentina S.A. (£1.4m).

C5. INVESTMENTS IN SUBSIDIARIES CONTINUED

The Company considers the relationship between its invested capital and the carrying value of its investments, among other factors, when reviewing for indicators of impairment. As at 30 June 2024, the net investment in five of the Company's subsidiary undertakings exceeded the Company's share of the net assets. Each of these subsidiaries are denominated in Latin American currencies, all of which have seen significant weakening against Sterling during the year ended 30 June 2024. For each of these undertakings, the recoverable value has been estimated using the Board-approved forecasts. There were no significant indicators of impairment for the Company's other subsidiary undertakings.

The key assumptions for the value in use calculation are those regarding the discount rate, growth rates and expected trading performance.

Management estimates discount rates that reflect current market assessments of the time value of money and the risks specific to the Group. The pre-tax discount rates are derived from the Group's post-tax weighted average cost of capital ('WACC'), which has been calculated using the capital asset pricing model, the inputs of which include a country risk-free rate, equity risk premium, Group size premium and a risk adjustment (beta). This equates to a pre-tax discount rate of 12.2% (2023: 11.2%). Cash flows beyond the five-year period are extrapolated using a long-term growth rate of 2.5% (2023: 2.5%).

During the year, £12.8m was provided against the investment held in ABS Argentina (£1.8m) and ABS Brazil (£11.0m) to reflect a reduction in the net assets of those companies and expected future trading performance.

Principal subsidiary undertakings

The Company's principal subsidiaries and their main activities are given in note 37 to the Group Financial Statements.

Sensitivity to changes in assumptions

Management has performed the following sensitivity analysis:

- changing the key assumptions, with other variables held constant;
- simultaneously changing the key assumptions.

Management has concluded that no reasonably possible changes in any of the key assumptions would lead to a material impairment in the carrying amounts of investments in subsidiaries, except for Brazil.

There are reasonably possible changes to key assumptions that could cause the carrying value of the ABS Brazil investment to exceed its recoverable amount based on our value in use calculations.

Management has identified the following assumptions as key sources of estimation uncertainty within the ABS Brazil value in use calculation (see note C1).

	2024	2023	Sensitivity
Weighted average risk-adjusted discount rate	12.5%	14.3%	Increase of 1% in the discount rate would decrease the recoverable amount by £0.6m
Weighted average short-term growth rate (CAGR)	10.4%	11.8%	Decrease of 1% in the CAGR would decrease the recoverable amount by £1.0m
Long-term growth rate	2.5%	2.5%	Decrease of 1% in the long-term growth rate would decrease the recoverable amount by £0.4m

C6. OTHER INVESTMENTS

Accounting policies

Listed equity investments are stated at fair value.

	2024 £m	2023 £m
Listed investment – NMR	–	4.4

NMR ordinary shares were acquired as part of the NMR pension agreement, and are measured at fair value. The valuation basis is Level 1 classification, where fair value techniques are quoted (unadjusted) prices in active markets for identical assets and liabilities. On 21 August 2023 these shares were sold and the total funds received were £4.6m.

Notes to the Parent Company Financial Statements continued

For the year ended 30 June 2024

C7. OTHER RECEIVABLES

Accounting policies

We state other receivables at their amortised cost less any impairment losses.

	Note	2024 £m	2023 £m
Amounts due within one year			
Amounts owed by Group undertakings		129.7	97.1
Corporation tax recoverable		1.6	1.7
Prepayments		1.6	1.5
Other receivables		1.2	1.5
Derivative financial asset	C15	1.9	1.5
		136.0	103.3
Amounts due after one year			
Amounts owed by Group undertakings		71.2	70.9
		71.2	70.9

At the balance sheet date, the total amounts owed by Group undertakings were £200.9m (2023: £168.0m). The carrying amount of these assets approximates their fair value. Of the amounts owed by Group undertakings, £176.6m (2023: £163.6m) is interest-bearing and any interest charged is at current market rates.

C8. DEFERRED TAXATION

Accounting policies

We recognise deferred taxation 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.

We only recognise deferred taxation assets if we consider it more likely than not that we will have suitable profits from which we can deduct the future reversal of the underlying timing differences. Timing differences are differences arising between the Company's taxable profits and its results as stated in the Financial Statements, and which are capable of reversing in one or more subsequent periods.

We only recognise deferred taxation in respect of the future remittance of retained earnings of overseas subsidiaries to the extent that, at the balance sheet date, dividends have been accrued as receivable.

We measure deferred taxation on a non-discounted basis, at the tax rates we expect to apply in the periods in which we expect the timing differences to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

At the balance sheet date, the Company had a deferred tax asset of £16.3m (2023: £6.8m).

The movements in deferred taxation are as follows:

	2024 £m	2023 £m
At the start of the year	6.8	3.8
Recognised in the Income Statement	9.2	4.3
Recognised in equity	0.3	(1.3)
At the end of the year	16.3	6.8

The amounts provided are as follows:

	2024 £m	2023 £m
Share-based payment expense	5.4	1.0
Other timing differences	1.4	5.0
Losses	9.5	0.8
	16.3	6.8

At the balance sheet date, the Company had unused tax losses available for offset against future profits, with a potential tax benefit of £9.5m (2023: £0.8m). We have recognised a deferred tax asset in respect of this benefit, as we expect these losses to be offset against future profits of the UK tax group in the near term.

The increase in the deferred tax asset relating to tax losses of £8.7m is the result of transferring £6.8m of carry-forward tax losses within the UK subsidiaries to the Company following elections made in the computations submitted during the year. The remaining £1.9m derives from the current year activities of the Company and the UK tax group.

C9. CURRENT PAYABLES

Accounting policies

Trade payables are not interest bearing and are stated at their nominal value.

	Note	2024 £m	2023 £m
Bank loans and overdrafts	C12	3.6	4.2
Trade payables		2.7	1.2
Other payables		0.3	0.4
Amounts owed to Group undertakings		54.6	48.2
Accruals		8.6	3.4
Deferred income		0.3	0.5
Obligations under leases	C13	0.2	0.2
Derivative financial liabilities	C15	0.6	0.9
		70.9	59.0

Included within amounts owed to Group undertakings are amounts of £28.7m (2023: £24.2m) which are unsecured, repayable on demand and any interest charged is at current market rates.

There are no outstanding contributions due to defined contribution pension schemes for the benefit of the employees (2023: £nil).

C10. NON-CURRENT PAYABLES

	Note	2024 £m	2023 £m
Bank loans and overdrafts	C12	228.2	196.0
Obligations under leases	C13	0.4	0.6
		228.6	196.6

C11. PROVISIONS

	2024 £m	2023 £m
Provisions due within one year	0.3	0.3
Provisions due after more than one year	0.1	0.1
	0.4	0.4

The provisions primarily consist of a share forfeiture provision of £0.2m, which relates to potential claims that could be made by untraced members over a period of three years, relating to the resale proceeds of shares that were identified during prior years as being forfeited (see note 25).

C12. LOANS AND BORROWINGS

Accounting policies

We initially state debt at the amount of the net proceeds, after deducting issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

We charge the finance costs of debt to the profit and loss account over the debt term, at a constant rate on the carrying value of the debt to which they relate.

	2024 £m	2023 £m
Loans and borrowings comprise amounts falling due:		
In one year or less or on demand	3.8	5.3
In more than one year but not more than two years	228.2	–
In more than two years but not more than five years	–	196.0
	232.0	201.3
Less: unamortised issue costs	(0.2)	(1.1)
	231.8	200.2
Amounts falling due within one year	(3.6)	(4.2)
Amounts falling due after more than one year	228.2	196.0

Notes to the Parent Company Financial Statements continued

For the year ended 30 June 2024

C12. LOANS AND BORROWINGS CONTINUED

At the balance sheet date, the Company's credit facilities comprised a £190m multi-currency revolving credit facility ('RCF') and a USD 170 million RCF. The original term of the facility was for three years to 24 August 2023. On 24 August 2021 and 26 August 2022, the Company and its lenders extended the maturity date of the total facilities to 24 August 2024 and 24 August 2025 respectively. The Company's credit facility at 30 June 2024 also included a remaining balance of £38.9m from the facility's original £100m uncommitted accordion option. On 31 July 2024, the total facility was extended for another year to 24 August 2026 and £28.2m of the accordion was exercised as of 23 August 2024, leaving a remaining unsecured accordion facility of £10.7m. This additional exercise was requested in part to replace the £17m reduction in headroom following the departure of Bankinter from the facility from 23 August 2024, as this bank did not participate in the second one-year extension request because of changes in their corporate strategy to concentrate on businesses with a clear connection to their Spanish homeland. Following the departure of Bankinter and the exercise of the accordion increase, £208.2m and USD 161m RCFs are available to the Group to 24 August 2025. A new multi-year facility will be negotiated and put in place during the year to 30 June 2025.

As part of its interest rate hedging strategy, the Company has entered into interest rate swaps to hedge variable interest rates. During the year to 30 June 2024, bank loan and overdrafts included borrowings of USD 85m fixed at 3.90%, borrowings of £60m fixed at 3.45%, borrowings of EUR 12.5m fixed at 0.37%, and borrowings of USD 13.9m, swapped via a cross-currency swap into EUR 12.5m, fixed at 0.36%, excluding applicable bank margins. On 30 June 2024, USD 45m of our fixed rate cover expired and replacement cover was put in place at a fixed rate of 4.576%. Approximately 65% of total facility borrowings are covered by these interest rate swaps as at 30 June 2024 with an average maturity of 19 months.

Terms and debt repayment schedule

The terms and conditions of outstanding loans and overdrafts were as follows:

	Currency	Interest rate	2024 £m	2023 £m
RCF and overdraft	GBP	7.2%	104.0	91.6
RCF, term loan and overdraft	USD	7.5%	94.8	78.0
RCF and overdraft	EUR	5.6%	30.1	30.1
Other unsecured bank borrowings	Other	6.6%	2.9	0.5
Total interest-bearing liabilities			231.8	200.2

The above RCFs are unsecured.

C13. OBLIGATIONS UNDER LEASES

A lease is a commitment to make a payment in the future, primarily in relation to property, plant and machinery and motor vehicles.

Accounting policies

In accordance with IFRS 16, we recognise as an expense any payments made in respect of short-term leases (those with a term of less than 12 months) and for low-value items on a straight-line basis over the life of the lease.

For all other leases we recognise a liability at the date at which the leased asset is made available for use, and a corresponding right-of-use asset is recognised and depreciated over the term of the lease (see note C4).

Lease liabilities are measured at the present value of the future lease payments, excluding any payments relating to non-lease components. Future lease payments include fixed payments, in-substance fixed payments, and variable lease payments that are based on an index or a rate, less any lease incentives receivable. Lease liabilities also take into account amounts payable under residual value guarantees and payments to exercise options, to the extent that it is reasonably certain that such payments will be made. The payments are discounted at the rate implicit in the lease or, where that cannot be measured, at an incremental borrowing rate.

We remeasure the lease liability (and make a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of the exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Company did not make any such adjustments during the periods presented.

C13. OBLIGATIONS UNDER LEASES CONTINUED

The changes in the lease liabilities are as follows:

	2024 £m	2023 £m
Balance at the start of the year	0.8	0.6
Payments made	(0.2)	(0.1)
Leases entered into during the year	–	0.3
Balance at the end of the year	0.6	0.8

In accordance with the reduced disclosure exemptions included in FRS 101, a maturity analysis has not been presented. The maturity analysis of the Group's lease obligations is included in note 28 to the Group Financial Statements.

C14. OPERATING LEASES

Accounting policies

For short-term leases (those with a term of less than 12 months) and low-value items, we charge the rentals payable to the Income Statement on a straight-line basis over the lease term.

The Company has elected not to apply IFRS 16 to contracts where the right-of-use asset would be recognised as an intangible asset (e.g. software licences).

Total of future minimum lease payments under non-cancellable operating leases which expire:

	2024 £m	2023 £m
In less than one year	1.2	1.2
Between one and five years	–	1.2
	1.2	2.4

Operating lease rentals charged in the year:

	2024 £m	2023 £m
Other	1.2	1.2

C15. DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

Additional disclosures on financial instruments can be found in note 26 to the Group Financial Statements,

C16. CAPITAL AND RESERVES

Share capital

	2024 Number	2023 Number	2024 £m	2023 £m
Issued and fully paid				
Ordinary shares of 10 pence	66,032,782	66,027,210	6.6	6.6

There is no authorised share capital limit.

The holders of ordinary shares are entitled to receive dividends, as declared from time to time.

The movement in share capital for the period was as follows:

	2024 Number	2023 Number	2024 £m	2023 £m
Issued under the Executive Share Option Plan	1,319	2,953	–	–
Issued to Employee Benefit Trust	–	250,000	–	–
Issued to Genus plc Share incentive Plan	4,253	637	–	–
	5.572	253,590	–	–

Notes to the Parent Company Financial Statements continued

For the year ended 30 June 2024

C16. CAPITAL AND RESERVES CONTINUED

Shares issued under the Executive Share Option Plan were issued at option prices as follows:

	2024		2023	
	Number	Option price	Number	Option Price
Executive Share Option Plan				
	–	–	983	1334.00p
	1,319	1413.00p	1,970	1413.00p
	1,319		2,953	

Reserve for own shares

The Company's shares are held by a QUEST, which is an employee benefit trust established to facilitate the operation of our long-term incentive scheme for senior management. The reserve amount represents the deduction in arriving at shareholders' funds for the consideration the trust paid for the Company's shares, which had not vested unconditionally at the balance sheet date. The number and market value of the ordinary shares held by the Employee Benefit Trust and the QUEST were:

	2024 Number	2023 Number	2024 £m	2023 £m
Shares allocated but not vested	252,384	375,998	4.2	8.1
Unallocated shares	92,334	92,334	1.5	2.0
	344,718	468,332	5.7	10.1

The shares have a nominal value of £34,472 (2023: £46,833).

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments net of taxation – see note 26.

C17. RELATED PARTY TRANSACTIONS

The Company is exempt under FRS 101 from disclosing transactions with other members of the Group. There are no other related party transactions.

C18. CAPITAL AND OTHER COMMITMENTS

At 30 June 2024, outstanding contracted capital expenditure amounted to £nil (2023: £nil).

C19. PENSIONS, GUARANTEES AND CONTINGENCIES

The NMR pension assigned to Genus plc under the Flexible Apportionment Agreement recorded an actuarial loss of £0.5m, which has decreased the asset restriction made in previous years. As the Company does not have unilateral right to this surplus, as required in accordance with IFRIC 14 it is restricted to £nil. For additional information on the MPF pension scheme, of which NMR was one of the participating employers, please see note 29.

The retirement benefit obligations referred to in note 29 to the Group Financial Statements include obligations relating to the MPF defined benefit scheme. Genus, together with other participating employers, is joint and severally liable for the scheme's obligations. Genus has accounted for its section and its share of any orphan assets and liabilities, collectively representing approximately 86% (2023: 86%) of the MPF. As a result of the joint and several liability, Genus has a contingent liability for the scheme's obligations that it has not accounted for. The total deficit of the MPF scheme from the most recent triennial valuation can be found in note 29.

Certain UK subsidiaries, which are detailed in note 37 to the Group Financial Statements, will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 30 June 2024. The Company has given a statutory guarantee over all of the liabilities held by those UK subsidiaries for the year ended 30 June 2024. The Company has assessed the probability of loss under the guarantee as remote.

At 30 June 2024, the Company had entered into bank guarantees totalling £nil (2023: £10.3m).

Five-Year Record – Consolidated Results

The information included in the five-year record below is in accordance with IFRS as adopted for use under the Companies Act 2006.

Financial results	2024 £m	2023 £m	2022 £m	2021 £m	2020 £m
Revenue from continuing operations	668.8	689.7	593.4	574.3	551.4
Adjusted operating profit from continuing operations ¹	67.0	74.6	68.8	76.9	60.1
Adjusted operating profit including joint ventures and associates ¹	78.1	85.8	77.7	89.8	70.8
Adjusted profit before tax ¹	59.8	71.5	71.5	84.8	65.8
Basic adjusted earnings per share ¹	65.5p	84.8p	82.7p	100.9p	77.3p
Diluted adjusted earnings per share ¹	65.0p	84.2p	82.3p	100.1p	76.7p
Operating profit from continuing operations	6.4	40.5	49.4	47.7	42.4
Profit before tax from continuing operations	5.5	39.4	48.4	55.8	46.3
Profit after tax from continuing operations	2.4	31.8	36.7	46.8	35.7
Net profit attributable to owners of the Company	7.9	33.3	40.9	47.3	35.3
Basic earnings per share	12.0p	50.8p	62.5p	72.6p	54.4p
Diluted earnings per share	11.9p	50.5p	62.2p	72.0p	54.0p
Net assets	543.9	567.2	572.1	496.6	494.5
Net debt ¹	248.7	195.8	185.0	105.6	102.6

¹ Refer to APM glossary

Alternative Performance Measures Glossary

The Group tracks a number of APMs in managing its business, which are not defined or specified under the requirements of IFRS because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS.

The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These APMs are consistent with how business performance is planned and reported within the internal management reporting to the Board and GELT. Some of these APMs are also used for the purpose of setting remuneration targets.

These APMs should be viewed as supplemental to, but not as a substitute for, measures presented in the consolidated financial information relating to the Group, which are prepared in accordance with IFRS. The Group believes that these APMs are useful indicators of its performance. However, they may not be comparable to similarly titled measures reported by other companies, due to differences in the way they are calculated.

The key APMs that the Group uses include:

Alternative performance measures	Calculation methodology and closest equivalent IFRS measure (where applicable)	Reasons why we believe the APMs are useful
Income Statement measures		
Adjusted operating profit exc JVs	Adjusted operating profit is operating profit with the net IAS 41 valuation movement on biological assets, amortisation of acquired intangible assets, share-based payment expense and exceptional items added back and excludes JV and associate results. <i>Closest equivalent IFRS measure: Operating profit¹</i> See reconciliation on page 195.	Allows the comparison of underlying financial performance by excluding the impacts of adjusting items and is a performance indicator against which short-term and long-term incentive outcomes for our senior executives are measured: <ul style="list-style-type: none"> net IAS 41 valuation movements on biological assets – these movements can be materially volatile and do not directly correlate to the underlying trading performance in the period. Furthermore, the movement is non-cash-related and many assumptions used in the valuation model are based on projections rather than current trading;
Adjusted operating profit inc JVs	Including adjusted operating profit from JV and associate results. See reconciliation on page 195.	<ul style="list-style-type: none"> amortisation of acquired intangible assets – excluding this improves the comparability between acquired and organically grown operations, as the latter cannot recognise internally generated intangible assets. Adjusting for amortisation provides a more consistent basis for comparison between the two but it is also a measure excluded from our management's remuneration assessment, as well as our debt agreements and banking covenants. It is also one requested and used by our investor group to evaluate our performance;
Adjusted operating profit inc JVs exc gene editing costs	Including adjusted operating profit from JV and associate results but excluding gene editing costs. See reconciliation on page 195.	<ul style="list-style-type: none"> share-based payments – this expense is considered to be relatively volatile and not fully reflective of the current period trading, as the performance criteria are based on EPS performance over a three-year period and include estimates of future performance; and
Adjusted operating profit inc JVs after tax	Adjusted operating profit including JV less adjusted effective tax. See reconciliation on page 195.	<ul style="list-style-type: none"> exceptional items – these are items which due to either their size or their nature are excluded, to improve the understanding of the Group's underlying performance.
Adjusted profit before tax	Adjusted operating profit including JVs less net finance costs. See reconciliation on page 195.	
Adjusted profit after tax	Adjusted profit including JVs before tax less adjusted effective tax. See reconciliation on page 195.	

Alternative performance measures	Calculation methodology and closest equivalent IFRS measure (where applicable)	Reasons why we believe the APMs are useful
Adjusted effective tax rate	Total income tax charge for the Group excluding the tax impact of adjusting items, divided by the adjusted operating profit. <i>Closest equivalent IFRS measure: Effective tax rate</i> See reconciliation on page 195.	Provides an underlying tax rate to allow comparability of underlying financial performance, by excluding the impacts of net IAS 41 valuation movement on biological assets, amortisation of acquired intangible assets, share-based payment expense and exceptional items.
Adjusted basic earnings per share	Adjusted profit after tax profit divided by the weighted basic average number of shares. <i>Closest equivalent IFRS measure: Earnings per share</i> See calculation on page 195.	On a per share basis, this allows the comparability of underlying financial performance by excluding the impacts of adjusting items.
Adjusted diluted earnings per share	Underlying attributable profit divided by the diluted weighted basic average number of shares. <i>Closest equivalent IFRS measure: Diluted earnings per share</i> See calculation on page 196.	
Adjusted earnings cover	Adjusted earnings per share divided by the expected dividend for the year. See calculation on page 196.	The Board's dividend policy targets adjusted earning cover to be between 2.5–3 times.
Adjusted EBITDA – calculated in accordance with the definitions used in our financing facilities	This is adjusted operating profit, adding back cash received from our JVs, depreciation of property, plant and equipment, depreciation of the historical cost of biological assets, operational amortisation (i.e. excluding amortisation of acquired intangibles) and deducting the amount attributable to minority interest. <i>Closest equivalent IFRS measure: Operating profit¹</i> See reconciliation on page 196.	This APM is presented because it is used in calculating our ratio of net debt to EBITDA and our interest cover, which we report to our banks to ensure compliance with our bank covenants.
Adjusted operating margin	Adjusted operating profit (including JVs) divided by revenue.	Allows for the comparability of underlying financial performance by excluding the impacts of exceptional items.
Adjusted operating margin (exc JVs)	Adjusted operating profit divided by revenue.	
Constant currency basis	The Group reports certain financial measures on both a reported and constant currency basis and retranslates the current year's results at the average actual exchange rates used in the previous financial year.	The Group's business operates in multiple countries worldwide and its trading results are translated back into the Group's functional currency of Sterling. This measure eliminates the effects of exchange rate fluctuations when comparing year-on-year reported results.
Balance Sheet measures		
Net debt	Net debt is gross debt, made up of unsecured bank loans and overdrafts and obligations under finance leases, with a deduction for cash and cash equivalents. See reconciliation on page 196.	This allows the Group to monitor its levels of debt.
Net debt – calculated in accordance with the definitions used in our financing facilities	Net debt excluding the impact of adopting IFRS 16 and adding back guarantees and deferred purchase arrangements. See reconciliation on page 196.	This is a key metric that we report to our banks to ensure compliance with our bank covenants.

Alternative Performance Measures Glossary continued

Alternative performance measures	Calculation methodology and closest equivalent IFRS measure (where applicable)	Reasons why we believe the APMs are useful
Cash flow measures		
Change in alternative performance measures During the period a review was undertaken of the cash flow APMs utilised by the Group to measure performance. Following this review the definitions of 'Cash conversion' and 'Free cash flow' were amended, and additionally a new APM 'Adjusted cash from operating activities' was created. The Directors believe that these measures more accurately reflect the cash management and return on invested capital. These revised measures are aligned with the way performance targets are set and assessed internally.		
Cash conversion	Adjusted cash from operating activities as a percentage of adjusted operating profit excluding JVs. See calculation on page 197.	This is used to measure how much operating cash flow we are generating and how efficient we are at converting our operating profit into cash and is used to set performance targets internally.
Free cash flow	Net cash from operating activities after capital expenditure (including capital payments for leased assets) including cash received from our joint ventures. <i>Closest IFRS measure: Net cash from operating activities</i> See calculation on page 197.	This is used to measure the amount of cash retained in the business before net investing activities, debt repayments and dividend payments.
Adjusted cash from operating activities	Net cash from operating activities after capital expenditure (including leased assets) including cash received from our joint ventures, excluding net interest paid, exceptional cash, pension charges, movements in provisions and other cash outflows. <i>Closest IFRS measure: Net cash from operating activities</i> See calculation on page 197.	This is used to measure the amount of cash that is generated by our operating activities and is used to set performance targets internally.
Other measures		
Interest cover	The ratio of adjusted net finance costs, calculated in accordance with the definitions used in our financing facilities, is net finance costs with a deduction for pension interest, interest from adopting IFRS 16, unwinding of discount on put options and amortisation of refinancing fees, to adjusted EBITDA. <i>Closest equivalent IFRS components for the ratio: The equivalent IFRS components are finance costs, finance income and operating profit</i> See calculation and reconciliation on page 198.	This APM is used to understand our ability to meet our interest payments and is also a key metric that we report to our banks to ensure compliance with our bank covenants.
Ratio of net debt to adjusted EBITDA	The ratio of net debt, calculated in accordance with the definitions used in our financing facilities, is gross debt, made up of unsecured bank loans and overdrafts and obligations under finance leases, with a deduction for cash and cash equivalents and adding back amounts related to guarantees and deferred purchase arrangements, to adjusted EBITDA. <i>Closest equivalent IFRS components for the ratio: The equivalent IFRS components are gross debt, cash and cash equivalents and operating profit</i> See calculation on page 198.	This APM is used as a measurement of our leverage and is also a key metric that we report to our banks to ensure compliance with our bank covenants.
Return on adjusted invested capital	The Group's return on adjusted invested capital is measured on the basis of adjusted operating profit including JVs after tax, which is operating profit with the pre-tax share of profits from JVs and associates, net IAS 41 valuation movement on biological assets, amortisation of acquired intangible assets, share-based payment expense and exceptional items added back, net of amounts attributable to non-controlling interest and tax. The adjusted operating profit including JVs after tax is divided by adjusted invested capital, which is the equity attributable to owners of the Company adding back net debt, pension liability net of related deferred tax and deducting biological assets (less historical cost) and goodwill, net of related deferred tax. <i>Closest equivalent IFRS components for the ratio: Return on invested capital</i> See calculation and reconciliation on page 198.	This APM is used to measure our ability to efficiently invest our capital and gives us a sense of how well we are using our resources to generate returns.

1 Operating profit is not defined per IFRS. It is presented in the Group Income Statement and is shown as profit before tax, finance income/costs and share of post-tax profit of JVs and associates retained

THE TABLES BELOW RECONCILE THE CLOSEST EQUIVALENT IFRS MEASURE TO THE APM OR OUTLINE THE CALCULATION OF THE APM

INCOME STATEMENT MEASURES

Adjusted operating profit exc JVs

Adjusted operating profit inc JVs

Adjusted operating profit inc JVs and exc gene editing costs

	2024		2023		Reference
	£m	£m	£m	£m	
Operating profit		6.4		40.5	Group Income Statement
Add back:					
Net IAS 41 valuation movement on biological assets	23.2		16.9		Group Income Statement
Amortisation of acquired intangible assets	5.8		7.7		Group Income Statement
Share-based payment expense	7.0		6.0		Group Income Statement
Exceptional items	24.6		3.5		Group Income Statement
Adjusted operating profit exc JVs		67.0		74.6	Group Income Statement
Amounts attributable to non-controlling interest		0.9		0.4	Group Income Statement
Operating profit from JVs and associates	19.1		10.5		Group Income Statement
Tax on JVs and associates	5.7		3.9		Note 11 – Income tax expense
Net IAS 41 valuation movement in JVs	(14.6)		(3.6)		Note 18 – Equity-accounted investees
Adjusted operating profit from JVs		10.2		10.8	
Adjusted operating profit inc JVs		78.1		85.8	
Adjusted operating profit inc JVs after tax					
	2024		2023		Reference
		£m		£m	
Adjusted operating profit inc JVs		78.1		85.8	See APM
Effective tax rate	28.1%		22.2%		Note 12 – Earnings per share
Adjusted tax		(21.9)		(19.0)	No direct reference
Adjusted operating profit inc JVs after tax		56.2		66.8	
Adjusted profit before tax					
Adjusted profit after tax					
	2024		2023		Reference
		£m		£m	
Adjusted operating profit inc JVs		78.1		85.8	See APM
Less net finance costs		(18.3)		(14.3)	Note 10 – Net finance costs
Adjusted profit before tax		59.8		71.5	
Adjusted tax		(16.8)		(15.9)	Note 12 – Earnings per share
Adjusted profit after tax		43.0		55.6	
Adjusted effective tax £m/rate					
	2024		2023		Reference
	£m	%	£m	%	
Adjusted effective tax £m/rate	16.8	28.1	15.9	22.2	Note 12 – Earnings per share
Exceptional items	(3.9)	(15.9)	(0.9)	(25.7)	Note 12 – Earnings per share
Share-based payment expense	(0.7)	(10.0)	(0.8)	(13.0)	Note 12 – Earnings per share
Other gains and losses	(0.4)	(23.5)	0.7	25.0	Note 12 – Earnings per share
Amortisation of acquired intangible assets	(1.5)	(25.9)	(1.9)	(24.7)	Note 12 – Earnings per share
Net IAS 41 valuation movement on biological assets	(4.7)	(20.3)	(1.5)	(8.9)	Note 12 – Earnings per share
Net IAS 41 valuation movement on biological assets in joint ventures	3.2	21.9	–	–	Note 12 – Earnings per share
Effective tax £m/rate	8.8	78.6	11.5	26.6	Note 11 – Taxation and deferred taxation
Adjusted basic earnings per share					
	2024		2023		Reference
Adjusted profit after tax (£m)		43.0		55.6	See APM
Weighted average number of ordinary shares (000s)		65,686		65,557	Note 12 – Earnings per share
Adjusted basic earnings per share (pence)		65.5		84.8	

Alternative Performance Measures Glossary continued

Adjusted diluted earnings per share

	2024	2023	Reference
Adjusted profit after tax (£m)	43.0	55.6	See APM
Weighted average number of diluted ordinary shares (000s)	66.174	65.998	Note 12 – Earnings per share
Adjusted diluted earnings per share (pence)	65.0	84.2	

Adjusted earnings cover

	2024		2023		Reference
	pence	times	pence	times	
Adjusted earnings per share	65.5		84.8		See APM
Dividend for the year	32.0		32.0		Note 13 – Dividends
Adjusted earnings cover		2.0		2.7	

Adjusted EBITDA – as calculated under our financing facilities

	2024		2023		Reference
	£m	£m	£m	£m	
Operating profit		6.4		40.5	Group Income Statement
Add back:					
Net IAS 41 valuation movement on biological assets	23.2		16.9		Group Income Statement
Amortisation of acquired intangible assets	5.8		7.7		Group Income Statement
Share-based payment expense	7.0		6.0		Group Income Statement
Exceptional items	24.6		3.5		Group Income Statement
Adjusted operating profit exc JVs	67.0		74.6		Group Income Statement
Adjust for:					
Cash received from JVs	4.7		2.6		Group Statement of Cash Flows
Less share of JVs losses	(1.7)		(2.7)		No direct reference
Depreciation: property, plant and equipment	34.7		30.2		Note 17 – Property, plant and equipment
Operational lease payments	(16.5)		(12.3)		Note 28 – Obligations under leases
Depreciation: historical cost of biological assets	15.3		13.4		See Financial Review
Amortisation and impairment (excluding separately identifiable acquired intangible assets)	6.5		5.7		Note 15 – Intangible assets
Amounts attributable to non-controlling interest	0.9		0.4		Group Income Statement

Adjusted EBITDA – as calculated under our financing facilities

	110.9	111.9	
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BALANCE SHEET MEASURES

Net debt

Net debt as calculated under our financing facilities

	2024		2023		Reference
	£m	£m	£m	£m	
Current unsecured bank loans and overdrafts	4.9		4.2		Group Balance Sheet
Non-current unsecured bank loans and overdrafts	228.2		196.0		Group Balance Sheet
Unsecured bank loans and overdrafts		233.1		200.2	Group Balance Sheet
Current obligations under finance leases	14.0		10.0		Group Balance Sheet
Non-current obligations under finance leases	44.1		21.9		Group Balance Sheet
Obligations under finance leases		58.1		31.9	Group Balance Sheet
Total debt financing		291.2		232.1	Note 32 – Notes to the cash flow statement
Deduct:					
Cash and cash equivalents		(42.5)		(36.3)	Group Balance Sheet
Net debt		248.7		195.8	
Deduct:					
Lower of obligations under finance leases or £30m		(30.0)		(30.0)	
Add back:					
Guarantees		0.6		12.6	Note 35 – Contingencies and bank guarantees
Cash not available		0.9		0.8	Note 22 – Cash and cash equivalents
Cash subject to exchange controls		0.8		0.5	No direct reference
Net debt – as calculated under our financing facilities		221.0		179.7	

CASH FLOW MEASURES

Free cash flow & Adjusted cash from operating activities

	2024		2023		Reference
	£m	£m	£m	£m	
Net cash from operating activities		29.8		50.4	Group Statement of Cash Flows
Purchase of property, plant and equipment		(14.8)		(25.9)	Group Statement of Cash Flows
Purchase of intangible assets		(9.9)		(9.3)	Group Statement of Cash Flows
Proceeds from sale of property, plant and equipment		0.7		2.4	Group Statement of Cash Flows
Dividends received from joint ventures and associates		4.7		2.6	Group Statement of Cash Flows
Payment of lease liabilities		(13.7)		(11.1)	Group Statement of Cash Flows
Free cash flow		(3.2)		9.1	
Add back:					
Interest received		(0.5)		(0.1)	Note 32 – Notes to the cash flow statement
Interest and other finance costs paid		14.5		10.7	Note 32 – Notes to the cash flow statement
Interest on leased assets		2.8		1.2	Note 32 – Notes to the cash flow statement
Cash flow from derivative financial instruments		0.7		(1.3)	Note 32 – Notes to the cash flow statement
Income taxes paid		21.5		17.8	Note 32 – Notes to the cash flow statement
Cash impact of exceptional items relating to operating activities		17.9		7.1	Note 32 – Notes to the cash flow statement
Additional pension contributions in excess of pension charge		0.5		0.6	Note 32 – Notes to the cash flow statement
Decrease in provisions		1.0		1.0	Note 32 – Notes to the cash flow statement
Other		(0.1)		(0.2)	Note 32 – Notes to the cash flow statement
Adjusted cash from operating activities		55.1		45.9	
Cash conversion					
	2024		2023		Reference
	£m	%	£m	%	
Adjusted operating profit inc JVs	78.1		85.8		Group Income Statement
Adjusted cash from operating activities	55.1		45.9		See APM
Cash conversion		71%		53%	

Alternative Performance Measures Glossary continued

OTHER MEASURES

Interest cover

	2024		2023		Reference
	£m	Times	£m	Times	
Finance costs	22.2		15.4		Group Income Statement
Finance income	(3.9)		(1.1)		Group Income Statement
Net finance costs	18.3		14.3		Note 10 – Net finance costs
Deduct:					
Pension interest	(0.3)		(0.2)		Note 10 – Net finance costs
Interest on lease liabilities	(2.8)		(1.2)		Note 10 – Net finance costs
Unwinding discount on put options	(0.2)		(0.3)		Note 10 – Net finance costs
Amortisation of refinancing fees	(0.9)		(1.1)		Note 10 – Net finance costs
Adjusted net finance costs	14.1		11.5		
Adjusted EBITDA – as calculated under our financing facilities	110.9		111.9		See APM
Interest cover		7.9		9.7	

Ratio of net debt to adjusted EBITDA

	2024		2023		Reference
	£m	Times	£m	Times	
Net debt – as calculated under our financing facilities	221.0		179.7		See APM
Adjusted EBITDA – as calculated under our financing facilities	110.9		111.9		See APM
Ratio of net debt to adjusted EBITDA		2.0		1.6	

Return on adjusted invested capital

	2024		2023		Reference
	£m	%	£m	%	
Adjusted operating profit inc JVs after tax	56.2		66.8		See APM
Equity attributable to owners of the Company	548.2		574.9		Group Balance Sheet
Add back:					
Net debt	248.7		195.8		Note 32 – Notes to the cash flow statement
Pension liability	6.6		6.9		Group Balance Sheet
Related deferred tax	(1.2)		(1.2)		Note 11 – Taxation and deferred taxation
Adjust for:					
Biological assets – carrying value	(329.7)		(342.0)		Note 16 – Biological assets
Biological assets' harvest classed as inventories	(20.0)		(22.7)		Note 20 – Inventories
Biological assets – historic cost	80.9		83.4		See Financial Review
Goodwill	(110.3)		(107.8)		Group Balance Sheet
Related deferred tax	66.3		67.7		Note 11 – Taxation and deferred taxation
Adjusted invested capital	489.5		455.0		
Return on adjusted invested capital		11.5%		14.7%	

Return on invested capital

	2024		2023		Reference
	£m	%	£m	%	
Return on adjusted invested capital		11.5%		14.7%	See APM See APM
Adjusted operating profit inc JVs after tax	56.2		66.8		
Tax rate	21.9	28.1%	19.0	22.2%	Note 12 – Earnings per share
Adjusted operating profit inc JVs	78.1		85.8		Group Income Statement
Adjusted operating profit attributable to non-controlling interest	(0.9)		(0.4)		Group Income Statement
Pre-tax share of profits from JVs exc net IAS 41 valuation movement	(10.2)		(10.8)		Group Income Statement
Adjusted operating profit exc JVs	67.0		74.6		Group Income Statement
Fair value movement on biological assets	(23.2)		(16.9)		Group Income Statement
Amortisation of acquired intangibles	(5.8)		(7.7)		Group Income Statement
Share-based payment expense	(7.0)		(6.0)		Group Income Statement
Exceptional items	(24.6)		(3.5)		Group Income Statement
Share of post-tax profit of JVs	19.1		10.5		Group Income Statement
Other gains and losses	(1.7)		2.7		Group Income Statement
Finance costs	(18.3)		(14.3)		Group Income Statement
Profit before tax	5.5		39.4		Group Income Statement
Tax	(3.1)		(7.6)		Group Income Statement
Profit	2.4		31.8		Group Income Statement
Equity attributable to owners of the Company	548.2		574.9		Group Balance Sheet
Return on invested capital		0.4%		5.5%	

Glossary

AGM – Annual General Meeting.

Artificial insemination ('AI') – Using semen collected from a bull or boar to impregnate a cow or sow when in oestrus. Artificial insemination allows a genetically superior male to be used to mate with many more females than would be possible with natural mating.

ASF – African Swine Fever.

Biosecurity – The precautions taken to reduce the chance of transmitting disease agents from one livestock operation to another.

Boar – A male pig.

BRD – Bovine Respiratory Disease, a complex bacterial and viral infection that causes lung disease in cattle (particularly calves) and is often fatal.

CPI – Consumer Price Index.

CRISPR-Cas 9 – Technology which accurately targets and cuts DNA to produce precise and controllable changes to the genome.

DSBP – Deferred Share Bonus Plan.

EPS – Earnings per share.

Farrow – When a sow gives birth to piglets.

GELT – Genus Executive Leadership Team.

Gender skew – The ability to influence the proportion of offspring being of a particular sex.

Genetic gain – The change of the genetic make-up of a particular animal population in response to having selected parents that excelled genetically for important traits.

Genetic lag – The amount of time required to disseminate genetic gain from a nucleus herd to the commercial customer.

Genetic nucleus – A specialised pig herd, where Genus PIC keeps its pure lines. Pigs are genetically tested at the nucleus to select the best animals to produce the next generation.

Genomic bull – A bull which has been assessed through genomic testing. This typically refers to bulls which have not been progeny-tested.

Genomically tested – An animal that has been DNA profiled.

Genomics – The study of the genome, which is the DNA sequence of an animal's chromosomes.

Gilt – A young female pig, which has not yet given birth.

GMS – ABS's Genetic Management System, which creates a genetic solution tailored to each individual dairy producer to obtain improved herd genetics.

Grandparent – The relationship of a breeding pig to the generation of terminal market pigs. A grandparent produces parents, who in turn produce the commercial generation of terminal pigs.

Group – Genus plc and its subsidiary companies.

In vitro fertilisation ('IVF') – The fertilisation of an oocyte with semen (outside an animal) in a laboratory for transfer into a surrogate.

Index/Indices – A formula incorporating economically important traits for ranking the genetic potential of animals as parents of the next generation.

Integrated pork producer – Producers of pork typically involved in raising animals to slaughter weight all the way through to packaged and/or branded pork products.

IntelliGen – The technology platform used to process sexed bovine semen for ABS and third-party customers and commercialised by ABS globally as Sexcel.

IP – Intellectual property.

IPR – Inter Partes Review before the US Patent and Trademark Office.

JV – Joint venture.

LCA – Life cycle assessments (LCA), also known as life cycle analysis, assess the potential impacts throughout a product's life cycle (i.e. cradle-to-grave) from raw materials acquisition and through production, use and disposal. They generally categorise the environmental impacts in terms of resource use, human health, and ecological consequence.

Line – Multiple animals that have been mated together in a closed breeding population. Pure lines can have their origins in one founding breed or in several breeds.

Market pig equivalents ('MPE') – Refers to a standardised measure of our customers' production of slaughter animals that contain our genetics with genes from each of the sow and boar counting for half of the animal.

Multiplier – A producer whose farm contains grandparent sows. The farm crosses together two lines of grandparents, multiplying the number of genetically improved parents that are available for sale.

Net Present Value ('NPV') – a financial tool that helps to assess future value in today's terms. NPV is calculated with an assumed discount rate over a given amount of time and the calculation considers the amount and timing of the free cash flows.

NuEra – The ABS beef breeding programme and index designed to drive the customer's genetic improvement and deliver total system profitability for the beef supply chain.

PQA – Pork Quality Assurance.

Progeny-tested – Elite animals whose genetic value as a parent has been tested and validated through the performance of their offspring.

PRP – PRRS-resistant pig.

PRRS – Porcine Reproductive and Respiratory Syndrome Virus.

PSP – Performance Share Plan.

PTAB – Patent Trial and Appeal Board before the US Patent and Trademark Office.

R&D – Research and development.

RMS – ABS's Reproductive Management System, which is a systematic approach to maximising pregnancy production and its contribution to herd profitability.

RPI – Retail Price Index.

RWD – ABS's Real World Data system of observed performance data from many dairy herds.

Russian sanctions – legislation introduced by the UK, EU or US (as appropriate) which imposes financial, trade, transport, immigration or other sanctions for the purposes of encouraging Russia to cease actions which destabilise Ukraine, or undermine or threaten the territorial integrity, sovereignty or independence of Ukraine.

Sexcel – The ABS brand of sexed bovine genetics produced using IntelliGen.

Sire – The male parent of an animal.

Sire line – The male line selected for traits desirable for the market.

Sow – A female pig which has given birth at least once.

Straw – A narrow tube used to package frozen bull semen.

Stud – Locations where bulls or boars are housed and their semen collected, evaluated, diluted into multiple doses/straws and packaged, ready for shipping to farms.

Terminal boars – The male pig that is used to mate with a parent female to produce a terminal pig.

Trait – A measurable characteristic that may be a target for genetic selection.

TransitionRight – Genus ABS's patent-pending genetic selection tool to help prevent multiple post-calving metabolic disorders that occur during the transition period.

Unit – A straw of frozen bull semen or tube/bag of fresh boar semen sold to a customer.

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