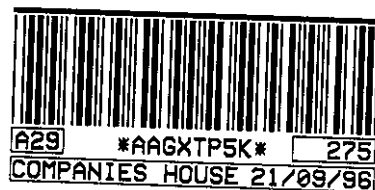


SEMUNDO LIMITED

COMPANY REGISTRATION NO. 1584796

SHAREHOLDERS' FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1995



## SEMUNDO LIMITED

### DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended 31 December 1995.

### DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were:

C G Green	
S L Moberg	
S V Sandahl	(resigned 2.2.95)
F W Luth	(resigned 31.12.95)
C G J Kuylenstjerna	(resigned 15.5.95)
U B C Arvidsson	(appointed 2.2.95)
B M Jacobsson	(appointed 15.5.95)
H Schumann	(appointed 21.2.96)
W L Hampton	(non executive)

The directors had no interest (as defined by section 253(3) of the Companies Act 1995) in the share capital of the company.

### REVIEW OF THE BUSINESS

Semundo Limited is engaged in the breeding, testing, introduction and marketing of agricultural seeds and related products.

The trading conditions in the UK seed industry remained difficult with pressure on both volume and margins. Semundo Limited performed well in these difficult conditions and whilst the spring oilseed rape plantings were down, the company enjoyed an improved market share and were able to maintain good margins in a more competitive marketplace. Sale of spring cereals, notably oats and wheat were considerably depressed and as a result the company expectations were not realised.

The winter oat variety Gerald improved its market share considerably as a result of a good on-farm performance and millers' readiness to accept the variety as a quality milling oat. However, the plantings of winter oats were reduced in the face of increased winter wheat and barley plantings. Triticale sales continued to decline for the same reasons.

Winter linseed was introduced on a pilot commercial exercise following a good performance during the trial period and the company continued to benefit significantly from the royalty derived from cereals, linseed and rapeseed.

During the year a number of specific market exercises were undertaken in non-food areas from which it is anticipated that the company be a beneficiary of research funds.

## SEMUNDO LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### REVIEW OF THE BUSINESS (CONTINUED)

Semundo Limited have increased their varieties and portfolio. The reorganisation of the breeding and trials operation has allowed for more efficient and effective activity, which will continue to bring benefits.

#### RESULTS AND DIVIDENDS

The company turnover was £3.3 million in 1995 (1994 £4.6 million) and as a result of the reduced volume of oilseeds the trading profit for the year after taxation amounted to £147274 (1994 £291800).

The directors consider that this is a good result in a competitive and difficult year. The directors propose a dividend of £75000 (1994 £130000).

#### FUTURE DEVELOPMENTS

Whilst the spring oilseed rape market may continue to come under pressure as a result of disappointing yields and an increased attractiveness of winter plantings, the company have reasonable expectations for the new crop of winter linseed. A progressive and forward thinking development programme was initiated in the autumn of 1995 and it is envisaged that a full commercial release will be undertaken in 1996. Semundo Limited is the prime mover in this market and they appear to have the superior material to offer into this sector.

A number of interesting activities could emerge from market review, notably in non-food applications of oats and an extension of biomass activities. The company is also considering widening their sales activities to include grasses.

Semundo Limited is mindful of the problems facing the agricultural industry but being a small well focused team feel that they can rapidly adapt to changing circumstances. The company will continue to explore the opportunities to develop product range, income and product potentials.

#### DIRECTORS' RESPONSIBILITIES

The directors acknowledge their various accounting responsibilities, in particular the requirement to maintain proper and accurate accounting records and the need to safeguard assets and take reasonable steps for the prevention and detection of fraud and other irregularities. In addition, the directors also acknowledge their responsibility for the accounts, which have been prepared from the accounting records.

The accounts are required to give a true and fair view and to comply with the Companies Act 1985. To achieve this, the directors have chosen accounting policies suitable to the business, applied them consistently and made judgements and estimates that they consider prudent and reasonable. They have applied the going concern basis of accounting, which they consider appropriate in the circumstances.

SEMUNDO LIMITED


DIRECTORS' REPORT (CONTINUED)

AUDITORS

A resolution to reappoint Price Bailey as auditors will be put to the members at the annual general meeting.

REGISTERED OFFICE  
49 NORTH ROAD  
GREAT ABINGTON  
CAMBRIDGE

BY ORDER OF THE BOARD

  
P D R Thompson  
Secretary

Dated: 9th September 1946

## AUDITORS' REPORT TO THE SHAREHOLDERS OF SEMUNDO LIMITED

We have audited the financial statements on pages 5 to 14, which have been prepared under the historical cost convention and the accounting policies as set out in note 1.

### Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of opinion

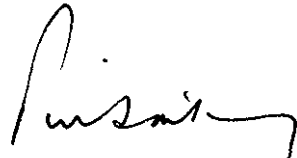
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of any significant estimates and judgements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

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

### Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

93 REGENT STREET  
CAMBRIDGE  
CB2 1AW



PRICE BAILEY  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS  
19 SEPTEMBER 1996

SEMUNDO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	Notes		1994
TURNOVER	2	3299582	4597751
Raw materials and consumables	1818547		2671135
Other external charges	87676		90942
		1906223	2762077
		1393359	1835674
Staff costs	3 289232		297856
Depreciation and other amounts written off tangible and intangible fixed assets	4 40611		56102
Research and development costs	413380		537789
Other operating charges	464073		563918
		1207296	1455665
OPERATING PROFIT	4	186063	380009
Other operating income	5	10979	-
		197042	380009
Interest receivable	6	37603	43695
		234645	423704
Interest payable	7	1714	2075
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	232931	421629
TAXATION	8	85657	129829
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		147274	291800
Dividends	9	75000	130000
		72274	161800
Bonus issue of shares		-	49900
		72274	111900
RETAINED PROFIT BROUGHT FORWARD		376393	264493
RETAINED PROFIT CARRIED FORWARD		£ 448667	£ 376393

There were no recognised gains or losses other than those recognised in the profit and loss account.

The notes on pages 7 to 14 form part of these financial statements.

## SEMUNDO LIMITED

## BALANCE SHEET AT 31 DECEMBER 1995

	Notes		1994
<b>FIXED ASSETS</b>			
Tangible assets	10	400458	408711
Investments	11	100	-
		<u>400558</u>	<u>408711</u>
<b>CURRENT ASSETS</b>			
Stock	12	258005	129453
Debtors	13	141490	178039
Cash at bank and in hand		149654	517347
		<u>549149</u>	<u>824839</u>
CREDITORS - amounts falling due within one year	14	<u>451040</u>	<u>804473</u>
<b>NET CURRENT ASSETS</b>		<u>98109</u>	<u>20366</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>498667</u>	<u>429077</u>
CREDITORS - amounts falling due after more than one year	15	-	2684
		<u>£ 498667</u>	<u>£ 426393</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	50000	50000
Profit and loss account		<u>448667</u>	<u>376393</u>
<b>SHAREHOLDERS' FUNDS</b>	20	<u>£ 498667</u>	<u>£ 426393</u>

Approved by the board on *9th September 1996*

  
C G Green  
Director

The notes on pages 7 to 14 form part of these financial statements.

# SEMUNDO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### Accounting convention and standards

The financial statements are prepared under the historical cost convention in accordance with applicable statements of standard accounting practice and financial reporting standards.

#### Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land and buildings, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected life as follows:

Tangible assets	Rate	Method
Plant and equipment	15% per annum	Straight line
Motor vehicles	25% per annum	Straight line
Fixtures, fittings, tools and equipment	15% per annum	Straight line

Assets sold during the year are not depreciated. Assets purchased during the year are depreciated for the whole of the year.

No depreciation has been provided on the freehold buildings as the directors consider that, given their policy of continued maintenance, there is no reduction in their value. This policy does not comply with Statement of Standard Accounting Practice No 12.

#### Stocks

Raw materials and consumables have been valued at the lower of cost or net realisable value.

#### Deferred taxation

The company does not provide for deferred taxation in respect of timing differences which are expected with reasonable probability to continue to the foreseeable future.

#### Pension scheme

The company operates a non-contributory pension scheme on behalf of its senior employees. This is administered by trustees and is independent of the company finances. The scheme is sufficiently funded to provide all projected benefits.



# SEMUNDO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (CONTINUED)

#### Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the ordinary course of business are included in the trading profit.

Assets and liabilities denominated in foreign currencies are translated into Sterling at the exchange rate ruling at the balance sheet date.

#### Research and development

Research and development costs are written off as they are incurred and represent work based at the company's Abbots Ripton site, and work contracted out under the control of Abbots Ripton personnel.

#### Royalties

Royalties receivable from third parties in respect of sales are included on a receipts basis since amounts are not determinable until receipt.

#### Leasing and hire purchase commitments

Assets used by the company which are the subject of finance leases have been accounted for in compliance with SSAP 21.

### 2. TURNOVER

Turnover represents invoiced sales and royalties received during the year net of value added tax.

An analysis of turnover by geographical market is given below:

		1994
United Kingdom	3224047	4444508
Europe	75535	153243
	<u>£ 3299582</u>	<u>£ 4597751</u>

SEMUNDO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

3. STAFF COSTS		1994
Wages and salaries	240802	243892
Social security costs	23002	23701
Other pension costs (including life assurance)	22993	27096
BUPA subscription	2435	3167
	<u>£ 289232</u>	<u>£ 297856</u>

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an administered fund. The pension cost charge above represents contributions payable by the company to the fund. There were no contributions outstanding at the 31 December 1995.

The average weekly number of employees during the year was made up as follows:

	No.	1994 No.
Directors	5	5
Office and technical	12	12
	<u>17</u>	<u>17</u>

4. OPERATING PROFIT	£	1994 £
This is stated after charging:		
Directors' remuneration	59327	57053
Auditors' remuneration	6250	7770
Depreciation and adjustment on disposals:		
Owned assets	40611	49879
Assets held under finance leases and hire purchase contracts	-	6223
Loss on foreign currency	4169	5825
Operating leases:		
Hire of plant and machinery	4392	5387
Other - land and buildings	34771	33100
	<u>10979</u>	<u>-</u>
And after crediting:		
Rent received		

## SEMUNDO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 4. OPERATING PROFIT (CONTINUED)

## Directors' remuneration:

The emoluments of the chairman, excluding pension contributions, were £ Nil (1994 £ Nil) and of the highest paid director excluding pension contributions, £49438 (1994 £47597).

Other directors' emoluments, excluding pension contributions, fell within the following ranges:

	No.	1994 No.
£ Nil - £5000	4	4

## 5. OTHER OPERATING INCOME

1994

Rent received	£ 10979	£ -
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## 6. INTEREST RECEIVABLE

1994

Bank deposit interest	35112	43695
VAT repayment supplement	2491	-
	£ 37603	£ 43695

## 7. INTEREST PAYABLE

1994

Hire purchase interest and finance lease charges	112	2075
Other loans:		
Wholly repayable within 5 years	1602	-
	£ 1714	£ 2075

## 8. TAXATION

1994

Based on the profit for the year:

Corporation tax at 33% (1994 - 33%)	74208	129829
Underprovision in previous years	11449	-
	£ 85657	£ 129829

No provision for deferred taxation has been made in these financial statements since in the opinion of the directors, a material liability is unlikely to crystallise in the foreseeable future.

## SEMUNDO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 9. DIVIDENDS

1994

Proposed dividend	£ 75000	£ 130000
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## 10. TANGIBLE FIXED ASSETS

	Land and Buildings	Plant and Equipment	Fixtures Fittings Tools and Equipment	Motor Vehicles	Total
<b>Cost:</b>					
At 1 January 1995	265368	108939	108202	109121	591630
Additions	-	29671	2211	16396	48278
Disposals	-	-	(31833)	(38200)	(70033)
At 31 December 1995	265368	138610	78580	87317	569875
<b>Depreciation:</b>					
At 1 January 1995	-	57417	46693	78809	182919
Charge for the year	-	20388	11780	16524	48692
Eliminated on disposal	-	-	(29455)	(32739)	(62194)
At 31 December 1995	-	77805	29018	62594	169417
<b>Net book value:</b>					
At 31 December 1995	£ 265368	£ 60805	£ 49562	£ 24723	£ 400458
At 31 December 1994	£ 265368	£ 51522	£ 61509	£ 30312	£ 408711

## Land and buildings

Land and buildings at net book value comprise: 1994

Freehold	£ 265368	£ 265368
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## Leased assets and assets acquired under hire purchase contracts

The net book value of tangible assets includes the following amounts relating to assets held under finance leases and hire purchase contracts:

		1994
Motor vehicles	£ -	£ 5060

Depreciation charged for the year on tangible assets includes the following amounts relating to assets held under finance leases and hire purchase contracts:

		1994
Motor vehicles	£ -	£ 6223

## SEMUNDO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## 11. FIXED ASSET INVESTMENTS

## Shares at cost:

Acquired	100
	<u>          </u>
At 31 December 1995	£ 100
	<u>          </u>

The company owns the whole of the share capital, consisting of one hundred ordinary shares of £1 each, of Svalof Weibull (Plant Breeders) Limited, a company incorporated in England and Wales. The company has not traded since incorporation on 11 February 1994. The directors have placed a valuation of £100 on this company.

Group financial statements as at 31 December 1995 have not been prepared by Semundo Limited as the company has taken advantage of section 248 of the Companies Act 1985.

## 12. STOCKS

1994

Raw materials and consumables	£ 258005	£ 129453
	<u>          </u>	<u>          </u>

In the opinion of the directors any difference between book value and replacement cost of stocks would be immaterial.

## 13. DEBTORS

1994

Trade debtors	11991	21844
Amounts owed by group companies	1293	1593
Other debtors	27733	30746
Taxes	25629	63730
Advance corporation tax	51250	32500
Prepayments and accrued income	23594	27626
	<u>          </u>	<u>          </u>
	£ 141490	£ 178039
	<u>          </u>	<u>          </u>

## 14. CREDITORS: Amounts falling due within one year

1994

	Notes	
Obligations under finance leases and hire purchase contracts	15	-
Trade creditors		6098
Current corporation tax		287582
Other taxes and social security costs		129829
Other creditors		74208
Amounts owed to group companies		10302
Proposed dividend		28707
Advance corporation tax		84642
Accruals		137365
		75000
		51250
		19685
		<u>          </u>
		£ 451040
		<u>          </u>
		£ 804473
		<u>          </u>

SEMUNDO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

<b>15. CREDITORS: Amounts falling due after more than one year</b>		<b>1994</b>
	<b>Notes</b>	
Obligations under finance leases and hire purchase contracts	£ -	£ 2684
<b>Obligations under leases and hire purchase contracts</b>		
Amounts falling due:		
In the next year	14 -	6098
In the second to fifth years inclusive	-	2684
	£ -	£ 8782

The above liabilities are secured on specific assets of the company as detailed in note 10.

<b>16. SHARE CAPITAL</b>		<b>1994</b>
	<b>No.</b>	<b>No.</b>
<b>Authorised</b>		
Ordinary shares of £1 each	250000	250000
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	£ 50000	£ 50000

**17. FINANCIAL COMMITMENTS**

**Operating leases**

The company had annual commitments under non-cancellable operating leases at 31 December 1995 as set out below:

				<b>1994</b>
	<b>Land and Buildings</b>	<b>Other</b>	<b>Land and Buildings</b>	<b>Other</b>
Operating leases that expire:				
In the second to fifth years	-	4289	-	3718
Over five years	35100	-	33100	-
	£ 35100	£ 4289	£ 33100	£ 3718

**18. TRANSACTIONS WITH DIRECTORS**

During the year the company sold a motor vehicle to C G Green on an arms length basis, for £8000.

SEMUNDO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

19. ULTIMATE HOLDING COMPANY

The ultimate holding company is Svalof Weibull AB, a company registered in Sweden.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

		1994
Profit for the financial year	147274	291800
Dividend	(75000)	(130000)
	<hr/>	<hr/>
Representing an increase in shareholders funds	72274	161800
Shareholders' funds at 1 January 1995	426393	264593
	<hr/>	<hr/>
Shareholders' funds at 31 December 1995	£ 498667	£ 426393
	<hr/>	<hr/>