

Company registration number 008571V (Isle of Man)

GREENSHIELDS AGRI HOLDINGS PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

GREENSHIELDS AGRI HOLDINGS PLC

COMPANY INFORMATION

Directors	Mr W H Boase Mr J C Goodgal Mr P A Jackson Mr J D McKenna Mr P R Cottrell Mr R K Byrne
Secretary	HTC Secretaries Limited
Company number	008571V
Registered office	3rd Floor Analyst House Peel Road Douglas Isle of Man IM1 4LZ
Auditor	Greaves West & Ayre 17 Walkergate Berwick-upon-Tweed Northumberland TD15 1DJ
Bankers	Royal Bank of Scotland 30 Nicolson Street Edinburgh EH8 9DL
Solicitors	St. John Legal Winchester House 19 Bedford Row London WC1R 4EB

GREENSHIELDS AGRI HOLDINGS PLC

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GREENSHIELDS AGRI HOLDINGS PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present the strategic report for the year ended 30 June 2023.

Review of the business

The principal activity of the company and its subsidiaries ('the Group') is the holding of investments in agricultural land and property, arable farming and farming related activities. The results of the group for the year, as set out on pages 9 and 10, show a loss on ordinary activities after tax attributable to owners of the parent of £560,344 (2022 profit of £975,727). The shareholders' funds of the Group total £23,164,410 (2022 £24,153,810). During the year, the company bought back 500,000 (2022: 824,500) of its own shares for a consideration of £675,000 (2022: £983,835). Including the hope value of land designated as a potential quarry, net asset value per share has risen to £1.51 (2022: £1.47)

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of procedures and internal controls. Compliance with regulation, legal and ethical standards is a high priority for the Group.

The principal risks to revenue arise from crop price fluctuation. The Group seeks to use its grain market analysis to optimise timing for crop price hedging. In addition the company seeks to optimise the premium it earns over the underlying commodity price through growing specific quality grains for local big brand customers.

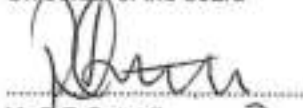
Development and performance

The result for the year has been impacted by a significant reduction in the figure for the mark to market movement in the value of the growing crop (Biological Asset). This figure was a loss of £631,000 compared to a gain in the prior year of £862,000. Excluding the effect of the Biological Asset, the farm operating company made a profit before tax, albeit lower than prior year due mainly to the impact of higher costs to grow the crops.

Key performance indicators

	2023	2022
Value of land owned	£18.4m	£18.1m
Total Revenue	£6,181,099	£6,207,505
EBITDA	£715,000	£2,695,000
NAV per share	£1.46	£1.47
NAV per share (including hope value of quarry land)	£1.51	£1.47

On Behalf of the board



Mr P R Cottrell

Director

Date: 24:11:23

GREENSHIELDS AGRI HOLDINGS PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

Principal activities

The principal activity of the company and its subsidiaries (the group) is the holding of investments in agricultural land and property and arable and contract farming.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr W H Boase
Mr J C Goodgal
Mr P A Jackson
Mr J D McKenna
Mr P R Cottrell
Mr R K Byrne

Supplier payment policy

The group's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The group's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the group at the year end were equivalent to 23 day's purchases, based on the average daily amount invoiced by suppliers during the year.

Financial instruments

Treasury operations and financial instruments

The group operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the group's activities.

The group's principal financial instruments include derivative financial instruments, the purpose of which is to manage crop price risks arising from the group's activities. In addition, the group has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations. Derivative transactions which the company enters into principally comprise crop forward and futures contracts. In accordance with group's treasury policy, derivative instruments are not entered into for speculative purposes.

Financial instruments - liquidity risk

The group manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans.

GREENSHIELDS AGRI HOLDINGS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Credit risk

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures where deemed necessary. Trade Receivables are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Future developments

The Group continuously looks for opportunities to build out its core grain production, grain handling and grain merchandising business so that it is well positioned for any upswing in the agricultural cycle.

The Group will consider opportunities leading to the implementation of operational efficiencies, cost savings and a leaner structure which will provide strong cash flow and improve earnings from operations.

The Group will continue to maintain tight control over costs of production and capital expenditure on machinery & equipment.

The Group has successfully implemented a discounted share buyback program using the Asset Match platform. The Group will look to continue buying back shares, subject to financial and legal considerations.

Auditor

Greaves West & Ayre were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, International Accounting 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.

GREENSHIELDS AGRI HOLDINGS PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

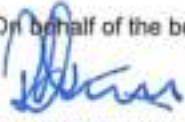
Statement of disclosure to auditor

Each director in office 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 / she ought to have taken as a director in order to make himself / 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 of the Companies Act 2006.

On behalf of the board



.....
Mr P R Cottrell
Director

Date: 22/11/2023
.....



.....
Mr R K Byrne
Director

GREENSHIELDS AGRI HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GREENSHIELDS AGRI HOLDINGS PLC

Opinion

We have audited the financial statements of Greenshields Agri Holdings plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the group income statement, the group statement of comprehensive income, the group and parent company statement of financial position, the group and parent company statement of changes in equity, the group and parent company statement of cash flows and the group and parent company notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2023 and of the group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

GREENSHIELDS AGRI HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GREENSHIELDS AGRI HOLDINGS PLC

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 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 parent company or to cease operations, or have no realistic alternative but to do so.

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.

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:

GREENSHIELDS AGRI HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GREENSHIELDS AGRI HOLDINGS PLC

The extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experience of the arable farming sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including legislation such as the Companies Act 2006, taxation legislation and health and safety, food hygiene and safety, employment legislation and general farming laws and regulations in relation to both the farm itself and its workers;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management, contacting the entity's solicitor for any details of non-compliance and inspecting current year legal expenditure; and
- identified laws and regulations of particular relevance were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, including any fraud associated with revenue recognition, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias;
- reviewed the work of the management's expert to ensure no indication of bias;
- traced a sample of grain sales transactions from weigh bridge tickets and collection notes to invoices and then to postings to the nominal ledgers;
- performed a sales proof in total in order to reconcile crop-in-store records to revenue receipts;
- selected a number of contract farming agreements and tested income derived from these contracts to ensure it is complete;
- traced a sample of sales around the year-end from source documentation to invoice to ensure cut-off is operating correctly;
- Review and recalculated accrued income to ensure cut off is correct;
- evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and

GREENSHIELDS AGRI HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GREENSHIELDS AGRI HOLDINGS PLC

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims against the company;
- reviewed company controls to ensure all members of staff hold correct certificates and licenses to perform their duties; and
- reviewed a sample of workers certificates and licenses held on file to ensure all still valid and in date;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Stuart Allister CA (Senior Statutory Auditor)
For and on behalf of Greaves West & Ayre

Date: 29 November 2020

Chartered Accountants
Statutory Auditor

17 Walkergate
Berwick-upon-Tweed
Northumberland
TD15 1DJ

GREENSHIELDS AGRI HOLDINGS PLC

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

		2023	2022
	Notes	£	as restated £
Revenue	4	6,181,099	6,207,506
Cost of sales		(4,360,197)	(2,649,089)
Gross profit		1,820,902	3,558,417
Other operating income		339,136	619,323
Administrative expenses (excl. depreciation)		(1,477,855)	(1,498,333)
Administrative expenses - depreciation		(1,132,456)	(1,107,959)
Operating (loss)/profit	5	(450,273)	1,571,544
Investment revenues	9	26,069	-
Finance costs	10	(304,097)	(253,303)
(Loss)/profit before taxation		(728,301)	1,318,142
Income tax (income)/expense	11	167,957	(342,415)
(Loss)/profit for the year	43	(560,344)	975,727
Profit for the financial year is all attributable to the owners of the parent company.			
Earnings per share	12		
Basic		(2.73)	4.62
<i>Earnings per share from continuing operations</i>			
Basic		(2.73)	4.62

GREENSHIELDS AGRI HOLDINGS PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
(Loss)/profit for the year	<u>(560,344)</u>	<u>975,727</u>
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Revaluation of property, plant and equipment and intangible assets	327,915	3,143,490
Tax relating to items not reclassified	<u>(81,979)</u>	<u>(773,097)</u>
Total items that will not be reclassified to profit or loss	<u>245,936</u>	<u>2,370,393</u>
Total comprehensive income for the year	<u><u>(314,408)</u></u>	<u><u>3,346,120</u></u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

GREENSHIELDS AGRI HOLDINGS PLC

COMPANY INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	2022 £
Administrative expenses		(156,986)	(144,102)
Operating loss		(156,986)	(144,102)
Investment revenues	9	191	-
Other gains and losses		(398,628)	1,059,196
(Loss)/profit before taxation		(555,423)	915,094
Income tax expense		-	-
(Loss)/profit for the year	44	(555,423)	915,094

GREENSHIELDS AGRI HOLDINGS PLC

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	2023 £	2022 £
Non-current assets			
Intangible assets	13	250,225	266,369
Property, plant and equipment	15	23,795,300	24,176,272
Investments	18	36,330	32,705
		<u>24,081,855</u>	<u>24,475,346</u>
Current assets			
Biological assets	22	1,813,781	2,444,373
Inventories	22	663,150	1,065,843
Trade and other receivables	24	1,933,073	1,932,598
Current tax recoverable		12,945	-
Cash and cash equivalents		2,475,339	3,609,031
Assets held for sale	17	150,000	-
		<u>7,048,288</u>	<u>9,051,845</u>
Total assets		<u>31,130,143</u>	<u>33,527,191</u>
Current liabilities			
Trade and other payables	32	458,476	702,857
Current tax liabilities		270	23,475
Borrowings	27	3,775,947	3,857,180
Lease liabilities	34	680,747	926,973
Derivative financial instruments		20,808	304,506
Deferred revenue	36	20,818	34,556
		<u>4,957,066</u>	<u>5,849,547</u>
Net current assets		<u>2,091,222</u>	<u>3,202,298</u>
Non-current liabilities			
Lease liabilities	34	1,294,298	1,736,160
Deferred tax liabilities	35	1,714,369	1,787,674
		<u>3,008,667</u>	<u>3,523,834</u>
Total liabilities		<u>7,965,733</u>	<u>9,373,381</u>
Net assets		<u>23,164,410</u>	<u>24,153,810</u>

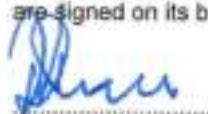
GREENSHIELDS AGRI HOLDINGS PLC

GROUP STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2023

	Notes	2023 £	2022 £
Equity			
Called up share capital	38	15,897,416	16,397,416
Share premium account	40	50,048	50,048
Revaluation reserve	41	5,264,548	5,018,611
Capital redemption reserve	42	1,902,596	1,402,596
Retained earnings	43	49,802	1,285,139
Total equity		<u>23,164,410</u>	<u>24,153,810</u>

The financial statements were approved by the board of directors and authorised for issue on 22/4/2023 and are signed on its behalf by:



Mr P R Cottrell
Director



Mr R K Byrne
Director

Company Registration No. 008571V


GREENSHIELDS AGRI HOLDINGS PLC

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

		2023	2022
	Notes	£	as restated £
Non-current assets			
Investments	19	5,100,001	5,355,771
Current assets			
Trade and other receivables	25	12,733,642	13,688,509
Cash and cash equivalents		13,013	25,712
		<u>12,746,655</u>	<u>13,714,221</u>
Current liabilities			
Trade and other payables	33	24,788	17,701
Net current assets		<u>12,721,867</u>	<u>13,696,520</u>
Net assets		<u>17,821,868</u>	<u>19,052,291</u>
Equity			
Called up share capital	39	15,897,416	16,397,416
Share premium account		50,048	50,048
Capital redemption reserve		1,902,596	1,402,596
Retained earnings		(28,192)	1,202,231
Total equity		<u>17,821,868</u>	<u>19,052,291</u>

The financial statements were approved by the board of directors and authorised for issue on 22/11/2023 and are signed on its behalf by:



Mr P R Cottrell
Director



Mr R K Byrne
Director

Company Registration No. 008571V

GREENSHIELDS AGRI HOLDINGS PLC

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Share capital	Share premium account	Revaluation reserve	Capital redemption reserve	Retained earnings	Total
		£	£	£	£	£	£
As restated for the period ended 30 June 2022:							
Balance at 1 July 2021		17,221,916	50,048	2,848,218	578,096	1,293,247	21,791,525
Balance at 1 July 2021		17,221,916	50,048	2,848,218	578,096	1,293,247	21,791,525
Year ended 30 June 2022:							
Profit for the year		-	-	-	-	975,727	975,727
Other comprehensive income:							
Revaluation of property, plant and equipment and intangible assets		-	-	3,143,490	-	-	3,143,490
Tax relating to other comprehensive income		-	-	(773,097)	-	-	(773,097)
Total comprehensive income for the year		-	-	2,370,393	-	975,727	3,346,120
Redemption of shares	38	(824,500)	-	-	824,500	(983,835)	(983,835)
Balance at 30 June 2022		16,397,416	50,048	5,018,611	1,402,596	1,285,139	24,153,810

GREENSHIELDS AGRI HOLDINGS PLC

GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Share capital	Share premium account	Revaluation reserve	Capital redemption reserve	Retained earnings	Total
		£	£	£	£	£	£
As restated for the period ended 30 June 2022:							
Year ended 30 June 2023:							
Loss for the year		-	-	-	-	(560,344)	(560,344)
Other comprehensive income:							
Revaluation of property, plant and equipment		-	-	327,915	-	-	327,915
Tax relating to other comprehensive income		-	-	(81,979)	-	-	(81,979)
Total comprehensive income for the year		-	-	245,936	-	(560,344)	(314,408)
Redemption of shares	38	(500,000)	-	-	500,000	(675,000)	(675,000)
Balance at 30 June 2023		15,897,416	50,048	5,264,548	1,902,596	49,802	23,164,410

GREENSHIELDS AGRI HOLDINGS PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Retained earnings £	Total £
Balance at 1 July 2021		17,221,916	50,048	578,096	1,270,972	19,121,032
Year ended 30 June 2022:						
Profit and total comprehensive income for the year		-	-	-	915,094	915,094
Redemption of shares	39	(824,500)	-	824,500	(983,835)	(983,835)
Balance at 30 June 2022		16,397,416	50,048	1,402,596	1,202,231	19,052,291
Year ended 30 June 2023:						
Loss and total comprehensive income for the year		-	-	-	(555,423)	(555,423)
Redemption of shares	39	(500,000)	-	500,000	(675,000)	(675,000)
Balance at 30 June 2023		15,897,416	50,048	1,902,596	(28,192)	17,821,868

GREENSHIELDS AGRI HOLDINGS PLC

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	52		1,408,347		1,453,007
Interest paid			(304,097)		(253,303)
Tax paid			(23,476)		(101,399)
Net cash inflow from operating activities			1,080,774		1,098,305
Investing activities					
Expenditure on exploration and evaluation of mineral sources		(360)		(164,855)	
Purchase of property, plant and equipment		(794,581)		(985,898)	
Proceeds on disposal of property, plant and equipment		286,050		90,000	
Proceeds on disposal of investments		(3,625)		3,625	
Interest received		26,069		-	
Net cash used in investing activities			(486,447)		(1,057,128)
Financing activities					
Redemption of shares		(675,000)		(983,835)	
Repayment of bank loans		(81,233)		(94,419)	
Repayment of derivatives		(283,698)		312,347	
Payment of lease liabilities		(688,088)		(53,398)	
Net cash used in financing activities			(1,728,019)		(819,305)
Net decrease in cash and cash equivalents			(1,133,692)		(778,128)
Cash and cash equivalents at beginning of year			3,609,031		4,387,159
Cash and cash equivalents at end of year			<u>2,475,339</u>		<u>3,609,031</u>

GREENSHIELDS AGRI HOLDINGS PLC

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

		2023		2022 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	53		662,110		197,084
			<u> </u>		<u> </u>
Net cash inflow from operating activities			662,110		197,084
Investing activities					
Proceeds from disposal of subsidiaries		-		40	
Interest received		191		-	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			191		40
Financing activities					
Redemption of shares		(675,000)		(983,835)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(675,000)		(983,835)
Net decrease in cash and cash equivalents			(12,699)		(786,711)
Cash and cash equivalents at beginning of year			25,712		812,423
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			13,013		25,712
			<u> </u>		<u> </u>

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

Greenshields Agri Holdings plc is a private company limited by shares incorporated in Isle of Man. The registered office is 3rd Floor Analyst House, Peel Road, Douglas, Isle of Man, IM1 4LZ. The company's principal activities and nature of its operations are disclosed in the directors' report.

The group consists of Greenshields Agri Holdings plc and all of its subsidiaries.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, except for the revaluation of . The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Greenshields Agri Holdings plc together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 30 June 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.3 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements have been prepared on the going concern basis. The group has net current assets of £2,091,222 (2022 £3,302,296) and net assets of £23,164,410 (2022 £24,153,810) at 30 June 2023. The group's ability to continue as a going concern is dependent upon conducting successful arable farming activities in the future. Additionally, the group is dependent on continued financial success of the group companies. The group has sufficient cash resources available for its operational needs. The directors have prepared forecast financial information for a period of at least 12 months from the date of issuance of this financial information, and have considered stress scenarios with regard to the key assumptions in the preparation of that financial information.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.4 Revenue

Revenue is measured based on the consideration specified in 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the group and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined by reference to the nature of the work done as part of the harvest year.

Revenue from contracts relates to the provision of contract farming services to customers. Performance obligations are met when the farming work required has been completed for the customer. Payment terms for services varies but services are normally billed twice yearly in February and September with standard payment terms within 30 days thereon. The price of contracts are derived from the market rate of agricultural goods and services.

The group recognises revenue from the following major sources:

- Crop sales
- Contracting income
- Combined heat & power
- Cattle housing

Other farming income is comprised primarily of land rentals for farming, wayleaves, easements and similar. Income is recognised on an accruals basis.

1.5 Intangible assets other than goodwill

Intangible assets comprise entitlements receivable under the Basic Payment Scheme. Such assets are held at their fair value and reviewed annually for impairment. Any impairment losses are taken to the statement of comprehensive income and revaluation gains are held within a revaluation surplus within equity.

Also included as a separate class of intangible assets are Mineral Resource Exploration and Evaluation assets recognised in accordance with IFRS6. Such assets are held at their cost and amortised over a period of 10 years in order to reflect the expected timescales to implement a commercially viable arrangement to extract the resource. Amortisation of these assets are recognised in administrative expenses - depreciation of the income statement and the carrying value of these assets at the yearend is expected to be amortised over the remaining 8 years. They are also reviewed annually for impairment by reference to the likelihood of successfully being able to extract the mineral resource and the ability to recover the carrying amount of exploration and evaluation asset through its successful development. Any impairment losses are taken to the statement of comprehensive income.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies (Continued)

1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Nil and 20 years straight line
Property Improvements	20 years straight line
Plant and equipment	15% reducing balance and 3, 4 and 15 years straight line
Renewables	20 years and 15 years straight line
Motor vehicles	25% reducing balance
Tenant improvements	10% reducing balance
Right-of-use assets	2, 3, 5 and 17 years straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.7 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the parent company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of tangible and intangible assets

At each reporting end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Biological assets are measured on initial recognition and at each balance sheet date at fair value in accordance with IAS 41. Any changes in fair value are recognised in the statement of comprehensive income in the year in which they arise.

1.10 Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial assets

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

Impairment of financial assets

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

For trade receivables, the simplified approach permitted by IFRS 9 is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.13 Financial liabilities

The group recognises financial debt when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

1.14 Equity instruments

Equity instruments issued by the parent company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the company.

1.15 Derivatives

Derivative financial instruments are utilised by the group to manage risks in relation to interest rates and the market price risk associated with crop prices. Derivative financial instruments are initially measured at cost, which included transaction costs. Subsequent to initial recognition these instruments are measured at fair value and changes are recognised in the statement of comprehensive income in the year in which they arise.

1.16 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.19 Leases

At inception, the group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the group's estimate of the amount expected to be payable under a residual value guarantee; or the group's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

When the group acts as a lessor, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees, over the major part of the economic life of the asset. All other leases are classified as operating leases. If an arrangement contains lease and non-lease components, the group applies IFRS 15 to allocate the consideration in the contract. When the group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately, classifying the sub-lease with reference to the right-of-use asset arising from the head lease instead of the underlying asset.

1.20 Grants

Grants relating to an asset are recognised in the statement of financial position by deducting the grant from the cost of the asset to arrive at the carrying amount of the asset.

1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Adoption of new and revised standards and changes in accounting policies

In the current year, there are no new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

2 Adoption of new and revised standards and changes in accounting policies (Continued)

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following standards and interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IFRS 17 Insurance Contracts (Effective date - 1 January 2023)	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.
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3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Key sources of estimation uncertainty

Biological Assets

Biological assets are measured at fair value, less costs to sell, with any change therein recognised in profit or loss. The group determines fair values for biological assets using LIFFE (London International Financial Futures and Options Exchange) prices, crop yields are based on company historical data and management expertise and company historical and projected costs of production. Further information about the assumptions made in measuring fair value is included in note 22 - Inventories.

Rights of Use Assets

For those assets under operating lease commitments, under IFRS 16, are capitalised at the net present value based on discounting operating lease payments through the use of an incremental borrowing rate, which reflects the interest rate the company would incur if they were to purchase the leased asset through finance/loan. Further information about the assumptions made in measuring fair values is included in note 15 - Property, plant and equipment.

Valuation of Freehold Land

Freehold land is measured under revaluation model. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement price (an exit price). The group obtain valuation of freehold land on a yearly basis from third party George F White LLP which is in accordance with RICS Global Valuations Standards 2022. Further information about the assumptions made in measuring fair values is included in note 15 - Property, plant and equipment.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

3 Critical accounting estimates and judgements

(Continued)

Accrued Income

Accrued income is included for amounts to be received relating to the current period but have not been invoiced or remitted to the before the year end. This income arises to the group in respect of Basic Payment Scheme and Renewable Heat Incentive subsidy entitlements which have been estimated at the yearend based on expected rates of income per unit. Directors multiply expected rates of income by the number of subsidy unit entitlements or energy units produced in order to quantify what is due to the company at the yearend. Accrued income is included in other receivables per note 24.

4 Revenue

An analysis of the group's revenue is as follows:

	2023	2022
	£	Restated £
Revenue analysed by class of business		
Crop sales	3,927,865	4,050,686
Other farming income	977,499	1,003,826
Rental income	30,980	40,005
CHP exported power & subsidies	346,885	295,944
Contract income	897,870	817,044
	<u>6,181,099</u>	<u>6,207,505</u>

5 Operating profit

	2023	2022
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses	23,893	3,632
Fees payable to the company's auditor for the audit of the company's financial statements	40,148	33,838
Depreciation of property, plant and equipment	1,115,952	1,107,959
Profit on disposal of property, plant and equipment	(48,536)	(33,059)
Amortisation of intangible assets (included within)	16,504	15,461
Cost of inventories recognised as an expense	4,360,197	2,649,091
	<u>4,587,960</u>	<u>4,787,870</u>

6 Auditor's remuneration

	2023	2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	15,491	13,663
Audit of the financial statements of the company's subsidiaries	24,657	20,175
	<u>40,148</u>	<u>33,838</u>

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

7 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2023 Number	2022 Number
Management	8	8
Administration	1	1
Production	7	8
Total	<u>16</u>	<u>17</u>

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	620,474	612,059
Social security costs	69,621	53,399
Pension costs	12,636	13,203
	<u>702,731</u>	<u>678,661</u>

8 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	<u>167,121</u>	<u>138,491</u>

9 Investment income

	2023 £	2022 £
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	<u>26,069</u>	<u>-</u>

10 Finance costs

	2023 £	2022 £
Interest on bank overdrafts and loans	222,880	163,891
Interest on lease liabilities	78,910	88,437
Other interest payable	2,307	975
Total interest expense	<u>304,097</u>	<u>253,303</u>

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

11 Income tax expense		
	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	(12,675)	23,475
Deferred tax		
Origination and reversal of temporary differences	(155,282)	318,940
Total tax charge/(credit)	(167,957)	342,415

The group has losses of £234,871 (2022 losses carried forward £234,871) available for carry forward against future holiday let profits. No deferred tax asset has been recognised in respect of these losses due to uncertainty over timing of their recoverability. The trading losses carried forward of £1,112,165 (2022 £nil) have been deducted to reduce the deferred tax expense giving a benefit of £278,041.

The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:

	2023	2022
	£	£
Profit/(loss) before taxation	(728,301)	1,318,142
Expected tax (credit)/charge based on a corporation tax rate of 19.00% (2022: 19.00%)	(138,377)	250,447
Unutilised tax losses carried forward	212,506	(140,927)
Permanent capital allowances in excess of depreciation	(116,552)	(112,173)
Deferred tax	(155,284)	318,940
Intercompany transactions eliminated on consolidation	(75,780)	199,996
Income tax subject to IOM tax at 0% or covered by losses	105,530	(173,868)
Taxation (credit)/charge for the year	(167,957)	342,416

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2023	2022
	£	£
Deferred tax arising on:		
Revaluation of property	81,979	773,097

12 Earnings per share		
	2023	2022
	£	£
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	20,497,239	21,110,155

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

12 Earnings per share	(Continued)	
Earnings (all attributable to equity shareholders of the company)		
Continuing operations		
Loss/profit for the period from continued operations	(560,344)	975,727
	<u> </u>	<u> </u>
Earnings for basic and diluted earnings per share being net profit attributable to equity shareholders of the company for continued operations	(560,344)	975,727
	<u> </u>	<u> </u>
Earnings per share for continuing operations		
Basic and diluted earnings per share	(2.73)	4.62
	<u> </u>	<u> </u>
Basic and diluted earnings per share		
From continuing operations	(2.73)	4.62
	<u> </u>	<u> </u>

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

13 Intangible assets Group

	Basic payment scheme (BPS) and	Exploration & Evaluation Assets	Total
	£	£	£
Cost or valuation			
At 1 July 2021	146,219	-	146,219
Additions	-	164,855	164,855
Revaluation	(29,244)	-	(29,244)
At 30 June 2022	116,975	164,855	281,830
Additions - purchased	-	360	360
At 30 June 2023	116,975	165,215	282,190
Amortisation and impairment			
Charge for the year	-	15,461	15,461
At 30 June 2022	-	15,461	15,461
Charge for the year	-	16,504	16,504
At 30 June 2023	-	31,965	31,965
Carrying amount			
At 30 June 2023	116,975	133,250	250,225
At 30 June 2022	116,975	149,394	266,369
At 30 June 2021	146,219	-	146,219

Intangible assets relate to Basic Payment Scheme (BPS) entitlements and are held at fair value. The BPS is the United Kingdom's main agricultural subsidy and entitlement gives the right to payment, provided it is supported by a hectare of eligible land and is actively farmed.

At 30 June 2023, had the Basic Payment Scheme entitlements been carried at historical cost their carrying amount would have been approximately £74,397 (2022 £74,397).

During the year to 30 June 2023, the Basic Payment Scheme entitlement was valued by George F. White at £116,975.

The second class of intangible asset relates to the Exploration for & Evaluation of Mineral Resources which are held at cost. The group is currently exploring and evaluating the commercial viability of extracting minerals from owned land and as part of this has incurred costs associated with geological studies, exploratory drilling, sampling and other activities in relation to evaluating the technical feasibility and commercial viability of quarrying the mineral resource. These costs are likely to generate economic benefits to the company once the necessary planning permissions have been obtained and a viable commercial partner has been found. The costs have therefore been capitalised as an intangible asset and are being amortised over a period which reflects the likely timescales until extraction commences.

So far to date, £165,215 of costs have been incurred in respect of the exploration and evaluation of mineral resources. Of this, £360 of investing cash flows were expended during the period on further developing the intangible asset.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 30 JUNE 2023*

14 Intangible assets
Company

The company had no intangible fixed assets at 30 June 2023 or 30 June 2022.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

15 Property, plant and equipment Group	Freehold land and buildings £	Plant and equipment £	Renewables £	Motor vehicles £	Tenant improvements £	Right-of-use assets £	Total £
Cost or valuation							
At 1 July 2021	15,703,843	3,852,087	1,364,637	58,153	82,262	2,868,272	23,729,254
Additions	-	559,830	-	-	-	426,066	985,898
Disposals	-	(175,849)	-	-	-	-	(175,849)
Revaluation increase	3,172,734	-	-	-	-	-	3,172,734
Assets reclassified	-	110,373	-	-	-	(110,373)	-
At 30 June 2022	18,876,577	4,346,441	1,364,637	58,153	82,262	2,983,967	27,712,037
Additions	-	790,681	-	3,900	-	-	794,581
Disposals	-	(487,693)	-	(3,900)	-	-	(491,593)
Revaluation increase	327,915	-	-	-	-	-	327,915
Assets reclassified	(150,000)	-	-	-	-	-	(150,000)
At 30 June 2023	19,054,492	4,649,430	1,364,637	58,153	82,262	2,983,967	28,192,941
Accumulated depreciation and impairment							
At 1 July 2021	154,414	1,355,055	353,214	35,687	19,081	629,263	2,546,714
Charge for the year	38,135	409,330	85,063	5,616	6,318	563,497	1,107,959
Eliminated on disposal	-	(118,908)	-	-	-	-	(118,908)
At 30 June 2022	192,549	1,645,477	438,277	41,303	25,399	1,192,760	3,535,765
Charge for the year	38,135	436,181	85,063	4,613	5,686	546,274	1,115,952
Eliminated on disposal	-	(251,824)	-	(2,255)	-	-	(254,079)
At 30 June 2023	230,685	1,829,834	523,341	43,662	31,085	1,739,034	4,397,641

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

15 Property, plant and equipment		(Continued)						
Group		Freehold land and buildings	Plant and equipment	Renewables	Motor vehicles	Tenant improvements	Right-of-use assets	Total
Carrying amount								
At 30 June 2023		18,823,807	2,819,596	841,296	14,491	51,177	1,244,933	23,795,300
At 30 June 2022		18,684,028	2,700,954	926,360	16,850	56,863	1,791,207	24,176,272
At 30 June 2021		15,549,428	2,497,033	1,011,423	22,466	63,180	2,039,017	21,182,547

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

Property, plant and equipment includes assets held under finance leases or hire purchase contracts as follows:

	2023 £	2022 £
Net carrying value		
Plant and equipment	1,971,400	1,800,156
Additions	540,117	661,153
Depreciation charge for the year		
Plant and equipment	289,606	254,778

The revaluation surplus is disclosed in note 41.

At 30 June 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £11,950,155 (2022 £11,950,155).

Farming property included in freehold land and buildings has been valued by George F. White LLP (GFW) as at 30 June 2023 (previously by GFW in June 2022) resulting in an upward revaluation of £327,915 (2022 upward revaluation of £3,172,734). GFW have confirmed that their valuation was prepared for ascertaining a market value and the valuation has been completed in accordance with the RICS Valuation-Professional Standards Global and UK (January 2022). In accordance with the Valuation Standards, the valuations have been prepared on the basis of Market Value. This is an internationally recognised basis and is defined as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion." Residential, agricultural and estate properties are normally valued with reference to the sale of similar properties in the locality (the comparable approach). Owing to the uniqueness of all properties it is then necessary to make adjustments for differences in location, situation, appearance, size, condition, sporting records, land capability etc before arriving at an appropriate opinion of value.

16 Property, plant and equipment Company

The company had no tangible fixed assets at 30 June 2023 or 30 June 2022.

17 Assets and liabilities classified as held for sale

	2023 £	2022 £
Property, plant and equipment	150,000	-

Assets held for sale at the year end represent agricultural land that was approved for sale at the year end.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

18 Investments Group

	Current		Non-current	
	2023	2022	2023	2022
	£	£	£	£
Other investments	-	-	36,330	32,705

Investment balance relates to unlisted investments in Tynegrain Limited, Anglia Farmers and Haddington Farmers Ltd held at fair value. The Investment carrying value is considered by the Board of Directors for fair value movements at least annually based on recent transactions and the underlying asset value of the investment.

The group has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Movements in non-current investments

	Investments £
Cost or valuation	
At 1 July 2022	32,705
Valuation changes	3,625
At 30 June 2023	<u>36,330</u>
Carrying amount	
At 30 June 2023	<u>36,330</u>
At 30 June 2022	<u>32,705</u>

19 Investments Company

	Current		Non-current	
	2023	2022	2023	2022
	£	£	£	£
Investments in subsidiaries	-	-	5,100,001	5,355,771

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Investment in subsidiary undertakings

Details of the company's principal operating subsidiaries are included in note 20.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

19 Investments	(Continued)
Movements in non-current investments	
	Shares in subsidiaries £
Cost or valuation	
At 1 July 2022 & 30 June 2023	5,355,771
Impairment	
At 1 July 2022	-
Impairment losses	(255,770)
At 30 June 2023	(255,770)
Carrying amount	
At 30 June 2023	5,100,001
At 30 June 2022	5,355,771

20 Subsidiaries

Details of the company's subsidiaries at 30 June 2023 are as follows:

Name of undertaking	Registered office	Principal activities	Class of shares held	% Held	
				Direct	Indirect
Greenshields Estates Limited	3rd Floor, Analyst House, Peel Road, Douglas, Isle of Man, IM1 4LZ	Property holding	Ordinary	100.00	100.00
Greenshields Agri Limited	5 South Charlotte Street, Edinburgh, Scotland, EH2 4AN	Arable Farming	Ordinary	100.00	100.00

An impairment review was performed regarding the carrying value of the investment in GAL at 30 June 2023. Following this the investment was written down to the value of £1.

21 Credit risk

Cash deposits and financial transactions give rise to credit risk in the event that counter parties fail to perform under the contract. The Group monitors the credit ratings of its counter parties where necessary and controls the amount of credit risk by adhering to limits set by the board. The Group maintains debtor levels to a manageable level unless it has strong grounds for allowing increases. As a consequence of these controls, the probability of material loss is considered to be at an acceptable level.

The directors regularly review the company's financial instruments in order to monitor any increase in credit risk in respect of financial instruments since initial recognition.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the group's maximum exposure to credit risk.

The group does not hold any collateral or other credit enhancements to cover this credit risk.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

22 Inventories			
Group			
		2023	2022
		£	£
Biological assets	1,813,781	2,444,373	
Other sundry stocks	663,150	1,065,843	
	<u>2,476,931</u>	<u>3,510,216</u>	

Biological assets are measured at fair value, less estimated point of sale cost, with any change thereon recognised in profit or loss.

Reconciliation of biological assets carrying amount:	2023	2022
	£	£
Opening balance	2,444,373	1,581,807
Costs to harvest	276,683	235,009
Fair value adjustment to harvest	(77,224)	187,150
Less biological assets harvested	(2,843,833)	(2,003,966)
Purchases	1,088,942	790,521
Fair value crops movements	724,840	1,653,852
	<u>1,813,781</u>	<u>2,444,373</u>

Included within inventories are biological assets which consists of £1,813,781 (2022 £2,444,373) relating to 2,475 ha of growing crops and £459,176 (2022 £344,417) relating to harvested stocks in store at the year end.

Growing crops consist of various cereals and pulses. The expected output of each has been estimated based on the expected crop yields and actual growing crop areas as at the year end.

The entity utilises forwards, futures and options in order to mitigate the risk of any major fluctuations in commodity prices between the balance sheet date and date of delivery. Any net gains or losses on the fair value position of these contracts at the year end has been recognised within the statement of comprehensive income.

Also included within inventories are other sundry stocks of £203,975 (2022 £721,426) which consists of various other stocks in relation to the farming and renewable energy activities.

23 Inventories **Company**

The company had no inventories at 30 June 2023 or 30 June 2022.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

24 Trade and other receivables Group

	2023 £	2022 £
Trade receivables	797,441	950,406
VAT recoverable	46,076	115,415
Other receivables	1,049,765	827,572
Prepayments	39,789	39,205
	<u>1,933,071</u>	<u>1,932,598</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

25 Trade and other receivables Company

	2023 £	2022 £
Trade receivables	2	2
VAT recoverable	933	2,822
Amounts owed by subsidiary undertakings	12,728,957	13,681,835
Prepayments	3,750	3,850
	<u>12,733,642</u>	<u>13,688,509</u>

Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

26 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

27 Borrowings Group

	2023 £	2022 £
Borrowings held at amortised cost:		
Bank loans	<u>3,775,947</u>	<u>3,857,180</u>

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

27 Borrowings	(Continued)	
	2023 £	2022 £
Secured borrowings included above:		
Bank loans	<u>3,775,947</u>	<u>3,857,180</u>

In July 2022, the Royal Bank of Scotland refinanced the Group's existing borrowings that were recognised as due to be repaid within one year.

The first loan entered into during the refinance was an agreement with RBS for a loan with the principal amount of £2,200,000. The loan carries a fixed interest rate of 5.48% per annum and is repayable 36 months after the initial drawdown loan date of 2 August 2022.

The second loan entered into during the refinance was an agreement with RBS for a loan with the principal amount of £1,650,000. The loan carries an interest rate of 5.62%, fixed from 20 July 2022 for a period of 60 months. After the fixed rate period the loan will be pay interest at 2.20% over base.

The Group is subject to banking covenants in respect of its loan arrangements which require Debt Servicing: Adjusted EBITDA to Debt Service Liability for each 12 month period must be at least 1.25 to 1. Adjusted EBITDA is defined as Profit/loss on ordinary activities before tax but after adding back depreciation, amortisation, borrowing cost, exceptional non-cash losses, and after deducting investment income, exceptional non-cash gains, interest receivable and other similar income. Debt Service Liability is defined as borrowing costs paid plus scheduled repayments of gross borrowings.

Furthermore, there is a property covenant: Loans to Value, the loans must not exceed 60% of value of each valuation date. Loans is defined as the total outstanding under all loans provided to the Customer by the Bank. Value is defined as the aggregate market value of the Charged Properties evidenced by the most recent valuations addressed to the Bank, from valuers acceptable to the Bank. Valuation days is defined as the date on which a valuation of the Charged Properties is delivered to the Bank.

As at the reporting date, the group breached the requirements of the financial covenant included the terms of both the above £2.2m and £1.65m facilities. The total outstanding loan balances as at the reporting date was £3.77m and as a consequence of this default have been reclassified as being due within 1 year. After the reporting date, the Group's bank have signed a waiver in respect of the breach and have confirmed that no further action will be taken to recall the facilities outstanding. They will therefore continue to honour the existing deferred repayment terms.

Greenshields Estates Limited has granted RBS first standard security over the land and associated buildings at Spott Estate and Lemington & Mount Alban Farms. In addition, Greenshields Estates Limited has granted RBS a Debenture.

Greenshields Agri Holdings plc has provided RBS with a guarantee for £4,000,000, supported by a Debenture.

Greenshields Agri Limited has provided RBS with a guarantee for £4,000,000, supported by a bond and floating charge over the assets of the company.

The company had no borrowings at 30 June 2023 or 30 June 2022.

28 Fair value of financial liabilities

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

29 Liquidity risk

Liquidity risk is the risk that the group will encounter difficulty in meeting their obligations associated with its financial obligations that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Liquidity risk management

Responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the group's funding and liquidity management requirements. The group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

30 Market risk

Market risk management

Crop prices

UK grain prices are largely determined by world prices and the dynamics of the global grain market. The company seeks to use its grain market analysis to optimise timing for crop price hedging. In addition the company seeks to optimise the premium it earns over the underlying commodity price through growing specific quality grains for local big brand customers. The company utilises the cash and futures markets to hedge its position. All trades are recapped by the outside broker to the executive management team. The group CEO reports the overall group "long" and "short" position on a daily basis as part of a daily grain market report to the executive management team. The executive management team monitor the company's exposure on an ongoing basis through a daily conference call and regular email discussion.

There has been no change in the group's objectives, policies and processes for managing this risk during the year.

Sensitivity analysis:

	2023	2022
	£	£
Turnover - 5% crop price movement		
Profit increase or decrease	196,393	202,534
Biological asset - 5% crop price movement		
Profit increase or decrease	93,463	122,219

Land valuation

The carrying values of agricultural land and buildings are primarily based on comparable market transactions and the group is therefore exposed to fluctuations in the UK agricultural land market.

There has been no change in the group's objectives, policies and processes for managing this risk during the year.

Sensitivity analysis:

A 5% change in the fair value of agricultural land would have increased or decreased net assets as follows:

	2023	2022
	£	£
Net assets increase or decrease	914,532	905,637

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

30 Market risk

(Continued)

Basic payment entitlements valuation

The carrying values of Basic Payment Scheme entitlements have been determined by reference to comparable market transactions. Therefore, the group is exposed to fluctuations in the open market for Basic Payment subsidy entitlements.

There has been no change in the group's objectives, policies and processes for managing this risk during the year.

Sensitivity analysis:

A 5% change in the fair value of Basic Payment entitlements would have increased or decreased net assets as follows:

	2023 £	2022 £
Net assets increase or decrease	5,849	7,311

Interest rate risk

The Group is exposed to fluctuations in the base rate of interest.

There has been no change in the group's objectives, policies and processes for managing this risk during the year.

Sensitivity analysis:-A change of 100 basis points in interest rates would have increased or decreased equity as follows:

	2023 £	2022 £
100 basis points increase: Profits (decrease)	(38,074)	(38,835)
100 basis points (decrease): Profits increase	38,074	38,835

Equity price risk

Equity price risk arises from the financial asset investments at fair value through profit or loss due to uncertainties about future values of the instrument. Investments held at the year end represent interests held in the share capital of Tynegrain Limited. This instrument is unquoted and classified as level 3 in fair value hierarchy.

There has been no change in the group's objectives, policies and processes for managing this risk during the year.

Sensitivity analysis:

A 5% change in the value per share of Tynegrain Limited would have increased or decreased equity as follows:

	2023 £	2022 £
Profit increase or decrease	1,817	1,635

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

31 Fair value hierarchy

Fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The group determines Level 2 fair values for biological assets using LIFFE (London International Financial Futures and Options Exchange) prices, crop yields based on company historical and DEFRA (Department for Environmental Food & Rural Affairs) average data and company historical and projected costs of production. Please see note 20 for further information.

The group determines Level 2 fair values for forward crop trades based on LIFFE prices and Chicago Board of Trade (CBOT) prices.

The group determines Level 3 fair values for the unlisted investment in Tynegrain Limited and other unlisted investments based on the value of the last trade of shares in Tynegrain Limited and other unlisted investments. Please see note 16 for further information.

The Company determines Level 3 fair values for Basic Payment Scheme entitlements by utilising the services of a valuation expert, George F. White LLP (RICS certified). Values were primarily determined based on comparable market transactions and placed entitlement values at £100/unit for Region One and £6/unit for Region Two. Please see note 12 for further information.

The Company determines Level 3 fair values for agricultural land and buildings with the assistance of a valuation expert, George F. White LLP (RICS certified). The land values are determined on a per hectare basis with the main driver of value being associated with arable land at a range of between £9,500-£11,500 per acre. Please see note 14 for further information.

The fair value of all other financial instruments are deemed to be approximately reflected by their carrying value.

32 Trade and other payables

Group

	2023	2022
	£	£
Trade payables	273,975	635,585
Accruals	148,176	52,130
Social security and other taxation	15,284	12,559
Other payables	21,043	2,583
	<u>458,478</u>	<u>702,857</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases varies per supplier. For most suppliers no interest is charged on amounts payable. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade payables approximates to their fair value.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

33 Trade and other payables Company

	2023 £	2022 £
Trade payables	9,669	-
Accruals	15,119	17,701
	<u>24,788</u>	<u>17,701</u>

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases varies per supplier. For most suppliers no interest is charged on amounts payable. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

The directors consider that the carrying amount of trade payables approximates to their fair value.

34 Lease liabilities Group

	2023 £	2022 £
Maturity analysis		
Within one year	735,397	993,882
In two to five years	944,590	1,363,722
In over five years	498,000	560,250
	<u>2,177,987</u>	<u>2,917,854</u>
Total undiscounted liabilities	2,177,987	2,917,854
Future finance charges and other adjustments	(202,942)	(254,721)
	<u>1,975,045</u>	<u>2,663,133</u>
Lease liabilities in the financial statements	<u>1,975,045</u>	<u>2,663,133</u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £	2022 £
Current liabilities	680,747	926,973
Non-current liabilities	1,294,298	1,736,160
	<u>1,975,045</u>	<u>2,663,133</u>

Amounts recognised in profit or loss include the following:

	2023 £	2022 £
Interest on lease liabilities	<u>78,910</u>	<u>86,437</u>

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

34 Lease liabilities

(Continued)

The net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate. Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Greenshields Agri Holdings plc has provided Lombard North Central PLC with a guarantee over lease liability of Greenshields Agri Limited's self-propelled sprayer which has an outstanding liability of £173,526 as at the yearend.

The fair value of the company's lease obligations is approximately equal to their carrying amount.

35 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon during the current and prior reporting period.

	ACAs £	Revaluations £	Total £
Deferred tax liability at 1 July 2021	329,797	365,842	695,639
Deferred tax movements in prior year			
Charge/(credit) to profit or loss	318,939	-	318,939
Charge/(credit) to other comprehensive income	-	773,096	773,096
Deferred tax liability at 1 July 2022	648,736	1,138,938	1,787,674
Deferred tax movements in current year			
Charge/(credit) to profit or loss	(155,284)	-	(155,284)
Charge/(credit) to other comprehensive income	-	81,979	81,979
Deferred tax liability at 30 June 2023	493,452	1,220,917	1,714,369

Deferred tax assets and liabilities are offset in the financial statements only where the group has a legally enforceable right to do so.

36 Deferred revenue

	2023 £	2022 £
Arising from	20,818	34,556

All deferred revenues are expected to be settled within 12 months from the reporting date.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

37 Retirement benefit schemes		
	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	12,636	13,203

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

38 Share capital				
Group				
	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
<i>Issued and fully paid</i>				
Ordinary shares of £1 each	20,155,572	20,655,572	20,155,572	20,655,572
Treasury shares of £1 each	4,258,156	4,258,156	(4,258,156)	(4,258,156)
	<u>15,897,416</u>	<u>16,397,416</u>	<u>15,897,416</u>	<u>16,397,416</u>

Each ordinary share carries the right to one vote at a meeting of shareholders or any resolution of the shareholders; the right to any dividend paid by the company; and a right to an equal share in the distribution of the surplus assets of the company on its winding up.

On 6 February 2014, the Group established a trust to be known as The Greenshields Agri Executive Benefit Trust and approved the appointment of Hillberry Trust Company Limited as the sole corporate trustee of the Trust. On the same date, the Group approved the creation of a share option plan for the benefit of certain key members of the company's management for the purposes of incentivising those persons; those persons being W H Boase, J C Goodgal, P A Jackson, J D McKenna, Y Yasumoto. 4,258,156 shares have since been allotted and issued to the Trust via a loan from the Group to the Trust. At present none of the options have been exercised and the trustee has irrevocably waived all rights and entitlements, in respect of the entire holding of shares which may be held and to all and any dividends declared or paid by the company in respect of those shares.

Reconciliation of movements during the year:

	Ordinary shares Number
At 1 July 2022	20,655,572
Shares repurchased	(500,000)
At 30 June 2023	<u>20,155,572</u>

There were no shares issued during the year (2022 Nil). The company repurchased 500,000 (2022 824,500) of its own Ordinary Shares during the year for £675,000 (2022 £983,835) in order to allow investors to redeem their investment. A transfer has been made to a Capital Redemption Reserve accordingly as per note 42.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

39 Share capital Company

Refer to note 38 of the group financial statements.

40 Share premium account Group and company

	2023 £	2022 £
At the beginning and end of the year	50,048	50,048

Share premium relates to a premium paid by the shareholders for the ordinary share capital of the company. There have been no changes in share premium in the year (2022 - £nil).

41 Revaluation reserve Group

	2023 £	2022 £
At the beginning of the year	5,018,611	2,648,218
Revaluation surplus arising in the year	327,916	3,143,490
Deferred tax on revaluation of PPE	(81,979)	(773,097)
At the end of the year	5,264,548	5,018,611

During the year, Basic Payment Scheme entitlements, as detailed within note 13, were revalued downwards by £nil (2022 £29,244).

There were also revaluation gains of £327,915 (2022 £3,172,734) on the valuation of farming properties, as detailed within note 15.

The company had no revaluation reserve at 30 June 2023 or 30 June 2022.

42 Capital redemption reserve Group and company

	2023 £	2022 £
At the beginning of the year	1,402,596	578,096
Transfers	500,000	824,500
At the end of the year	1,902,596	1,402,596

Capital redemption reserve has been created during the repurchase of the company's own shares. £500,000 (2022 £824,500) nominal value of repurchased ordinary shares was added to the capital redemption reserve on repurchase of its own shares during the year.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

43 Retained earnings			
Group			
		2023	2022
		£	£
Prior year adjustment		-	-
At the beginning of the year		1,285,146	1,293,247
Profit/(loss) for the year		(560,344)	975,727
Share redemption or reduction		(675,000)	(983,835)
		<u>49,802</u>	<u>1,285,139</u>
44 Retained earnings			
Company			
		2023	2022
		£	£
Prior year adjustment		-	-
At the beginning of the year		1,202,231	1,270,973
Profit/(loss) for the year		(555,423)	915,094
Share redemption or reduction		(675,000)	(983,835)
		<u>(28,192)</u>	<u>1,202,232</u>
45 Other leasing information			
Group			
Lessee			
Amounts recognised in profit or loss as an expense during the period in respect of lease arrangements are as follows:			
		2023	2022
		£	£
Expense relating to short-term leases		<u>41,324</u>	<u>56,097</u>
Information relating to lease liabilities is included in note 34.			
46 Capital commitments			
Group			
		2023	2022
		£	£
At 30 June 2023 the group had capital commitments as follows:			
Contracted for but not provided in the financial statements:			
Acquisition of property, plant and equipment		<u>-</u>	<u>130,000</u>

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

47 Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of debt, cash and cash equivalents and equity comprising share capital, reserves and retained earnings. The company reviews the capital structure annually and as part of this review considers that cost of capital and the risks associated with each class of capital.

The company is not subject to any externally imposed capital requirements.

48 Events after the reporting date

After the year end, the CHP shed including equipment at Lemington was completely destroyed by a fire. Insurance claims are in progress which will aim to fully cover the carrying value of the assets involved.

49 Related party transactions

Remuneration of key management personnel

	2023	2022
	£	£
Short-term employee benefits	94,612	70,008

Other transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2023	2022	2023	2022
	£	£	£	£
Key management personnel	-	20,000	16,869	12,832
Other related parties	844,098	743,988	219,582	768,311
	<u>844,098</u>	<u>763,988</u>	<u>236,251</u>	<u>781,143</u>

The following amounts were outstanding at the reporting end date:

	2023	2022
	£	£
Amounts due to related parties		
Other related parties	<u>75,990</u>	<u>300,418</u>

The following amounts were outstanding at the reporting end date:

	2023	2022
	£	£
Amounts due from related parties		
Other related parties	<u>281,272</u>	<u>12,167</u>

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

49 Related party transactions (Continued)

Other information

As per note 38, 500,000 (2022 824,500) Ordinary Shares were repurchased by the group from its shareholders during the year for £675,000 (2022 £983,835).

50 Controlling party

The directors are of the opinion that there is no single ultimate controlling party due to the even distribution of voting rights amongst the shareholders with no shareholder having a controlling majority.

51 Prior period restatement

Reconciliation of changes in equity

The prior period adjustments do not give rise to any effect upon equity.

Profit as previously reported	975,727
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Adjustments to prior year

Government Grants	-
Futures Settlements	-

Profit as adjusted	<u>975,727</u>
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Notes to reconciliation

Government Grants & Futures Settlements

The directors have reclassified both basic payment entitlement subsidy income and crop futures settlement movements as "Other Operating Income" rather than "Revenue" within the income statement in order to better confirm with International Financial Reporting Standard requirements.

These restatements have an overall nil effect on group profit after tax in the prior year, remaining at £975,727.

GREENSHIELDS AGRI HOLDINGS PLC

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2023

52	Cash generated from operations Group	2023	2022
		£	£
	(Loss)/profit for the year after tax	(560,335)	975,725
	Adjustments for:		
	Taxation (credited)/charged	(167,957)	342,415
	Finance costs	304,097	253,303
	Investment income	(26,069)	-
	Gain on disposal of property, plant and equipment	(48,536)	(33,059)
	Amortisation and impairment of intangible assets	16,504	15,461
	Depreciation and impairment of property, plant and equipment	1,115,952	1,107,959
	Movements in working capital:		
	Decrease/(increase) in inventories	1,033,285	(1,149,882)
	Increase in trade and other receivables	(475)	(300,331)
	(Decrease)/increase in trade and other payables	(244,381)	206,860
	(Decrease)/increase in deferred revenue outstanding	(13,738)	34,558
	Cash generated from operations	1,408,347	1,453,007
53	Cash generated from operations Company	2023	2022
		£	£
	(Loss)/profit for the year after tax	(555,423)	915,094
	Adjustments for:		
	Investment income	(191)	-
	Other gains and losses	398,628	(1,059,196)
	Movements in working capital:		
	Decrease in debtors	812,009	347,275
	Increase/(decrease) in creditors	7,087	(6,089)
	Cash generated from operations	662,110	197,084