

Company Registration No. 008571V (Isle of Man)

**GREENSHIELDS AGRI HOLDINGS PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

# GREENSHIELDS AGRI HOLDINGS PLC

## GROUP INFORMATION

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<b>Directors</b>	Mr W H Boase Mr J C Goodgal Mr P A Jackson Mr J D McKenna Mr R R Jones Mr P R Cottrell Mr R K Byrne Ms L R Forster (Appointed 1 October 2019)
<b>Secretary</b>	Mr R R Jones
<b>Company number</b>	008571V
<b>Registered office</b>	3rd Floor Analyst House Peel Road Douglas Isle of Man IM1 4LZ
<b>Auditor</b>	Greaves West & Ayre 17 Walkergate Berwick-upon-Tweed Northumberland TD15 1DJ
<b>Bankers</b>	Royal Bank of Scotland 30 Nicolson Street Edinburgh EH8 9DL
<b>Solicitors</b>	St. John Legal Winchester House 19 Bedford Row London WC1R 4EB

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# GREENSHIELDS AGRI HOLDINGS PLC

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# GREENSHIELDS AGRI HOLDINGS PLC

## STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The directors present the strategic report for the year ended 30 June 2020.

### 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 6 and 7, show a profit on ordinary activities after tax attributable to owners of the parent of £1,742,714 (2019: profit of £71,136). The shareholders' funds of the Group total £20,485,173 (2019: £18,630,567).

### Principal Risks and Uncertainties facing the business

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 financial performance of the Group during financial year 2019/20 has produced a positive result and for the fourth year in a row the Group has recorded a profit after tax. During the year, the Group sold about 600 acres of land at a significant premium to book value. Revenue increased by 3.7% to £4.6 million while EBITDA rose by £2,363,000 to £3,148,000.

### Key performance indicators

	2020	2019
Value of land owned	£15.7m	£18.5m
Total Revenue	£4,561,000	£4,398,000
EBITDA	£3,148,000	£785,000
NAV per share	£1.18	£1.05

On behalf of the board



Mr P R Cottrell  
Director

20 October 2020

# GREENSHIELDS AGRI HOLDINGS PLC

## DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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The directors present their annual report and financial statements for the year ended 30 June 2020.

### 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 6.

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

No preference dividends were paid. The directors do not recommend payment of a final 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 R R Jones  
Mr P R Cottrell  
Mr R K Byrne  
Ms L R Forster

(Appointed 1 October 2019)

### 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 group's contractual and other legal obligations.

### Future developments

The Group is continuing to streamline its core operations - grain production, grain handling, grain merchandising and renewables business - in order to implement operational efficiencies, cost savings and a leaner customer focussed structure. This will put the Group in a favourable position to take advantage of any upswing in the agricultural cycle.

The Group is continuing to look for opportunities which will improve earnings from operations and provide strong cash flow.

### 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.

# GREENSHIELDS AGRI HOLDINGS PLC

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 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 financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 group and of the profit or loss of the group 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 group'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 group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### 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: 20 October 2020

# GREENSHIELDS AGRI HOLDINGS PLC

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GREENSHIELDS AGRI HOLDINGS PLC

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#### Opinion

We have audited the financial statements of Greenshields Agri Holdings plc (the 'company') for the year ended 30 June 2020 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

#### 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.

# GREENSHIELDS AGRI HOLDINGS PLC

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF GREENSHIELDS AGRI HOLDINGS PLC

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#### Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the website of the Financial Reporting Council at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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

2 NOVEMBER 2020

Chartered Accountants  
Statutory Auditor

17 Walkergate  
Berwick-upon-Tweed  
Northumberland  
TD15 1DJ



# GREENSHIELDS AGRI HOLDINGS PLC

## CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
Revenue	3	4,560,925	4,398,275
Cost of sales		(2,653,996)	(2,495,311)
<b>Gross profit</b>		1,906,929	1,902,964
Other operating income		2,448,080	334,839
Administrative expenses (excl. depreciation)		(1,207,135)	(1,452,335)
Administrative expenses - depreciation	14	(665,426)	(478,468)
<b>Operating profit</b>	4	2,482,448	307,000
Finance costs	7	(318,504)	(317,107)
Other gains and losses	8	-	(313)
<b>Profit/(loss) before taxation</b>		2,163,944	(10,420)
Income tax (expense)/income	9	(421,230)	82,156
<b>Profit for the year</b>	44	1,742,714	71,736
<b>Earnings per share</b>	10		
Basic		8.07	0.33
<i>Earnings per share from continuing operations</i>			
Basic		8.07	0.33

The income statement has been prepared on the basis that all operations are continuing operations.

# GREENSHIELDS AGRI HOLDINGS PLC

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

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	2020	2019
	£	£
Profit for the year	1,742,714	71,736
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Gains on revaluation	754,948	120,233
Tax relating to items not reclassified	(167,822)	-
Total items that will not be reclassified to profit or loss	587,126	120,233
Total comprehensive income for the year	2,329,840	191,969

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# GREENSHIELDS AGRI HOLDINGS PLC

## COMPANY INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 £	2019 £
<b>Gross profit</b>		-	-
Other operating income		4,192,543	-
Administrative expenses		(813,201)	(64,322)
<b>Operating profit/(loss)</b>		3,379,342	(64,321)
Other gains and losses	8	(772,960)	(2,770)
<b>Profit/(loss) before taxation</b>		2,606,382	(67,091)
Income tax expense		-	-
<b>Profit/(loss) and total comprehensive income for the year</b>	45	2,606,382	(67,091)

The income statement has been prepared on the basis that all operations are continuing operations.

# GREENSHIELDS AGRI HOLDINGS PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Notes	2020 £	2019 £
<b>Non-current assets</b>			
Intangible assets	11	153,225	147,653
Property, plant and equipment	14	19,572,795	22,630,439
Investments	16	37,931	77,931
		<u>19,763,951</u>	<u>22,856,023</u>
<b>Current assets</b>			
Biological assets and Inventories	19	1,998,808	2,147,084
Trade and other receivables	20	1,562,863	2,049,033
Cash and cash equivalents		3,196,682	545,231
Derivative financial instruments		-	74,668
Assets held for sale	23	1,422,192	-
		<u>8,180,545</u>	<u>4,816,016</u>
<b>Total assets</b>		<u>27,944,496</u>	<u>27,672,039</u>
<b>Current liabilities</b>			
Trade and other payables	24	657,325	1,342,031
Current tax liabilities		282,930	9,392
Obligations under finance leases	28	538,886	230,602
Borrowings	29	37,792	1,232,010
Derivative financial instruments		15,963	-
Deferred revenue	26	-	47,550
		<u>1,532,896</u>	<u>2,861,585</u>
<b>Net current assets</b>		<u>6,647,649</u>	<u>1,954,431</u>
<b>Non-current liabilities</b>			
Borrowings	29	3,938,261	5,632,744
Deferred tax liabilities	31	308,573	7,642
Obligations under finance leases	28	1,679,593	539,501
		<u>5,926,427</u>	<u>6,179,887</u>
<b>Total liabilities</b>		<u>7,459,323</u>	<u>9,041,472</u>
<b>Net assets</b>		<u>20,485,173</u>	<u>18,630,567</u>

# GREENSHIELDS AGRI HOLDINGS PLC


## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 JUNE 2020

<b>Equity</b>			
Called up share capital		21,595,207	22,052,168
Treasury shares		(4,258,156)	(4,258,156)
Share premium account		50,048	49,808
Revaluation reserve	43	2,377,968	2,267,199
Capital redemption reserve	33	462,961	-
Retained earnings	44	257,145	(1,480,452)
<b>Total equity</b>		<b>20,485,173</b>	<b>18,630,567</b>

The financial statements were approved by the Board of directors and authorised for issue on .....


Signed on its behalf by:



Mr P R Cottrell  
Director

20 October 2020

Company Registration No. 008571V



Mr R K Byrne  
Director

# GREENSHIELDS AGRI HOLDINGS PLC

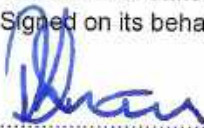
## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

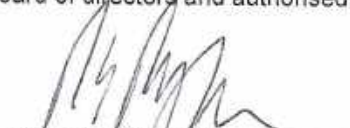
	Notes	2020 £	2019 £
<b>Non-current assets</b>			
Investments	17	5,100,041	5,873,001
<b>Current assets</b>			
Trade and other receivables	21	12,437,038	9,544,327
Cash and cash equivalents		268	1,012
		12,437,306	9,545,339
<b>Total assets</b>		<b>17,537,347</b>	<b>15,418,340</b>
<b>Current liabilities</b>			
Trade and other payables	25	12,815	24,952
<b>Net current assets</b>		<b>12,424,491</b>	<b>9,520,387</b>
<b>Total liabilities</b>		<b>12,815</b>	<b>24,952</b>
<b>Net assets</b>		<b>17,524,532</b>	<b>15,393,388</b>
<b>Equity</b>			
Called up share capital	41	21,595,207	22,052,168
Treasury shares	41	(4,258,156)	(4,258,156)
Share premium account	42	50,048	49,808
Capital redemption reserve	33	462,961	-
Retained earnings	45	(325,528)	(2,450,432)
<b>Total equity</b>		<b>17,524,532</b>	<b>15,393,388</b>

The financial statements were approved by the Board of directors and authorised for issue on .....

Signed on its behalf by:



Mr P R Cottrell  
Director



Mr R K Byrne  
Director

20 October 2020  
Company Registration No. 008571V

# GREENSHIELDS AGRI HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Retained earnings £	Total £
Balance at 1 July 2018		17,794,012	49,808	2,146,966	-	(1,552,189)	18,438,597
<b>Year ended 30 June 2019:</b>							
Profit for the year		-	-	-	-	71,736	71,736
Other comprehensive income		-	-	120,233	-	-	120,233
Total comprehensive income for the year		-	-	120,233	-	71,736	191,970
<b>Balance at 30 June 2019</b>		<b>17,794,012</b>	<b>49,808</b>	<b>2,267,199</b>	<b>-</b>	<b>(1,480,453)</b>	<b>18,630,567</b>
<b>Year ended 30 June 2020:</b>							
Profit for the year		-	-	-	-	1,742,714	1,742,714
Other comprehensive income		-	-	587,126	-	-	587,126
Total comprehensive income for the year		-	-	587,126	-	1,742,714	2,329,841
Issue of share capital		6,000	240	-	-	-	6,240
Redemption of shares		(462,961)	-	-	462,961	(481,479)	(481,479)
Realised gains	43	-	-	(438,001)	-	438,001	-
Other	44	-	-	(38,356)	-	38,356	-
<b>Balance at 30 June 2020</b>		<b>17,337,051</b>	<b>50,048</b>	<b>2,377,968</b>	<b>462,961</b>	<b>257,139</b>	<b>20,485,169</b>

# GREENSHIELDS AGRI HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020		2019	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	48		576,525		599,068
Interest paid			(318,504)		(317,107)
Tax paid			(14,583)		(9,606)
<b>Net cash inflow from operating activities</b>			<b>243,438</b>		<b>272,355</b>
<b>Investing activities</b>					
Purchase of intangible assets		(47,696)		-	
Proceeds on disposal of intangibles		37,111		7,199	
Purchase of property, plant and equipment		(2,384,438)		(1,915,883)	
Proceeds on disposal of property, plant and equipment		6,587,966		1,330,329	
Proceeds on disposal of investments		40,000		5,938	
<b>Net cash generated from/(used in) investing activities</b>			<b>4,232,943</b>		<b>(572,418)</b>
<b>Financing activities</b>					
Proceeds from issue of shares		6,240		-	
Redemption of shares		(481,479)		-	
Repayment of bank loans		(2,656,690)		16,503	
Repayment of derivatives		90,632		(180,012)	
Payment of finance leases obligations		1,448,377		(73,431)	
<b>Net cash used in financing activities</b>			<b>(1,592,920)</b>		<b>(236,941)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>2,883,461</b>		<b>(537,003)</b>
Cash and cash equivalents at beginning of year			313,221		850,224
Cash and cash equivalents at end of year			<u>3,196,682</u>		<u>313,221</u>
<b>Relating to:</b>					
Bank balances and short term deposits			3,196,682		545,231
Bank overdrafts			-		(232,010)



# GREENSHIELDS AGRI HOLDINGS PLC

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020		2019	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	48		474,495		(150,065)
<b>Net cash inflow/(outflow) from operating activities</b>					
			474,495		(150,065)
<b>Investing activities</b>					
Interest received		-		-	
<b>Net cash used in investing activities</b>					
<b>Financing activities</b>					
Proceeds from issue of shares		6,240		-	
Redemption of shares		(481,479)		-	
<b>Net cash used in financing activities</b>					
			(475,239)		
<b>Net decrease in cash and cash equivalents</b>					
			(744)		(150,065)
Cash and cash equivalents at beginning of year					
			1,012		151,077
Cash and cash equivalents at end of year					
			268		1,012
<b>Relating to:</b>					
Bank balances and short term deposits			268		1,012
Bank overdrafts			-		-

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

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### 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.

#### 1.1 Accounting convention

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

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

The financial statements have been prepared on the historical cost basis, except for the revaluation of intangible assets and investment properties. The principal accounting policies adopted are set out below.

#### 1.2 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 they 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 £6,647,649 (2019 £1,954,431) and net assets of £20,485,173 (2019 £18,630,567) at 30 June 2020. 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.

#### 1.3 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 company 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 entity 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.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

The company recognises revenue from the following major sources:

- Crop Sales
- Contracting income
- Combined heat & power
- Basic Payment Scheme

The nature, timing of satisfaction of performance obligations and significant payment terms of the company's major sources of revenue are as follows:

#### 1.4 Intangible assets other than goodwill

Intangible assets comprise entitlements receivable under the Basic Payment. 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.

#### 1.5 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:

Farming property	Nil
Property Improvements	20 years straight line
Tenants improvements	10% Reducing balance
Plant and machinery	15% Reducing balance & 15 years straight line
Motor vehicles	25% Reducing balance
Right of Use Assets	2, 5 and 17 years straight line
Renewables	15 & 20 years straight line

The gain or loss arising on the disposal or retirement 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.

#### 1.6 Impairment of tangible and intangible assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 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.

#### 1.7 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 replacement cost and 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.

#### 1.8 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.

#### 1.9 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.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### 1.10 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. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

#### *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 assets with fixed or determinable payments and fixed maturity dates that the group has the positive intent and ability to hold to maturity are classified as held to maturity investments.

Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### *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 company'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.

Financial assets classified as available for sale are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where an AFS financial asset is disposed of or determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Dividends and interest earned on AFS financial assets are included in the investment income line item in the statement of comprehensive income.

#### *Impairment of financial assets*

Financial assets, other than those at Fair Value Through Profit and Loss (FVTPL), are assessed for indicators of impairment at each reporting end date.

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 investment 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.

### 1.11 Financial liabilities

The company recognises financial debt when the company 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 the company manages 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.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### *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.

#### 1.12 Equity instruments

Equity instruments issued by the group 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 at the discretion of the group.

#### 1.13 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.

#### 1.14 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.

##### *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 company 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.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 1 Accounting policies

(Continued)

#### 1.15 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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.16 Retirement benefits

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

#### 1.17 Leases

At inception, the company 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 company 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.

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 company'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 company 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 company's estimate of the amount expected to be payable under a residual value guarantee; or the company'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 company 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.



# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 1 Accounting policies

(Continued)

When the company 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 company applies IFRS 15 to allocate the consideration in the contract. When the company 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.

#### 1.18 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.

#### 1.19 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 are included in the income statement for the period.

#### 1.20 Use of estimates and judgements

The preparation of the financial statement requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Significant estimates and assumptions include biological assets and property valuation.

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 based on company historical and DEFRA (Department for Environment Food & Rural Affairs) average data and group historical and projected costs of production. Further information about the assumptions made in measuring fair values is included in the Biological assets note.

Farming property is subject to valuation by appropriately qualified external valuers, at least annually.

#### 1.21 Biological assets

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.

#### 1.22 Other farming income

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

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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

In the current year, the following 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:

IFRS 16, 'Leases'

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The Group has implemented IFRS 16 with effect from 1 January 2019 and this has had a significant impact on the Group. This has resulted in the increase of non-current assets and lease liabilities; and no significant impact on the net profit and loss. The company has elected to apply the practical expedient in C3 of IFRS 16 to not reassess whether a contract is a lease at the date of initial application; not requiring retrospective application of IFRS 16.

#### 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  
(Effective date - 1 January 2021)

Contracts

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.

Based on the group's current business model and accounting policies, management does not expect that the adoption of these standards or interpretations will have a material impact on the financial information of the group. The group does not intend to early adopt any of these pronouncements.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 3 Revenue

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

	2020 £	2019 £
Crop sales	2,398,555	2,388,877
Basic payment scheme	312,702	302,509
Other farming income	729,846	269,919
Rental income	27,389	17,970
Renewables exported power & subsidies	370,916	286,808
Contract income	721,517	1,132,192
	<u>4,560,925</u>	<u>4,398,275</u>

### 4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	5,409	12,039
Fees payable to the company's auditor for the audit of the company's financial statements	31,863	32,277
Depreciation of property, plant and equipment	665,425	478,466
Profit on disposal of property, plant and equipment	(65,065)	(45,782)
Directors' fees	34,375	49,850
Profit on disposal of intangible assets	(8,663)	(3,926)
Cost of sales recognised as an expense	2,653,996	2,495,311
	<u>2,653,996</u>	<u>2,495,311</u>

### 5 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	<u>34,375</u>	<u>49,850</u>

### 6 Employees

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

	2020 Number	2019 Number
Full time and seasonal staff	<u>12</u>	<u>13</u>

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

6	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2020	2019
		£	£
	Wages and salaries	439,382	460,041
	Social security costs	41,800	43,236
	Pension costs	11,039	9,275
		<u>492,221</u>	<u>512,552</u>
	Redundancy payments in the year amount to £- (2019 £7,688).		
7	Finance costs		
		2020	2019
		£	£
	Interest on bank overdrafts and loans	239,046	278,450
	Interest on obligations under other leases	33,824	-
	Interest on obligations under hire purchase agreements	39,543	29,072
	Other interest payable	6,091	9,585
	Total interest expense	<u>318,504</u>	<u>317,107</u>
8	Other gains and losses		
		2020	2019
		£	£
	Other gains and losses	-	(313)
	Other losses have arisen from the partial disposal of the groups investment in a unlisted company.		
9	Income tax expense		
		Continuing operations	
		2020	2019
		£	£
	<b>Current tax</b>		
	Current year taxation	288,121	17,327
	<b>Deferred tax</b>		
	Origination and reversal of temporary differences	133,109	(99,483)
	Total tax charge	<u>421,230</u>	<u>(82,156)</u>

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 9 Income tax expense (Continued)

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

	2020 £	2019 £
Profit/(Loss) before taxation	2,163,944	(10,420)
Expected tax charge based on a corporation tax rate of 19.00%	411,149	(1,980)
Income subject to IOM tax at 0% or covered by losses	(290,850)	13,448
Origination and reversal of temporary timing differences	300,931	(93,624)
Tax charge for the year	421,230	(82,156)

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

	2020 £	2019 £
Deferred tax arising on: Revaluation of property	167,822	-

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

10 Earnings per share	2020	2019
	£	£
<b>Number of shares</b>		
Weighted average number of ordinary shares for basic earnings per share	21,595,207	22,052,168
<b>Earnings</b>		
<b>Continuing operations</b>		
Profit for the period from continued operations	1,742,714	71,736
Earnings for basic and diluted earnings per share being net profit attributable to equity shareholders of the company for continued operations	1,742,714	71,736
<b>Earnings per share for continuing operations</b>		
Basic and diluted earnings per share	8.07	0.33
<b>Basic and diluted earnings per share</b>		
From continuing operations	8.07	0.33
	8.07	0.33

All earnings were derived from continuing business operations.

11 Intangible assets	Basic Payment
Group	Entitlement
	£
<b>Cost</b>	
At 1 July 2018	84,235
Disposals	(3,273)
Revaluation	66,691
At 30 June 2019	147,653
Additions - purchased	47,696
Disposals	(28,447)
Revaluation	(13,676)
At 30 June 2020	153,225
<b>Carrying amount</b>	
At 30 June 2020	153,225
At 30 June 2019	147,653
At 30 June 2018	84,235

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 11 Intangible assets

(Continued)

Intangible assets relate to Basic Payment Scheme (BPS) entitlements and are held at fair value. The BPS is the European Union'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 2020, had the Basic Payment Scheme entitlements been carried at historical cost their carrying amount would have been approximately £78,022 (2019 £44,547).

During the year to 30 June 2020, the Basic Payment Scheme entitlements were valued by George F. White at £153,225.

### 12 Intangible assets

#### Company

The company had no intangible fixed assets at 30 June 2020 or 30 June 2019.

### 13 Credit risk

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

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

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 14 Property, plant and equipment Group

	Farming property	Tenants improvement s	Plant and machinery	Right of Use Assets	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 July 2018	18,455,785	655,188	4,994,451	-	24,105,424
Additions	-	52,395	1,863,488	-	1,915,883
Disposals	-	(4,620)	(2,291,216)	-	(2,295,836)
Revaluation increase	53,542	-	-	-	53,542
At 30 June 2019	18,509,327	702,963	4,566,723	-	23,779,013
Additions	-	21,051	754,533	1,608,854	2,384,438
Disposals	(3,932,115)	-	(216,513)	-	(4,148,628)
Revaluation increase	768,624	-	-	-	768,624
Assets reclassified	(1,422,192)	-	-	-	(1,422,192)
At 30 June 2020	13,923,644	724,013	5,104,744	1,608,854	21,361,255
<b>Accumulated depreciation and impairment</b>					
At 1 July 2018	-	40,575	1,640,822	-	1,681,397
Charge for the year	-	34,197	444,269	-	478,466
Eliminated on disposal	-	-	(1,011,289)	-	(1,011,289)
At 30 June 2019	-	74,772	1,073,802	-	1,148,574
Charge for the year	-	38,262	469,871	157,292	665,425
Eliminated on disposal	-	-	(25,538)	-	(25,538)
At 30 June 2020	-	113,033	1,518,135	157,292	1,788,460
<b>Carrying amount</b>					
At 30 June 2020	13,923,644	610,980	3,586,609	1,451,562	19,572,795
At 30 June 2019	18,509,327	628,191	3,492,921	-	22,630,439
At 30 June 2018	18,455,786	614,614	3,353,628	-	22,424,028

At 30 June 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £12,826,791 (2019 - £16,303,044).



# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 14 Property, plant and equipment

(Continued)

The net carrying value of tangible fixed assets includes £1,370,460 (2019 - £794,307) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £210,200 (2019 - £121,195) for the year.

Farming property has been valued by George F. White LLP (GFW) as at 30 June 2020 (previously by GFW in June 2019) resulting in a upward revaluation of £343,113 (2019 upward revaluation of £53,542). Additionally, land reclassified as held for sale during the year was revalued to its fair value less costs to sell resulting in an uplift of £425,510. 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 (July 2017). 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.

### 15 Property, plant and equipment Company

The company had no tangible fixed assets at 30 June 2020 or 30 June 2019.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

16 Investments Group	Current		Non-current	
	2020	2019	2020	2019
	£	£	£	£
Trading investments carried at fair value	-	-	37,931	77,931

Investment balance relates to unlisted investments in Tynegrain Limited, North East Grains, Borders Machinery Ring, 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

	£
<b>Cost or valuation</b>	
At 30 June 2019	77,931
Additions	-
Disposals	(40,000)
At 30 June 2020	37,931
<b>Carrying amount</b>	
At 30 June 2020	37,931
At 30 June 2019	77,931

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

17 Investments Company	Current		Non-current	
	2020	2019	2020	2019
	£	£	£	£
Trading investments carried at fair value	-	-	5,100,041	5,873,001

### 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

	£
<b>Cost or valuation</b>	
At 30 June 2019	5,873,001
Additions	-
Impairment	(772,960)
At 30 June 2020	5,100,041
<b>Carrying amount</b>	
At 30 June 2020	5,100,041
At 30 June 2019	5,873,001

## 18 Subsidiaries

Details of the company's subsidiaries at 30 June 2020 are as follows:

	Country of incorporation (or residence)	Proportion of ownership interest (%)	Proportion of voting power held (%)	Nature of business
Greenshields Estates Limited	Isle of Man	100	100	Property holding
Greenshields Agri Limited	United Kingdom	100	100	Arable Farming
Agricultural Management (Haddington) Limited	United Kingdom	100	100	Dormant

An impairment review was performed regarding the carrying value of the investment in GAL at 30 June 2016. Following this the investment was written down to the value of £1. Following review it was determined that there has been no further change to the value of the investment as at 30 June 2020 (2019: no change).

AMH was acquired on 28 October 2015. At the time of acquisition, goodwill of £254,717 arose which was immediately impaired to £Nil. An additional impairment loss to the value of £772,960 is recognised in the current year (2019: £2,770) to reflect the fact that the company's entire trade and assets have been transferred to a fellow group member.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

19 Inventories Group	2020 £	2019 £
Biological assets	1,846,977	1,885,757
Other sundry stocks	151,831	261,327
	<u>1,998,808</u>	<u>2,147,084</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 carrying amount:	2020 £	2019 £
<b>Opening balance</b>	1,885,757	1,899,851
Less opening biological stocks in store	(406,023)	(311,815)
Opening growing crops	1,479,734	1,588,036
Purchases to harvest	301,059	1,117,507
Fair value adjustment harvest	56,938	49,107
Less biological assets harvested	(1,837,731)	(2,754,650)
Purchases	506,996	623,831
<b>Fair value crops movements</b>	675,982	855,903
	<u>1,182,978</u>	<u>1,479,734</u>
Harvested biological stocks in store at fair value:	663,999	406,023
	<u>1,846,977</u>	<u>1,885,757</u>

Inventories include biological assets and contain £1,182,978 (2019 £1,479,734) relating to 2,120ha of growing crops and £663,998 (2019 £406,023) relating to sundry 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.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 20 Trade and other receivables Group

	Current 2020	2019
	£	£
Trade receivables	379,370	1,103,734
Other receivables	1,105,399	729,268
VAT recoverable	35,770	49,678
Amounts due from related parties	3,243	1,084
Prepayments	39,081	165,269
	<u>1,562,863</u>	<u>2,049,033</u>

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

### 21 Trade and other receivables Company

	Current 2020	2019
	£	£
Other receivables	2	108,373
Amounts due from subsidiary undertakings	12,432,787	9,430,683
Prepayments	4,250	5,270
	<u>12,437,038</u>	<u>9,544,327</u>

### 22 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.

### 23 Assets and liabilities classified as held for sale

	2020	2019
	£	£
Farming property	<u>1,422,192</u>	<u>-</u>

Assets held for sale in the year represent farming property that was approved for sale at the year end. There were no assets held for sale in the prior year.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 24 Trade and other payables Group

	<b>Current</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade payables	300,200	1,087,157
Accruals	316,380	157,347
Social security and other taxation	10,498	9,532
Other payables	30,247	87,995
	<u>657,325</u>	<u>1,342,031</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.

### 25 Trade and other payables Company

	<b>Current</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Amounts due to subsidiary undertakings	40	-
Accruals	12,775	18,712
Other payables	-	6,240
	<u>12,815</u>	<u>24,952</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 FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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26	Deferred revenue	2020 £	2019 £
	Arising from rents received in advance	-	47,550
		<u>          </u>	<u>          </u>

### Analysis of deferred revenue

Deferred revenues 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:

	2020 £	2019 £
Current liabilities	-	47,550
	<u>          </u>	<u>          </u>

## 27 Retirement benefit schemes

### Defined contribution schemes

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

The total costs charged to income in respect of defined contribution plans is £11,039 (2019 - £10,999).

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 28 Finance lease obligations

Group	Minimum lease payments		Present value	
	2020	2019	2020	2019
Amounts payable under finance leases:	£	£	£	£
Within one year	596,681	250,753	538,886	230,602
In two to five years	1,240,666	536,030	1,119,083	511,592
In over five years	660,000	28,583	560,512	27,909
	<u>2,497,347</u>	<u>815,366</u>	<u>2,218,481</u>	<u>770,103</u>
Less: future finance charges	(278,868)	(45,263)	-	-
	<u>2,218,479</u>	<u>770,103</u>	<u>538,886</u>	<u>770,103</u>

### Analysis of finance leases

	2020	2019
	£	£
Current liabilities	538,886	230,602
Non-current liabilities	1,679,593	539,501
	<u>2,218,479</u>	<u>770,103</u>

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.

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



# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

29 Borrowings Group	2020	2019
	£	£
<b>Secured borrowings at amortised cost</b>		
Bank overdrafts	-	232,010
Bank loans	3,976,053	6,632,744
	<u>3,976,053</u>	<u>6,864,754</u>

### Analysis of borrowings

Borrowings 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:

	2020	2019
	£	£
Current liabilities	37,792	1,232,010
Non-current liabilities	3,938,261	5,632,744
	<u>3,976,053</u>	<u>6,864,754</u>

### 30 Secured loans

In November 2017, Greenshields Estates Limited entered into a loan agreement with RBS for a loan with the principal amount of £3,000,000. The loan carries an interest rate of 4.21% and is repayable 60 months after the initial drawdown loan date on 15 November 2017.

In January 2020, Greenshields Estates Limited entered into a loan agreement with RBS for a loan with the principal amount of £1,000,000. The loan carries an interest rate of 2.75% over base rate and is repayable on 15 November 2022.

The Group is subject to banking covenants in respect of its loan arrangements which require Debt Servicing: CFADS to Debt Service Liability for each 12 month period must be at least 1.15 to 1. CFADS is defined as net cash flow less net capital expenditure. Debt Service Liability is defined as borrowing costs paid plus scheduled repayments of gross borrowings. Furthermore, the Group's adjusted EBITDA must not fall below £700,000 for the periods ending 30 June 2020 and for periods thereafter.

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.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 31 Deferred taxation Group

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

	Accelerated capital allowances £	Revaluations £	Total £
Deferred tax liability at 1 July 2018	107,125	-	107,125
<b>Deferred tax movements in prior year</b>			
Credit to profit or loss	(99,483)	-	(99,483)
Deferred tax liability at 1 July 2019	7,642	-	7,642
<b>Deferred tax movements in current year</b>			
Credit to profit or loss	133,109	-	133,109
Credit to other comprehensive income	-	167,822	167,822
Deferred tax liability at 30 June 2020	<u>140,751</u>	<u>167,822</u>	<u>308,573</u>

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

	2020 £	2019 £
Deferred tax liabilities	<u>308,573</u>	<u>7,642</u>

### 32 Fair value of financial liabilities

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

### 33 Capital redemption reserve

	2020 £	2019 £
At the beginning of the year	-	-
Transfers	462,961	-
At the end of the year	<u>462,961</u>	<u>-</u>

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 34 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting these obligations associated with its financial obligations that are settled by delivering cash or another financial asset. The Company'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 Company'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 company's funding and liquidity management requirements. The company 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.

### 35 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.

Sensitivity analysis:

	2020 £	2019 £
Turnover - 5% crop price movement		
Profit increase or decrease	119,515	93,400
Biological asset - 5% crop price movement		
Profit increase or decrease	92,350	94,760

#### Interest rate risk

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

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

	2020 £	2019 £
100 basis points increase: Profits (decrease)	(28,468)	(31,711)
100 basis points (decrease): Profits increase	28,468	31,711

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 35 Market risk

(Continued)

#### 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.

Sensitivity analysis:

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

	2020 £	2019 £
Profit increase or decrease	1,897	3,897

### 36 Capital commitments

	2020 £	2019 £
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At 30 June 2020 the group had capital commitments as follows:

Contracted for but not provided in the financial statements:

Acquisition of property, plant and equipment

	-	456,860
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# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 37 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 Company 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 Company 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.

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

The Company determines Level 3 fair values for the unlisted investment in Tynegrain Limited based on the value of the last trade of shares in Tynegrain Limited

The Company determines Level 3 fair values for Basic Payment Scheme entitlements based on a valuation prepared by George F. White LLP (RICS certified). This value was determined on a best estimate on entitlement values and the changes to quantities since acquisition.

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

### 38 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.

### 39 Events after the reporting date

After the date of these financial statements, the Group has successfully sold the 152.77 acres of its agricultural land currently treated as an asset held for sale in these financial statements. The land was successfully sold for £1.45m which is in line with its carrying value.

After the year end, an item of plant and machinery with carrying value of £122,083 was written off following a fire. Insurance proceeds have been received which fully covers the carrying value of the asset.

Finally, a Short Limited Duration Tenancy was entered into to occupy and farm an additional 407.11 hectares of agricultural land. The lease will result in a new 'Right of Use' asset and corresponding liability being capitalised in the YE2021 to the value of £759,490.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 40 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.

41 Share capital Company	2020 £	2019 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
21,595,207 Ordinary of £1 each	21,595,207	22,052,168
4,258,156 Treasury of £1 each	(4,258,156)	(4,258,156)
	<u>17,337,051</u>	<u>17,794,012</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	Treasury Shares
At 1 July 2019	22,052,168	(4,258,156)
Issue of fully paid shares	6,000	-
Shares repurchased	(462,961)	-
	<u>21,595,207</u>	<u>(4,258,156)</u>
At 30 June 2020	<u>21,595,207</u>	<u>(4,258,156)</u>

The shares issued in the year carry the same rights as the existing ordinary share capital. The company also repurchased 462,961 of its own Ordinary shares during the year. A transfer has been made to a Capital Redemption Reserve accordingly as per note 33.

### 42 Share premium account Company

At 1 July 2018 & at 1 July 2019	49,808
Issue of new shares	240
	<u>50,048</u>
At 30 June 2020	<u>50,048</u>

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

<b>43 Revaluation reserve</b>	
<b>Group</b>	£
At 1 July 2018	2,146,966
Revaluation loss arising in the year	120,233
	<hr/>
At 30 June 2019	2,267,199
Revaluation gain arising in the year	754,948
Deferred tax on revaluation of PPE	(167,822)
Realised gains	(438,001)
Other movements	(38,356)
	<hr/>
At 30 June 2020	2,377,968
	<hr/> <hr/>
<p>During the year, Basic Payment Scheme entitlements, as detailed within note 1, were revalued downward by £13,676 (2019 £66,691 upwards).</p>	
<p>There were also revaluation gains of £768,624 (2019 £53,542) on the valuation of farming properties, as detailed within note 14.</p>	
<b>44 Retained earnings</b>	
<b>Group</b>	£
At 1 July 2018	(1,552,188)
Profit for the year	71,736
	<hr/>
At 30 June 2019	(1,480,447)
Profit for the year	1,742,714
Transfer from revaluation reserve	438,001
Share redemption or reduction	(481,479)
Other	38,356
	<hr/>
At 30 June 2020	257,145
	<hr/> <hr/>
<b>45 Retained earnings</b>	
<b>Company</b>	£
At 1 July 2018	(2,383,341)
Loss for the year	(67,091)
	<hr/>
At 30 June 2019	(2,450,432)
Profit for the year	2,606,383
Share redemption or reduction	(481,479)
	<hr/>
At 30 June 2020	(325,528)
	<hr/> <hr/>

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

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### 46 Operating lease commitments

#### Lessee

There are no operating lease commitments to disclose in the current year further to the implementation of IFRS 16.

Amounts recognised in profit or loss as an expense during the period in respect of lease arrangements are as follows:

	2020	2019
	£	£
Minimum lease payments under operating leases	106,804	267,425

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	-	27,509
Between two and five years	-	2,250
	-	29,759



# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

### 47 Related party transactions

#### Other transactions with related parties

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

	Sale of goods		Purchase of goods	
	2020	2019	2020	2019
	£	£	£	£
Entities with joint control or significant influence over the company	223,039	856,206	175,473	596,541
	<u>223,039</u>	<u>856,206</u>	<u>175,473</u>	<u>596,541</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2020	2019
	£	£
Entities with joint control or significant influence over the company	2,895	248,662
	<u>2,895</u>	<u>248,662</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2020	2019
	£	£
Entities with joint control or significant influence over the company	9,338	81,110
	<u>9,338</u>	<u>81,110</u>

The borrowings of Haddington Farmers Limited are secured by a £75,000 guarantee provided by a group company.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 48 Cash generated from operations

	2020 £	2019 £
Profit for the year after tax	1,742,714	71,736
<b>Adjustments for:</b>		
Taxation charged/(credited)	421,230	(82,156)
Finance costs	318,504	317,107
Gain on disposal of property, plant and equipment	(2,464,875)	(45,781)
Gain on disposal of intangibles	(8,663)	(3,926)
Depreciation and impairment of property, plant and equipment	665,426	478,467
Other gains and losses	-	313
<b>Movements in working capital:</b>		
Decrease/(increase) in inventories	148,276	(59,287)
Decrease/(increase) in trade and other receivables	486,170	(575,716)
(Decrease)/increase in trade and other payables	(684,706)	459,318
(Decrease)/increase in deferred revenue	(47,550)	38,994
<b>Cash generated from operations</b>	<b>576,525</b>	<b>599,068</b>