

Company Registration No. 008571V (Isle of Man)

**GREENSHIELDS AGRI HOLDINGS PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2019**

# 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 (Appointed 20 November 2018)
<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>	Marritt Harrison 11 Staple Inn London WC1V 7QH

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# GREENSHIELDS AGRI HOLDINGS PLC

## CONTENTS

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	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Consolidated income statement	6
Consolidated statement of comprehensive income	7
Company income statement	8
Consolidated statement of financial position	9 - 10
Company statement of financial position	11
Consolidated statement of changes in equity	12
Consolidated statement of cash flows	13
Company statement of cash flows	14
Notes to the financial statements	15 - 46

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# GREENSHIELDS AGRI HOLDINGS PLC

## STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2019

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The directors present the strategic report and financial statements for the year ended 30 June 2019.

### 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 £71,136 (2018 profit of £205,130). The shareholders' funds of the Group total £18,630,567 (2018 £18,438,597).

### 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 2018/19 has produced a positive result and for the third year in a row the Group has recorded a profit after tax. The figure of £71,736 was lower than the previous year which included a gain on sale of land. Revenue increased by 20% to £4.4 million while on EBITDA grew 19% to £785,000 (excluding gains from sale of land).

The Group has streamlined its farming operations into a single company Greenshields Agri Ltd. All of the business activities previously managed by the subsidiary, Agricultural Management Haddington Ltd have been transferred to Greenshields Agri Ltd. It is expected this streamlining of the business will bring operational efficiencies, cost savings and a leaner customer focussed structure.

### Key performance indicators

	2019	2018
Value of land owned	£18.5m	£18.5m
Total Revenue	£4,398,000	£3,663,000
EBITDA (excluding gains on sale of land)	£785,000	£657,000
NAV per share	£1.05	£1.04

By order of the board

.....  
Mr R R Jones  
Secretary

18.11.2019

# GREENSHIELDS AGRI HOLDINGS PLC

## DIRECTORS' REPORT

*FOR THE YEAR ENDED 30 JUNE 2019*

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The directors present their annual report and financial statements for the year ended 30 June 2019.

### 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

(Appointed 20 November 2018)

### 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 continues to seek to build out its core grain production, grain handling and grain merchandising business and is well positioned for any upswing in the agricultural cycle.

The Group is continuing to look for opportunities which will provide strong cash flow and improve earnings from operations whilst maintaining tight control over costs of production and capital expenditure on machinery & equipment.

### 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 2019

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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

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

.....  
Mr R R Jones  
Secretary

Date: 18.11.2019 .....

# 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 2019 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 2019 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 Financial Reporting Council's website 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

28 November 2019

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 2019

	Notes	2019 £	2018 £
Revenue	3	4,398,275	3,662,994
Cost of sales		(2,495,311)	(1,476,347)
<b>Gross profit</b>		<b>1,902,964</b>	<b>2,186,647</b>
Other operating income		334,839	(76,298)
Administrative expenses (excl. depreciation)		(1,452,336)	(1,096,578)
Administrative expenses - depreciation	14	(478,467)	(451,080)
<b>Operating profit</b>	<b>4</b>	<b>307,000</b>	<b>562,691</b>
Investment revenues	7	-	2
Finance costs	8	(317,107)	(340,576)
Other gains and losses	9	(313)	-
<b>(Loss)/profit before taxation</b>		<b>(10,420)</b>	<b>222,117</b>
Income tax income/(expense)	10	82,156	(16,987)
<b>Profit for the year</b>	<b>43</b>	<b>71,736</b>	<b>205,130</b>
<b>Earnings per share</b>	<b>11</b>		
Basic		0.33	0.93
<i>Earnings per share from continuing operations</i>			
Basic		0.33	0.93

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 2019

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	2019	2018
	£	£
Profit for the year	71,736	205,130
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Gains on revaluation	120,233	754,509
Total items that will not be reclassified to profit or loss	120,233	758,797
Total comprehensive income for the year	191,969	963,927

# GREENSHIELDS AGRI HOLDINGS PLC

## COMPANY INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

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	Notes	2019 £	2018 £
Gross profit		-	-
Other operating income		-	21,593
Administrative expenses		(64,323)	(283,037)
<b>Operating loss</b>		<b>(64,322)</b>	<b>(261,444)</b>
Other gains and losses	9	(2,770)	-
<b>Loss before taxation</b>		<b>(67,092)</b>	<b>(261,444)</b>
Income tax expense		-	-
<b>Loss and total comprehensive income for the year</b>	<b>44</b>	<b>(67,092)</b>	<b>(261,444)</b>

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 2019

	Notes	2019 £	2018 £
<b>Non-current assets</b>			
Intangible assets	12	147,653	84,235
Property, plant and equipment	15	22,630,439	22,424,028
Investments	17	77,931	84,181
		<u>22,856,023</u>	<u>22,592,444</u>
<b>Current assets</b>			
Biological assets and Inventories	20	2,147,084	2,087,797
Trade and other receivables	21	2,049,033	1,473,317
Cash and cash equivalents		545,231	1,332,152
Derivative financial instruments		74,668	-
		<u>4,816,016</u>	<u>4,893,266</u>
<b>Total assets</b>		<u>27,672,039</u>	<u>27,485,710</u>
<b>Current liabilities</b>			
Trade and other payables	24	1,342,031	882,713
Current tax liabilities		9,392	1,671
Obligations under finance leases	27	230,602	270,508
Borrowings	28	1,232,010	1,481,928
Derivative financial instruments		-	105,344
Deferred revenue	31	47,550	8,558
		<u>2,861,585</u>	<u>2,750,720</u>
<b>Net current assets</b>		<u>1,954,431</u>	<u>2,142,546</u>
<b>Non-current liabilities</b>			
Borrowings	28	5,632,744	5,616,242
Deferred tax liabilities	30	7,642	107,125
Obligations under finance leases	27	539,501	573,026
		<u>6,179,887</u>	<u>6,296,393</u>
<b>Total liabilities</b>		<u>9,041,472</u>	<u>9,047,113</u>
<b>Net assets</b>		<u>18,630,567</u>	<u>18,438,597</u>

# GREENSHIELDS AGRI HOLDINGS PLC

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

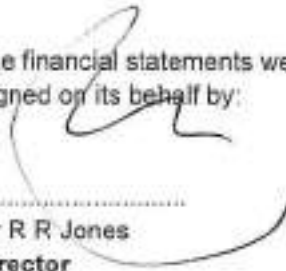
AS AT 30 JUNE 2019


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<b>Equity</b>			
Called up share capital		22,052,168	22,052,168
Treasury shares		(4,258,156)	(4,258,156)
Share premium account		49,808	49,808
Revaluation reserve	42	2,267,199	2,146,966
Retained earnings	43	(1,480,452)	(1,552,189)
<b>Total equity</b>		<b>18,630,567</b>	<b>18,438,597</b>

The financial statements were approved by the Board of directors and authorised for issue on 18 November 2019

Signed on its behalf by:

  
.....  
Mr R R Jones  
Director

  
.....  
Mr P R Cottrell  
Director

Company Registration No. 008571V

# GREENSHIELDS AGRI HOLDINGS PLC

## COMPANY STATEMENT OF FINANCIAL POSITION


AS AT 30 JUNE 2019

	Notes	2019 £	2018 £
<b>Non-current assets</b>			
Investments	18	5,873,001	5,875,771
<b>Current assets</b>			
Trade and other receivables	22	9,544,327	9,460,131
Cash and cash equivalents		1,012	151,077
		9,545,339	9,611,208
<b>Total assets</b>		15,418,340	15,486,979
<b>Current liabilities</b>			
Trade and other payables	25	24,952	26,500
<b>Net current assets</b>		9,520,387	9,584,708
<b>Total liabilities</b>		24,952	26,500
<b>Net assets</b>		15,393,388	15,460,479
<b>Equity</b>			
Called up share capital	40	22,052,168	22,052,168
Treasury shares	40	(4,258,156)	(4,258,156)
Share premium account	41	49,808	49,808
Retained earnings	44	(2,450,432)	(2,383,341)
<b>Total equity</b>		15,393,388	15,460,479

The financial statements were approved by the Board of directors and authorised for issue on 18 November 2019

Signed on its behalf by:

.....  
Mr R R Jones  
Director

  
.....  
Mr P R Cottrell  
Director

Company Registration No. 008571V

# GREENSHIELDS AGRI HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Share capital	Share premium account	Revaluation reserve	Retained earnings	Total
Notes	£	£	£	£	£
<b>Balance at 1 July 2017</b>	17,608,914	46,106	1,975,843	(1,763,038)	17,867,826
<b>Year ended 30 June 2018:</b>					
Profit for the year	-	-	-	205,136	205,136
Other comprehensive income	-	-	764,509	-	764,509
Total comprehensive income for the year	-	-	764,509	205,136	969,645
Issue of share capital	185,098	3,702	-	-	188,800
Realised gains	-	-	(587,674)	-	(587,674)
Other	-	-	(5,712)	5,712	-
<b>Balance at 30 June 2018</b>	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>	17,794,012	49,808	2,267,199	(1,480,453)	18,630,567

# GREENSHIELDS AGRI HOLDINGS PLC

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	47		599,088		(350,947)
Interest paid			(317,107)		(340,576)
Tax paid			(9,606)		(8,628)
<b>Net cash inflow/(outflow) from operating activities</b>			<b>272,355</b>		<b>(700,151)</b>
<b>Investing activities</b>					
Purchase of intangible assets		-		(44,547)	
Proceeds on disposal of intangibles		7,199		56,776	
Purchase of property, plant and equipment		(1,915,883)		(2,667,250)	
Proceeds on disposal of property, plant and equipment		1,330,329		4,019,898	
Proceeds on disposal of investments		5,938		17,500	
Interest received		-		2	
<b>Net cash (used in)/generated from investing activities</b>			<b>(572,418)</b>		<b>1,382,379</b>
<b>Financing activities</b>					
Proceeds from issue of shares		-		188,800	
Repayment of bank loans		16,503		(40,753)	
Repayment of derivatives		(180,012)		76,298	
Payment of finance leases obligations		(73,431)		(205,521)	
<b>Net cash (used in)/generated from financing activities</b>			<b>(236,941)</b>		<b>18,824</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(537,003)</b>		<b>701,052</b>
Cash and cash equivalents at beginning of year			850,224		149,172
Cash and cash equivalents at end of year			<u>313,221</u>		<u>850,224</u>
<b>Relating to:</b>					
Bank balances and short term deposits			545,231		1,332,152
Bank overdrafts			(232,010)		(481,928)



# GREENSHIELDS AGRI HOLDINGS PLC

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

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	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	47	(150,065)		(37,842)	
		<u>          </u>		<u>          </u>	
<b>Net cash outflow from operating activities</b>		(150,065)		(37,842)	
<b>Investing activities</b>					
Interest received		-		-	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			-		-
<b>Financing activities</b>					
Proceeds from issue of shares		-	188,800		
		<u>          </u>	<u>          </u>		
<b>Net cash (used in)/generated from financing activities</b>			-	188,800	
		<u>          </u>	<u>          </u>	<u>          </u>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(150,065)		150,958	
Cash and cash equivalents at beginning of year		151,077		119	
		<u>          </u>		<u>          </u>	
Cash and cash equivalents at end of year		1,012		151,077	
		<u>          </u>		<u>          </u>	
<b>Relating to:</b>					
Bank balances and short term deposits		1,012		151,077	
Bank overdrafts		-		-	
		<u>          </u>		<u>          </u>	

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# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 1 Accounting policies

##### Group 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.

#### 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 have been prepared on the historical cost basis, except for the revaluation of . 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 £1,954,431 (2018 £2,142,546) and net assets of £18,630,567 (2018 £18,438,597) at 30 June 2019. 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 contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### 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.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

(Continued)

#### 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
Tenants improvements	0%, 4%, 10% Straight line and 10% Reducing balance
Office equipment	25% Reducing balance
Plant and machinery	15% Reducing Balance
Motor vehicles	25% Reducing balance
Wind turbines	4% Straight line
Property improvements	20 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 Non-current investments

Investment balance relates principally to unlisted investments held at fair value. The Investment carrying value is considered by the Board of Directors for fair value movements at least annually (note 17).

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.

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.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

(Continued)

#### 1.7 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.

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.

#### 1.8 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.

#### 1.9 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the group uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the group. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

(Continued)

#### 1.10 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.

#### 1.11 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.

##### **Held to maturity investments**

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.

##### **Loans and receivables**

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.

##### **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.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

(Continued)

#### 1.12 Financial liabilities

The company recognizes 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'.

##### *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.

#### 1.13 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.

#### 1.14 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.

#### 1.15 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 FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 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 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.

#### 1.16 Retirement benefits

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

#### 1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Leases of plant and machinery that transfer to the group substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments. Subsequent to initial recognition these assets are accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.18 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.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 1 Accounting policies

(Continued)

#### 1.19 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.

#### 1.20 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.

#### 1.21 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 2019

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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 9, 'Financial instruments'

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost; fair value through other comprehensive income; and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income, not recycling. An expected credit losses model replaces the incurred loss impairment model used in IAS 39. For financial liabilities, there are no changes to classification and measurement, except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright-line hedge effectiveness tests. To qualify for hedge accounting, it requires an economic relationship between the hedged item and hedging instrument, and for the 'hedged ratio' to be the same as the one that management actually uses for risk management purposes. Contemporaneous documentation is still required, but it is different from that currently prepared under IAS 39. The Group has implemented IFRS 9 with effect from 1 July 2018 and this has not had a significant impact on the Group. The classification and measurement basis for the Group's financial assets and liabilities has not been changed by adoption of IFRS 9, and in addition as the Group does not have any hedges in place, there has been no impact of the changes in hedge accounting. The main impact of adopting IFRS 9 was likely to arise from the implementation of the expected loss model, however as the majority of the Group's financial assets fall due within one year the Group will use the practical expedient allowed under IFRS 9 in relation to short-term trade receivables and there is currently no significant value for expected losses based on historical information.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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

(Continued)

IFRS 15, 'Revenue from contracts with customers'

IFRS 15, 'Revenue from contracts with customers', deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. Variable consideration is included in the transaction price if it is highly probable that there will be no significant reversal of the cumulative revenue recognised when the uncertainty is resolved. The standard replaces IAS 18, 'Revenue', and IAS 11, 'Construction contracts', and related interpretations. The standard is effective for the current period beginning on 1 July 2018. There is no material change for any of the revenue streams and therefore IFRS 15 has not had a significant impact on the Group.

#### 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 16 Leases  
(Effective date - 1 January 2019)

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.

IFRS 17 Insurance Contracts  
(Effective date - 1 January 2021)

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 2019

### 3 Revenue

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

	2019 £	2018 £
Crop sales	2,388,877	1,864,681
Basic payment scheme	302,509	283,643
Other farming income	269,919	415,903
Rental income	17,970	38,737
Renewables exported power & subsidies	286,808	317,655
Contract income	1,132,192	742,375
	<u>4,398,275</u>	<u>3,682,994</u>
<b>Other significant revenue</b>		
Interest income	-	2
	<u>-</u>	<u>2</u>

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	12,039	(1,467)
Fees payable to the company's auditor for the audit of the company's financial statements	32,278	35,675
Depreciation of property, plant and equipment	478,466	451,078
Profit on disposal of property, plant and equipment	(45,782)	(333,948)
Directors' fees	49,850	20,277
Profit on disposal of intangible assets	(3,926)	(8,861)
Cost of sales recognised as an expense	2,495,311	1,476,347
	<u>12,039</u>	<u>(1,467)</u>

### 5 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	49,850	20,277
	<u>49,850</u>	<u>20,277</u>

### 6 Employees

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

	2019 Number	2018 Number
Full time and seasonal staff	13	10
	<u>13</u>	<u>10</u>

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	460,041	389,713
Social security costs	43,236	37,039
Pension costs	9,275	7,119
	<u>512,552</u>	<u>433,871</u>

Redundancy payments in the year amount to £7,688 (2018 £-).

### 7 Investment income

	2019 £	2018 £
Interest income		
Bank deposits	-	2
	<u>-</u>	<u>2</u>

Total interest income for financial assets that are not held at fair value through profit or loss is £- (2018 - £2).

### 8 Finance costs

	2019 £	2018 £
Interest on bank overdrafts and loans	278,450	297,994
Interest on obligations under hire purchase agreements	29,072	36,412
Other interest payable	9,585	6,170
	<u>317,107</u>	<u>340,576</u>

### 9 Other gains and losses

	2019 £	2018 £
Other gains and losses	(313)	-
	<u>(313)</u>	<u>-</u>

Other losses have arisen from the partial disposal of the groups investment in a unlisted company.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 10 Income tax expense

	Continuing operations	
	2019	2018
	£	£
<b>Current tax</b>		
Current year taxation	17,327	23,675
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(99,483)	(6,688)
	<u>          </u>	<u>          </u>
<b>Total tax charge</b>	<u>(82,156)</u>	<u>16,987</u>

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

	2019	2018
	£	£
Profit/(loss) before taxation	<u>(10,420)</u>	<u>222,117</u>
Expected tax charge based on a corporation tax rate of 19.00%	(1,980)	42,202
Income subject to IOM tax at 0% or covered by losses	13,448	(18,527)
Origination and reversal of temporary timing differences	<u>(93,624)</u>	<u>(6,688)</u>
<b>Tax charge for the year</b>	<u>(82,156)</u>	<u>16,987</u>

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

11 Earnings per share	2019 £	2018 £
<b>Number of shares</b>		
Weighted average number of ordinary shares for basic earnings per share	22,052,168	21,959,619
<b>Earnings</b>		
<b>Continuing operations</b>		
Profit for the period from continued operations	71,736	205,130
Earnings for basic and diluted earnings per share being net profit attributable to equity shareholders of the company for continued operations	<u>71,736</u>	<u>205,130</u>
<b>Earnings per share for continuing operations</b>		
Basic and diluted earnings per share	0.33	0.93
<b>Basic and diluted earnings per share</b>		
From continuing operations	<u>0.33</u>	<u>0.93</u>
	<u>0.33</u>	<u>0.93</u>

All earnings were derived from continuing business operations.

12 Intangible assets Group	Basic Payment Entitlement £
<b>Cost</b>	
At 1 July 2017	130,460
Additions	44,547
Disposals	(47,915)
Revaluation	(42,857)
At 30 June 2018	<u>84,235</u>
Disposals	(3,273)
Revaluation	66,691
At 30 June 2019	<u>147,853</u>
<b>Carrying amount</b>	
At 30 June 2019	<u>147,853</u>
At 30 June 2018	<u>84,235</u>
At 30 June 2017	<u>130,460</u>

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 12 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 2019, had the Basic Payment Scheme entitlements been carried at historical cost their carrying amount would have been approximately £44,547 (2018 £44,547).

During the year to 30 June 2019, the Basic Payment Scheme entitlements were valued by George F. White at £147,653.

### 13 Intangible assets

#### Company

The company had no intangible fixed assets at 30 June 2019 or 30 June 2018.

### 14 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 2019

### 15 Property, plant and equipment Group

	Farming property £	Land and buildings £	Plant and machinery £	Total £
<b>Cost or valuation</b>				
At 1 July 2017	15,768,431	404,457	4,509,287	20,682,175
Additions	1,879,989	399,225	388,037	2,667,251
Disposals	-	(19,072)	(32,295)	(51,367)
Revaluation increase	807,366	-	-	807,366
Transfer to held for sale	-	(129,422)	129,422	-
At 30 June 2018	18,455,786	655,188	4,994,451	24,105,425
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	4,666,723	23,779,013
<b>Accumulated depreciation and impairment</b>				
At 1 July 2017	-	33,620	1,225,518	1,259,138
Charge for the year	-	17,024	434,054	451,078
Eliminated on disposal	-	(6,834)	(21,985)	(28,819)
On assets reclassified as held for sale	-	(3,236)	3,236	-
At 30 June 2018	-	40,574	1,640,823	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
<b>Carrying amount</b>				
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 2017	15,768,431	370,837	3,283,769	19,423,037

At 30 June 2019, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £16,303,044 (2018 - £16,303,044).



# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 15 Property, plant and equipment

(Continued)

The net carrying value of tangible fixed assets includes £794,307 (2018 - £1,131,904) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £121,195 (2018 - £212,966) for the year.

Farming property has been valued by George F. White LLP (GFW) as at 30 June 2019 (previously by GFW in June 2018) resulting in a upward revaluation of £53,542 (2018 upward revaluation of £807,366). 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.

### 16 Property, plant and equipment Company

The company had no tangible fixed assets at 30 June 2019 or 30 June 2018.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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17 Investments Group	Current		Non-current	
	2019 £	2018 £	2019 £	2018 £
Trading investments carried at fair value	-	-	77,931	84,181

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 2018	84,181
Additions	-
Disposals	(6,250)
At 30 June 2019	77,931
<b>Carrying amount</b>	
At 30 June 2019	77,931
At 30 June 2018	84,181

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 18 Investments

Company	Current		Non-current	
	2019	2018	2019	2018
	£	£	£	£
Trading investments carried at fair value	-	-	5,873,001	5,875,771

#### 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 2018	5,875,771
Additions	-
Valuation changes	(2,770)
At 30 June 2019	5,873,001
<b>Carrying amount</b>	
At 30 June 2019	5,873,001
At 30 June 2018	5,875,771

### 19 Subsidiaries

Details of the company's subsidiaries at 30 June 2019 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 2019 (2018: 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. Following review it was determined that an additional impairment loss to the value of £2,770 should be recognised in the current year (2018: £21,593 reversal).

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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20	Inventories Group	2019 £	2018 £
	Biological assets	1,885,757	1,899,851
	Other sundry stocks	261,327	187,946
		<u>2,147,084</u>	<u>2,087,797</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:	2019 £	2018 £
Opening balance	1,899,851	1,520,650
Purchases to harvest	1,117,507	488,526
Fair value adjustment harvest	(262,708)	(20,033)
Less biological assets harvested	(2,754,650)	(1,989,143)
Purchases	623,831	1,003,700
Fair value crops movement	855,903	584,336
	<u>1,479,734</u>	<u>1,588,036</u>
Sundry biological stocks at fair value:	406,023	311,815
	<u>1,885,757</u>	<u>1,899,851</u>

Inventories include biological assets and contain £1,479,734 (2018 £1,588,036) relating to growing crops and £406,023 (2018 £311,815) 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 2019

### 21 Trade and other receivables Group

	Current 2019	2018
	£	£
Trade receivables	1,103,734	822,295
Other receivables	729,268	478,865
VAT recoverable	49,678	92,457
Amounts due from related parties	1,084	-
Prepayments	165,269	81,900
	<u>2,049,033</u>	<u>1,473,317</u>

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

### 22 Trade and other receivables Company

	Current 2019	2018
	£	£
Other receivables	108,373	202
Amounts due from subsidiary undertakings	9,430,684	9,455,206
Prepayments	5,270	4,723
	<u>9,544,327</u>	<u>9,460,131</u>

### 23 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.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 24 Trade and other payables

#### Group

	Current 2019	2018
	£	£
Trade payables	1,087,157	484,796
Payments received on account	-	37,587
Amounts due to related parties	-	3,176
Accruals	157,347	282,208
Social security and other taxation	9,532	5,405
Other payables	87,995	69,541
	<u>1,342,031</u>	<u>882,713</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

	Current 2019	2018
	£	£
Accruals	18,712	26,500
Other payables	6,240	-
	<u>24,952</u>	<u>26,500</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.

### 26 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 £9,275 (2018 - £10,999).

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

27 Finance lease obligations Group	Minimum lease payments		Present value	
	2019	2018	2019	2018
Amounts payable under finance leases:	£	£	£	£
Within one year	250,753	296,506	230,602	270,508
In two to five years	536,030	551,222	511,592	517,880
In over five years	28,583	57,165	27,909	55,146
	<u>815,366</u>	<u>904,893</u>	<u>770,103</u>	<u>843,534</u>
Less: future finance charges	(45,263)	(61,359)	-	-
	<u>770,103</u>	<u>843,534</u>	<u>770,103</u>	<u>843,534</u>

### Analysis of finance leases

	2019	2018
	£	£
Current liabilities	230,602	270,508
Non-current liabilities	539,501	573,026
	<u>770,103</u>	<u>843,534</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.

28 Borrowings Group	2019	2018
	£	£
<b>Secured borrowings at amortised cost</b>		
Bank overdrafts	232,010	481,928
Bank loans	6,632,744	6,616,242
	<u>6,864,754</u>	<u>7,098,170</u>

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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28 Borrowings	2019	(Continued)
		2018

### 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:

	2019	2018
	£	£
Current liabilities	1,232,010	1,481,928
Non-current liabilities	5,632,744	5,616,242
	<u>6,864,754</u>	<u>7,098,170</u>

### 29 Secured loans

In November 2017, Greenshields Estates Limited entered into a loan with Royal Bank of Scotland (RBS) for a principal balance of £1,000,000. The loan carried an interest rate of 2.75% over Base Rate and was repayable 18 months after the initial drawdown loan date on 15 November 2017. On 13 May 2019, a supplemental agreement was entered into with RBS to extend this facility and is now repayable on 15 November 2019.

In November 2017, Greenshields Estates Limited entered into a loan agreement with RBS for a loan with the principal amount of £2,656,996. The loan carries an interest rate of 2.75% over Base Rate and is repayable 60 months after the initial drawdown loan date on 15 November 2017.

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.

The Group is subject to banking covenants in respect of its loan arrangements which require Debt Servicing: EBITDA to Debt Service Liability for each 12 month period must be at least 1.50 to 1. EBITDA is defined as earnings before interest, tax, depreciation, amortisation and any other exceptional gains and losses. Debt Service Liability is defined as borrowing costs paid plus scheduled repayments of gross borrowings. Furthermore, the Group's EBITDA must not fall below £750,000 for the period ending 30 June 2018, £850,000 for the period ending 30 June 2019 and £950,000 for periods thereafter. Finally, the loans must not exceed 60% of the property value on each valuation date.

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

Greenshields Agri Holdings plc has provided RBS with guarantees for £4,470,000 and £2,186,996, supported by a Debenture from Greenshields Agri Holdings plc.

Greenshields Agri Limited has provided RBS with guarantees for £4,470,000 and £2,186,996, 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 2019

### 30 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 £
Deferred tax liability at 1 July 2017	100,437
<b>Deferred tax movements in prior year</b>	
Credit to profit or loss	6,688
Deferred tax liability at 1 July 2018	107,125
<b>Deferred tax movements in current year</b>	
Credit to profit or loss	(99,483)
Deferred tax liability at 30 June 2019	7,642

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2019 £	2018 £
Deferred tax liabilities	7,642	107,125

### 31 Deferred revenue

	2019 £	2018 £
Arising from rents received in advance	47,550	8,556

#### 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:

	2019 £	2018 £
Current liabilities	47,550	8,556

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 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 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting their 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.

### 34 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. The group Farming Director is responsible for arranging the premium contracts for specific quality grains.

Sensitivity analysis:

	2019 £	2018 £
Turnover - 5% crop price movement		
Profit increase or decrease	93,400	92,983
Biological asset - 5% crop price movement		
Profit increase or decrease	94,760	95,712

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 34 Market risk

(Continued)

#### Interest rate risk

The Group enters into interest rate swaps as hedges of the variability in cash flows attributable to interest rate risk.

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

	2019 £	2018 £
100 basis points increase: Profits (decrease)	(31,711)	(34,058)
100 basis points (decrease): Profits increase	31,711	34,058

#### 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:

	2019 £	2018 £
Profit increase or decrease	3,897	4,205

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2019

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#### 35 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.

36 Capital commitments	2019	2018
	£	£
At 30 June 2019 the group had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	456,860	-
	<u>          </u>	<u>          </u>

#### 37 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.

#### 38 Events after the reporting date

After the date of these financial statements, the Group entered into negotiations to sell 617 acres of its agricultural land. The proceeds from this disposal are likely to be in the region of £6.5m. The transaction was not highly probable at the reporting date and so no adjustments have been made to this set of financial statements in order to account for the land as an asset held for sale under IFRS 5.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

### 39 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.

40 Share capital Company	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
22,052,168 Ordinary of £1 each	22,052,168	22,052,168
4,258,156 Treasury of £1 each	(4,258,156)	(4,258,156)
	<u>17,794,012</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.

### 41 Share premium account

Company	£
At 1 July 2017	46,106
Issue of new shares	3,702
	<u>49,808</u>
At 30 June 2018 & at 30 June 2019	<u>49,808</u>

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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<b>42 Revaluation reserve</b>		<b>£</b>
<b>Group</b>		
At 1 July 2017		1,975,843
Revaluation loss arising in the year		764,509
Realised gains		(587,674)
Other movements		(5,712)
		<hr/>
At 30 June 2018		2,146,966
Revaluation gain arising in the year		120,233
		<hr/>
At 30 June 2019		<u>2,267,199</u>

During the year, Basic Payment Scheme entitlements, as detailed within note 10, were revalued upward by £66,691 (2018 £42,857 downwards).

There were also revaluation gains of £53,542 (2018 £807,366) on the valuation of farming properties, as detailed within note 11.

<b>43 Retained earnings</b>		<b>£</b>
<b>Group</b>		
At 1 July 2017		(1,763,031)
Profit for the year		205,130
Other		5,712
		<hr/>
At 30 June 2018		(1,552,188)
Profit for the year		71,736
		<hr/>
At 30 June 2019		<u>(1,480,452)</u>

<b>44 Retained earnings</b>		<b>£</b>
<b>Company</b>		
At 1 July 2017		(2,121,897)
Loss for the year		(261,444)
		<hr/>
At 30 June 2018		(2,383,341)
Loss for the year		(67,091)
		<hr/>
At 30 June 2019		<u>(2,450,432)</u>

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

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### 45 Operating lease commitments

#### Lessee

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

	2019	2018
	£	£
Minimum lease payments under operating leases	267,425	229,595

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:

	2019	2018
	£	£
Within one year	27,509	121,864
Between two and five years	2,250	138,719
In over five years	-	46,250
	<u>29,759</u>	<u>306,833</u>

#### Lessor

The operating leases represent letting of land to third parties. Rental income earned during the year was £17,970 (2018 £31,338). There are no fixed terms for the leases. There are no options in place for either party to extend the lease terms.

# GREENSHIELDS AGRI HOLDINGS PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

### 46 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	
	2019	2018	2019	2018
	£	£	£	£
Entities with joint control or significant influence over the company	856,206	404,508	596,541	542,987

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2019	2018
	£	£
Entities with joint control or significant influence over the company	248,662	176,438
	<u>248,662</u>	<u>176,438</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2019	2018
	£	£
Entities with joint control or significant influence over the company	81,110	60,125
	<u>81,110</u>	<u>60,125</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 2019

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47 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	71,738	205,130
<b>Adjustments for:</b>		
Taxation (credited)/charged	(82,156)	16,987
Finance costs	317,107	340,577
Investment income	-	(2)
Gain on disposal of property, plant and equipment	(45,781)	(333,947)
Gain on disposal of intangibles	(3,926)	(8,861)
Depreciation and impairment of property, plant and equipment	478,467	451,078
Other gains and losses	313	-
<b>Movements in working capital:</b>		
Increase in inventories	(59,287)	(503,567)
Increase in trade and other receivables	(575,716)	(219,201)
Increase/(decrease) in trade and other payables	459,318	(307,697)
Increase in deferred revenue	38,994	8,556
<b>Cash generated from/(absorbed by) operations</b>	<u>599,068</u>	<u>(350,947)</u>