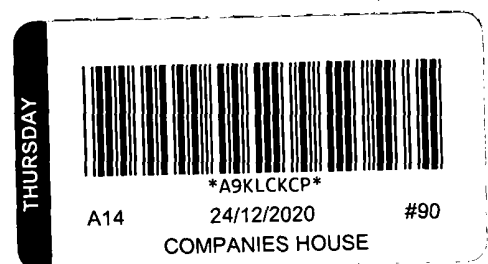


**GILES W. PRITCHARD-GORDON  
& CO. LIMITED  
AND SUBSIDIARY COMPANIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2020**



**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary Companies**

**Directors**

V. Pritchard-Gordon (resigned 1 June 2020)  
A.C. Wingfield Digby  
E.K. Aird (resigned 1 June 2020)  
L.C. Keane (resigned 1 June 2020)  
E.M. Stoop (resigned 1 June 2020)  
N.H.D. Ryder (resigned 17 September 2020)  
R.C.M. Aird  
B. Stoop (appointed 1 June 2020)  
H. Keane (appointed 1 June 2020)  
J. Bond (appointed 1 January 2020)

**Secretary and Registered Office**

M.T. Lewis F.C.A.  
Slaugham Park, Slaugham, Sussex, RH17 6AH

**Company Number**

01136375

**Auditors**

BDO LLP  
Chartered Accountants  
55 Baker Street, London, W1U 7EU

**Strategic Report**

***Principal Activities***

The principal activity of the company is that of a holding company and the principal activities of the group are those of owning and operating vessels and diversified farming enterprises.

The group operates a cattle farm in the United Kingdom, a cattle ranch in the USA and cattle and sheep farms in Australia. The group has a branch in Wyoming in the United States of America.

***Business Review – Shipping Group***

Results on vessel trading generated a decrease in gross profits from £15,654,243 in 2019 to £13,996,641 in 2020. In terms of key performance indicators this represented a decrease in the gross profit ratio from 40.8% to 40.01% due to reduced revenue during the year.

The shipping group generated a profit for the year after taxation of £808,343, compared to a profit of £3,606,596 in 2019 due to reduced revenue during the year.

At the reporting date, the shipping group maintained a strong cash position of £17,917,374, as compared to £13,228,210 in 2019.

***Business Review - Farming***

Turnover generated by the group's farming interests has increased in the year to £1,806,318 (2019: £1,676,508) due to additional rent from solar farm, with a gross profit of £1,410,185 (2019: £428,573) recorded for the year under review.

The farming group recorded a loss after taxation for the year of £784,937 (2019: loss of £1,587,781).

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Strategic Report (Continued)**

***Future Developments***

**Brexit**

The Directors continue to monitor the Brexit negotiations but in view of the uncertainties cannot predict the impact any eventual resolution will have on the company's financial position.

***Risks and Uncertainties***

The principal risks faced by the group are as follows:

**Charter rate risk**

Charter rate risk is the risk that the group could be adversely affected by falling market charter rates. In order to mitigate this risk the directors seek to employ the group's vessels on both long and medium term time charters and short term spot charter arrangements.

**Credit risk**

Credit risk is the risk that a counterparty could default on its contractual obligations resulting in a financial loss to the group. The group is exposed to credit risk to the extent of its trade receivables and cash at bank and seeks to reduce this risk by trading with large, reputable multinational companies and placing deposits with blue chip financial institutions.

**Liquidity risk**

Liquidity risk is the risk that the group will encounter difficulties meeting financial obligations. The group's directors seek to reduce this risk by maintaining sufficient cash reserves, adopting prudent liquidity risk management policies and following strict cash flow budgets. The group has undertaken additional funding post year end.

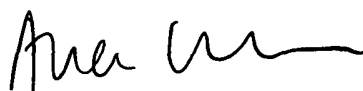
**Foreign exchange risk**

The group is subject to foreign exchange risk as certain transactions, assets and liabilities are denominated in currencies other than sterling. The group's directors seek to monitor and control these risks as part of their on-going financial forecasting and liability management. The group has also hedged its position against unfavourable movement in the U.S. Dollar by entering into forward exchange contracts.

**Covid-19**

The Directors have performed specific risk assessment for managing through the Covid-19 situation and have taken mitigating measures where possible and appropriate. In addition, the cash flow forecasts have been prepared, reviewed and stress tested and management have assessed the going concern risk as minimal. Dialogue with the appropriate stakeholders is on-going and the aim is to remain fully operational while Covid-19 measures are in place. The financial statements have been prepared in the going concern basis.

On behalf of the Board on 22<sup>nd</sup> December 2020



A.C. WINGFIELD DIGBY  
Director

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Directors' Report**

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

Please refer to the Strategic Report on pages 1 to 2 for the names of the directors, principal activities of the group, business review of operating segments, future developments and a discussion of the risks and uncertainties.

**Results and Dividends**

The results for the year are shown in the Consolidated Statement of Comprehensive Income on page 10.

During the year the company paid a dividend on ordinary shares of £847,000 (2019: £756,000) and on preference shares of £60,000 (2019: £60,000).

**Branch Operations**

The Group has a branch operation in Wyoming in the United States of America.

**Energy Emission**

The Group's UK energy consumption was estimated to be 22,728 tonnes of CO<sub>2</sub> (97,488 kWh) during the year. This equates to 174.22 kWh per square metre of floor space occupied by the group in the UK. This figure comprises kWh of electricity units used, gas consumed and LPG consumed. One of the Group's offices is currently being refurbished and enhanced cladding should improve the energy efficiency of that building.

**Corporate Governance Report under Section 172**

The following disclosures describe how the Directors have had regards to the matters set out in the section 172 (1) (a) to (f) and forms the Directors statement required under section 414CZA of the Companies Act 2006. This new reporting requirement is made in accordance with the new corporate governance requirements identified in the Companies (Miscellaneous Reporting) Regulation 2018, which apply to company reporting on financial years starting on or after 1 January 2019.

The matters set out in section 172(1) (a) to (f) are that a Director must act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Group's employees;
- (c) the need to foster the Group's business relationships with suppliers, customers and others;
- (d) the impact of the Group's operations on the community and the environment;
- (e) the desirability of the Group maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between members of the Group.

**Stakeholder mapping and engagement activities within the reporting period.**

The Group continuously interacts with a variety of stakeholders important to its success, such as the customers, suppliers, and personnel and government bodies.

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Directors' Report (continued)**

**Corporate Governance Report under Section 172 (continued)**

The Group strives to strike the right balance between engagement and communication. Furthermore the Group works within the limitations of what can be disclosed to the various stakeholders with regards to maintaining confidentiality of market and/or commercially sensitive information.

The Key Stakeholder groups and how the Company has interacted with them is as follows:

**Customers** – New charterers who wish to conduct business with the Company are screened for evidence of anti-bribery and anti-corruption offences in accordance with the Bribery Act 2010 in the UK. They are also screened for inclusion on the US, EU and UK Sanction Lists. The Company does not trade with any entity known to be in breach of any anti-bribery or anti-corruption regulations, nor does it trade with any businesses that are on the US, EU or the UK Sanction Lists.

The Group ensures that sales of its livestock is conducted through recognised auction houses wherever possible.

The Group is dedicated to delivering focused and comprehensive coverage to our clients, providing solutions and ensuring rapid response to their needs is our aim as a service provider.

**Suppliers** – We have developed long standing relationships with our key suppliers, ensuring that our suppliers meet the high standards of service and operation that we set ourselves.

**Personnel** – The Group considers its employees its most important asset and strives to ensure that our offices, farms and vessels are safe, rewarding and enjoyable workplaces. We will continue to invest in human capital as we believe that maintaining low turnover across the entire workforce is the source of our efficiency and productivity rates.

**Governmental bodies** - The Group is impacted by local governmental organisations in the UK, and to a limited extent by worldwide trading of its fleet. Enquiries are dealt with both on an ad hoc basis and through regular reporting.

**Principal decisions by the board during the period**

We define principal decisions as both those that have long-term strategic impact and are material to the Company, but also those that are significant to our key stakeholder groups. In making the following principal decisions, the Board considered the outcome from its stakeholder engagement, the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Company.

Towards the end of 2019 the effect of the 2020 worldwide global Sulphur Cap on exhaust gas emissions introduced uncertainty for the shipping industry, all of the group vessels are now running on low sulphur fuel oil or low sulphur gas oil.

On 1st January 2020 the Board appointed Jonathon Bond as a non-executive director to chair the Board. Since his appointment there have been a number of changes to the board with two further directors appointed and five directors resigning with the aim of streamlining the executive team and strengthening corporate governance.

The board decided to retro fit ballast water treatment systems into a number of the vessels in the fleet. The retrofitting was completed on one owned vessel and one chartered in vessel during the period and further vessels being scheduled for a retro fit during 2020/2021.

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Directors' Report (continued)**

**Modern Slavery Statement**

The Group has zero tolerance approach to Slavery and Human Trafficking and is committed to preventing acts of Slavery from occurring within its business, its supply chain or any agents employed by the business, and impose the same high standards on its contractors, suppliers and other business partners.

The Group confirms it would terminate its relationships with individuals or organizations working on our behalf if they are found to be in breach of this policy.

**Statement as to Disclosure of Information to Auditors**

Each of the persons who are directors at the time when this report is approved has confirmed that:

- (a) so far as each director is aware, there is no relevant audit information of which the group's auditors are unaware; and
- (b) each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the group's auditors in connection with preparing their report and to establish that the group's auditors are aware of that information.

On behalf of the Board on 22<sup>nd</sup> December 2020



A.C. WINGFIELD DIGBY

Director

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable laws 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 United Kingdom Generally Accepted Accounting Practice, (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GILES W. PRITCHARD-GORDON & CO. LIMITED**

### **Opinion**

We have audited the financial statements of Giles W. Pritchard-Gordon & Co. Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 30 June 2020 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of cash flow, the consolidated statement of changes in equity, the company statement of changes in equity and the 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice), and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 June 2020 and of the Group's loss for the year then ended;
- the Group's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the Parent Company's financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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 Group or Parent 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.



## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GILES W. PRITCHARD-GORDON & CO. LIMITED (CONTINUED)**

### **Other information (continued)**

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 the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

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

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

### **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.

**INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF GILES W. PRITCHARD-GORDON & CO. LIMITED (CONTINUED)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk](#). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Cassie Forman-Kotsapa (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Date: 22 December 2020

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Statement of Comprehensive Income  
For the year ended 30 June 2020**

	<u>Note</u>	<u>2020</u> £	<u>2019</u> £
Turnover	2(c)	36,662,466	40,036,361
Cost of sales		<u>(21,369,527)</u>	<u>(23,953,545)</u>
<b>Gross Profit</b>		15,292,939	16,082,816
Net operating expenses	3	<u>(13,542,722)</u>	<u>(12,194,535)</u>
<b>Operating Profit</b>	4	1,750,217	3,888,281
Loss on derivative financial instrument	16	(612,306)	(435,457)
Investment income	5	184,865	191,156
Interest payable	6	<u>(2,101,594)</u>	<u>(1,796,915)</u>
<b>(Loss)/Profit before Taxation</b>		(778,818)	1,847,065
Taxation credit	8	<u>222,866</u>	<u>215,569</u>
<b>(Loss)/Profit after Taxation</b>		<u>(555,952)</u>	<u>2,062,634</u>
<b>Other Comprehensive Income/(Expenses)</b>			
Unrealised surplus on revaluation of non-current assets	9	17,591,944	235,306
Deferred tax on revaluation	14	(4,905,540)	-
Change in fair value of designated hedging instrument	16	(638,905)	(288,141)
Exchange loss on translation		<u>(29,568)</u>	<u>(585,189)</u>
<b>Total Comprehensive Income for the year</b>		<u>11,461,979</u>	<u>1,424,610</u>

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Statement of Financial Position 30 June 2020**

	<u>Note</u>	<u>2020</u>		<u>2019</u>	
		£	£	£	£
<b>Non-Current Assets</b>					
Property, plant and equipment	9		106,087,535		84,972,400
Investments	10		<u>32,158</u>		<u>38,688</u>
			106,119,693		85,011,088
<b>Current Assets</b>					
Inventories	11	2,283,468		1,930,243	
Trade and other receivables	12	1,371,164		1,561,250	
Cash and cash equivalents		<u>18,740,050</u>		<u>13,751,602</u>	
		22,394,682		17,243,095	
<b>Current Liabilities</b>					
Trade and other payables	13	(14,553,886)		(12,179,627)	
Derivative financial instruments	16	<u>(483,677)</u>		<u>(78,775)</u>	
		(15,037,563)		(12,258,402)	
<b>Net Current Assets</b>			<u>7,357,119</u>		<u>4,984,693</u>
<b>Total Assets Less Current Liabilities</b>			113,476,812		89,995,781
<b>Non-Current Liabilities</b>					
Trade and other payables	13		(35,319,294)		(27,936,634)
Derivative financial instruments	16		(1,150,573)		(289,855)
Deferred taxation	14		<u>(5,174,711)</u>		<u>(492,037)</u>
<b>Total Assets Less Liabilities</b>			<u>71,832,234</u>		<u>61,277,255</u>
<b>Capital and Reserves</b>					
Share capital	15		1,210,000		1,210,000
Revaluation reserve			28,735,161		11,486,563
Cash flow hedge reserve	16		(927,046)		(288,141)
Retained earnings			<u>42,814,119</u>		<u>48,868,833</u>
<b>Total Capital and Reserves</b>			<u>71,832,234</u>		<u>61,277,255</u>

Approved by the Board on 22<sup>nd</sup> December 2020

  
A.C. WINGFIELD DIGBY  
Director

Company Number: 01136375

**Giles W. Pritchard-Gordon & Co. Limited****Company Statement of Financial Position as at 30 June 2020**

	<u>Note</u>	<u>2020</u>		<u>2019</u>	
		£	£	£	£
<b>Non-Current Assets</b>					
Property, plant and equipment	9		25,897		49,003
Investments	10		<u>186,776</u>		<u>186,776</u>
			212,673		235,779
<b>Current Assets</b>					
Trade and other receivables	12	21,177,324		17,019,890	
Cash and cash equivalents		<u>156,980</u>		<u>69,995</u>	
		21,334,304		17,089,885	
<b>Current Liabilities</b>					
Trade and other payables	13	<u>(18,133,874)</u>		<u>(16,038,882)</u>	
<b>Net Current Assets</b>			<u>3,200,430</u>		<u>1,051,003</u>
<b>Total Assets Less Liabilities</b>			<u>3,413,103</u>		<u>1,286,782</u>
<b>Capital and Reserves</b>					
Share capital	15		1,210,000		1,210,000
Retained earnings			<u>2,203,103</u>		<u>76,782</u>
<b>Total Capital and Reserves</b>			<u>3,413,103</u>		<u>1,286,782</u>
<b>Net Profit for the Year</b>			<u>3,033,321</u>		<u>864,100</u>

Approved by the Board on 22<sup>nd</sup> December 2020

A.C. WINGFIELD DIGBY  
Director

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Statement of Cash Flow  
For the year ended 30 June 2020**

	<u>Note</u>	<u>2020</u> £	<u>2019</u> £
<b>Cash Flow from Operating Activities</b>			
Loss/(profit) for the year		(555,952)	2,062,634
Adjustments for:			
Depreciation	9	6,175,918	5,889,806
Impairment	9	1,607,502	1,018,045
Exchange differences		1,495,526	751,532
Interest payable		2,101,594	1,796,915
Investment income		(184,865)	(191,156)
Loss on derivative financial instrument		612,306	435,457
Taxation credit		(222,866)	(215,569)
Loss on sale of fixed assets	4	192,614	302,909
Decrease/(Increase) in trade receivables		190,746	(108,085)
Increase in trade payables		1,944,040	759,432
(Increase)/Decrease in inventories		(353,229)	153,920
		<hr/>	<hr/>
<b>Cash from operations</b>		<b>13,003,334</b>	<b>12,655,840</b>
<b>Cash flows from investing activities</b>			
Interest received	5	184,865	191,156
Repayment of capital invested		6,530	63,561
Purchase of capital assets	9	(12,359,395)	(14,827,646)
Proceeds on sale of capital assets		-	1,273,698
		<hr/>	<hr/>
<b>Net cash used in investing activities</b>		<b>(12,168,000)</b>	<b>(13,299,231)</b>
<b>Cash flows from financing activities</b>			
Draw down of loan		12,259,670	13,405,796
Repayment of loan		(3,592,203)	(2,359,203)
Interest paid on finance lease		(206,661)	(259,889)
Interest paid on loan		(1,894,933)	(1,537,025)
Capital element of finance lease payments		(1,535,028)	(1,680,131)
Dividends paid	15	(907,000)	(816,000)
		<hr/>	<hr/>
<b>Net cash flow from financing activities</b>		<b>4,123,845</b>	<b>6,753,548</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,959,179</b>	<b>6,110,157</b>
Cash and cash equivalents at beginning of year		13,751,602	7,641,445
		<hr/>	<hr/>
<b>Cash and Cash equivalents at end of year</b>		<b>18,710,781</b>	<b>13,751,602</b>
<b>Cash and Cash equivalents comprises:</b>			
Cash at bank and hand		18,740,050	13,751,602
Bank overdraft	13	(29,269)	-
		<hr/>	<hr/>
		<b>18,710,781</b>	<b>13,751,602</b>

**Giles W. Pritchard-Gordon & Co Limited  
and subsidiary companies**

**Consolidated Statement of Changes in Equity  
For the year ended 30 June 2020**

	Share Capital £	Retained Earnings £	Revaluation Reserve £	Cash flow hedge Reserve £	Total £
Balance as at 1 July 2018	1,210,000	46,654,019	12,804,626	-	60,668,645
Profit for the year	-	2,062,634	-	-	2,062,634
Dividends	-	(816,000)	-	-	(816,000)
Revaluation	-	-	235,306	-	235,306
Change in fair value of designated hedging instrument	-	-	-	(288,141)	(288,141)
Reserve transfer	-	1,553,369	(1,553,369)	-	-
Exchange loss	-	(585,189)	-	-	(585,189)
As at 30 June 2019	1,210,000	48,868,833	11,486,563	(288,141)	61,277,255
Loss for the year	-	(555,952)	-	-	(555,952)
Dividends	-	(907,000)	-	-	(907,000)
Revaluation	-	-	17,591,944	-	17,591,944
Deferred tax on revaluation	-	(4,905,540)	-	-	(4,905,540)
Change in fair value of designated hedging instrument	-	-	-	(638,905)	(638,905)
Reserve transfer	-	343,346	(343,346)	-	-
Exchange loss	-	(29,568)	-	-	(29,568)
As at 30 June 2020	<u>1,210,000</u>	<u>42,814,119</u>	<u>28,735,161</u>	<u>(927,046)</u>	<u>71,832,234</u>

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Company Statement of Changes in Equity  
For the year ended 30 June 2020**

	<b>Share Capital £</b>	<b>Retained Earnings £</b>	<b>Total £</b>
Balance as at 1 July 2018	1,210,000	28,682	1,238,682
Profit for the year	-	864,100	864,100
Dividends	-	(816,000)	(816,000)
	<hr/>	<hr/>	<hr/>
As at 30 June 2019	1,210,000	76,782	1,286,782
Profit for the year	-	3,033,321	3,033,321
Dividends	-	(907,000)	(907,000)
	<hr/>	<hr/>	<hr/>
As at 30 June 2020	<u>1,210,000</u>	<u>2,203,103</u>	<u>3,413,103</u>



**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes**

**1. General Information**

Giles W. Pritchard-Gordon & Co. Limited is a private company, limited by shares, domiciled in England and Wales with registration number 01136375. The registered office is Slaugham Park, Slaugham, Sussex RH17 6AH.

**2. Principal Accounting Policies**

**(a) Basis of accounting**

The financial statements have been prepared in accordance with Financial Reporting Standard 102 as issued by the Financial Reporting Council ("FRS 102"). The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income.

The financial statements are prepared on the going concern basis, assuming that the Company will continue to operate for a foreseeable future. The Directors have assessed the risk associated with the current COVID-19 situation in detail and have taken mitigating measures where possible and appropriate. In addition, the Directors have prepared and reviewed cash flow forecasts which have been stress tested and management have assessed the going concern risk as minimal. Dialogue with the appropriate stakeholders is on-going and the aim is to remain fully operational while COVID-19 measures are in place.

**(b) Basis of consolidation**

The consolidated statement of financial position and consolidated statement of comprehensive income include the financial statements of the company and its subsidiary companies as set out in note 10, made up to the end of the financial year.

**(c) Turnover**

Turnover comprises voyage charter income and time charter hire, income receivable from the sale of livestock, together with the total income receivable in respect of sales of farm produce, rent and government grants. Turnover for livestock and farm produce is recognised when the contract to sell the livestock or farm produce is exchanged. Government grants are recognised as income when grant proceeds are received based on the performance model.

Voyage charter income is recognised using the percentage of completion method with voyages calculated on a discharge to discharge basis. Full provision is made for any losses on voyages in progress at the reporting date. Time charter income is recognised on a time apportioned basis.

**(d) Property, plant and equipment**

Vessels owned by the group or leased under finance leases which include purchase options, are stated at fair value. For owned vessels, the group uses valuations from independent brokers in its assessment. For vessels held under finance leases, the vessels are valued at the carrying value of the finance lease.

Depreciation is provided so as to write off the valuation of the owned fleet over the estimated useful life of each vessel, being twenty five years from the date of completion of the build. For the vessels held under the finance leases, the depreciation is calculated over the remaining lease term.

Freehold land is stated at fair value. Freehold buildings outside of the United Kingdom are stated at cost less accumulated depreciation. Freehold buildings in the United Kingdom are stated at fair value.

All other assets are stated at cost less accumulated depreciation.

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**2. Principal Accounting Policies (Continued)**

**(d) Property, plant and equipment (continued)**

Fixed assets other than the fleet, are depreciated at the following annual rates:-

Freehold land	-	Nil
Freehold buildings	-	2% straight line
Farm building and improvements (UK & USA)	-	6 $\frac{2}{3}$ % - 10% straight line
Farm buildings and improvements (Australia)	-	2.5% - 25% reducing balance
Farm equipment and vehicles (UK & USA)	-	10% - 25% straight line
Farm equipment and vehicles (Australia)	-	18% - 25% reducing balance
Office furniture and motor vehicles	-	25% - straight line
Computer equipment	-	33% - reducing balance
Computer software	-	33% - straight line

**(e) Drydocking and special surveys**

The cost of each drydocking or special survey is capitalised and amortised over the period of the next drydocking or special survey. For the newbuild an estimate of the cost of the next future special survey and drydocking is capitalised as part of the cost of the vessel on construction or acquisition. Amounts capitalised in respect of special survey and drydocking are eliminated from both cost and accumulated amortisation on completion of the subsequent special survey or drydocking. The cost of drydocking or special survey of the vessels hired in on a bareboat basis is capitalised and amortised over the shorter of the period of the next drydocking or special survey and the bareboat lease period.

**(f) Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. Deferred tax is provided in full on timing differences which result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date. The tax rates and laws used are those that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**(g) Agricultural inventories**

All live stock, immature cattle, non-pedigree herd and tenant rights are shown in the statement of financial position at directors' valuation based on an estimate of open market value. Inventories of gravel are stated at the lower of the cost of excavation and net realisable value.

Bloodstock is stated at the lower of cost and net realisable value.

The pedigree herd is stated at original cost. In the opinion of the directors the fair value is not materially different to the cost.

Inventories in respect of bunkers are valued at the lower of cost and net realisable value. Cost is calculated on a first in, first out basis. No provision is made for inventories of lubricants, deck, engine and cabin stores and provisions remaining on board the vessels at the reporting date.

**(h) Trade receivables**

Trade receivables are amounts due from customers for stock or services sold in the ordinary course of business. Trade receivables are recognised at the undiscounted amount of cash receivable, which is normally the invoice price, less any allowances for doubtful debts.

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**2. Principal Accounting Policies (Continued)**

**(i) Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as creditors falling due within one year if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as creditors falling due after one year. Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

**(j) Revaluation reserve**

The surplus/(deficit) arising on the revaluation of freehold land, buildings and the fleet is taken to other comprehensive income. Any revaluation surplus in relation to an asset disposed of in the year is released to retained earnings. Differences between the depreciation calculated based on the historical cost and the revalued amount is also released to retained earnings. Differences between the depreciation calculated based on the historical cost and the revalued amount is also released to retained earnings.

**(k) Finance leases**

Assets held under finance lease agreements are capitalised in the statement of financial position and depreciated over the shorter of their estimated useful economic life and the lease. Where the lease includes an option to purchase the vessel, the vessel is depreciated over the vessel's estimated useful life. The capital element of finance lease repayments outstanding is included in payables. Interest is calculated to produce a constant periodic rate of charge on the outstanding balance.

**(l) Pension costs**

The group operates a defined contribution pension scheme with benefits based on final salary. The charge in the income statement reflects accrued annual contributions.

**(m) Segmental information**

No geographic or classes of business segmental information has been provided as in the opinion of the directors the disclosure of such information would be seriously prejudicial to the interests of the group.

**(n) Operating leases**

Rentals payable under operating leases are charged to the income statement on a straight line basis over the period of the lease. Rent free periods are straight-lined over the period of the lease.

**(o) Foreign currencies**

The group has a presentation currency of Pounds Sterling. The group has determined that the US Dollar is its functional currency, as this is the currency of the economic environment in which the group predominantly operates.

Monetary assets and liabilities denominated in currencies other than Pounds Sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting dates. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**2. Principal Accounting Policies (Continued)**

**(o) Foreign currencies (continued)**

Gains and losses arising on exchange are included in profit or loss with the exception of gains and losses on translation of the company's net investment in foreign subsidiaries which is included in other comprehensive income.

**(p) Investments**

Unlisted and subsidiary fixed asset investments are valued at cost less provision for impairment.

**(q) Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and balances with banks which are readily convertible, being those with original maturities of three months or less.

**(r) Derivative financial instruments**

The company uses an interest rate swap to hedge its exposure to movements in interest rates.

Derivative financial instruments are initially recognised at fair value at the date a derivative contract is entered into and remeasured to their fair value at each reporting date. Changes in the fair value of derivative financial instruments are recognised as an income or expense in the Statement of Comprehensive Income as they arise.

The fair value of interest rate swap contracts are determined by calculating the present value of the estimated future cash flows based on observable yield curves.

**(s) Hedge accounting**

The group has entered into forward exchange contracts to manage its exposure to foreign exchange risk. These derivatives are measured at fair value at each reporting date. To the extent the hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. This amount is reclassified from the cash flow hedge reserve to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss. Any ineffective portions of those movements are recognised in profit or loss for the period.

Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged instrument is derecognised or the hedging instrument is terminated.

**(t) Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**(u) Critical accounting estimates and judgements**

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that have been believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**2. Principal Accounting Policies (Continued)**

**(u) Critical accounting estimates and judgements (continued)**

**Significant accounting judgements**

In the process of applying the group's accounting policies, the directors have made the following accounting judgements which have the most significant effect on the amounts recognised in the financial statements:

*Leases*

Accounting for leases is mainly determined by the judgement of whether the lease is considered to be a finance lease or an operating lease. Management look to the substance of the transaction and the terms and conditions of the leasing arrangements in judging whether all the risks and rewards of ownership are transferred.

*Asset impairment testing*

The group reviews its non-current assets for impairment at each reporting date. If events or circumstances indicate that the carrying value may not be recoverable, the value is adjusted to the recoverable amount, determined by independent valuations where available.

*Valuation of freehold land*

Freehold land is stated at valuation, which is reviewed by the directors at each reporting date. In order to assess valuation, management uses valuations from independent valuers in its assessment.

*Allowances for trade and other receivables*

The company reviews its individual significant receivables at each reporting date to assess whether an allowance should be made for recoverability. In determining this allowance, judgement by management is required in the estimation of the amount and timings of future cash flows. Such significant accounting estimates are based on assumptions of a number of factors and actual results may differ, resulting in future changes to the allowance.

**Significant accounting estimates**

The key assumptions concerning the future and other sources of estimation uncertainty at the end of the reporting period are:

*Residual values and estimated remaining lives*

The carrying value of owned vessels is depreciated over their expected useful life of 25 years from the date of build to an estimated residual value. Changes in the remaining useful life of the vessels and the residual value, would result in an adjustment to the current value of the future rate of depreciation through profit or loss.

**3. Net Operating Expenses**

	<u>2020</u> £	<u>2019</u> £
Depreciation, amortisation and impairment	7,783,420	6,907,851
Loss on sale of fixed assets	192,614	302,909
Administration expenses	4,625,361	4,745,546
Exchange loss	941,327	238,229
	<u>13,542,722</u>	<u>12,194,535</u>

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**4. Operating Profit**

	<u>2020</u> £	<u>2019</u> £
The operating profit is stated after charging/(crediting):		
Depreciation of fleet - owned	4,086,419	3,932,248
- leased	603,202	809,563
Depreciation of other assets	1,486,297	1,147,995
Impairment	1,607,502	1,018,045
Government grants received	(21,540)	-
Auditors' remuneration - audit of financial statements	88,361	83,600
- other services in respect of taxation	12,980	13,000
Operating lease rentals	1,578,342	2,561,438
Loss on disposal of non-current assets	<u>192,614</u>	<u>302,909</u>

**5. Investment Income**

	<u>2020</u> £	<u>2019</u> £
Interest receivable	<u>184,865</u>	<u>191,156</u>

**6. Interest Payable**

	<u>2020</u> £	<u>2019</u> £
On bank loans	1,895,536	1,537,025
On finance leases	<u>206,058</u>	<u>259,890</u>
	<u>2,101,594</u>	<u>1,796,915</u>

**7. Directors and Employees**

Staff costs, including emoluments in respect of directors of the group comprise:

	<u>2020</u> £	<u>2019</u> £
Wages and salaries	6,070,682	6,000,039
Social security costs	353,928	389,853
Pension contributions	<u>81,739</u>	<u>100,803</u>
	<u>6,506,349</u>	<u>6,490,695</u>

Directors' emoluments for the year amounted to:

	<u>2020</u> £	<u>2019</u> £
Emoluments (including benefits in kind)	799,235	801,310
Pension contributions	<u>3,827</u>	<u>3,336</u>
	<u>803,062</u>	<u>804,646</u>

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**7. Directors and Employees (Continued)**

The emoluments of the highest paid director were:

	<u>2020</u> £	<u>2019</u> £
Emoluments (including benefits in kind)	<u>468,180</u>	<u>465,800</u>

There are not considered to be any other key management personnel.

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

	<u>2020</u>	<u>2019</u>
Farming	9	9
Shipping	76	80
Administration	<u>37</u>	<u>35</u>
	<u>122</u>	<u>124</u>

**8. Taxation**

(a) Analysis of credit for the year	<u>2020</u> £	<u>2019</u> £
Current taxation		
Corporation tax	<u>-</u>	<u>-</u>
Total current taxation	<u>-</u>	<u>-</u>
Deferred taxation credit (note 14)	<u>222,866</u>	<u>215,569</u>
	<u>222,866</u>	<u>215,569</u>

One subsidiary in the group has entered the U.K. tonnage tax regime under which their shipowning and operating activities are taxed based on the net tonnage of vessels operated. The tonnage tax charge of £9,411 (2019: £10,407) is included in the statement of comprehensive income within net operating expenses.

Any income and profits outside the tonnage tax regime are taxed under the normal U.K. corporation tax rules.

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**8. Taxation (Continued)**

**(b) Factors affecting the tax credit for the year**

The tax assessed for the year differs from than the standard rate of corporation tax in the UK. The differences are explained below:

	<u>2020</u> £	<u>2019</u> £
(Loss)/Profit before tax	<u>(778,818)</u>	<u>1,847,065</u>
Expected tax charge at 19% (2019: 19%)	(147,975)	350,942
Effects of:		
Expenditure not deductible for tax purposes	12,702	3,491
Short term timing differences	(221)	22,049
Income not taxable under UK corporation tax but under UK tonnage tax regime	(128,550)	(685,253)
Other non-taxable income	186	-
Profit on disposal of fixed asset	-	(861)
Group relief	11,304	-
Losses used during the year	(68,881)	(92,507)
Losses carried forward	321,435	402,139
Timing difference (note 14)	<u>222,866</u>	<u>215,569</u>
Current tax credit for year (note 8(a))	<u>222,866</u>	<u>215,569</u>

**9. Property, Plant and Equipment**

**(a) Group**

	<u>Fleet</u> £	<u>Drydocking</u> £	<u>Farms and Farm Equipment</u> £	<u>Motor Vehicles and Equipment</u> £	<u>Vessels Under Construction</u> £	<u>Total</u> £
Cost or Valuation						
At 1 July 2019	88,643,077	2,953,670	17,000,416	3,511,269	6,708,420	118,816,852
Additions	1,040,138	705,333	105,079	8,285	10,500,560	12,359,395
Transfers	16,880,579	328,401	-	-	(17,208,980)	-
Disposals	(2,534,194)	(870,450)	(3,062)	(2,104)	-	(3,409,810)
Revaluation	110,715	-	17,481,229	-	-	17,591,944
At 30 June 2020	<u>104,140,315</u>	<u>3,116,954</u>	<u>34,583,662</u>	<u>3,517,450</u>	<u>-</u>	<u>145,358,381</u>
Depreciation and amortisation						
At 1 July 2019	25,929,105	1,156,771	3,316,942	3,441,634	-	33,844,452
Charge for the year	4,689,621	1,306,648	149,841	29,808	-	6,175,918
Disposals	(1,577,972)	(773,888)	(3,062)	(2,104)	-	(2,357,026)
Impairment	1,607,502	-	-	-	-	1,607,502
At 30 June 2020	<u>30,648,256</u>	<u>1,689,531</u>	<u>3,463,721</u>	<u>3,469,338</u>	<u>-</u>	<u>39,270,846</u>
Net book value At 30 June 2020	<u>73,492,059</u>	<u>1,427,423</u>	<u>31,119,941</u>	<u>48,112</u>	<u>-</u>	<u>106,087,535</u>
At 30 June 2019	<u>62,713,972</u>	<u>1,796,899</u>	<u>13,683,474</u>	<u>69,635</u>	<u>6,708,420</u>	<u>84,972,400</u>



**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**9. Property, Plant and Equipment (Continued)**

**(a) Group (Continued)**

Farms and farm equipment include freehold land and buildings with a net book value of £30,710,093 (2019: £13,235,544).

Vessels with a net book value of £50,785,043 (2019: £35,357,899) and freehold land and buildings with a net book value of £18,096,870 (2019: £12,373,480) have been pledged as security for long term bank loans (note 13).

One vessel with a net book value of £2,388,051 (2019: £4,707,623) is held on finance leases. The group has an obligation to purchase the vessel Henrietta PG at the end of the bareboat lease period.

The vessels other than those on finance lease were revalued as at 30 June 2020 at replacement cost, based on a valuation performed by Affinity Valuations Ltd, an independent shipbroker.

The freehold land in Wyoming was revalued at 30 June 2020 on an open market basis by Scott M. Griswold, an ARA qualified independent valuer. Freehold land in Australia was revalued at 30 June 2020 by Colliers International Limited, a qualified independent valuer. Both valuations are based on the recent sales in the relevant markets.

If the fleet and freehold land and buildings had not been revalued, they would have been stated on an historical cost basis as follows:

	<u>Fleet</u>		<u>Freehold Land and Buildings</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
Cost	103,579,823	88,261,992	7,727,963	7,727,963
Accumulated depreciation and provision for impairment	<u>(34,370,029)</u>	<u>(30,032,908)</u>	<u>(1,590,850)</u>	<u>(1,584,172)</u>
Net book value	<u>69,209,794</u>	<u>58,229,084</u>	<u>6,137,113</u>	<u>6,143,791</u>
<b>(b) Company</b>				
	<u>Motor Vehicles</u>	<u>Computer Equipment</u>	<u>Office Equipment</u>	<u>Total</u>
	£	£	£	£
Cost				
At 1 July 2019	206,545	40,514	35,684	282,743
Additions	-	4,399	390	4,789
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2020	<u>206,545</u>	<u>44,913</u>	<u>36,074</u>	<u>287,532</u>
Depreciation				
At 1 July 2019	161,756	37,482	34,502	233,740
Charge for the year	25,773	1,638	484	27,895
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2020	<u>187,529</u>	<u>39,120</u>	<u>34,986</u>	<u>261,635</u>
Net book value				
At 30 June 2020	<u>19,016</u>	<u>5,793</u>	<u>1,088</u>	<u>25,897</u>
At 30 June 2019	<u>44,789</u>	<u>3,032</u>	<u>1,182</u>	<u>49,003</u>

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**10. Investments**

	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
Shares in group undertakings	-	-	153,000	153,000
Other investments	32,158	38,688	33,776	33,776
	<u>32,158</u>	<u>38,688</u>	<u>186,776</u>	<u>186,776</u>

The company holds the following investments:

<u>Company Name</u>	<u>Country of Incorporation</u>	<u>Proportion Held Directly</u>	<u>Proportion Held Indirectly</u>	<u>Principal Activities</u>
Shares in group undertakings:				
Giles W. Pritchard-Gordon (Shipowning) Limited	England	100%	-	Holding
Giles W. Pritchard-Gordon (Farming) Limited	England	100%	-	Farming
Giles W. Pritchard-Gordon (Futures) Limited	England	100%	-	Non-trading
Giles W. Pritchard-Gordon (Property) Limited	England	100%	-	Non-trading
Pritchard-Gordon Tankers Limited	England	-	100%	Vessel owning
Giles W. Pritchard-Gordon (Australia) Pty Limited	Australia	-	100%	Farming
Sussex Cattle Company	U.S.A	-	100%	Farmland leasing
Other investments:				
Draw Worldwide Limited	England	25%	-	Greeting card retail
Henrietta Product DIS	Norway	-	4.5%	Vessel owning

The Sussex Cattle Company's result for the year was £Nil (2019: £Nil) and net assets at 30 June 2020 were £499 (2019: £499). The subsidiary has been excluded from the consolidated financial statements on the grounds of materiality.

The investment in Draw Worldwide Limited (formerly The Compost Heap Limited) has been accounted for at cost on the grounds that the group does not exercise significant influence over the investee company. The company's result for the year ended 31 October 2019 was a profit of £8,750 (2018: £9,675) and net assets at 31 October 2019 were £170,982 (2018: £162,226).

As part of the sale of Henrietta PG during 2016, the group acquired 4.5% of the share capital of Henrietta Product DIS. During the year the investment was fully repaid. There was no reduction in the shareholding of the company.

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**11. Inventories**

<u>Group</u>	<u>2020</u> £	<u>2019</u> £
Tenant rights	454	454
Livestock	2,121,930	1,837,307
Gravel	74,697	72,879
Wool	66,784	-
Pedigree herd	19,603	19,603
	<u>2,283,468</u>	<u>1,930,243</u>

**12. Trade and Other Receivables**

	<u>2020</u> £	<u>2019</u> £	<u>2020</u> £	<u>2019</u> £
<u>Group</u>			<u>Company</u>	
Trade receivables	222,090	384,522	-	631
Amounts due from subsidiary companies	-	-	21,105,576	16,940,158
Other receivables	134,128	280,015	10,245	18,414
Prepayments and accrued income	980,987	843,368	44,513	43,697
Deferred tax asset (note 14)	-	-	16,990	16,990
VAT recoverable	33,959	53,345	-	-
	<u>1,371,164</u>	<u>1,561,250</u>	<u>21,177,324</u>	<u>17,019,890</u>

Amounts due from subsidiary companies are unsecured, interest free and repayable on demand. The total amount due from subsidiary companies at 30 June 2020 was £42,416,453 (2019: £41,009,424) of which £20,393,789 (2019: £24,069,266) has been fully provided against.

Giles W. Pritchard-Gordon & Co. Limited has provided assurance not to seek repayment of £26,935,873 (2019: £25,845,897) for the foreseeable future and has agreed to provide on-going financial support to Giles W. Pritchard-Gordon (Farming) Limited if required.

**13. Trade and Other Payables**

<u>Group</u>	<u>2020</u> £	<u>2019</u> £	<u>2020</u> £	<u>2019</u> £
	<u>Amounts falling due within one year</u>		<u>Amounts falling due after more than one year</u>	
Bank overdraft	29,269	-	-	-
Bank loans	4,234,098	2,864,186	34,349,737	25,617,487
Amounts due on finance leases	1,418,495	2,388,117	969,557	2,319,147
Trade payables	2,670,295	3,206,158	-	-
Other taxation	59,844	153,115	-	-
Other payables	86,941	64,413	-	-
Accruals and deferred income	6,054,944	3,503,638	-	-
	<u>14,553,886</u>	<u>12,179,627</u>	<u>35,319,294</u>	<u>27,936,634</u>

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**13. Trade and Other Payables (Continued)**

Bank loans and finance leases due after more than one year are repayable as follows:

	<u>2020</u> £	<u>Group</u> <u>2019</u> £
Between one and two years	5,203,654	4,239,760
Between two and five years	12,702,295	9,536,132
Over five years	17,413,345	14,160,742
	<u>35,319,294</u>	<u>27,936,634</u>

Bank loans amounting to £32,890,245 (2019: £22,624,047) are secured by a first preferred mortgage over three vessels owned by a subsidiary company together with the assignment of their earnings and insurances. The loans are denominated in US Dollars and carry interest at LIBOR plus an average margin of 3.77%. The loans have total quarterly repayments of £973,545 and are repayable between 28 September 2027 and 30 November 2029. An aggregate arrangement fee of £372,347 (2019: £237,835) was paid on the drawdown date of these loans.

A bank loan amounting to £5,693,590 (2019: £5,857,626) is repayable in quarterly instalments over twenty years and carries interest of LIBOR plus 2.05% per annum. The loan is secured by a charge over freehold land and buildings owned by a subsidiary company, with a net book value of £10,713,871 (2019: £8,114,678) as at 30 June 2020. The loan is secured by a corporate guarantee provided by the parent company.

The minimum lease payments due within one year amount to £1,536,096 (2019: £1,728,491) and between one and five years amount to £981,871 (2019: £1,658,836).

Company

	<u>2020</u> £	<u>Amounts falling due within one year</u> <u>2019</u> £
Amounts due to subsidiary companies	18,036,768	15,899,469
Trade payables	634	46,012
Other taxation	55,258	53,564
Other payables	1,908	1,770
Accruals and deferred income	39,306	38,067
	<u>18,133,874</u>	<u>16,038,882</u>

Amounts due to subsidiary companies are interest free, unsecured and repayable on demand.

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**14. Deferred Taxation**

Group

	<u>2020</u> £	<u>2019</u> £
At 1 July	492,037	707,606
Credit for the year (note 8)	(222,866)	(215,569)
Movement on the freehold land valuation	<u>4,905,540</u>	<u>-</u>
At 30 June	<u>5,174,711</u>	<u>492,037</u>

Deferred taxation provided is as follows:

	<u>2020</u> £	<u>2019</u> £
Tax effect of timing differences due to:		
Excess of capital allowances over depreciation	59,154	66,957
Trading losses carried forward	(979,351)	(764,288)
Revaluation of freehold land	<u>6,094,908</u>	<u>1,189,368</u>
	<u>5,174,711</u>	<u>492,037</u>

A deferred tax asset of £1,328,427 (2019: £1,375,492) in respect of taxable losses carried forward has not been recognised on the grounds of uncertainty in the foreseeable future profits against which the asset could be offset.

Company

A deferred tax asset of £30,174 (2019: £26,247) has been recognised in respect of excess depreciation over capital allowances.

A deferred tax asset of £913,653 (2019: £942,192) in respect of taxable losses carried forward has not been recognised on the grounds of uncertainty of sufficient taxable profits in the foreseeable future against which the asset could be offset.

**Giles W. Pritchard-Gordon & Co. Limited  
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**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**15. Share Capital**

	<u>2020</u> £	<u>2019</u> £
Authorised, allotted, called up and fully paid:		
10,000 ordinary equity shares of £1 each	10,000	10,000
1,200,000 redeemable cumulative preference shares of £1 each	<u>1,200,000</u>	<u>1,200,000</u>
	<u>1,210,000</u>	<u>1,210,000</u>

The cumulative preference shares of £1 each at par, in full or in part, at any time, are redeemable at the option of the company.

A fixed cumulative cash dividend is payable to the preference shareholder at an annual rate of 5%, based on the issued price. The company paid a dividend to the preference shareholder of £60,000 in the year (2019: £60,000) which represents 5p per share (2019: 5p per share).

During the year the company paid dividends of £847,000 (2019: £756,000) on the ordinary share capital of the company which represents £84.70 per share (2019: £75.60).

**16. Derivative Financial Instruments**

<u>Group</u>	<u>Amounts falling due within one year</u>		<u>Amounts falling due after more than one year</u>	
	<u>2020</u> £	<u>2019</u> £	<u>2020</u> £	<u>2019</u> £
Interest rate swaps	(86,897)	(17,998)	(620,307)	(62,491)
Forward exchange contracts	<u>(396,780)</u>	<u>(60,777)</u>	<u>(530,266)</u>	<u>(227,364)</u>
	<u>(483,677)</u>	<u>(78,775)</u>	<u>(1,150,573)</u>	<u>(289,855)</u>

**Interest rate swaps**

On 1 January 2017, the group entered into an interest rate swap agreement to hedge its exposure to movements in the interest rates arising from the fluctuations in LIBOR rates. The cash flows arising from the interest rate swaps will continue until their maturity in 2037, coincidental with the repayment of the bank loan.

The movement in the fair value of the interest rate swap is as follows:

	<u>2020</u> £	<u>2019</u> £
As at 1 July	(80,489)	349,229
Loss on fair value	(612,306)	(435,457)
Currency translation differences	<u>(14,409)</u>	<u>5,739</u>
As at 30 June	<u>(707,204)</u>	<u>(80,489)</u>

**Giles W. Pritchard-Gordon & Co. Limited  
and subsidiary companies**

**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**16. Derivative Financial Instruments (continued)**

Interest rate swaps (continued)

Shown as:

	<u>2020</u> £	<u>2019</u> £
Current liabilities	(86,897)	(17,998)
Non-current liabilities	<u>(620,307)</u>	<u>(62,491)</u>
	<u>(707,204)</u>	<u>(80,489)</u>

Forward exchange contracts

In the prior year, the group entered into a number of forward exchange contracts to hedge the volatility in exchange rates. The forward currency contracts are measured at fair value, which is determined by the counterparty using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for GBP:USD. The maturity of the forward exchange contracts ranges from December 2020 to December 2022.

The movement in the fair value of the forward currency contracts is as follows:

	<u>2020</u> £	<u>2019</u> £
As at 1 July	(288,141)	-
Loss on fair value	<u>(638,905)</u>	<u>(288,141)</u>
As at 30 June	<u>(927,046)</u>	<u>(288,141)</u>

Shown as:

	<u>2020</u> £	<u>2019</u> £
Current liabilities	(396,780)	(60,777)
Non-current liabilities	<u>(530,266)</u>	<u>(227,364)</u>
	<u>(927,046)</u>	<u>(288,141)</u>

**Giles W. Pritchard-Gordon & Co. Limited  
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**Consolidated Financial Statements for the year ended 30 June 2020**

**Notes (Continued)**

**17. Commitments**

The minimum future lease rentals payable under non-cancellable operating leases as at 30 June 2020 are as follows:

	Charterparties		Land and building	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	£	£	£	£
Within one year	1,314,240	1,339,652	19,000	19,000
Between 2 and 5 years	679,569	1,682,231	76,000	76,000
More than 5 years	-	-	4,008	23,008
	<u>1,993,809</u>	<u>3,021,883</u>	<u>99,008</u>	<u>118,008</u>

The minimum future lease rentals receivable under non-cancellable operating leases as at 30 June 2020 are as follows:

	Charterparties	
	<u>2020</u>	<u>2019</u>
	£	£
Within one year	33,234,512	24,561,195
Between 2 and 5 years	42,044,367	43,115,872
More than 5 years	36,221,350	40,518,111
	<u>111,500,229</u>	<u>108,195,178</u>

The group has no capital commitments relating to instalments due on vessels under construction (2019: one vessel under construction). The amounts due within one year is £nil (2019: £10,695,942) and the amount due within two to five years is £nil (2019: £nil).

The group also has capital commitments relating to purchase of vessels at the completion of finance leases amounting to £809,323 payable within one year and £Nil payable within two to five years.

**18. Related Party Transactions and Controlling Party**

During the year a subsidiary of the Company leased grazing from Mrs V Pritchard-Gordon for £2,625 (2019: £2,625)

No individual shareholder owns a controlling interest in the company.

**19. Analysis of Net Debt**

	<u>At 1 July 2019</u>	<u>Cash Flow</u>	<u>Other non-cash changes</u>	<u>At 30 June 2020</u>
	£	£	£	£
Cash at bank	13,751,602	4,988,448	-	18,740,050
Overdraft	-	(29,269)	-	(29,269)
Loans	(28,481,673)	(8,667,467)	(1,434,695)	(38,853,835)
Finance leases	(4,707,264)	2,395,202	(75,987)	(2,388,049)
Derivative financial instruments (Note 16)	<u>(368,630)</u>	<u>-</u>	<u>(1,265,620)</u>	<u>(1,634,250)</u>
	<u>(19,805,965)</u>	<u>(1,313,086)</u>	<u>(2,776,302)</u>	<u>(24,165,353)</u>