

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

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2021

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COMPANIES HOUSE

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

Directors

A.C. Wingfield Digby
R.C.M. Aird
B.M. Stoop
H.O. Keane
J. Bond (resigned 1 October 2021)
N.H.D. Ryder (resigned 17 September 2020)
N.P. Henry (appointed 1 July 2021)

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 an increase in gross profits from £13,871,411 in 2020 to £13,989,152 in 2021. In terms of key performance indicators this represented an increase in the gross profit ratio from 39.8% to 40.3% despite reduced revenue during the year.

The shipping group generated a loss for the year after taxation of £820,386, compared to a profit of £808,343 in 2020 due to reduced revenue during the year.

At the reporting date, the shipping group maintained a cash position of £6,167,299 compared to £17,917,374 in 2020 due to acquisition of vessels during the year.

Business Review - Farming

Turnover generated by the group's farming interests has increased in the year to £2,101,622 (2020: £1,806,318) due to increased wool sales, with a gross profit of £1,549,558 (2020: £1,410,185) recorded for the year under review.

The farming group recorded a profit after taxation for the year of £719,199 (2020: loss of £784,937).

Refer to Note 19 for the sale of a farm owned by a subsidiary after the year end.

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

Strategic Report (Continued)

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.

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 assessments 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 on the going concern basis.

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

Strategic Report (Continued)

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 2020.

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, personnel and government bodies.

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 are conducted through recognised auction houses wherever possible.

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

Suppliers – We have developed long standing relationships with key suppliers, ensuring that all suppliers meet the high standards of service and operation set by the Group.

Personnel – The Group considers its employees its most important asset and strives to ensure that its offices, farms and vessels are safe, rewarding and enjoyable workplaces. The Group will continue to invest in human capital as it believes maintaining low staff turnover across the entire workforce is a key driver of efficiency and rates of productivity.

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.

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

Strategic Report (Continued)

Principal decisions by the board during the period

The Group defines principal decisions as both those that have long-term strategic impact and are material to the Company, but also those that are significant to its 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.

On 1 July 2021 the Board appointed Nicholas Henry as a non-executive director to chair the Board.

The board decided to retro fit ballast water treatment systems into a number of the vessels in the fleet. Retrofitting was completed on one owned vessel during the period with further three vessels being scheduled for a retro fit during the next financial year.

On behalf of the Board on 16 DECEMBER 2021



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 2021.

Please refer to the Strategic Report on pages 1 to 4 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 £942,000 (2020: £847,000).

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 14,476 tonnes (2020: 22,728 tonnes of CO₂ (62,092 kWh) (2020: 97,488 kWh) during the year. This equates to 145.3 kWk (2020: 174.22 kWk) 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. The reduction in the year was due to the offices not being utilised for part of the year due to COVID-19.

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 organisations working on its 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 16 December 2021



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 on the financial statements

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 2021 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.

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 2021 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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.

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.

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)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company, we considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and UK tax requirements. The Company is also subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Discussions among the engagement team on how and where fraud might occur in the financial statements;
- Inspecting legal and professional fees for indications of non-compliance with laws and regulations;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journals of material nature, journals posted by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

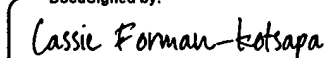
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

DocuSigned by:

 Cassie Forman-Kotsapa

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

Date 17 December 2021

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

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

**Consolidated Statement of Comprehensive Income
For the year ended 30 June 2021**

	<u>Note</u>	<u>2021</u> £	<u>2020</u> £ Restated
Turnover	2(c)	36,822,665	36,662,466
Cost of sales		<u>(21,279,583)</u>	<u>(21,369,527)</u>
Gross profit		15,543,082	15,292,939
Net operating expenses	3	<u>(15,920,598)</u>	<u>(13,542,722)</u>
Operating (loss)/profit	4	(377,516)	1,750,217
(Profit)/loss on derivative financial instrument	16	335,943	(612,306)
Investment income	5	69,558	184,865
Interest payable	6	<u>(1,566,149)</u>	<u>(2,161,594)</u>
Loss before Taxation		(1,538,164)	(838,818)
Taxation credit	8	<u>915,759</u>	<u>222,866</u>
Loss after Taxation		<u>(622,405)</u>	<u>(615,952)</u>
Other Comprehensive Income			
Unrealised surplus on revaluation of non-current assets	9	1,045,686	17,591,944
Deferred tax on revaluation	14	-	(4,905,540)
Change in fair value of designated hedging instrument	16	1,195,822	(638,905)
Exchange gain/(loss) on translation		<u>168,303</u>	<u>(29,568)</u>
Total Comprehensive Income for the year		<u>1,787,406</u>	<u>11,401,979</u>

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

Consolidated Statement of Financial Position as at 30 June 2021

	Note	2021		2020	
		£	£	£	£
				Restated	Restated
Non-Current Assets					
Property, plant and equipment	9		101,468,767		106,087,535
Investments	10		32,158		32,158
Derivative financial instrument	16		78,124		-
			<u>101,579,049</u>		<u>106,119,693</u>
Current Assets					
Inventories	11	2,416,958		2,283,468	
Trade and other receivables	12	1,313,546		1,371,164	
Derivative financial instrument	16	190,650		-	
Cash and cash equivalents		<u>7,019,906</u>		<u>18,740,050</u>	
		10,941,060		22,394,682	
Current Liabilities					
Trade and other payables	13	(8,410,456)		(14,553,886)	
Derivative financial instruments	16	<u>(96,916)</u>		<u>(483,677)</u>	
		(8,507,372)		(15,037,563)	
Net Current Assets			<u>2,433,688</u>		<u>7,357,119</u>
Total Assets Less Current Liabilities			104,012,737		113,476,812
Non-Current Liabilities					
Preference Shares			(1,200,000)		(1,200,000)
Trade and other payables	13		(26,861,072)		(35,319,294)
Derivative financial instruments	16		(215,073)		(1,150,573)
Deferred taxation	14		<u>(4,258,952)</u>		<u>(5,174,711)</u>
Total Assets Less Liabilities			<u>71,477,640</u>		<u>70,632,234</u>
Capital and Reserves					
Share capital	15		10,000		10,000
Revaluation reserve			23,745,989		23,829,621
Cash flow hedge reserve	16		268,776		(927,046)
Retained earnings			<u>47,452,875</u>		<u>47,719,659</u>
Total Capital and Reserves			<u>71,477,640</u>		<u>70,632,234</u>

Approved by the Board on 16 December 2021



A.C. WINGFIELD DIGBY
Director

Company Number: 01136375

Giles W. Pritchard-Gordon & Co. Limited**Company Statement of Financial Position as at 30 June 2021**

	<u>Not e</u>	2021		2020 Restated	
		£	£	£	£
Non-Current Assets					
Property, plant and equipment	9		63,905		25,897
Investments	10		<u>186,776</u>		<u>186,776</u>
			250,681		212,673
Current Assets					
Trade and other receivables	12	34,163,807		21,177,324	
Cash and cash equivalents		<u>134,271</u>		<u>156,980</u>	
		34,298,078		21,334,304	
Current Liabilities					
Trade and other payables	13	<u>(20,415,043)</u>		<u>(18,133,874)</u>	
Net Current Assets			<u>13,883,035</u>		<u>3,200,430</u>
Total Assets Less Current Liabilities			14,133,716		3,413,103
Non-Current Liabilities					
Preference Shares			<u>(1,200,000)</u>		<u>(1,200,000)</u>
Total Assets Less Liabilities			<u>12,933,716</u>		<u>2,213,103</u>
Capital and Reserves					
Share capital	15		10,000		10,000
Retained earnings			<u>12,923,716</u>		<u>2,203,103</u>
Total Capital and Reserves			<u>12,933,716</u>		<u>2,213,103</u>
Net Profit for the Year			<u>11,662,613</u>		<u>2,973,321</u>

Approved by the Board on 16 DECEMBER 2021.


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 2021**

	<u>Note</u>	<u>2021</u> £	<u>2020</u> £
Cash Flow from Operating Activities			
Loss for the year		(622,405)	(615,952)
Adjustments for:			
Depreciation	9	6,571,794	6,175,918
Impairment	9	7,729,021	1,607,502
Exchange differences		(3,336,946)	1,216,524
Interest payable		1,566,149	2,161,594
Investment income		(69,558)	(184,865)
(Gain)/loss on derivative financial instrument		(335,943)	612,306
Taxation credit		(915,759)	(222,866)
(Profit)/loss on sale of fixed assets	4	(260,899)	192,614
Decrease in trade receivables		57,618	190,746
(Decrease)/increase in trade payables		(5,116,003)	1,944,040
Increase in inventories		(133,490)	(353,229)
Cash from operations		<u>5,133,579</u>	<u>12,724,332</u>
Cash flows from investing activities			
Interest received	5	69,558	184,865
Repayment of capital invested		-	6,530
Purchase of capital assets	9	(9,728,430)	(12,359,395)
Proceeds on sale of capital assets		1,352,968	-
Net cash used in investing activities		<u>(8,305,904)</u>	<u>(12,168,000)</u>
Cash flows from financing activities			
Draw down of loan		-	12,259,670
Repayment of loan		(3,954,206)	(3,592,203)
Interest paid on finance lease		110,231	(206,661)
Interest paid on loan		(1,566,149)	(1,954,933)
Capital element of finance lease payments		(1,418,937)	(1,535,028)
Dividends paid	15	(942,000)	(847,000)
Net cash flow used in/(from) financing activities		<u>(7,771,061)</u>	<u>4,123,845</u>
Net increase in cash and cash equivalents		(11,038,988)	4,860,177
Cash and cash equivalents at beginning of year		18,710,781	13,751,602
Exchange (loss)/gain on the cash and cash equivalent		(747,489)	279,002
Cash and Cash equivalents at end of year		<u>7,019,906</u>	<u>18,710,781</u>
Cash and Cash equivalents comprises:			
Cash at bank and hand		7,019,906	18,740,050
Bank overdraft	13	-	(29,269)
		<u>7,019,906</u>	<u>18,710,781</u>

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

**Consolidated Statement of Changes in Equity
For the year ended 30 June 2021**

	Share Capital £ Restated	Retained Earnings £ Restated	Revaluation Reserve £ Restated	Cash flow hedge Reserve £	Total £ Restated
Balance as at 1 July 2019	1,210,000	48,868,833	11,486,563	(288,141)	61,277,255
Prior year adjustment (Note 2a)	(1,200,000)	-	-	-	(1,200,000)
Revised as at 1 July 2020	10,000	48,868,833	11,486,563	(288,141)	60,077,255
Loss for the year	-	(615,952)	-	-	(615,952)
Dividends	-	(847,000)	-	-	(847,000)
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	10,000	42,814,119	28,735,161	(927,046)	70,632,234
Prior Period Adjustment (note 2(a))	-	4,905,540	(4,905,540)	-	-
Revised as at 30 June 2020	10,000	47,719,659	23,829,621	(927,046)	70,632,234
Loss for the year	-	(622,405)	-	-	(622,405)
Dividends	-	(942,000)	-	-	(942,000)
Revaluation	-	-	1,045,686	-	1,045,686
Change in fair value of designated hedging instrument	-	-	-	1,195,822	1,195,822
Reserve transfer	-	1,129,318	(1,129,318)	-	-
Exchange gain	-	168,303	-	-	168,303
As at 30 June 2021	10,000	47,452,875	23,745,989	268,776	71,477,640

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

**Company Statement of Changes in Equity
For the year ended 30 June 2021**

	Share Capital £ Restated	Retained Earnings £ Restated	Total £ Restated
Balance as at 1 July 2019	1,210,000	76,782	1,286,782
Prior year adjustment (Note 2a)	(1,200,000)	-	(1,200,000)
Revised as at 1 July 2020	10,000	76,782	86,782
Profit for the year	-	2,973,321	2,973,321
Dividends	-	(847,000)	(847,000)
As at 30 June 2020	10,000	2,203,103	2,213,103
Profit for the year	-	11,662,613	11,662,613
Dividends	-	(942,000)	(942,000)
As at 30 June 2021	10,000	12,923,716	12,933,716

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

Consolidated Financial Statements for the year ended 30 June 2021

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 Group 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.

Prior period adjustment relates to an error in relation to the classification of preference shares as equity rather than liability. As the result, the preference shares amounting to £1,200,000 was reclassified as liability as at the start of comparative period and related dividend of £60,000 is reclassified as interest expenses. There was no impact on opening Retained Earnings.

In 2020, the deferred taxation charge on the revaluation of the fixed assets was classified within Retained Earnings in the Consolidated Statement of Change in Equity. The prior period adjustment relates to reclassification of this balance to Revaluation Reserve. The effect of this adjustment is to increase the Retained Earnings by £4,905,540 and reduce the Revaluation Reserve by same amount. The amount was correctly accounted in Other Comprehensive Income.

(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 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.

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

Consolidated Financial Statements for the year ended 30 June 2021

Notes (Continued)

2. Principal Accounting Policies (Continued)

(d) Property, plant and equipment (continued)

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.

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.

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

Consolidated Financial Statements for the year ended 30 June 2021

Notes (Continued)

2. Principal Accounting Policies (Continued)

(g) Agricultural inventories (continued)

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.

(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 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.

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

Consolidated Financial Statements for the year ended 30 June 2021

Notes (Continued)

2. Principal Accounting Policies (Continued)

(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.

(o) Foreign currencies (continued)

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.

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.

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

Consolidated Financial Statements for the year ended 30 June 2021

Notes (Continued)

2. Principal Accounting Policies (Continued)

(s) Hedge accounting (continued)

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) Preference shares

Preference shares carry non-discretionary dividend obligations and are classified as liabilities. The dividends on these preference shares are taken to the income statement as finance expense.

(v) Critical accounting estimates and judgements

Significant accounting 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.

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 estimations are based on assumptions of a number of factors and actual results may differ, resulting in future changes to the allowance.

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

Consolidated Financial Statements for the year ended 30 June 2021

Notes (Continued)

2. Principal Accounting Policies (Continued)

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>2021</u> £	<u>2020</u> £
Depreciation, amortisation and impairment	14,300,815	7,783,420
(Profit)/loss on sale of fixed assets	(260,899)	192,614
Administration expenses	4,640,778	4,625,361
Exchange (gain)/loss	<u>(2,760,096)</u>	<u>941,327</u>
	<u>15,920,598</u>	<u>13,542,722</u>

4. Operating Profit

	<u>2021</u> £	<u>2020</u> £
The operating profit is stated after charging/(crediting):		
Depreciation of fleet - owned	4,676,350	4,086,419
- leased	248,992	603,202
Depreciation of other assets	1,645,452	1,486,297
Impairment	7,729,021	1,607,502
Government grants received	(20,904)	(21,540)
Auditors' remuneration - audit of financial statements	85,500	88,361
- other services in respect of taxation	13,760	12,980
Operating lease rentals	473,485	1,578,342
(Profit)/loss on disposal of non-current assets	<u>(260,899)</u>	<u>192,614</u>

5. Investment Income

	<u>2021</u> £	<u>2020</u> £
Interest receivable	<u>69,558</u>	<u>184,865</u>

6. Interest Payable

	<u>2021</u> £	<u>2020</u> £
		Restated
On bank loans	1,395,918	1,895,536
On finance leases	110,231	206,058
On preference share	<u>60,000</u>	<u>60,000</u>
	<u>1,566,149</u>	<u>2,161,594</u>

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

Consolidated Financial Statements for the year ended 30 June 2021

Notes (Continued)

7. Directors and Employees

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

	<u>2021</u> £	<u>2020</u> £
Wages and salaries	6,088,858	6,070,682
Social security costs	354,828	353,928
Pension contributions	100,598	81,739
	<u>6,544,284</u>	<u>6,506,349</u>

Directors' emoluments for the year amounted to:

Emoluments (including benefits in kind)	946,920	799,235
Pension contributions	2,630	3,827
	<u>949,550</u>	<u>803,062</u>

The emoluments of the highest paid director were:

	<u>2021</u> £	<u>2020</u> £
Emoluments (including benefits in kind)	<u>481,660</u>	<u>468,180</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>2021</u>	<u>2020</u>
Farming	7	9
Shipping	76	76
Administration	36	37
	<u>119</u>	<u>122</u>

8. Taxation

(a) Analysis of credit for the year

	<u>2021</u> £	<u>2020</u> £
Current taxation		
Corporation tax	-	-
Total current taxation	-	-
Deferred taxation credit (note 14)	915,759	222,866
	<u>915,759</u>	<u>222,866</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 £10,705 (2020: £9,411) 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 2021

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>2021</u> £	<u>2020</u> £
Loss before tax	<u>(1,478,164)</u>	<u>(778,818)</u>
Expected tax charge at 19% (2020: 19%)	(280,851)	(147,975)
Effects of:		
Expenditure not deductible for tax purposes	14,235	12,702
Short term timing differences	(11,265)	(221)
Loss/(income) not taxable under UK corporation tax but under UK tonnage tax regime	162,586	(128,550)
Other non-taxable income	4,656	186
Profit on disposal of fixed asset	(1,921)	-
Group relief	-	11,304
Losses used during the year	(50,517)	(68,881)
Losses carried forward	163,077	321,435
Timing difference (note 14)	<u>915,759</u>	<u>222,866</u>
Current tax credit for year (note 8(a))	<u>915,759</u>	<u>222,866</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>Total</u> £
Cost or Valuation					
At 1 July 2020	104,140,315	3,116,954	34,583,662	3,517,450	145,358,381
Additions	7,780,253	1,481,489	403,218	63,470	9,728,430
Transfers	(501,652)	501,652	-	-	-
Disposals	(1,696,150)	(96,563)	(8,276)	(85,959)	(1,886,948)
Revaluation	4,149,301	-	-	-	4,149,301
Release of old dry docking	-	(2,118,018)	-	-	(2,118,018)
At 30 June 2021	<u>113,872,067</u>	<u>2,885,514</u>	<u>34,978,604</u>	<u>3,494,961</u>	<u>155,231,146</u>
Depreciation and amortisation					
At 1 July 2020	30,648,256	1,689,531	3,463,721	3,469,338	39,270,846
Charge for the year	4,926,677	1,475,653	141,066	28,398	6,571,794
Disposals	(605,128)	(96,562)	(8,270)	(84,919)	(794,879)
Impairment	7,729,021	-	-	-	7,729,021
Release of old dry docking	-	(2,118,018)	-	-	(2,118,018)
Revaluation	3,103,615	-	-	-	3,106,615
At 30 June 2021	<u>45,802,411</u>	<u>950,604</u>	<u>3,596,517</u>	<u>3,412,817</u>	<u>53,765,379</u>
Net book value					
At 30 June 2021	<u>68,069,626</u>	<u>1,934,910</u>	<u>31,382,087</u>	<u>82,144</u>	<u>101,468,767</u>
At 30 June 2020	<u>73,492,059</u>	<u>1,427,423</u>	<u>31,119,941</u>	<u>48,112</u>	<u>106,087,535</u>

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

Consolidated Financial Statements for the year ended 30 June 2021

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 £31,085,135 (2020: £30,710,093).

Vessels with a net book value of £41,624,439 (2020: £50,785,043) and freehold land and buildings with a net book value of £29,847,530 (2020: £18,096,870) have been pledged as security for long term bank loans (note 13).

One vessel with a net book value of £867,227 (2020: £2,388,051) 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 was purchased after the year end.

The vessels other than those on finance lease were revalued as at 30 June 2021 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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	£	£	£	£
Cost	110,104,580	103,579,823	8,112,922	7,727,963
Accumulated depreciation and provision for impairment	<u>(46,232,635)</u>	<u>(34,370,029)</u>	<u>(1,600,767)</u>	<u>(1,590,850)</u>
Net book value	<u>63,871,945</u>	<u>69,209,794</u>	<u>6,512,155</u>	<u>6,137,113</u>
(b) <u>Company</u>				
	<u>Motor Vehicles</u>	<u>Computer Equipment</u>	<u>Office Equipment</u>	<u>Total</u>
	£	£	£	£
Cost				
At 1 July 2020	206,545	44,913	36,074	287,532
Additions	-	26,254	43,428	69,682
Disposals	<u>(35,042)</u>	<u>(22,853)</u>	<u>(28,064)</u>	<u>(85,959)</u>
At 30 June 2021	<u>171,503</u>	<u>48,314</u>	<u>51,438</u>	<u>271,255</u>
Depreciation				
At 1 July 2020	187,529	39,120	34,986	261,635
Charge for the year	16,240	5,442	8,952	30,634
Disposals	<u>(35,041)</u>	<u>(21,839)</u>	<u>(28,039)</u>	<u>(84,919)</u>
At 30 June 2021	<u>168,728</u>	<u>22,723</u>	<u>15,899</u>	<u>207,350</u>
Net book value				
At 30 June 2021	<u>2,775</u>	<u>25,591</u>	<u>35,539</u>	<u>63,905</u>
At 30 June 2020	<u>19,016</u>	<u>5,793</u>	<u>1,088</u>	<u>25,897</u>

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

Consolidated Financial Statements for the year ended 30 June 2021

Notes (Continued)

10. Investments

	<u>Group</u>		<u>Company</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	£	£	£	£
Shares in group undertakings	-	-	153,000	153,000
Other investments	32,158	32,158	33,776	33,776
	<u>32,158</u>	<u>32,158</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 (2020: £Nil) and net assets at 30 June 2021 were \$499 (2020: \$499). The subsidiary has been excluded from the consolidated financial statements on the grounds of materiality.

The investment in Draw Worldwide 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 2020 was a loss of £12,898 (2019: profit £8,750) and net assets at 31 October 2020 were £158,084 (2019: £170,982).

As part of the sale of Henrietta PG during 2016, the group acquired 4.5% of the share capital of Henrietta Product DIS. 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 2021

Notes (Continued)

11. Inventories

<u>Group</u>	<u>2021</u> £	<u>2020</u> £
Tenant rights	454	454
Livestock	2,330,088	2,121,930
Gravel	66,813	74,697
Wool	-	66,784
Pedigree herd	19,603	19,603
	<u>2,416,958</u>	<u>2,283,468</u>

12. Trade and Other Receivables

	<u>2021</u> £	<u>2020</u> £	<u>2021</u> £	<u>2020</u> £
<u>Group</u>			<u>Company</u>	
Trade receivables	257,367	222,090	-	-
Amounts due from subsidiary companies	-	-	34,077,848	21,105,576
Other receivables	54,445	134,128	3,603	10,245
Prepayments and accrued income	924,629	980,987	65,366	44,513
Deferred tax asset (note 14)	-	-	16,990	16,990
VAT recoverable	77,105	33,959	-	-
	<u>1,313,546</u>	<u>1,371,164</u>	<u>34,163,807</u>	<u>21,177,324</u>

Amounts due from subsidiary companies are unsecured, interest free and repayable on demand. The total amount due from subsidiary companies at 30 June 2021 was £40,833,294 (2020: £42,416,453) of which £6,755,446 (2020: £20,393,789) has been fully provided against.

Giles W. Pritchard-Gordon & Co. Limited has provided assurance not to seek repayment of £25,285,264 (2020: £26,935,873) 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>Amounts falling due</u>		<u>Amounts falling due</u>	
	<u>within one year</u>		<u>after more than one year</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Bank overdraft	-	29,269	-	-
Bank loans	3,787,209	4,234,098	26,861,072	34,349,737
Amounts due on				
finance leases	867,227	1,418,495	-	969,557
Trade payables	2,650,887	2,670,295	-	-
Other taxation	87,655	59,844	-	-
Other payables	88,453	86,941	-	-
Accruals and deferred				
income	<u>929,025</u>	<u>6,054,944</u>	<u>-</u>	<u>-</u>
	8,410,456	14,553,886	26,861,072	35,319,294

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

Consolidated Financial Statements for the year ended 30 June 2021

Notes (Continued)

13. Trade and Other Payables (Continued)

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

	<u>2021</u> £	<u>Group</u> <u>2020</u> £
Between one and two years	3,787,210	5,203,654
Between two and five years	11,361,629	12,702,295
Over five years	11,712,233	17,413,345
	<u>26,861,072</u>	<u>35,319,294</u>

Bank loans amounting to £25,935,671 (2020: £32,890,245) 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 £870,792 and are payable between 28 September 2027 and 30 November 2029. An aggregate arrangement fee of £Nil (2020: £372,347) was paid on the drawdown date of these loans.

A bank loan amounting to £4,712,610 (2020: £5,693,590) 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 £10,707,008 (2020: £10,713,871) as at 30 June 2021. The loan is secured by a corporate guarantee provided by the parent company.

The minimum lease payments due within one year amount to £867,227 (2020: £1,536,096) and between one and five years amount to £Nil (2020: £981,871).

Company

	<u>2021</u> £	<u>Amounts falling due within one year</u> <u>2020</u> £
Amounts due to subsidiary companies	20,315,980	18,036,768
Trade payables	4,706	634
Other taxation	58,736	55,258
Other payables	1,464	1,908
Accruals and deferred income	34,157	39,306
	<u>20,415,043</u>	<u>18,133,874</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 2021

Notes (Continued)

14. Deferred Taxation

Group

	<u>2021</u> £	<u>2020</u> £
At 1 July	5,174,711	492,037
Credit for the year (note 8)	(915,759)	(222,866)
Movement on the freehold land valuation	-	4,905,540
	<u>4,258,952</u>	<u>5,174,711</u>
At 30 June		
Deferred taxation provided is as follows:		
	<u>2021</u> £	<u>2020</u> £
Tax effect of timing differences due to:		
Excess of capital allowances over depreciation	58,266	59,154
Trading losses carried forward	(1,154,128)	(979,351)
Revaluation of freehold land	5,354,814	6,094,908
	<u>4,258,952</u>	<u>5,174,711</u>

A deferred tax asset of £1,865,268 (2020: £1,328,427) 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 £21,350 (2020: £30,174) has been recognised in respect of excess depreciation over capital allowances.

A deferred tax asset of £1,571,644 (2020: £913,653) 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
and subsidiary companies**

Consolidated Financial Statements for the year ended 30 June 2021

Notes (Continued)

15. Share Capital

	<u>2021</u> £	<u>2020</u> £ Restated
Authorised, allotted, called up and fully paid: 10,000 ordinary equity shares of £1 each	10,000	10,000

During the year the company paid dividends of £942,000 (2020: £847,000) on the ordinary share capital of the company which represents £94.2 per share (2020: £84.7 per share).

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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	£	£	£	£
Interest rate swaps	(96,916)	(86,897)	(215,073)	(620,307)
Forward exchange contracts	190,650	(396,780)	78,124	(530,266)
	<u>93,734</u>	<u>(483,677)</u>	<u>(136,949)</u>	<u>(1,150,573)</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>2021</u> £	<u>2020</u> £
As at 1 July	(707,204)	(80,489)
Gain/(loss) on fair value	335,943	(612,306)
Currency translation differences	59,272	(14,409)
As at 30 June	<u>(311,989)</u>	<u>(707,204)</u>

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

Consolidated Financial Statements for the year ended 30 June 2021

Notes (Continued)

16. Derivative Financial Instruments (continued)

Interest rate swaps (continued)

Shown as:

	<u>2021</u> £	<u>2020</u> £
Current liabilities	(96,916)	(86,897)
Non-current liabilities	<u>(215,073)</u>	<u>(620,307)</u>
	<u>(311,989)</u>	<u>(707,204)</u>

Forward exchange contracts

In 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 July 2021 to December 2022.

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

	<u>2021</u> £	<u>2020</u> £
As at 1 July	(927,046)	(288,141)
Loss on fair value	<u>1,195,820</u>	<u>(638,905)</u>
As at 30 June	<u>268,774</u>	<u>(927,046)</u>

Shown as:

	<u>2021</u> £	<u>2020</u> £
Current liabilities	-	(396,780)
Non-current liabilities	<u>-</u>	<u>(530,266)</u>
	<u>-</u>	<u>(927,046)</u>

	<u>2021</u> £	<u>2020</u> £
Current assets	190,650	-
Non-current assets	<u>78,124</u>	<u>-</u>
	<u>268,774</u>	<u>-</u>

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

Consolidated Financial Statements for the year ended 30 June 2021

Notes (Continued)

17. Commitments

The minimum future lease rentals payable under non-cancellable operating leases as at 30 June 2021 are as follows:

	Charterparties		Land and building	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	£	£	£	£
Within one year	-	1,314,240	19,000	19,000
Between 2 and 5 years	-	679,569	61,008	76,000
More than 5 years	-	-	-	4,008
	<u>-</u>	<u>1,993,809</u>	<u>80,008</u>	<u>99,008</u>

The minimum future lease rentals receivable under non-cancellable operating leases as at 30 June 2021 are as follows:

	Charterparties	
	<u>2021</u>	<u>2020</u>
	£	£
Within one year	24,211,973	33,234,512
Between 2 and 5 years	28,392,123	42,044,367
More than 5 years	28,535,399	36,221,350
	<u>81,139,495</u>	<u>111,500,229</u>

The group has capital commitments relating to purchase of vessels at the completion of finance leases amounting to £723,903 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 (2020: £2,625)

No individual shareholder owns a controlling interest in the company.

19. Post Balance Sheet Event

On 11 November 2021, the Group sold its entire interest in a farm in Australia for an aggregate proceed of £23,713,000.

20. Analysis of Net Debt

	At 1 July <u>2020</u>	Cash <u>Flow</u>	Other non-cash <u>changes</u>	At 30 June <u>2021</u>
	£	£	£	£
Cash at bank	18,740,050	(11,720,144)	-	7,019,906
Overdraft	(29,269)	29,269	4,251,349	-
Loans	(38,853,835)	3,954,206	101,885	(30,648,280)
Finance leases	(2,388,049)	1,418,937	-	(867,227)
Derivative financial instruments (Note 16)	(1,634,250)	-	1,591,036	(43,214)
	<u>(24,165,353)</u>	<u>(6,317,732)</u>	<u>5,944,270</u>	<u>24,538,815</u>

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

Consolidated Financial Statements for the year ended 30 June 2021

Notes (Continued)

21. Preference shares

	<u>2021</u> £	<u>2020</u> £ Restated
1,200,000 redeemable cumulative preference shares of £1 each	<u>1,200,000</u>	<u>1,200,000</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 dividend is payable to the preference shareholder at an annual rate of 5%, based on the issued price. The preference shares are treated as liability and the dividends paid are recognised as interest expense. The directors do not expect these preference shares to be redeemed in the next twelve months.