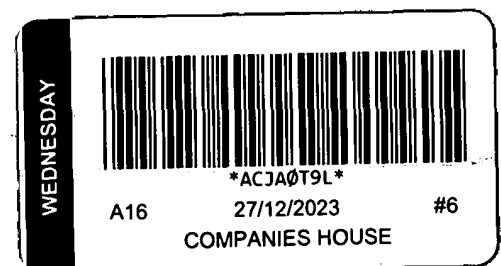


**GILES W. PRITCHARD-GORDON
& CO. LIMITED
AND SUBSIDIARY COMPANIES**

CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2023



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

Directors

A.C. Wingfield Digby
R.C.M. Aird
B.M. Stoop
H.O. Keane
N.P. Henry

Secretary and Registered Office

M.T. Lewis F.C.A.
North Lodge, Slaugham Park, Handcross, Haywards Heath, West Sussex, RH17 6BG

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 and a cattle ranch in the USA. 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 £11,593,089 in 2022 to £13,015,738 in 2023. This activity is expected to continue for the foreseeable future since the tanker market is strong. In terms of key performance indicators this represented a decrease in the gross profit ratio from 33.4% to 36.5%.

The shipping group generated a profit for the year after taxation of £1,604,258 compared to a profit of £8,282,362 in 2022. This was mainly as a result of vessel impairment in the period, compared to a reversal of an impairment charge in 2022.

At the reporting date, the shipping group maintained a cash position of £15,328,544 compared to £17,281,027 in 2022.

Business Review - Farming

Turnover generated by the group's farming interests has decreased in the year to £1,295,180 (2022: £3,495,507) due to sale of the entire Australian farm stock on sale of Tubbo Farm in the prior year, with a gross profit of £889,540 (2022: £1,178,416) recorded for the year under review.

The farming group recorded a loss after taxation for the year of £247,485 (2022: profit of £2,152,663), with the decrease mainly due to the sale of Tubbo Farm in the prior year.

**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.

War in Ukraine

The Company has assessed its potential exposure to the conflict in Ukraine and the economic sanctions imposed. Due to the location, structure and nature of operations, the Company is not considered to be materially exposed to the ongoing Russia and Ukraine conflict.

Key Performance Indicators

Due to currency fluctuations and the impact this has on the result of the Group, Management consider cash and cash equivalents to be the key performance indicator of the Group. The Group carefully manages its cash flows by following strict cash flow budgets and detailed long-term cash forecasting.

The Group has decreased its cash and cash equivalents balance from £22,392,926 to £16,210,706 in the year, with the decrease mainly as a result of the instalments paid on vessels under construction.

**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 reporting requirement is made in accordance with the 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 2021.

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 2022 the Board appointed Nicholas Henry as a non-executive director to chair the Board.

During the year, the Board has contracted to build two new vessels which are due to be delivered in 2025.

On behalf of the Board on 21 DECEMBER 2023



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 2023.

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 £892,000 (2022: £4,642,000).

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 16,745 tonnes (2022: 15,015 tonnes of CO₂ (71,823 kWh) (2022: 64,404 kWh) during the year. This equates to 139.3 kWh (2022: 125.0 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.

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 21 DECEMBER 2023



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 Group and Parent Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent 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 Group and Parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE 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 2023 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 2023 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 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 or 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.

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.

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

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

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 or the Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the 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.

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

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

We considered the significant laws and regulations to be Companies Act 2006, Corporate and VAT legislation, Employment Taxes, Health Safety and the Bribery Act 2010, as well as those related to the shipping and farming activities.

The Company/Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigation. We identified such laws and regulations to be Companies Act 2006, Corporate and VAT legislation, Employment Taxes, Health Safety and the Bribery Act 2010, as well as those related to the shipping and farming activities.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Assessment of work carried out by Management tax expert;
- Review of legal expenditure accounts to understand the nature of expenditure incurred

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
 - Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
 - Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
 - Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
 - Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
 - Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these;
- Based on our risk assessment, we considered the areas most susceptible to fraud to be recognition of shipping revenue, recognition of farming revenue, related party transactions and management override of controls.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for fees, including vessel and land valuations, cattle record numbers, the recoverability of related party balances and investment valuations

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

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

Downloaded by:
Cassie Forman-Kotsapa
NEEP00C0703FA

Cassie Forman-Kotsapa (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
21st December 2023

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 2023**

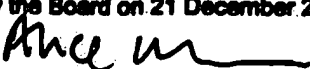
	<u>Note</u>	<u>2023</u> £	<u>2022</u> £
Turnover	2(c)	38,905,412	35,110,265
Cost of sales		<u>(23,000,134)</u>	<u>(21,888,116)</u>
Gross profit		13,905,278	13,222,149
Net operating expenses	3	<u>(13,043,164)</u>	<u>19,547</u>
Operating profit	4	862,114	13,241,698
Profit on derivative financial instrument	16	254,385	565,734
Investment income	5	635,626	60,354
Impairment of investments	10	(922,550)	(200,000)
Interest payable	6	<u>(2,133,766)</u>	<u>(1,354,457)</u>
(Loss)/Profit before Taxation		(1,304,191)	12,313,327
Taxation credit / (charge)	8	<u>188,838</u>	<u>(168,888)</u>
(Loss)/Profit after Taxation		<u>(1,115,353)</u>	<u>12,144,339</u>
Other Comprehensive Income			
Unrealised surplus on revaluation of non-current assets	9	707,831	8,106,558
Deferred tax on revaluation	14	-	(1,311,823)
Change in fair value of designated hedging instrument	16	238,300	(507,076)
Exchange gain/(loss) on translation		<u>363,969</u>	<u>(2,930,502)</u>
Total Comprehensive Income for the year		<u>194,747</u>	<u>15,501,498</u>

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

Consolidated Statement of Financial Position as at 30 June 2023

	<u>Note</u>	<u>£</u>	<u>2023</u>	<u>£</u>	<u>£</u>	<u>2022</u>	<u>£</u>
Fixed Assets							
Property, plant and equipment	9		95,085,112			94,932,781	
Investments	10		611,726			33,778	
Derivative financial instrument	16		351,925			247,947	
			<u>96,048,763</u>			<u>95,214,484</u>	
Current Assets							
Inventories	11	1,580,289		1,368,300			
Debtors	12	2,028,461		1,597,195			
Derivative financial instrument	16	144,618		19,822			
Cash and cash equivalents		<u>16,210,706</u>		<u>22,392,826</u>			
		19,964,074		25,378,243			
Creditors: amounts falling due within one year							
Trade and other creditors	13	(10,772,368)		(8,966,634)			
Derivative financial instruments	16	-		(238,300)			
		<u>(10,772,368)</u>		<u>(9,206,934)</u>			
Net Current Assets			<u>9,191,706</u>			<u>16,171,309</u>	
Total Assets Less Current Liabilities			105,240,469			111,385,783	
Creditors: Amounts falling due after more than one year							
Preference Shares	20		(1,200,000)			(1,200,000)	
Trade and other creditors	13		(21,039,551)			(26,333,360)	
Deferred taxation	14		(1,381,035)			(1,515,287)	
Total Assets Less Liabilities			<u>81,639,883</u>			<u>82,337,136</u>	
Capital and Reserves							
Share capital	15		10,000			10,000	
Revaluation reserve			18,999,503			19,847,100	
Cash flow hedge reserve	16		-			(238,300)	
Retained earnings			<u>62,630,380</u>			<u>62,918,336</u>	
Total Capital and Reserves			<u>81,639,883</u>			<u>82,337,136</u>	

Approved by the Board on 21 December 2023


A.C. WINGFIELD DIGBY
Director

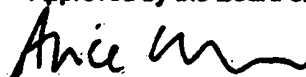
Company Number: 01138375

Giles W. Pritchard-Gordon & Co. Limited

Company Statement of Financial Position as at 30 June 2023

	Note	2023		2022	
		£	£	£	£
Fixed Assets					
Property, plant and equipment	9		154,413		45,348
Investments	10		<u>764,726</u>		<u>186,776</u>
			919,139		232,124
Current Assets					
Trade and other receivables	12	25,843,000		25,892,945	
Cash and cash equivalents		<u>37,182</u>		<u>4,018,944</u>	
		25,880,182		29,911,889	
Creditors: amounts falling due within one year					
Trade and other creditors	13	<u>(19,562,017)</u>		<u>(19,603,997)</u>	
Net Current Assets			<u>6,318,165</u>		<u>10,307,892</u>
Total Assets Less Current Liabilities			7,237,304		10,540,016
Creditors: Amounts falling due after more than one year					
Preference Shares	20		(1,200,000)		(1,200,000)
Total Assets Less Liabilities			<u>6,037,304</u>		<u>9,340,016</u>
Capital and Reserves					
Share capital	15		10,000		10,000
Retained earnings			<u>6,027,304</u>		<u>9,330,016</u>
Total Capital and Reserves			<u>6,037,304</u>		<u>9,340,016</u>
Net (Loss)/Profit for the Year			<u>(2,410,712)</u>		<u>1,048,300</u>

Approved by the Board on 21 December 2023


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 2023**

	<u>Note</u>	<u>2023</u> £	<u>2022</u> £
Cash Flow from Operating Activities			
(Loss)/Profit for the year		(1,115,353)	12,144,339
Adjustments for:			
Depreciation of property plant and equipment	9	7,854,176	6,430,544
(Reversal of impairment) of property, plant and equipment	9		
		200,801	(8,804,767)
Impairment of investments	10	922,550	200,000
Exchange differences		420,628	(276,427)
Interest payable		2,133,768	1,354,457
Investment income		(635,628)	(60,354)
Gain on derivative financial instrument		(254,385)	(565,736)
Taxation (credit) / charge		(188,838)	168,988
Profit on sale of fixed assets	4	(83,311)	(2,097,443)
Movement in trade receivables		(431,912)	(284,661)
Movement in trade payables		2,107,627	792,658
Movement in inventories		(211,989)	1,048,658
Taxation paid		(117,990)	(4,190,023)
Cash from operations		<u>10,599,944</u>	<u>5,860,233</u>
Cash flows from investing activities			
Interest received	5	635,628	60,354
Purchase of investments	10	(1,500,500)	(200,000)
Purchase of property, plant and equipment	9	(7,498,297)	(2,232,588)
Proceeds on sale of property, plant and equipment		83,311	21,346,818
Net cash (used in) / from investing activities		<u>(8,280,860)</u>	<u>18,974,584</u>
Cash flows from financing activities			
Repayment of loan		(4,348,114)	(3,968,785)
Interest paid on loan		(2,073,768)	(1,285,390)
Capital element of finance lease payments		-	(876,294)
Equity dividends paid	15	(892,000)	(4,642,000)
Preference dividends paid	20	(60,000)	(60,000)
Net cash flow used in financing activities		<u>(7,373,880)</u>	<u>(10,832,469)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(5,054,796)</u>	<u>14,002,348</u>
Cash and cash equivalents at beginning of year		22,392,926	7,019,906
Exchange (loss)/gain on the cash and cash equivalent		(1,127,424)	1,370,672
Cash and Cash equivalents at end of year		<u>16,210,706</u>	<u>22,392,926</u>

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

Consolidated Statement of Changes in Equity
For the year ended 30 June 2023 (Continued)

	Share Capital £	Retained Earnings £	Revaluation Reserve £	Cash flow Hedge Reserve £	Total £
As at 30 June 2022	10,000	62,916,336	19,647,100	(238,300)	82,337,136
Loss for the year	-	(1,116,353)	-	-	(1,116,353)
Revaluation	-	-	707,831	-	707,831
Change in fair value of designated hedging instrument	-	-	-	238,300	238,300
Reserve transfer	-	1,355,426	(1,355,426)	-	-
Exchange gain	-	363,689	-	-	363,689
Total Other Comprehensive Income	-	1,719,397	(647,597)	238,300	1,310,100
Total Comprehensive Income	-	604,044	(647,597)	238,300	194,747
Distributions to owners	-	-	-	-	-
Dividends (note 15)	-	(882,000)	-	-	(882,000)
As at 30 June 2023	10,000	62,630,390	18,999,503	-	81,639,893

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

**Company Statement of Changes in Equity
For the year ended 30 June 2023**

	Share Capital £	Retained Earnings £	Total £
As at 30 June 2021	10,000	12,923,716	12,933,716
Profit for the year	-	1,048,300	1,048,300
Dividends (note 15)	-	(4,842,000)	(4,842,000)
	<hr/>	<hr/>	<hr/>
As at 30 June 2022	10,000	9,330,016	9,340,016
Loss for the year	-	(2,410,712)	(2,410,712)
Dividends (note 15)	-	(892,000)	(892,000)
	<hr/>	<hr/>	<hr/>
As at 30 June 2023	10,000	6,027,304	6,037,304

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

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Consolidated Financial Statements for the year ended 30 June 2023

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 North Lodge, Slaughtam Park, Handcross, Haywards Heath, West Sussex, RH17 6BG.

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 the Group and Parent Company will continue to operate for a foreseeable future. The Group and Parent Company are aware of the risks of higher interest rates and high rates of inflation and consider taking appropriate action at suitable times. The Directors continually monitor the situation. 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.

(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 2023

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) 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.

Consolidated Financial Statements for the year ended 30 June 2023

Notes (Continued)

2. Principal Accounting Policies (Continued)

(g) 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 recognition is made for inventories of lubricants, deck, engine and cabin stores and provisions remaining on board the vessels at the reporting date.

(h) Trade debtors

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

(i) Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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 revised amount is also released to retained earnings. Differences between the depreciation calculated based on the historical cost and the revised 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 change 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.

Consolidated Financial Statements for the year ended 30 June 2023

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.

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 had 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.

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 disclosures 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.

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 timing 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.

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

Consolidated Financial Statements for the year ended 30 June 2023

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>2023</u> £	<u>2022</u> £
Depreciation, amortisation and impairment, net	8,054,739	(2,374,223)
Profit on sale of fixed assets	(83,311)	(2,097,443)
Administration expenses	4,651,108	4,728,546
Exchange loss/(gain)	420,628	(276,427)
	<u>13,043,164</u>	<u>(19,547)</u>

4. Operating Profit

	<u>2023</u> £	<u>2022</u> £
The operating profit is stated after charging/(crediting):		
Depreciation of fleet - owned	5,990,916	4,523,576
- leased	-	16,018
Depreciation of other assets	1,863,222	1,890,950
Impairment	200,601	(8,804,767)
Government grants received	(9,332)	(11,000)
Auditors' remuneration - audit of financial statements	114,000	104,775
- other services in respect of taxation	-	12,530
Operating lease rentals	19,000	19,000
Profit on disposal of non-current assets	(83,311)	(2,097,443)

5. Investment Income

	<u>2023</u> £	<u>2022</u> £
Interest receivable	<u>635,626</u>	<u>60,354</u>

6. Interest Payable

	<u>2023</u> £	<u>2022</u> £
On bank loans	2,073,766	1,285,390
On finance leases	-	9,067
On preference share	60,000	60,000
	<u>2,133,766</u>	<u>1,354,457</u>

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

Consolidated Financial Statements for the year ended 30 June 2023

Notes (Continued)

7. Directors and Employees

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

	<u>2023</u> £	<u>2022</u> £
Wages and salaries	6,640,253	6,205,784
Social security costs	362,347	381,685
Pension contributions	<u>106,846</u>	<u>102,907</u>
	<u>7,109,446</u>	<u>6,690,376</u>

Directors' emoluments for the year amounted to:

Emoluments (including benefits in kind)	972,502	1,118,669
Pension contributions	<u>2,839</u>	<u>2,839</u>
	<u>975,341</u>	<u>1,121,508</u>

The emoluments of the highest paid director were:

Emoluments (including benefits in kind)	<u>473,618</u>	<u>467,007</u>
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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>2023</u>	<u>2022</u>
Farming	7	7
Shipping	74	67
Administration	<u>36</u>	<u>36</u>
	<u>117</u>	<u>110</u>

8. Taxation

(a) Analysis of charge/(credit) for the year	<u>2023</u> £	<u>2022</u> £
Current taxation		
Corporation tax	-	3,199,971
Double taxation relief	-	(3,199,971)
Overseas taxation	<u>(34,576)</u>	<u>4,138,944</u>
Total current taxation	<u>(34,576)</u>	<u>4,138,944</u>
Deferred taxation credit (note 14)	<u>(154,262)</u>	<u>(3,969,956)</u>
	<u>(188,838)</u>	<u>168,988</u>

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

Consolidated Financial Statements for the year ended 30 June 2023

Notes (Continued)

8. Taxation (Continued)

(a) Analysis of credit for the year (continued)

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 £ 9,863 (2022: £8,967) 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.

Factors that may affect the future tax charge

The main rate of UK corporation tax in the year was 20.5%. During the year, legislation was enacted to increase the standard corporation tax rate from 19% to 25% on 1 April 2023. The change in tax rate has had minimal impact on the company and group.

(b) Factors affecting the tax credit for the year

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

	<u>2023</u> £	<u>2022</u> £
(Loss)/Profit before tax	<u>(1,304,191)</u>	<u>12,313,327</u>
Expected tax charge at 20.5% (2022: 19%)	(267,259)	2,339,531
Effects of:		
Expenditure not deductible for tax purposes	(49,838)	292
Short term timing differences	(67,131)	(6,785)
Loss not taxable under UK corporation tax but under UK tonnage tax regime	(328,873)	(1,573,649)
Other non-taxable income	190,050	(500,475)
Profit on disposal of fixed asset	-	(292,200)
Overseas taxation	(34,576)	4,138,944
Losses used during the year	-	(41,892)
Losses carried forward	523,051	75,178
Timing difference (note 14)	<u>(154,262)</u>	<u>(3,969,956)</u>
Current tax (credit) / charge for year (note 8(a))	<u>(188,838)</u>	<u>168,988</u>

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

Consolidated Financial Statements for the year ended 30 June 2023

Notes (Continued)

9. Property, Plant and Equipment

(a) Group

	<u>Vessels under construction</u> £	<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 2022	-	119,709,477	3,662,904	17,672,986	3,473,150	144,518,517
Additions	4,566,483	-	2,441,291	352,762	138,761	7,499,297
Disposals	-	-	(1,655,462)	(213,588)	(56,608)	(1,925,658)
Revaluation	-	707,831	-	-	-	707,831
At 30 June 2023	<u>4,566,483</u>	<u>120,417,308</u>	<u>4,448,733</u>	<u>17,812,160</u>	<u>3,555,303</u>	<u>150,799,987</u>
Depreciation and amortisation						
At 1 July 2022	-	41,537,238	1,750,874	2,893,362	3,404,282	49,585,756
Charge for the year	-	5,990,916	1,721,699	111,392	30,169	7,854,176
Disposals	-	-	(1,655,462)	(213,589)	(56,607)	(1,925,658)
Impairment	-	612,857	-	-	-	612,857
Impairment reversal	-	(412,256)	-	-	-	(412,256)
At 30 June 2023	<u>-</u>	<u>47,728,755</u>	<u>1,817,111</u>	<u>2,791,165</u>	<u>3,377,844</u>	<u>55,714,875</u>
Net book value						
At 30 June 2023	<u>4,566,483</u>	<u>72,688,553</u>	<u>2,631,622</u>	<u>15,020,995</u>	<u>177,459</u>	<u>95,085,112</u>
At 30 June 2022	<u>-</u>	<u>78,172,239</u>	<u>1,912,030</u>	<u>14,779,624</u>	<u>68,868</u>	<u>94,932,761</u>

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

Consolidated Financial Statements for the year ended 30 June 2023

Notes (Continued)

9. Property, Plant and Equipment (Continued)

Farms and farm equipment include freehold land and buildings with a net book value of £13,136,983 (2022: £13,137,507).

Vessels with a net book value of £43,066,153 (2022: £45,083,992) and freehold land and buildings with a net book value of £13,136,983 (2022: £13,137,507) have been pledged as security for long term bank loans (note 13).

The vessels were revalued as at 30 June 2023 at replacement cost, based on a valuation performed by Affinity Valuations Limited, an independent shipbroker.

The freehold land in Wyoming was revalued at 30 June 2022 on an open market basis by Theo B Hirshfeld, a State of Wyoming Certified General Appraiser qualified independent valuer. It has not been revalued this year.

The freehold land in the UK was revalued at 30 June 2022 on an open market basis by Marcus Grimes, a qualified independent valuer. No independent valuation was carried out at 30 June 2023 as management believe the value of the freehold land has not changed since 30 June 2022.

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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	£	£	£	£
Cost	110,453,953	110,453,953	2,357,964	2,357,964
Accumulated depreciation and provision for impairment	<u>(46,303,229)</u>	<u>(44,257,674)</u>	<u>(1,627,692)</u>	<u>(1,614,122)</u>
Net book value	<u>64,150,724</u>	<u>66,196,279</u>	<u>730,272</u>	<u>743,842</u>

(b) <u>Company</u>	<u>Motor Vehicles</u>	<u>Computer Equipment</u>	<u>Office Equipment</u>	<u>Total</u>
	£	£	£	£
Cost				
At 1 July 2022	140,077	50,723	53,405	244,205
Additions	135,304	-	-	135,304
Disposals	<u>(55,906)</u>	<u>-</u>	<u>-</u>	<u>(55,906)</u>
At 30 June 2023	<u>219,473</u>	<u>50,723</u>	<u>53,405</u>	<u>323,601</u>
Depreciation				
At 1 July 2022	140,072	31,397	27,388	198,857
Charge for the year	8,382	6,372	11,484	26,238
Disposals	<u>(55,907)</u>	<u>-</u>	<u>-</u>	<u>(55,907)</u>
At 30 June 2023	<u>92,547</u>	<u>37,769</u>	<u>38,872</u>	<u>169,188</u>
Net book value				
At 30 June 2023	<u>126,926</u>	<u>12,954</u>	<u>14,533</u>	<u>154,413</u>
At 30 June 2022	<u>5</u>	<u>19,326</u>	<u>26,017</u>	<u>45,348</u>

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

Consolidated Financial Statements for the year ended 30 June 2023

Notes (Continued)

10. Investments

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Shares in group undertakings	-	-	153,000	153,000
Other investments	611,726	33,776	611,726	33,776
	<u>611,726</u>	<u>33,776</u>	<u>764,726</u>	<u>186,776</u>

Movement in investments in the year is as follows:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
At 1 July	33,776	33,776	186,776	186,776
Additions	1,500,500	200,000	1,500,500	200,000
Provisions against investment	(922,550)	(200,000)	(822,550)	(200,000)
At 30 June	<u>611,726</u>	<u>33,776</u>	<u>764,726</u>	<u>186,776</u>

Consolidated Financial Statements for the year ended 30 June 2023

Notes (Continued)

10. Investments

The company holds the following investments:

Company Name	Country of Incorporation	Proportion Held Directly	Proportion Held Indirectly	Principal Activities
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
Heavy Lift Projects Limited	Scotland	22.5%	-	Heavy lifting equipment

The Sussex Cattle Company's result for the year was £Nil (2022: £Nil) and net assets at 30 June 2023 were \$489 (2022: \$489). 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 2022 was a profit of £44,946 (2021: profit £747) and net assets at 31 October 2022 were £203,777 (2021: £158,831).

The investment in Heavy Lift Projects 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 period from 13 January 2022 to 31 December 2022 was a loss of £37,371 and net assets at 31 December 2022 were £2,763,193. An impairment of £922,550 has been recognised as at 30 June 2023.

On 15 March 2022 the Company acquired £100,000 of shares in Britannia's Gold Limited and acquired £100,000 in loan notes in BGL Neptune Limited which had conversion rights. Due to the performance of the operations subsequently, the full investment cost of £200,000 has been impaired. N.P. Henry, a director of the Company, is also a director of Britannia's Gold Limited and BGL Neptune Limited.

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

Consolidated Financial Statements for the year ended 30 June 2023

Notes (Continued)

11. Inventories

<u>Group</u>	<u>2023</u> £	<u>2022</u> £
Tenant rights	454	454
Livestock	1,489,417	1,274,110
Gravel	70,815	74,133
Pedigree herd	19,603	19,603
	<u>1,580,289</u>	<u>1,388,300</u>

12. Trade and Other Debtors

	<u>2023</u> £	<u>2022</u> £	<u>2023</u> £	<u>2022</u> £
	<u>Group</u>		<u>Company</u>	
Trade debtors	273,479	570,457	213	-
Amounts due from subsidiary companies	-	-	25,785,761	25,815,588
Other debtors	52,864	56,036	3,669	-
Prepayments and accrued income	1,633,885	929,798	45,081	43,875
Deferred tax asset (note 14)	-	-	5,545	30,911
Corporation tax	32,375	646	-	-
VAT recoverable	35,858	40,258	2,731	2,571
	<u>2,028,481</u>	<u>1,597,195</u>	<u>25,843,000</u>	<u>25,892,945</u>

Amounts due from subsidiary companies are unsecured, interest free and repayable on demand. The total amount due from subsidiary companies at 30 June 2023 was £33,142,700 (2022: £33,169,235) of which £7,356,939 (2022: £7,356,939) has been fully provided against.

Giles W. Pritchard-Gordon & Co. Limited has provided assurance not to seek repayment of £28,308,310 (2022: £28,345,893 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 Creditors

<u>Group</u>	<u>Amounts falling due within one year</u>		<u>Amounts falling due after more than one year</u>	
	<u>2023</u> £	<u>2022</u> £	<u>2023</u> £	<u>2022</u> £
Bank loans	4,115,198	4,308,013	21,039,551	26,333,360
Trade creditors	1,746,424	2,911,249	-	-
Other taxation	-	-	-	-
Corporation tax	61,752	172,830	-	-
Other creditors	123,857	95,994	-	-
Accruals and deferred income	4,725,137	1,480,548	-	-
	<u>10,772,368</u>	<u>8,968,634</u>	<u>21,039,551</u>	<u>26,333,360</u>

**Giles W. Pritchard-Gordon & Co. Limited
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Consolidated Financial Statements for the year ended 30 June 2023

Notes (Continued)

13. Trade and Other Creditors (Continued)

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

	<u>2023</u> £	<u>Group</u> <u>2022</u> £
Between one and two years	4,115,198	4,308,013
Between two and five years	11,474,242	12,924,040
Over five years	5,450,112	9,101,307
	<u>21,039,552</u>	<u>26,333,360</u>

Bank loans amounting to £20,612,155 (2022: £25,540,087) 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 SOFR plus an average margin of 3.98%. The loans have total quarterly repayments of £946,207 and are payable between 28 September 2027 and 30 November 2029.

A bank loan amounting to £4,542,594 (2022: £5,101,285) is repayable in quarterly instalments over twenty years and carries interest of SOFR 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 £13,136,883 (2022: £13,137,507) as at 30 June 2023. The loan is secured by a corporate guarantee provided by the parent company.

Company

	<u>2023</u> £	<u>Amounts falling due within one year</u> <u>2022</u> £
Amounts due to subsidiary companies	19,445,826	19,498,560
Trade payables	6,320	8,646
Other taxation	61,751	60,888
Other payables	3,084	572
Accruals and deferred income	45,036	35,331
	<u>19,562,017</u>	<u>19,603,997</u>

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

**Giles W. Pritchard-Gordon & Co. Limited
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Notes (Continued)

14. Deferred Taxation

Group

	<u>2023</u> £	<u>2022</u> £
At 1 July	1,515,297	4,258,952
Credit for the year (note 8)	(154,262)	(3,969,956)
Foreign exchange movement	-	(85,522)
Movement on the freehold land valuation	-	1,311,823
At 30 June	<u>1,361,035</u>	<u>1,515,297</u>

Deferred taxation provided is as follows:

	<u>2023</u> £	<u>2022</u> £
Tax effect of timing differences due to:		
Excess of capital allowances over depreciation	188,007	75,342
Trading losses carried forward	(1,771,247)	(1,504,320)
Revaluation of freehold land	<u>2,944,275</u>	<u>2,944,275</u>
	<u>1,361,035</u>	<u>1,515,297</u>

A deferred tax asset of £ 2,324,831 (2022: £1,770,287) 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.

A deferred tax rate of 25% has been used to determine the deferred tax balance (2022: 25%).

Company

A deferred tax asset of £5,545 (2022: £30,911) has been recognised in respect of excess depreciation over capital allowances. A deferred tax rate of 25% has been used to determine the deferred tax balance (2022: 25%).

A deferred tax asset of £2,136,970 (2022: £1,570,535) 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.

15. Share Capital

	<u>2023</u> £	<u>2022</u> £
Authorised, allotted, called up and fully paid: 10,000 ordinary equity shares of £1 each	<u>10,000</u>	<u>10,000</u>

During the year the company paid dividends of £892,000 (2022: £4,642,000) on the ordinary share capital of the company which represents £89.2 per share (2022: £464.2 per share).

**Giles W. Pritchard-Gordon & Co. Limited
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Notes (Continued)

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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Interest rate swaps	144,618	19,822	351,925	247,947
Forward exchange contracts	-	(238,300)	-	-
	<u>144,618</u>	<u>(218,478)</u>	<u>351,925</u>	<u>247,947</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 and SOHR e 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>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
As at 1 July	267,769	(311,989)
Gain on fair value	254,385	565,734
Currency translation differences	(25,611)	14,024
As at 30 June	<u>496,543</u>	<u>267,769</u>

Forward exchange contracts

In 2020, the group entered into a number of forward exchange contracts to hedge the volatility in exchange rates. The forward currency contracts were 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 ranged from July 2022 to December 2022.

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

	<u>2023</u>	<u>2022</u>
	<u>£</u>	<u>£</u>
As at 1 July	(238,300)	268,776
Loss/(gain) on fair value	238,300	(507,076)
As at 30 June	<u>-</u>	<u>(238,300)</u>

**Giles W. Pritchard-Gordon & Co. Limited
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Notes (Continued)

17. Commitments

The minimum future lease rentals payable under non-cancellable operating leases as at 30 June 2023 are as follows:

	Land and building	
	2023	2022
	£	£
Within one year	19,000	19,000
Between 2 and 5 years	23,008	42,008
	<u>42,008</u>	<u>61,008</u>

The minimum future lease rentals receivable under non-cancellable operating leases as at 30 June 2023 are as follows:

	Charterparties	
	2023	2022
	£	£
Within one year	34,729,670	32,713,342
Between 2 and 5 years	33,707,035	36,341,673
More than 5 years	22,600,157	28,065,300
	<u>91,036,862</u>	<u>97,120,515</u>

The group has capital commitments relating to the purchase of vessels under construction amounting to £41,055,612 (2022: £Nil).

18. Related Party Transactions and Controlling Party

In addition to directors emoluments for the year disclosed in note 7 and balances due to and from the Company per note 12 and 13, the Group has the following related party transactions:

No individual shareholder owns a controlling interest in the company. Each shareholder received dividends in the year in proportion to shareholding.

19. Analysis of Net Debt

	At 1 July 2022 £	Cash Flow £	Other non-cash changes £	At 30 June 2023 £
Cash at bank	22,392,926	(5,054,796)	(1,127,424)	16,210,706
Loans	(30,641,374)	4,348,114	1,138,511	(25,154,749)
Derivative financial instruments (Note 16)	29,469	-	467,074	496,543
	<u>(8,218,979)</u>	<u>(706,682)</u>	<u>478,161</u>	<u>(8,447,500)</u>

Giles W. Pritchard-Gordon & Co. Limited
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Notes (Continued)

20. Preference shares

	2023	2022
	£	£
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.