Company Registration No. 03221116

Wheatsheaf Group Limited

Annual report and financial statements

For the year ended 31 December 2020

Wheatsheaf Group Limited

Contents

Wheatsheaf Group Limited

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Dr Clive D Morris
Mark R Preston
J Stephan Dolezalek
Anthony W S James
Kevin M Lane
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Katrin Burt
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Geoffrey M Chadwick

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Wheatsheaf Group Limited

Strategic report

The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006. This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Wheatsheaf Group Limited and its subsidiary undertakings when viewed as a whole.

Review of the business, future developments, and key performance indicators

The Group is an international investor in food and agriculture businesses. Our purpose is to rethink and re-shape how food is grown, produced, distributed, and consumed. We manage a portfolio of over 20 businesses, and partner with like-minded companies and people to understand the complex interconnectedness of our agricultural ecosystem, to manage its effects, and enhance human health, our environment and enable producers to thrive. Adopting a far-sighted perspective, we aim to develop innovative business models and harness the insights and power of technology to identify, develop and scale up lasting solutions.

The Group and its portfolio companies responded to the challenges created by the Covid-19 pandemic, pivoting their businesses to continue to provide a commercial and social benefit. For example, PrecisionLife, which develops AI analytics tools which interpret complex genomics data and other influences to provide better understanding of how foods, medicines and healthcare can improve peoples' lives, identified 68 genes associated with a higher risk of developing a severe illness from Covid-19.

In line with expectations and the business' long-term strategy, as well as a result of a high level of investment, the Group reported an operating loss of £49,220,000 (2019 – £35,738,000), and a loss before taxation of £33,336,000 (2019 – £47,164,000).

Continuing operations turnover includes a six-month period of nutrient recovery and fertiliser product turnover from Ostara Nutrient Recovery Technologies Inc. ("Ostara"), a producer of plant activated fertilisers that improves crop performance and reduces run-off polluting waterways, after the company became a wholly owned subsidiary in July 2020.

The total capital employed for the Group increased by £64,096,000 to £294,126,000 as a result of the post-tax loss of £33,385,000, other comprehensive expenses of £4,390,000, a non-distributable investment gain of £1,914,000, non-controlling interest acquisition costs of £135,000 and a call on previously issued share capital of £100,092,000. Wheatsheaf is one of the most active investment teams in the food and agriculture sector. In 2020, the Group made six new portfolio company investments and provided further funding to twelve existing portfolio companies.

The Directors are committed to growing and developing the Group into a business of significance, working together with our companies to bring innovative and sustainable solutions to food and agriculture scaling up their reach to deliver a lasting commercial and social benefit.

We are one of the largest and longest established investment teams in the sector. In addition to specialist skills in food and agriculture, we bring together expertise in the fields of farm and land management; corporate finance; investment management; investor relations; veterinary, medicine and pharmaceuticals and rural and urban property development. This knowledge, alongside a progressive programme of industry research provides our companies with active and valuable engagement to support growth and development.

The Directors acknowledge that the Group may continue to record annual losses in the short term. This is in line with our business' strategy and does not affect our growth prospects. The Directors believe that the Group remains strongly positioned for the future, and that there is a clear and achievable strategy in place.

Wheatsheaf Group Limited

Strategic report (continued)

Review of the business, future developments, and key performance indicators (continued)

Wheatsheaf Group Limited monitors the overall performance and the key performance indicators of each of its investments. The main turnover generating subsidiary companies during the year were: Grosvenor Farms Limited, producer of high-quality, nutritious, milk and cereal grains, farming sustainably to benefit animal welfare and enhance the environment; Ostara Nutrient Recovery Technologies Inc.; and Vytelle LLC, who combines integrated monitoring systems which enable producers to identify their elite performing beef and dairy cattle with its unique reproductive technologies, to fast forward genetic progress by matching traits with improved outcomes.

Grosvenor Farms

During the year ended 31 December 2020, the dairy unit at the farm has expanded. The herd has increased by 7% to 2,576 cows at the year-end providing an average milk yield of 12,437 litres per cow per annum. In contrast, wheat yield has decreased by 3.12 tonnes to 6.46 tonnes per hectare, reflecting the comparatively benevolent weather conditions in 2019.

Vytelle

Vytelle's performance in 2020 continued to improve, with Vytelle Advance (IVF) achieving 49% revenue growth on 2019 and a 73% year on year growth in embryo production with 51,000 embryos produced in 2020. Vytelle Sense (hardware and analytics) recognised a 15% year on year revenue growth and a 43% year on year increase in total contract values.

Ostara

During the year ended 31 December 2020 Ostara focused on increasing production capacity and started to see the benefits of efforts to reduce costs of goods sold. By the end of December 2020, the company was achieving 70 tons of throughput per day (2019 - average 40 tons per day). Upgrades to the company's equipment are planned which are expected to significantly accelerate throughput.

Investment review

Investments and intercompany amounts are tested for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may exceed the recoverable amount. In assessing whether the carrying values are impaired the net assets of the investment and the business plans for each company are considered.

Following a review of the recoverable net assets in the underlying businesses of the Group it was considered that certain investments and intercompany amounts would be subject to impairment. For Wheatsheaf Group Limited (company only) impairment provisions have been made against the investment in and intercompany loan to Ozo Innovations Limited, a developer of systems that transform salt and cold water into a powerful cleaning and disinfection solution, of £11,285,000 and the intercompany loan to OWS Agri Limited of £171,000. Impairment provisions were partially reversed for Ostara of £1,357,000 and Deva Group Limited of £435,000.

Investments made by the Group during the year deployed over £98m of capital on 22 equity and loan transactions.

As part of the €10,000,000 that the Company has previously committed to the Zouk Capital LLP Renewable Energy and Environmental Infrastructure Fund II, the Company invested €800,000 into this fund during the year.

On 31 January 2020, the Group acquired a further 0.4% interest in impact farming business Shared-X LLC.

On 3 February 2020, the Group subscribed to a convertible promissory note in TemperPack Technologies Inc., the leading manufacturer of sustainable thermal insulation for home deliveries of perishable foods and temperature-sensitive medicines. On 23 July 2020, the promissory note plus interest was converted and at the same time the Group invested further, resulting in a total shareholding of 10.1%.

Wheatsheaf Group Limited

Strategic report (continued)

Review of the business, future developments, and key performance indicators (continued)

Investment review (continued)

On 4 February 2020, the Company made a follow-on investment in new shares in ethical grocer Farmdrop Limited and previously acquired warrants were exercised. As a result, the Company's interest in the shares of Farmdrop Limited increased by 24.5% to 38.1% and Farmdrop Limited became an associate. On 18 May 2020, the Company invested further increasing the Company's shareholding to 39.8%. On 5 November 2020, the Company made a further follow-on investment in Farmdrop Limited by subscribing to a convertible loan note.

On 11 February 2020, the Company made a follow-on investment by subscribing to a convertible loan note in the livestock management and software business AgriWebb Pty Ltd. On 18 December 2020, the convertible loan note converted and on the same date the Company sold a 1.4% shareholding as part of a larger fundraise to two incoming third-party investors. The Company's shareholding post transactions decreased from 34.7% to 32%.

On 4 March 2020, 29 June 2020 and 22 December 2020, the Company made follow-on investments in insect-based protein and oils for use as ingredients in animal feeds business Enterra Feed Corporation, resulting in a final shareholding of 35%.

On 20 March 2020, the Company follow-on invested in Ostara Nutrient Recovery Technologies Inc. for a pro rata shareholding. Following further investments, the Company acquired full ownership of Ostara Nutrient Recovery Technologies Inc. on 7 July 2020.

On 8 June 2020, the Company invested in Buymie Technologies Limited, Ireland's leading same-day grocery delivery company, acquiring a shareholding of 16.8%.

On 6 July 2020, the Group invested in Trace Genomics Inc., a soil diagnostics company pioneering the use of soil microbiology, genomics, and data science to improve agricultural outcomes, acquiring a 4.4% shareholding.

On 3 August 2020 and 23 October 2020, the Group invested in Benson Hill Inc., the US food technology company whose innovative platforms enable producers and growers to accelerate plant breeding, developing and commercialising healthier, better tasting foods and ingredients that are more sustainable, acquiring a total shareholding of 5.9%.

On 18 December 2020, the Group invested in Silvec Biologics, Inc., a company developing new approaches to addressing disease across tree, vine and bush species, acquiring a 2.1% shareholding.

On 30 December 2020, the Company invested in Oxbury Bank Plc, a specialist agricultural bank, acquiring a 6.4% shareholding.

Wheatsheaf Group Limited

Strategic report (continued)

Group reconstruction

During the year, the Group undertook an ownership restructure to better align the overseas ownership of a sub-group of entities. Two wholly owned subsidiaries, domiciled in Canada and the United States, were transferred from direct UK to direct US ownership. On 23 June 2020, the Company transferred its 100% direct shareholding in its subsidiary Wheatsheaf Group Canada Limited to another 100% directly owned subsidiary, Vytelle Holdings Inc., in consideration for the issuance of new shares from Vytelle Holdings Inc. On 24 June 2020, the Company transferred all of its shares held in Vytelle Holdings Inc. to another 100% directly owned subsidiary, Wheatsheaf Group US Inc. in consideration for the issuance of new shares from Wheatsheaf Group US Inc. Because the group restructure did not alter either the identity or the relative rights of the ultimate shareholder, the group reconstruction was accounted for by using the merger accounting method under FRS 102.19. Although the Company did not legally transfer Vytelle Holdings Inc. until 24 June 2020, the Company only financial statements are presented, in accordance with merger accounting, as though Vytelle Holdings Inc. and as such Wheatsheaf Group Canada Limited, were directly owned by Wheatsheaf Group US Inc. from 1 January 2019. As a result, the investment impairment of £10,170,000 in relation to Wheatsheaf Group Canada Limited recognised in the Company only profit and loss account for 2019 has been removed from the reserves of the Company. All consolidated results remain unchanged.

Events after the balance sheet date

Details of significant investments since the balance sheet date are contained in note 28 to the financial statements.

Principal risks and uncertainties

The management of the businesses and the execution of the Group's strategy are subject to risks. The key business risks and uncertainties affecting the members of the Group are noted below.

Global economy

Adverse changes in the global economy or in individual countries can have a negative impact upon the performance of portfolio companies. This risk is mitigated by geographic diversification of the Group's investments, (currently operating in 34 countries), as well as investing across a range of sub-sectors aligned to the Group's purpose.

Technology

Several businesses within the portfolio use new technologies and are facing the challenges associated with the commercialisation of nascent technology. The risk to the future success of the business predominantly arises from demonstrating proof of concept in a commercial context, while managing the expenditure of the business. The risk is mitigated by regular monitoring of progress against business plans and keeping in close contact with the management team of each business.

People

The Group takes considerable care in recruiting, retaining and developing its people. A range of development opportunities exist for people to undertake tailored training, mentoring and secondment opportunities.

Succession planning is overseen by the Board through HR committees as part of the Strategic People Agenda. Compensation is benchmarked annually against the market, with particular attention given to the lower paid and legislative requirements. The Group rewards loyalty, excellence, and effort in line with Grosvenor Estate values.

Wheatsheaf Group Limited

Strategic report (continued)

Principal risks and uncertainties (continued)

Changing consumer preferences

Food demands are strongly influenced by changing global patterns and related consumer expectations, as well as increasingly socio/environmental expectations. Applying our expertise with a far-sighted perspective and a longstanding approach of preparing for the short-term but planning with a longer-term view means we are well positioned to ensure our investment portfolio continues to be aligned with future changes and trends in food production, supply chain and consumption. We recognise that performance could be negatively affected if our investment portfolio fails to align to changes in food consumption or our portfolio companies fail to respond appropriately to consumer perceptions around the health implications of certain food products. The risk is mitigated through diversification of exposure to food categories, close monitoring of consumer trends and by supporting portfolio companies to better communicate the benefits of their products.

Commodity price volatility

Demand for the products and services provided by our portfolio companies is influenced by the availability of capital across the food system, which in turn can be negatively impacted by volatile food commodity prices. We mitigate this risk through portfolio diversification and by encouraging our portfolio companies, where applicable, to employ hedging strategies in relation to commercial commodity transactions.

Biosecurity and agriculture

The agricultural businesses manage the risk of disease outbreak by the maintenance of bio-security policies and the adoption of stringent health and welfare practices including quarantine, veterinary surveillance, vaccination, and routine health checks. The use of market intelligence and forward selling reduces the risk presented by volatile world commodity markets.

Agricultural and breeding businesses are also at risk from competitors gaining an advantage from new technological developments. This risk is mitigated by the continuing review of existing technologies, ongoing research and investment into new areas.

Competition

An increase in the allocation of global capital towards investment into the food and agribusiness sector could negatively affect the Group's ability to achieve strategic investments at reasonable valuations. The risk is mitigated by the Group's ongoing strategy to expand and strengthen relationships with both strategic co-investors and major multi-national food and agriculture organisations. Furthermore, through seed and venture investment activity the Group is proactively identifying new investment targets with the aim of engaging before such targets commence wider fundraising processes.

Exit from European Union

The Group saw no discernible impact during the year on operations arising from the UK's exit from the European Union (the 'EU') on 31 January 2020. The Group continues to monitor closely the risk and potential for operational or financial impacts arising from the trade arrangements the UK has concluded with effect from 1 January 2021 and those currently in negotiations with other countries. The most likely risks for the Group are linked to the future cost of trade in food and agricultural goods and services, the free movement of EU labour, currency volatility and the potential for changes to agricultural and environmental policy. The Company is confident that due to its diverse portfolio of investments which are predominantly based across the UK, Europe and North America, the immediate risk is adequately mitigated.

Wheatsheaf Group Limited

Strategic report (continued)

Principal risks and uncertainties (continued

Legislation

Changes to government policy and legislation can affect the trading results of investments. This risk is particularly prominent in the agriculture industry, which has high levels of regulation and upon which changes in legislation can have a significant impact. This risk, heightened in the context of post-Brexit uncertainty, is managed by proactively monitoring legislation and evaluating the impact that changes in legislation might have prior to investment.

Covid-19 pandemic

The global pandemic, Covid-19, presents a number of different risks to the business. Firstly, the pandemic poses a risk to the health and safety of employees both at Wheatsheaf and across our portfolio. We mitigate this by encouraging and enabling employees to work effectively from home and by following appropriate national guidance on maintaining Covid-safe working environments in readiness for a return to office working. Secondly, restrictions upon travel could impede business effectiveness. This could lead to weakening of business relationships and an inability to efficiently originate and execute new investments. We mitigate these risks through ensuring employee access to remote working software and services at their home. Finally, our portfolio companies may continue to face supply chain disruptions and difficulty collecting from customers or other counterparties which could negatively affect operating cash flow and liquidity. We mitigate this risk through regular monitoring of portfolio cash needs and additional cash stress tests.

The pandemic has accelerated emerging trends resulting in increased demand within several sectors, including food retail, healthcare, and commercial hygiene services. The impact has been sustained beyond the initial lockdown period, due to increased desirability and convenience of online food offerings and the continued level of vigilance in hygiene and sanitation. The Directors continue to monitor the situation.

Strategic and operational management of non-wholly owned investment businesses within the Group remains under the control and governance of the Boards of those entities, who are accountable for business performance, risk management and funding requirements, without drawing on the Group's resources. In kind with other businesses affected by Covid-19, two non-wholly owned subsidiaries within the Group, DB Group (Holdings) Limited and Ozo Innovations Limited, furloughed a number of employees during the course of 2020. In respect of DB Group (Holdings) Limited no employees remained furloughed at 31 December 2020. The companies received a total of £275,000 from the Coronavirus Job Retention Scheme introduced during the pandemic by the UK Government. DB Group (Holdings) Limited also availed themselves of another initiative of the UK Government to defer payment for Value Added Tax in respect of the March 2020 quarter. The relevant amount was subsequently paid in 2021. A third non-wholly owned subsidiary Global Fresh Foods Inc. dba BluWrap received a $73,000 Payroll Protection Loan via HSBC plc. The rationale for the companies utilising these initiatives was to provide liquidity during an uncertain time in the economy.

Wheatsheaf Group Limited

Strategic report (continued)

Statement of Compliance with section 172 of Companies Act 2006

Throughout 2020, the Directors have performed their duty to promote the success of the Company under section 172, taking consideration of:

- Issues, factors and stakeholders relevant in complying with section 172(1)(a) to (f);
- Main methods used to engage with stakeholders and to understand issues to which they must have regard; and
- The effect of such issues on the Company's decisions and strategies during the financial year.

Context for decision making

The Group is part of the Grosvenor Estate, whose activities beyond food and agriculture also comprise Grosvenor Group, an internationally diversified urban property company, financial investments, the management of rural estates and support for the initiatives of The Duke of Westminster's charitable foundation. Wheatsheaf Group shares the Grosvenor Estate's purpose for its activities to deliver lasting commercial and social benefit, contributing to the economic, social, and environmental wellbeing of the communities of which it is a part. This approach is wholeheartedly supported by the Board and the Company's shareholders who judge the success of the business on both measures of commercial returns and the positive impact that its activities have on the communities and the environment in which it operates.

Adopting such an outlook requires that internal and external stakeholders be identified, and their interests considered in making decisions. This approach also creates a culture by which the Board takes all appropriate measures to ensure that the way business is done meets the highest standards of corporate conduct. The Board believes that this approach leads to enhanced shareholder value.

Strategic approach

To further ensure the Directors meet their duties as set out in section 172, including the consideration of stakeholder groups, the Board agenda throughout the year includes consideration of five-year Group strategic plans and targets. Regular Board meetings include focus on various aspects of the strategic plan, including both commercial and social outcomes, health and safety, people, industry insights, capital allocation and portfolio performance.

Governance structures

The Board's Investment Committee, Remuneration Committee and Audit Committee complement the Board's activities through deeper interrogation and consideration of relevant matters and the associated impact on stakeholders. In addition they provide fora for challenging the Executive Directors on, for example, investment proposals, reward mechanisms and effective risk management.

In addition to the Group Board meetings, the Executive Directors are invited to attend regular portfolio company board meetings. Feedback from those meetings is presented and discussed at the Group Board meetings and considered in the Group Board's decision-making processes.

An annual meeting consisting of the Company's shareholders provides an opportunity for the Company to engage with its shareholders, present strategic objectives and receive challenge on performance against social and commercial value creation. This meeting also provides an opportunity to ensure that decision making in the coming year is aligned to shareholder interests and longer-term strategy.

Ultimately Board decisions are taken based on what it considers to be in the best interest of the long-term financial success of the Company, whilst considering all stakeholders including its shareholders, employees, portfolio businesses, co-investors, customers and suppliers. The social and environmental impact of decisions are also actively considered as appropriate.

Wheatsheaf Group Limited

Strategic report (continued)

Statement of Compliance with section 172 of Companies Act 2006 (continued)

Stakeholder relationships and engagement

The Board is clear that the Group must maintain a reputation for high standards of business conduct. The Group operates as a values-led business, promoting its core values of integrity, respect and trust all of the time – with employees, co-investors, portfolio companies, customers, suppliers and wider society, helping the Group to continue to earn a strong reputation and enhance its brand.

Enacting long-term success and permanence of positive change requires combined awareness and effort within and across stakeholder groups. The Group encourages the establishment and maintenance of constructive stakeholder relationships in the portfolio companies. It is important that our businesses are conscious and proactive in their relationships with stakeholders, aspiring to be exemplary corporate entities aware of the outcomes of their activities across their stakeholder network. Each operating company in the Group is responsible for managing their key business relationships with suppliers and customers. Policies are set for how relationships should be managed including policies on anti-bribery and corruption, anti-money laundering, the UK Modern Slavery Act and the UK Criminal Finances Act.

All staff are briefed and consistently reminded of the expected values and conduct we seek to uphold.

Social and environmental impact

Our aim is to rethink and help reshape a better food system: one that improves human health, our environment and that enables producers to thrive. The Group has a leadership role to play in harnessing and accelerating these broader outcomes across its operations and investment portfolio. Beyond financial returns, the Group is active in validating its direct impact on natural and social capital. A Wheatsheaf impact framework has been developed which monitors metrics identified as most meaningful to improving the environmental and social impact of the global and agriculture industry.

The Group's commitment to social capital focuses on fostering employment opportunities and leaving positive marks on communities. Natural capital impact reporting acknowledges the Group's impact on natural environments whilst advancing solutions to protect, preserve and enhance it. The Wheatsheaf impact framework also allows us to monitor the Group's contribution towards the UN's Sustainable Development Goals.

For example, the Group actively pursues opportunities to reduce global food and agriculture emissions. Tackling the detrimental impact of food production and agriculture on the environment is an increasingly important element of a commercially viable business. The Group actively seeks investments that increase both production and distribution efficiency. Carbon emissions data across supply chains is gathered from the portfolio businesses, to assess high potential abatement and sequestration opportunities.

The Group also seeks and invests in opportunities to transition supply chains away from reliance on plastic. Worldwide plastic production is growing annually, the resultant plastic pollution not only causes injuries and deaths in marine species but threatens human food safety and quality, coastal tourism and contributes negatively to climate change. Accelerating the availability of high-quality plastic alternatives and requiring our portfolio companies to execute recycling best practice is one of our priorities.

Approved and authorised for issue by the Board of Directors on 29 June 2021

and signed on its behalf by

Anthony James

Anthony W S James

Director

Wheatsheaf Group Limited

Directors' report

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 December 2020.

Details of future developments, principal risks and uncertainties and events that have occurred after the balance sheet date can be found in the strategic report on pages 2 to 9 and form part of this report by cross-reference.

Going concern

After making enquiries, including consideration of the Group budget, and in view of the positive cash balance the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the next 12 months from the date of this report. When assessing going concern, the Directors note that less than 20% of the available funds at 31 December 2020 of £104.1m is committed expenditure for investments and operating costs. All future non-committed investments are entirely discretionary and would only be undertaken if there are sufficient funds available. Thus, it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

Financial risk management

The Group's activities expose it to financial risks including credit risk, liquidity and cash flow risk and foreign exchange risk. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The Group does not use derivative financial instruments for speculative purposes.

Credit risk

The risk that counterparties will be unable to pay amounts in full when they fall due is mitigated by proactive credit control in relation to trade receivables and by ensuring that investment holdings are kept with counterparties with appropriate credit ratings. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity and cash flow risk

The risk that cash may not be available to pay obligations when they fall due. The Group has put in place appropriate financial and cash flow management structures so that it is able to anticipate demand for cash and meet obligations as they arise.

Foreign exchange risk

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates. The Group monitors changes in foreign currency exchange rates and uses a Group treasury function to ensure the best exchange rate is secured for upcoming transactions. It is the Group's policy to not use foreign exchange forward contracts to hedge exposure.

Results and dividends

The results for the year are set out in the consolidated profit and loss account on page 18. The loss for the year after taxation was £33,385,000 (2019 – £46,920,000). The Directors do not recommend the payment of a dividend (2019 - £nil).

The Group is a low energy user using less than 40,000 KwH of energy in the year and is therefore exempt from disclosing energy and carbon information.

Wheatsheaf Group Limited

Directors' report (continued)

Directors

The membership of the Board, who served throughout the year and to the date of this report except as noted, were as follows:

F Alexander Scott	
Graham P Ramsbottom	
William B Kendall	
Dr Clive D Morris	
Mark R Preston	
J Stephan Dolezalek	
Anthony W S James	
Kevin M Lane	
Montell Bayer	(appointed 6 February 2020)
Katrin Burt	(appointed 6 February 2020)
Peter J Kristensen	(appointed 6 February 2020)
Fiona J Emmett	(appointed 14 July 2020)

Employees

The Directors recognise the importance of good communications and relations with the Group's employees and place considerable value on informing them on matters affecting them as employees and seeking their input. Each part of the Group maintains employee relations appropriate to its own particular needs and environment.

Full and fair consideration is given to applications by disabled persons for employment. Disabled employees and those who become disabled are afforded the same training, career development and promotion opportunities as other staff. We aim to attract and retain the most talented people from a diverse range of backgrounds, cultures and experiences, by creating an environment that empowers our people to grow, deliver and excel. This includes:

- blind recruitment process for entry level positions;
- providing feedback and talent development opportunities that ensure our employees get the best out of their careers;
- supporting our people's wellbeing and offering a balanced approach to work; and
- ensuring equal opportunities for all via development, an effective reward strategy and transparency in promotions.

Employees are provided with information on matters of interest and concern to them, including financial and economic factors affecting the performance of the business, through a variety of channels, ranging from face-to-face briefings from leadership on business performance and key issues to regular news updates via various digital means. During the year, formal 360 assessments have been conducted at the Group level resulting in tailored development plans.

Wheatsheaf does not operate any employee share scheme, but it encourages employees' involvement through its bonus schemes and short and long-term incentive plans, which are linked to the performance of the business.

Wheatsheaf Group Limited

Directors' report (continued)

Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

(a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(b) the Director has taken all reasonable steps that he/she ought to have taken to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being put in place for them to be deemed reappointed in the absence of an Annual General Meeting.

Approved and authorised for issue by the Board of Directors
and signed on its behalf by

Geoffrey M Chadwick

Company Secretary

29 June 2021

Wheatsheaf Group Limited

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 Group, and of the profit or loss of the Group for that year. 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 a 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Wheatsheaf Group Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Wheatsheaf Group Limited (the 'parent company') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 31.

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 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. 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 the members of Wheatsheaf Group 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.

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered 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.

We considered the nature of the Group's sector and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

Independent auditor's report to the members of Wheatsheaf Group Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We discussed among the audit engagement team including significant component audit teams regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Carrying value of investments and goodwill - We have assessed the design and implementation of controls around reviewing investments and goodwill for impairment, preparation of valuation models and the impairment review process. We have challenged management's assessment of the carrying amount by testing the calculations, challenging the assumptions used to prepare them and performing sensitivity analysis.
- We presume a risk of fraud related to management override.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and 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 of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

Independent auditor's report to the members of Wheatsheaf Group Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Heather Crosby BSc ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom

29 June 2021

Wheatsheaf Group Limited

Consolidated profit and loss account
Year ended 31 December 2020

	Note	Continuing operations 2020 £'000	Discontinued operations 2020 £'000	Total 2020 £'000	Continuing operations (as restated*) 2019 £'000	Discontinued operations (as restated*) 2019 £'000	Total 2019 £'000
Turnover	3	28,933	-	28,933	22,208	2,272	24,480
Cost of sales		(21,865)	-	(21,865)	(12,367)	(651)	(13,018)
Gross profit		7,068	-	7,068	9,841	1,621	11,462
Administrative expenses		(58,233)	-	(58,233)	(35,937)	(12,903)	(48,840)
Other operating income	5	1,945	-	1,945	1,640	-	1,640
Operating loss		(49,220)	-	(49,220)	(24,456)	(11,282)	(35,738)
Profit on disposal of operations		616	-	616	-	-	-
Share of results of jointly controlled entities	16	(185)	-	(185)	(235)	(406)	(641)
Share of results of associates	15	(16,224)	(2,205)	(18,429)	(8,804)	(18,137)	(26,941)
Profit on derecognition of associate	13	-	31,801	31,801	-	5,737	5,737
Profit on derecognition of jointly controlled entity		-	-	-	-	8,077	8,077
Fair value gain on investments	24	1,699	-	1,699	1,406	-	1,406
Finance income (net)	4	382	-	382	791	145	936
(Loss)/profit before taxation	5	(62,932)	29,596	(33,336)	(31,298)	(15,866)	(47,164)
Tax on (loss)/profit	8	(49)	-	(49)	244	-	244
(Loss)/profit for the year		(62,981)	29,596	(33,385)	(31,054)	(15,866)	(46,920)

*the restatement in 2019 restates the share of results of associates for Ostara Nutrient Recovery Technologies Inc. (£16,457,000) as discontinued operations as the company became a wholly owned subsidiary of Wheatsheaf Group Limited in 2020 and as such is no longer presented as an associate.

Wheatsheaf Group Limited

Consolidated statement of comprehensive income
Year ended 31 December 2020

	2020 £'000	2019 £'000
Loss for the financial year	(33,385)	(46,920)
Currency translation difference on foreign currency net investments	(3,526)	189
Remeasurement of net defined benefit liability (note 23)	(1,067)	185
Movement in deferred tax relating to pension deficit (note 22)	203	(35)
Other comprehensive (expense)/income	(4,390)	339
Total comprehensive expenditure	(37,775)	(46,581)

Loss for the year attributable to:		
Non-controlling interest	(2,433)	(3,695)
Equity shareholders of the Company	(30,952)	(43,225)
	(33,385)	(46,920)

Total comprehensive expenditure for the year attributable to:		
Non-controlling interest	(2,425)	(3,687)
Equity shareholders of the Company	(35,350)	(42,894)
	(37,775)	(46,581)

Wheatsheaf Group Limited

Balance sheets
As at 31 December 2020

	Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Fixed assets					
Goodwill	10	54,930	33,244	-	-
Other intangible assets		7,430	4,304	-	-
	10	62,360	37,548	-	-
Tangible assets	11	22,115	22,266	68	93
Investments					
Subsidiary undertakings	12	-	-	148,441	109,501
Other fixed asset investments	14	70,407	56,721	29,289	49,533
Associates	15	32,481	17,242	41,818	31,121
Jointly controlled entities	16	4,149	4,102	4,958	4,958
		191,512	137,879	224,574	195,206
Current assets					
Stocks	17	9,909	6,529	-	-
Debtors – due within one year	18	9,672	7,349	77,792	37,703
Debtors – due after more than one year	18	791	760	60	8
Current asset investments	19	71,372	56,278	71,372	56,278
Cash at bank and in hand		32,714	32,663	26,279	25,326
		124,458	103,579	175,503	119,315
Creditors: amounts falling due within one year	20	(16,019)	(6,635)	(25,767)	(27,444)
Net current assets		108,439	96,944	149,736	91,871
Total assets less current liabilities		299,951	234,823	374,310	287,077
Creditors: amounts falling due after more than one year	21	(3,794)	(4,487)	(1,728)	(2,936)
Provisions for liabilities	23	(2,031)	(306)	(319)	(41)
Net assets		294,126	230,030	372,263	284,100
Capital and reserves					
Called-up share capital	26	88,121	88,121	88,121	88,121
Share premium account	26	298,553	198,461	298,553	198,461
Investment revaluation reserve	26	(2,304)	1,230	-	-
Merger capital reserve	26	22,372	21,937	22,372	21,937
Profit and loss account	26	(110,838)	(80,366)	(36,783)	(24,419)
Shareholders' funds		295,904	229,383	372,263	284,100
Non-controlling interest		(1,778)	647	-	-
Total capital employed		294,126	230,030	372,263	284,100

The loss for the financial year dealt with in the financial statements of the parent Company was £11,924,000 (2019 – loss of £27,058,000).

These financial statements of Wheatsheaf Group Limited, with company registration number 03221116, were approved and authorised for issue by the Board of Directors on 29 June 2021.

Signed on behalf of the Board of Directors

Anthony James

Anthony W S James (Director)

Wheatsheaf Group Limited

Consolidated statement of changes in equity
As at 31 December 2020

	Equity attributable to equity shareholders of the Company							
	Called-up share capital £'000	Share premium account £'000	Investment revaluation reserve £'000	Merger capital reserve £'000	Profit and loss account £'000	Total £'000	Non-controlling interest £'000	Total £'000
At 1 January 2019	88,121	198,461	1,049	19,842	(41,612)	265,861	1,938	267,799
Loss for the financial year	-	-	-	-	(43,225)	(43,225)	(3,695)	(46,920)
Currency translation difference on foreign currency net investments	-	-	181	-	-	181	8	189
Remeasurement of net defined benefit liability	-	-	-	-	185	185	-	185
Movement in deferred tax relating to pension	-	-	-	-	(35)	(35)	-	(35)
Total comprehensive expense	-	-	181	-	(43,075)	(42,894)	(3,687)	(46,581)
Remeasurement of equity attributable to shareholders	-	-	-	-	(2,997)	(2,997)	(489)	(3,486)
Non-distributable investment gain	-	-	-	-	9,413	9,413	-	9,413
Acquisition of subsidiary	-	-	-	-	-	-	2,885	2,885
Transfer between reserves	-	-	-	2,095	(2,095)	-	-	-
At 31 December 2019	88,121	198,461	1,230	21,937	(80,366)	229,383	647	230,030
Loss for the financial year	-	-	-	-	(30,952)	(30,952)	(2,433)	(33,385)
Currency translation difference on foreign currency net investments	-	-	(3,534)	-	-	(3,534)	8	(3,526)
Remeasurement of net defined benefit liability (note 23)	-	-	-	-	(1,067)	(1,067)	-	(1,067)
Movement in deferred tax relating to pension (note 22)	-	-	-	-	203	203	-	203
Total comprehensive expense	-	-	(3,534)	-	(31,816)	(35,350)	(2,425)	(37,775)
Share capital call	-	100,092	-	-	-	100,092	-	100,092
Non-distributable investment gain (note 15)	-	-	-	-	1,914	1,914	-	1,914
Acquisition costs	-	-	-	-	(135)	(135)	-	(135)
Transfer between reserves (note 12)	-	-	-	435	(435)	-	-	-
At 31 December 2020	88,121	298,553	(2,304)	22,372	(110,838)	295,904	(1,778)	294,126

Wheatsheaf Group Limited

Company statement of changes in equity
As at 31 December 2020

	Called-up share capital £'000	Share premium account £'000	Merger capital reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2019	88,121	198,461	19,842	4,601	311,025
Loss for the financial year	-	-	-	(27,058)	(27,058)
Remeasurement of net defined benefit liability	-	-	-	164	164
Movement in deferred tax relating to pension	-	-	-	(31)	(31)
Total comprehensive expense	-	-	-	(26,925)	(26,925)
Transfer between reserves	-	-	2,095	(2,095)	-
At 31 December 2019	88,121	198,461	21,937	(24,419)	284,100
Loss for the financial year	-	-	-	(11,924)	(11,924)
Remeasurement of net defined benefit liability (note 23)	-	-	-	(6)	(6)
Movement in deferred tax relating to pension (note 23)	-	-	-	1	1
Total comprehensive expense	-	-	-	(11,929)	(11,929)
Share capital call	-	100,092	-	-	100,092
Transfer between reserves	-	-	435	(435)	-
At 31 December 2020	88,121	298,553	22,372	(36,783)	372,263

Wheatsheaf Group Limited

Consolidated cash flow statement
Year ended 31 December 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Net cash flows from operating activities	27		(24,305)		(21,468)
Cash flows from investing activities					
Proceeds from sale of tangible and intangible fixed assets		456		648	
Purchase of intangible fixed assets		(3,414)		(408)	
Purchase of tangible fixed assets		(3,280)		(4,955)	
Interest received		131		776	
Acquisition of investment in associates		(21,487)		(6,838)	
Receipts from sale of associate and other fixed asset investments		23,207		2,436	
Purchases of fixed asset investments		(43,686)		(4,430)	
Acquisition of subsidiary undertaking		(16,300)		(11,707)	
Acquisition costs		(135)		-	
Cash acquired with subsidiary undertakings		4,109		4,873	
Net cash flows from investing activities			(60,399)		(19,605)
Cash flows from financing activities					
Interest paid		(94)		(97)	
Repayments of borrowings		(30)		(98)	
Movement on obligations under finance leases		(174)		(104)	
Proceeds on call of issued shares		100,092		-	
Net cash flows from financing activities			99,794		(299)
Taxation					
Taxation received			55		34
Net increase/(decrease) in cash and cash equivalents			15,145		(41,338)
Cash and cash equivalents at beginning of year			88,941		130,279
Cash and cash equivalents at end of year			104,086		88,941
Reconciliation to cash at bank and in hand:					
Cash at bank and in hand			32,714		32,663
Cash equivalents			71,372		56,278
Cash at bank and in hand			104,086		88,941

Wheatsheaf Group Limited

Notes to the financial statements
Year ended 31 December 2020

1. Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the previous year.

a. *General information and basis of accounting*

Wheatsheaf Group Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2016 and is registered in England and Wales. The address of the registered office is shown on page 1.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the strategic report on pages 2 to 9.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Wheatsheaf Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

Wheatsheaf Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

For the year ended 31 December 2020 the following wholly-owned subsidiaries of the Company, which were consolidated at 31 December 2020, claimed exemption from audit under Section 479A of the Companies Act 2006.

Subsidiary Name	*Companies House Registration Number*
Deva Group Limited	3671671
Deva Developments Limited	10943743
Grosvenor Green Energy Limited	4056262

b. Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

c. Going concern

The financial statements have been prepared using the going concern basis of accounting as described in the Directors' report on pages 10 to 12.

1. Significant accounting policies (continued)

d. Intangible assets – goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight-line basis over its useful economic life, which varies between 5 and 10 years depending on the type of business invested into. Provision is made for any impairment.

e. Other intangible assets

Intangible fixed assets are stated at cost less aggregate amortisation, and provision for impairment, and are amortised on a straight-line basis so as to spread their cost over their expected useful economic lives, being three to five years for internally generated software, five to seven years for licences, three to seven years for other acquired intangibles and 10 years for intellectual property.

Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date.

f. Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and provision for impairment. Depreciation is provided at the following annual rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life or, if held under a finance lease, over the lease term, whichever is shorter.

Buildings	- 2%
Leasehold property and improvements	- 2-10%
Plant and equipment	- 4-50%

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Depreciation is not provided on assets under the course of construction or freehold land.

Biological assets are measured using the cost model. The assets at year-end comprise a dairy herd, representing cows used for milk production, the components of which are depreciated on a straight-line basis to write off the asset over the expected useful life of 3.5 years, with a residual value of £500.

g. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

1. Significant accounting policies (continued)

g. Financial instruments (continued)

(i) Financial assets and liabilities (continued)

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transactions) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the Company balance sheet, investments (including investments in associates and jointly controlled entities) are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value only of the shares issued plus fair value of other consideration. Any premium is ignored.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iv) Convertible loan notes

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured.

1. Significant accounting policies (continued)

g. Financial instruments (continued)

(iv) Convertible loan notes

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on their relative fair values at the date of issue. The portion relating to the equity component is charged directly against equity. Where the financial liability component meets the criteria in (i) above, the finance costs of the financial liability are recognised over the term of the debt using the effective interest method. If those criteria are not met, the financial liability component is measured at fair value through profit or loss.

(v) Derivative financial instruments

The Group has financial derivatives that relate to its investment activities. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

(vi) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

h. Associates and jointly controlled entities

In the Group financial statements investments in associates and jointly controlled entities are accounted for using the equity method. Investments are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss and other comprehensive income of the investment. Goodwill arising on the acquisition is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment.

In the Company financial statements investments in associates and jointly controlled entities are accounted for at cost less impairment.

i. Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost includes materials, direct labour and an attributable proportion of production overheads. Cost is calculated using a standard costing or FIFO (first-in, first-out) method. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Provision is made for obsolete, slow-moving or defective items where appropriate.

j. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

1. ***Significant accounting policies (continued)***

j. Impairment of assets (continued)

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGU') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

k. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

1. Significant accounting policies (continued)

k. Taxation (continued)

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (not payable) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be recovered (not payable) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

l. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

1. Significant accounting policies (continued)

m. Dividend and interest revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

n. Research and development expenditure

Research expenditure is written off as incurred. Development expenditure is also written off, except where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit. This period is between three and five years. Provision is made for any impairment.

o. Employee benefits

Defined benefit scheme

Wheatsheaf Group Limited participates in a defined benefit plan that shares risks between entities under common control. A stated policy is in place for charging the net defined benefit cost of the defined benefit plan, as a whole measured in accordance with FRS 102, to individual group entities. FRS 102 requires that the Group recognises the net defined benefit cost of the defined benefit plan so charged.

The amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

Defined contribution schemes

The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

1. Significant accounting policies (continued)

p. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity in the investment revaluation reserve.

q. Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. UK government grants received in the Group subsidiaries under the Coronavirus Job Retention Scheme introduced during the Covid19 pandemic are presented as other operating income within profit or loss. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

r. Leases

The Group as lessor

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

The Group as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Notes to the financial statements (continued)
Year ended 31 December 2020

2. *Critical accounting judgements and key sources of estimation uncertainty*

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Business combinations – critical judgement

The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity. The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive it is recognised as goodwill and if negative, it is recognised in the profit and loss account.

Evaluation of levels of control and influence – critical judgement

The determination of the level of influence the Group has over a business is often a mix of contractually defined and subjective factors that can be critical to the appropriate accounting treatment of entities in the consolidated financial statements. Control or influence is achieved through Board representation and by obtaining rights of veto over significant actions.

Where the Group holds less than 20% of the equity of an entity, the investment is generally treated as an other fixed asset investment. These other fixed asset investments are carried at market value where market prices are available. Where quoted market prices in an active market are not available, and where fair value cannot be reliably measured, unquoted equity instruments are measured at cost less impairment.

Where the Group owns between 20% and 50% of the equity of an entity and is in a position to exercise significant influence over the entity's operating and financial policies, the entity is treated as either a joint venture or an associate. Equally, where the Group holds a substantial interest (but less than 20%) in an entity and has the power to exert significant influence over its operations, it is treated as a joint venture or an associate.

Where the Group has the power to control the operations of an entity, and it has less than 50% of the equity, the entity is treated as a subsidiary when required.

Impairment of goodwill and investments – key source of estimation uncertainty

Goodwill and investments are tested for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may exceed the recoverable amount, for example due to changes in technological, market, economic or legal environments or a deterioration in the economic performance of the asset.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £56,901,000 (2019 - £33,244,000).

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of goodwill and investments – key source of estimation uncertainty

In assessing whether investment carrying values are impaired the recoverable net assets in the underlying investment and the business plans for each company are considered. The Group performs impairment reviews when required to determine an estimated recoverable value of the asset. Methods used in impairment reviews include assessing the market value in recent transactions, or a projection of cash flows based upon industry growth expectations and a suitable discount rate. For the year ended 31 December 2020, an impairment of £8,035,000 was made against an investment in a subsidiary of the Company to reflect the estimated recoverable value of the investment. On consolidation the investment impairment is reversed and an impairment of £1,971,000 is allocated to the carrying value of the goodwill. In addition, an impairment provision was partially reversed against an investment in a subsidiary of the company of £1,357,000, reflecting a revision to the estimated recoverable amount of the investment.

Derivative financial assets – key source of estimation uncertainty

Determining the fair value of derivative financial assets requires the use of the Black Scholes model for valuing options. This volatility rate used is subjective for private companies; in determining the appropriate rate comparable volatility rates for listed companies have been used. The fair value of the derivative relating to equity investments is valued by determining the financial impact for each of the differing outcomes, assigning a probability to each outcome and summing the products of the probability and the financial impact. The carrying amount of derivative financial assets at the balance sheet date was £794,000 (2019 - £799,000).

3. Turnover

An analysis of the Group's turnover by class of business is set out below:

Turnover:	2020 £'000	2019 £'000
Farming and breeding products	16,825	14,709
Construction material	5,978	6,212
Controlled environmental sterilisation solutions	1,792	3,559
Nutrient recovery & fertiliser products	4,338	-
	28,933	24,480

An analysis of the Group's turnover by geographical market is set out below:

	2020 £'000	2019 £'000
United Kingdom	17,409	16,257
Rest of Europe	674	80
North America	10,163	6,800
Australia	111	13
Rest of the world	576	1,330
	28,933	24,480

3. Turnover (continued)

An analysis of the Group's turnover is as follows:

	2020 £'000	2019 £'000
Sale of goods	24,652	18,472
Rendering of services	2,281	3,918
Rental income	100	110
Government subsidies	635	651
Royalties	1,265	1,329
	28,933	24,480

Government subsidies represent amounts received in respect of the Single Payment Scheme, which is the main agricultural subsidy scheme in the EU.

4. Finance income (net)

	2020 £'000	2019 £'000
Interest payable and similar expenses	(94)	(97)
Investment income	476	1,033
	382	936

Investment income

	2020 £'000	2019 £'000
Income from fixed asset investments:		
Loans receivable from group undertakings	315	257
Other loans receivable	-	30
Other interest receivable and similar income	161	746
	476	1,033

Interest payable and similar expenses

	2020 £'000	2019 £'000
Loan interest	(94)	(97)

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

5. (Loss)/profit before taxation

	2020 £'000	2019 £'000
(Loss)/profit before taxation is stated after charging/(crediting):		
Amortisation of goodwill and other intangibles (note 10)	12,958	7,578
Impairment of goodwill and other intangibles	3,863	259
Depreciation of tangible fixed assets (note 11)	3,514	2,475
Loss on disposal of fixed assets	77	1,207
Loss on disposal of intangible assets written off	70	105
Profit on derecognition of associate (note 13)	(31,801)	(5,737)
Profit on derecognition of jointly controlled entity	-	(8,077)
Profit on partial disposal of associate	616	-
Operating lease rentals	1,884	1,615
Rents receivable	(454)	(532)
Dividends received	(640)	(515)
Foreign exchange losses/(gains)	3,167	1,019
Fair value losses on listed investments including foreign movements (note 14)	1,346	578
Fair value gains on other assets held at fair value	(3,045)	(1,984)
Cost of stock recognised as an expense	14,534	7,744
Research and development	942	1,706
Government grants	(60)	(307)
Other operating income*	(1,945)	(1,640)

Amortisation and impairment of intangible assets, including goodwill, is included in administrative expenses.

* Other operating income includes UK government grants received in the Group subsidiaries under the Coronavirus Job Retention Scheme (£275,000) introduced during the Covid-19 pandemic.

	2020 £'000	2019 £'000
The analysis of auditor's remuneration is as follows:		
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	143	122
Fees payable to the Company's auditor and its associates for other services to the Group:		
The audit of the Company's subsidiaries	34	39
Total audit fees	177	161
Non-audit fees:		
Other assurance work	-	-

Fees payable to the Company's auditor and its associates for non-audit services to the Company are not required to be disclosed because the consolidated statements are required to disclose such fees on a consolidated basis.
No services were provided pursuant to contingent fee arrangements.

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

6. Staff numbers and costs

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Employee costs during the year, including Executive Directors:				
Wages and salaries	20,181	17,593	3,180	3,029
Social security costs	1,895	1,615	531	359
Pension costs included within operating costs:				
Defined benefit schemes	1,029	820	381	334
Defined contribution schemes (note 29)	598	362	103	85
	23,703	20,390	4,195	3,807

	Group		Company	
	2020	2019	2020	2019
	Number	Number	Number	Number
Average monthly number of employees by business, including Directors:				
Farming and breeding products	122	99	-	-
Controlled environmental sterilisation solutions	59	102	-	-
Construction material	64	70	-	-
Nutrient recovery & fertiliser products	26	-	-	-
Holding companies	26	23	23	21
	297	294	23	21

7. Directors' remuneration

	2020 Total	2020 Highest paid Director	2019 Total	2019 Highest paid Director
	£'000	£'000	£'000	£'000
Emoluments	3,231	808	1,980	864
Company contributions to money purchase pension schemes	97	10	40	10
Sums paid to third parties in respect of Directors' services	200	-	116	-
	3,528	818	2,136	874

	2020	2019
	Number	Number
Number of Directors who are members of the defined benefit and defined contribution pension schemes	5	3

7. Directors' remuneration (continued)

The accrued pension entitlement of the highest paid Director under the defined benefit scheme was £14,488 (2019 - £10,840). There is no accrued lump sum.

Certain Directors are remunerated for their services across the Grosvenor Estate by The Fourth Duke of Westminster's 1964 Trust or receive a Trustee Fee. For Directors remunerated by a Grosvenor Trust it is not practical to allocate the remuneration of the Directors between their services as Directors of Wheatsheaf Group Limited and their services as Directors of other entities (2019 – same).

8. Tax on loss

The tax credit comprises:	2020 £'000	2019 £'000
Current tax on loss		
UK corporation tax	24	(132)
Overseas tax	17	7
Adjustments in respect of prior periods	1	(6)
Total current tax	42	(131)
Deferred tax		
Origination and reversal of timing differences	15	(145)
Effect of decrease in tax rate on opening liability	-	(3)
Adjustments in respect of prior years	(8)	35
Total deferred tax (see note 22)	7	(113)
Total tax on loss	49	(244)

8. Tax on loss (continued)

The difference between the total tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2020 £'000	2019 £'000
Group loss before tax	(33,336)	(47,164)
Tax on Group loss at standard UK corporation tax rate of 19% (2019 – 19%):	(6,334)	(8,961)
Unprovided deferred tax movements	6,206	6,720
Expenditure not qualifying for tax purposes	3,079	1,353
Non-taxable income	(121)	(97)
Share of results of associates and jointly controlled entities	(2,506)	2,616
Profit/loss on Substantial Shareholding Exemption (SSE) qualifying shares	640	(339)
Transfer pricing interest adjustment	143	113
Tax rate changes	-	(90)
Adjustments in respect of prior years	(7)	29
Effect of foreign tax rates	(834)	(1,528)
Overseas tax	-	7
Enhanced research & development deduction	(217)	(67)
Group total tax charge/(credit) for year	49	(244)

Factors that may affect the future tax charge

A total net deferred tax asset of £22,953,000 (2019 - £15,585,000) has not been recognised in respect of timing differences relating to fixed assets of £18,000 (asset) (2019 - £21,000 (asset)), losses carried forward of £22,425,000 (asset) (2019 - £16,115,000 (asset)) and short-term timing differences of £510,000 (asset) (2019 - £551,000 (liability)) as there is insufficient evidence that the asset will be recovered.

A current tax rate of 19% has been applied to the year ended 31 December 2020 (2019 – 19%).

Finance Bill 2021 announced the main rate of corporation tax would increase to 25% from April 2023. As this change was not substantially enacted by the balance sheet date, deferred tax balances are calculated at the rate of 19% as legislated in Finance Bill 2020.

9. Loss attributable to the Company

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company. The loss attributable to the Company is disclosed in the footnote to the balance sheets.

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

10. Intangible fixed assets - Group

	Goodwill £'000	Other acquired intangibles £'000	Milk quota £'000	Intellectual property /licences £'000	Software £'000	Total £'000
Cost						
At 1 January 2020	43,427	1,615	2,005	4,083	163	51,293
Additions	39,808	236	-	3,178	62	43,284
Acquisition of undertakings	-	3,133	-	-	-	3,133
Disposal	(629)	-	-	(70)	-	(699)
Exchange rate	(4,578)	(305)	-	(26)	(1)	(4,910)
At 31 December 2020	78,028	4,679	2,005	7,165	224	92,101
Amortisation						
At 1 January 2020	10,183	139	2,005	1,281	137	13,745
Charge for the year	12,038	724	-	174	22	12,958
Acquisition of undertakings	-	352	-	-	-	352
Impairment	1,971	-	-	1,892	-	3,863
Disposal	(629)	-	-	-	-	(629)
Exchange rate	(465)	(73)	-	(9)	(1)	(548)
At 31 December 2020	23,098	1,142	2,005	3,338	158	29,741
Net book value						
At 31 December 2020	54,930	3,537	-	3,827	66	62,360
At 31 December 2019	33,244	1,476	-	2,802	26	37,548

The Company does not hold any intangible fixed assets.

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

11. Tangible fixed assets - Group

Group	Land and buildings £'000	Leasehold property and improvements £'000	Plant and equipment £'000	Dairy herd* £'000	Asset under construction £'000	Total £'000
Cost or valuation						
At 1 January 2020	2,240	10,662	15,972	3,515	-	32,389
Additions	-	115	1,610	1,423	70	3,218
Acquisition of undertakings	1,442	222	584	-	-	2,248
Disposals	-	-	(530)	(1,006)	-	(1,536)
Exchange adjustments	(118)	(19)	(192)	-	-	(329)
At 31 December 2020	3,564	10,980	17,444	3,932	70	35,990
Depreciation						
At 1 January 2020	335	1,706	7,656	426	-	10,123
Charge for the year	446	265	2,089	714	-	3,514
Acquisition of undertakings	1,028	79	403	-	-	1,510
Disposals	-	-	(370)	(633)	-	(1,003)
Exchange adjustments	(107)	(8)	(154)	-	-	(269)
At 31 December 2020	1,702	2,042	9,624	507	-	13,875
Net book value						
At 31 December 2020	1,862	8,938	7,820	3,425	70	22,115
At 31 December 2019	1,905	8,956	8,316	3,089	-	22,266

Included in plant and equipment are assets held under hire purchase contracts having a net book value of £151,000 (2019 – £272,000).

Included within land and buildings is land which has a cost of £300,000 and is not depreciated.

* Biological assets

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

11. Tangible fixed assets (continued)

Company	**Plant and equipment £'000**
Cost	
At 1 January 2020	474
Additions	15
At 31 December 2020	489
Depreciation	
At 1 January 2020	381
Charge for the year	40
31 December 2020	421
Net book value	
At 31 December 2020	68
At 31 December 2019	93

12. Subsidiary undertakings

Company

	£'000
Shares at cost	
At 1 January 2020	123,295
Additions	46,540
Disposal	(564)
At 31 December 2020	169,271
Provisions for impairment	
At 1 January 2020 (restated)	13,794
Release of provision	(435)
Increase in provision	8,035
Disposal	(564)
At 31 December 2020	20,830
Net book value	
At 31 December 2020	148,441
At 31 December 2019	109,501

Notes to the financial statements (continued)
Year ended 31 December 2020

12. Subsidiary undertakings (continued)

Consistent with previous years, the Directors have reviewed the carrying value of the investments held by Wheatsheaf Group Limited and considered whether any investments in subsidiaries are impaired by reference to the recoverable amounts.

A release of the provision of £435,000 against the investment in Deva Group Limited has been made (2019 – £2,095,000) in line with the consolidated net assets of the Deva Group Limited sub-group. An increase in the provision of £8,035,000 against the investment in Ozo Innovations Limited has been made in line with the fair value of the investment.

The parent Company and the Group have investments in the following subsidiary undertakings, all of which are consolidated.

	Principal activity	Registered Office	% Owned
DB Group (Holdings) Limited *	Innovation led construction materials manufacturer & supplier	Wellington Way, Bourn Airfield, Cambridge, CB23 2TQ, England	54.8
David Ball Asia Pte Limited	Sales agent for DB Group (Holdings) Limited	200 Soo Chow Rise, 575462, Singapore	54.8
Deva Developments Limited *+	Software development	The Quarry, Hill Road, Eccleston, Chester, CH4 9HQ, England	100
Deva Group Limited *+	Holding company	The Quarry, Hill Road, Eccleston, Chester, CH4 9HQ, England	100
Deva US Inc. **	Holding company	Registered Agent Solutions Inc., 9 E. Loockerman Street, Suite 311, Dover, Delaware19901 United States	100
e14 South LLC dba Purfresh	Global provider of specialised controlled atmosphere systems	3858 Bay Center Place, Hayward, California 94545 United States	90
Global Fresh Foods Limited *	Holding company	Suite 1, 3rd Floor 11-12 St James' Square, London, SW1Y 4LB, England	57.5
Global Fresh Foods Inc. dba BluWrap	Provider of controlled environment logistics solutions for the transport of fresh proteins	1390 Market Street, Suite 200, San Francisco, CA 94102, United States	57.5
GFF BluWrap Norway AS	Food service technology	Azets Insight AS, Avd Bjørvika, Dronning Eufemias gate 16, 0191 Oslo, Norway	57.5
Global Fresh Foods Chile Limitada	Food service technology	RELY SpA, Avenida Libertador Bernardo O'Higgins 1302 Oficina 70, Santiago, Chile	57.5
GFF Germany Gmbh	Food service technology	RSM AWT AG Wirschafts-Treuhand, Liebigstr 3 84030 Landshut, Germany	57.5

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

12. Subsidiary undertakings (continued)

	Principal activity	Registered Office	% Owned
Grosvenor Farms Limited	Farming	Aldford Hall Farm, Chester Road, Aldford, CH3 6HJ, England	100
Grosvenor Green Energy Limited *+	Holding company	The Quarry, Hill Road, Eccleston, Chester, CH4 9HQ, England	100
Grow Safe Systems Ltd **	Development of optimum bovine feeding systems	4000, 421 – 7th Ave SW, Calgary, Alberta, T2P 4K9, Canada	98.2
Grow Safe US Inc.	Development of optimum bovine feeding systems	1209 Orange Street, Wilmington, Delaware 19801, United States	98.2
M.P.S. Concrete Solutions Limited	Concrete remedial work	Wellington Way, Bourn Airfield, Cambridge, CB23 2TQ, England	54.8
Ostara Nutrient Recovery Technologies Inc. *	Sale, design and delivery of nutrient recovery systems; production and distributions of fertilizer products; research and development	c/o Blake, Cassell, Graydon LLP 855 - 2nd Street S.W., Suite 3500, Bankers Hall East Tower Calgary, Alberta, T2P 4J8, Canada	100
Ostara Technologies Inc.	Holding company	c/o Corporate Services Corporation, 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, United States	100
Ostara USA, LLC	Sale, design and delivery of nutrient recovery systems; production and distributions of fertilizer products; research and development	c/o Corporate Services Corporation 2711 Centerville Road, Suite 400 Wilmington, Delaware 19808, United States	100
Ostara Technologies York, LLC	Operation of nutrient recovery facility.	c/o Corporate Services Corporation, 2711 Centerville Road, Suite 400 Wilmington, Delaware 19808, United States	100
Ostara Europe GmbH in Liquidation	In liquidation.	c/o Advotech Advokaten Burgunderstrasse 36 4051 Basel, Switzerland	100
Ostara Europe (UK) Limited	Sale, design and delivery of nutrient recovery systems; production and distributions of fertilizer products; research and development	10 John Street, London, WC1N 2EB, United Kingdom	100

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

12. Subsidiary undertakings (continued)

	Principal activity	Registered Office	% Owned
OWS Agri Limited *	Technology development company	The Quarry, Hill Road, Eccleston, Chester, CH4 9HQ, England	100
Ozo Innovations Limited *	Development of sterilisation techniques	Unit 29, Chancerygate Business Centre, Langford Lane, Kidlington, Oxford, OX5 1FQ, England	62.1
Pudlo Middle East Building Materials LLC *** [The company ceased trading on 22 September 2020 and was subsequently *dissolved*]	Sale of building materials	Unit 111, Arenco Office Building, Dubai Investment Park 2, Dubai, UAE	54.8
Synomics Ltd * (plus 2.6% held indirectly)	Application of a mathematical framework and AI technique to complex datasets in order to improve animal health and agri-food production	Unit 8b Bankside Hanborough Business Park, Long Hanborough, Witney, Oxfordshire, OX29 8LJ, England	80
Synomics ApS	Application of a mathematical framework and AI technique to complex datasets in order to improve animal health and agri-food production	Synomics ApS, c/o Symbion Science Park, Fruebjergvej 3, Osterbro, 2100 Copenhagen	80
Vytelle Holdings Inc. **	Bovine genetics	National Registered Agents, Inc., 780 Commercial Street SE STE 100, Salem, Oregon 97301, United States	100
Vytelle Franchise LLC ***	Bovine genetics	National Registered Agents, Inc., 780 Commercial Street SE STE 100, Salem, Oregon 97301, United States	100
Vytelle LLC ***	Bovine genetics	National Registered Agents, Inc., 780 Commercial Street SE STE 100, Salem, Oregon 97301, United States	100
Vytelle Limited	Bovine genetics	Regent House, 316 Beulah Hill, London, SE19 3HF	100
WGUS BCO LLC dba OzArk Technologies Inc. ***	Development of sterilisation techniques	Registered Agent Solutions Inc., 9 E. Loockerman Street, Suite 311, Dover, Delaware 19901, United States	100

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

12. Subsidiary undertakings (continued)

	Principal activity	Registered Office	% Owned
WGUS BPH LLC ***	Holding company	Registered Agent Solutions Inc., 9 E. Loockerman Street, Suite 311, Dover, Delaware 19901, United States	100
WGUS FS LLC ***	Non-trading	Registered Agent Solutions Inc., 9 E. Loockerman Street, Suite 311, Dover, Delaware 19901, United States	88.3
Wheatsheaf Group Canada Limited	Holding company	c/o Blake, Cassels & Graydon LLP, 855 2nd Street S.W, Suite 3500, Bankers Hall East Tower, Calgary, Alberta, T2P 4J8, Canada	100
Wheatsheaf Group US Inc.* **	Holding company	Registered Agent Solutions Inc., 9 E. Loockerman Street, Suite 311, Dover, Delaware 19901, United States	100
David Ball Group Limited	Dormant company	Wellington Way, Bourn Airfield, Cambridge, CB23 2TQ, England	54.8
Greencem Limited	Dormant company	Wellington Way, Bourn Airfield, Cambridge, CB23 2TQ, England	54.8
Cemfree Limited	Dormant company	Wellington Way, Bourn Airfield, Cambridge, CB23 2TQ, England	54.8
Ostara St. Louis Ltd	Dormant company	120 S. Central Ave, Suite 1800 St. Louis, Missouri 63015, United States	100
Ozo Innovations EBT Trustee Limited	Dormant company	Unit 29, Chancerygate Business Centre, Langford Lane, Kidlington, Oxford, OX5 1FQ, England	62.1
Ozone Purification Limited	Dormant company	Unit 29, Chancerygate Business Centre, Langford Lane, Kidlington, Oxford, OX5 1FQ, England	62.1
Pudlo Limited	Dormant company	Wellington Way, Bourn Airfield, Cambridge, CB23 2TQ, England	54.8
Wheatsheaf Investments Limited	Dormant company	The Quarry, Hill Road, Eccleston, Chester, CH4 9HQ, England	100
Grosvenor Garden Centre Limited	Dormant company	The Quarry, Hill Road, Eccleston, Chester, CH4 9HQ, England	100

Notes to the financial statements (continued)
Year ended 31 December 2020

12. Subsidiary undertakings (continued)

Each of the above companies is indirectly owned unless marked with an asterisk (*) to signify that it is directly held. All interests are in the form of ordinary shares, with the exception of ** where the interest is in the form of common shares and *** where the interest is in the form of a membership interest.

+ These subsidiaries have taken advantage of an exemption from audit under Section 479A of the Companies Act 2006 as the ultimate parent, Wheatsheaf Group Limited has provided a statutory guarantee for any outstanding liabilities of this business. All subsidiary undertakings have been included in the consolidation.

13. Acquisitions

Acquisition of subsidiary undertaking

On 7 July 2020, Ostara Nutrient Recovery Technologies Inc., a producer of plant activated fertilisers that improves crop performance and reduces run-off polluting waterways, became a wholly owned subsidiary of Wheatsheaf Group Limited. For consideration comprising the cost of the original interest and cash consideration. The fair value of the assets acquired was £5,185,000. The useful life of goodwill on acquisition is 5 years.

The acquisition has been accounted for under the acquisition method. The following table sets out the book values of the identifiable assets and liabilities acquired and their fair value to the Group:

	Book value and fair value to Group £'000
Fixed assets	
Intangible	2,781
Tangible	738
Current assets	
Stock	2,098
Trade & other debtors	1,837
Cash	4,109
Total assets	8,044
Creditors	
Trade & other creditors	(6,378)
Net assets	5,185
Goodwill	39,808
	44,993
Satisfied by	
Shares purchased in prior years *	28,693
Cash consideration	16,300
	44,993

* Previously treated as an associate.

In the period ended 31 December 2020, turnover of £4,338,000 and loss of £5,672,000 was included in the consolidated profit and loss account in respect of Ostara Nutrient Recovery Technologies Inc. since the acquisition date and a gain of £31,801,000 has been recognised in respect to the remeasurement of the existing interest held.

14. Other fixed asset investments

	Group				Company			
	Listed investments £000	Other investments £000	Loans £000	Total £000	Listed Investments £000	Other investments £000	Loans £000	Total £000
Carrying amount before impairment								
At 1 January 2020	29,079	26,282	1,360	56,721	29,079	19,094	1,360	49,533
Additions	-	44,647	3,074	47,721	-	8,484	-	8,484
Interest	-	-	276	276	-	-	188	188
Disposals	(21,373)	(1,089)	-	(22,462)	(21,589)	(1,089)	-	(22,678)
Transfer to associate	-	(5,903)	-	(5,903)	-	(5,903)	-	(5,903)
Conversion into equity	-	-	(4,035)	(4,035)	-	-	-	-
Adjustment for the fair value of listed and other investments	(668)	390	919	641	(452)	375	46	(31)
Exchange movements	(678)	(1,874)	-	(2,552)	(678)	374	-	(304)
At 31 December 2020	6,360	62,453	1,594	70,407	6,360	21,335	1,594	29,289

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

14. Other fixed asset investment (continued)

The other investments are detailed below:

Name	Country of Incorporation	Principal activity	Holding	% Owned
Benchmark Holdings Plc*	UK	Producer of animal health products and vaccines, veterinary and diagnostic services	Ordinary	1.5
Benson Hill, Inc.	USA	Rapid seed breeding technology	Series D preferred	5.9
Buymie Technologies Limited *	Ireland	Same day grocery delivery service	C Ordinary	16.8
Origin, Inc.*	USA	Life sciences business	Ordinary	2.2
Oxbury Bank Plc*	UK	Specialist agricultural bank	A Ordinary Series C	6.4
PrecisionLife Limited*	UK	Engineering related scientific and technical consulting activities	A1 ordinary	13.0
Shared-X LLC	USA	Business that implements regenerative farming practices in developing countries	Series C preferred units, Series D preferred units	9.4
Silvec Biologics, Inc.	USA	Development of disease approaches across tree, vine and bush species	Preferred	2.1
Temperpack Technologies, Inc.	USA	Sustainable thermal packaging manufacturer	Series C	10.1
Trace Genomics, Inc.	USA	Soil sampling service provider	Series A-5 Preferred	4.4
Zouk REEIF II Fund*	UK	Renewable energy and environmental infrastructure fund	Fund	n/a

Each of the above companies is indirectly owned unless marked with an asterisk (*) to signify that it is directly held.

During the year the Company invested €800,000 into Zouk. The Company has signed an agreement to invest a total of €10,000,000 into the REEIF II fund. At 31 December 2020, the Company had invested €9,300,000 into the REEIF II fund (2019 - €8,500,000).

Listed investments represent investments in non-puttable ordinary shares. The fair value of listed investments was determined with reference to the quoted market price at the reporting date. The cost of the shares on acquisition was £7,870,000.

Other investments are held at either fair value or at cost less impairment because their fair value cannot be measured reliably. Fair value is determined by the price of a recent transaction. If this is not available fair value is determined by calculating the net present value of the future cash flows anticipated using an appropriate discount rate. Loans receivable constitute convertible loan notes receivable and are measured with the Black Scholes model. Inputs to the Black Scholes model include the yield curve, equity prices and implied volatilities of comparable listed companies.

On 19 November 2020, the Company sold 100% of its interest in AKVA group ASA for £21,373,000.

15. Associates

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Share of net assets / cost	14,543	10,632	39,877	31,121
Loans to associates	1,941	-	1,941	-
Goodwill	15,997	6,610	-	-
Net book value	32,481	17,242	41,818	31,121

The associates are detailed below:

Name	Country of Incorporation	Principal Activity	Registered Office	Share Class	Share-holding
AgriWebb Pty Limited	Australia	Software development	Level 29, 66 Goulburn Street, Sydney, NSW 2000, Australia	Ordinary, Series A preference	32.0%
Dream Holdings, Inc.	USA	Indoor vertical farming	251 Little Falls Drive, New Castle County, Wilmington, Delaware, 19808, United States	Common, Series 1-C preferred, Series 1-D preferred and Series 2 preferred	14.6%
Enterra Feed Corporation	Canada	Producer of insect larvae protein and organic fertilisers through the recycling of pre consumer food waste	10th Floor, 595 Howe Street, Vancouver, V6C 2T5, British Columbia, Canada	Common, Common - B, Common - C	35.0%
Farmdrop Limited	UK	Online grocery shopping service	Unit 5, Ponders End Industrial Estate, East Duck Lees Lane, Enfield, London, England, EN3 7SR	A Ordinary, Series B preferred, Series C preferred	39.8%
WAVE Ag Tech Pty Ltd	Australia	Bovine genetics	Suite 2, Ground Level, 179A Anson Street, Orange, NSW, 2800, Australia	Ordinary	33.3%
Ovatech (Shandong) Biotechnology Co.,Ltd	China	Bovine genetics	Room 401, Zhaowei Mansion No. 14 Jiuxianqiao Road, Chaoyang Beijing, PR China, 10001	Ordinary	50%

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

15. *Associates (continued)*

The following information is given in respect of the share of associate investments.

	Group £'000	Company £'000
Share of net assets / cost		
At 1 January 2020	10,632	31,121
Additions	10,061	16,832
Disposals	(129)	(502)
Share of funding from new investors	1,914	-
Share of retained loss for the year	(14,779)	-
Transfer from other fixed asset investments	-	5,903
Transfer to subsidiary undertakings	7,121	(13,477)
Exchange movements	(277)	-
At 31 December 2020	14,543	39,877
Loan		
At 1 January 2020	-	-
Addition	8,494	8,494
Interest	69	69
Conversion into equity	(4,031)	(8,044)
Transfer to subsidiary undertakings	(4,013)	-
Change in value of loans receivable measured at fair value	1,209	1,209
Exchange movements	213	213
At 31 December 2020	1,941	1,941
Goodwill		
At 1 January 2020	6,610	
Addition	12,866	
Amortisation	(3,516)	
Impairment	(134)	
Exchange movements	171	
At 31 December 2020	15,997	
Net book value		
At 31 December 2020	32,481	41,818
At 31 December 2019	17,242	31,121

The share of results of associates reported in the profit and loss account includes the share of retained loss for the year and the amortisation and impairment of goodwill.

There is no goodwill in the Company.

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

16. Jointly controlled entities

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Share of net assets/cost	3,512	3,446	4,958	4,958
Goodwill	637	656	-	-
Net book value	4,149	4,102	4,958	4,958

The jointly controlled entities are detailed below:

Name	Country of Incorporation	Principal Activity	Registered Office	Share Class	Shareholding
Tatra Holdings Limited	British Virgin Islands	Holding company	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	Series B preference	29.2%

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

16. Jointly controlled entities (continued)

The following information is given in respect of the share of joint venture investments.

	Group £'000	Company £'000
Share of net assets / cost		
At 1 January 2020	3,446	4,958
Share of retained loss for the year	(130)	-
Exchange movements	196	-
At 31 December 2020	3,512	4,958
Goodwill		
At 1 January 2020	656	
Amortisation	(55)	
Exchange movements	36	
At 31 December 2020	637	
Net book value		
At 31 December 2020	4,149	4,958
At 31 December 2019	4,102	4,958

The share of results of jointly controlled entities reported in the profit and loss account includes the share of retained loss for the year and the amortisation of goodwill.

There is no goodwill in the Company.

17. Stocks

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Consumables	4,594	3,617	-	-
Growing crops	448	407	-	-
Work in progress	1,447	204	-	-
Breeding products	142	85	-	-
Livestock	992	985	-	-
Goods for resale	2,286	1,231	-	-
	9,909	6,529	-	-

The replacement value is not materially different from the above.

18. Debtors

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Amounts falling due within one year				
Trade debtors	5,556	3,372	533	480
Amounts owed by group companies	-	-	76,225	36,311
Corporation tax	325	173	-	-
Other debtors	1,896	2,056	393	257
Other taxation and social security	-	-	88	60
Prepayments and accrued income	1,101	949	115	155
Derivative financial assets (note 25)	794	799	438	440
	9,672	7,349	77,792	37,703
Amounts falling due after more than one year				
Loan receivable	-	98	-	-
Other debtors	401	468	-	-
Deferred tax (note 22)	390	194	60	8
	791	760	60	8

Amounts owed by group companies are repayable on demand and unsecured.

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

19. Current asset investments

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Short term deposits	71,372	56,278	71,372	56,278

20. Creditors: amounts falling due within one year

	Group		*Company*	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Mortgage	60	412	-	-
Obligations under finance leases and hire purchase contracts	78	174	-	-
Trade creditors	7,078	2,515	45	160
Other creditors	355	178	-	6
Amounts due to group companies	-	-	24,158	26,756
Corporation tax	279	30	-	-
Other taxation and social security	546	343	96	79
Accruals and deferred income	7,623	2,983	1,468	443
	16,019	6,635	25,767	27,444

Amounts due to group companies are repayable on demand.

21. Creditors: amounts falling due after one year

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Mortgage:				
Between two and five years	258	-	-	-
Falling due in more than five years	64	-	-	-
Unsecured loan notes payable:				
Between two and five years	700	700	-	-
Obligations under finance leases and hire purchase contracts payable:				
Between two and five years	40	118	-	-
Deferred income				
Between two and five years	52	52	-	-
Falling due in more than five years	355	368	-	-
Accruals	2,325	3,249	1,728	2,936
	3,794	4,487	1,728	2,936

The unsecured loan notes payable bear interest at a rate of 9% per annum and are repayable by 2021.

The mortgage is in place in DB Group (Holdings) Limited, a directly owned subsidiary. The mortgage rate is 2.5% above the HSBC base rate. The mortgage is repayable in blended monthly payments and is secured by a first legal charge over the subsidiary's freehold premises and a debenture dated 25 November 2004 over all present freehold and leasehold property, a first fixed charge over book and other debts both present and future and a first floating charge over all assets both present and future.

Hire purchase liabilities are secured against the relevant assets.

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

22. Deferred tax

Group	2020 £'000	2019 £'000
Balance brought forward – asset	(194)	(116)
Charge/(credit) to profit and loss account	7	(113)
(Credit)/charge to other comprehensive income	(203)	35
Balance carried forward – asset (note 18)	(390)	(194)
The analysis of the deferred tax asset is as follows:		
Tax losses available	(1,472)	(238)
Other timing differences	(459)	(336)
	(1,931)	(574)
The analysis of the deferred tax liability is as follows		
Accelerated capital allowances	370	380
Fair value adjustments	1,171	-
	1,541	380

Company	2020 £'000	2019 £'000
Balance brought forward – (asset)/liability	(8)	4
Credit to profit and loss account	(51)	(43)
(Credit)/charge to other comprehensive income	(1)	31
Balance carried forward – asset	(60)	(8)
The analysis of the deferred tax asset is as follows:		
Other timing differences	(60)	(8)

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

23. Provisions for liabilities

Group	Defined benefit pension scheme liability £'000
At 1 January 2020	306
Charge to profit and loss account	658
Charge to other comprehensive income	1,067
At 31 December 2020	2,031

Company	Defined benefit pension scheme liability £'000
At 1 January 2020	41
Charge to profit and loss account	272
Charge to other comprehensive income	6
At 31 December 2020	319

Deferred taxation

Refer to note 22

Defined benefit pension scheme

Refer to note 30

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

24. Financial instruments

The carrying values of the Group's financial assets and liabilities are summarised by category below:

	2020 £'000	2019 £'000
Financial assets		
Cash at bank and in hand	32,714	32,663
Measured at fair value through profit or loss		
- Investments in listed equity instruments (note 14)	6,360	29,079
- Loans receivable (convertible debt) (note 14)	1,594	1,360
- Derivative financial assets (note 25)	794	799
- Investments in unlisted equity investments (note 14)	62,453	26,282
Measured at undiscounted amount receivable		
- Trade and other debtors (note 18)	7,853	5,896
- Current asset investment (note 19)	71,372	56,278
Debt instruments measured at amortised cost		
- Long term loans receivable (note 18)	-	98
	183,140	152,455
Financial liabilities		
Measured at amortised cost or undiscounted amount payable		
- Unsecured loan notes payable (note 21)	(700)	(700)
- Trade and other creditors (notes 20)	(7,433)	(2,693)
- Mortgage (notes 20 and 21)	(382)	(412)
- Hire purchase (notes 20 and 21)	(118)	(292)
	(8,633)	(4,097)

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2020 £'000	2019 £'000
Interest income and (expense)		
Total interest income for financial assets at amortised cost	476	1,033
Total interest expense for financial liabilities at amortised cost	(94)	(97)
Fair value gains and (losses)		
On investments including listed investments measured at fair value through profit and loss	(582)	1,520
On financial assets measured at fair value through profit and loss	2,281	(114)
	1,699	1,406

25. Derivative financial instruments

	Current		Non-current	
	2020	**2019**	**2020**	**2019**
	£000	**£000**	**£000**	**£000**
Group				
Derivatives carried at fair value				
Assets				
Options and warrants	794	799	-	-

Options and warrants are valued by applying either the Black Scholes model or by determining the financial impact for each of the differing outcomes, assigning a probability to each outcome and summing the products of the probability and the financial impact. Inputs to the Black Scholes model include the yield curve, equity prices and implied volatilities of comparable listed companies.

26. Called-up share capital and reserves

Group and Company	**Number of shares 2020**	**£'000 2020**	**Number of shares 2019**	**£'000 2019**
Equity interests – called-up, issued and fully paid				
Ordinary shares of 10p each	88,120,925	8,812	88,120,925	8,812
Non-voting shares of 10p each	704,967,400	70,497	704,967,400	70,497
12% Non-cumulative irredeemable preference shares of 10p each	88,120,925	8,812	88,120,925	8,812
	881,209,250	88,121	881,209,250	88,121

Rights of classes of shares

Profits determined by the Directors as available for distribution are to be applied first in paying a fixed non-cumulative dividend of 12% per annum on the amounts paid up on 12% non-cumulative irredeemable preference shares. The balance of profits for distribution is payable to the holders of the ordinary shares and non-voting ordinary shares in proportion to the amounts paid up on their shares.

On a return of the Company's assets to shareholders, the assets are to be applied first in repaying to the holders of the 12% non-cumulative irredeemable preference shares other amounts paid up on their shares. The balance of the assets is payable to the holders of the ordinary shares and non-voting ordinary shares in proportion to the amounts paid up on their shares.

Holders of the 12% non-cumulative irredeemable preference shares and non-voting shares are not entitled to vote at general meetings of the members of the Company except on resolutions varying or abrogating any of the special rights or privileges attaching to their shares.

The Group and Company's other reserves are as follows:

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

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Notes to the financial statements (continued)
Year ended 31 December 2020

26. Called-up share capital and reserves (continued)

The investment revaluation reserve represents the cumulative effect of revaluations of fixed asset investments into sterling.

The merger capital reserve represents a reserve recognised on a previous restructure of the Group. As a result any reversal/provision for impairment in the financial period relating to the carrying value of the Company's investments in its subsidiary Deva Group Limited results in a transfer to/from this reserve from/to the profit and loss reserve.

27. Cash flow statement

Reconciliation of operating loss to net cash flows from operating activities:

	2020 £'000	2019 £'000
Operating loss	(49,220)	(35,738)
Adjustment for:		
Depreciation	3,514	2,475
Provision for impairment	3,863	259
Amortisation	12,958	7,578
Loss on disposal of tangible fixed assets	77	1,207
Loss on disposal of intangible fixed assets	70	105
Effect of foreign exchange rate changes	2,963	901
Operating cash flow before movement in working capital	(25,775)	(23,213)
(Increase)/decrease in stocks	(1,282)	1,135
(Increase)/decrease in debtors	(174)	816
Increase/(decrease) in creditors	2,268	(738)
Adjustment for pension funding	658	532
Net cash flows from operating activities	(24,305)	(21,468)

Non-cash transactions

During the year, the Group entered finance lease arrangements in respect of assets with a total capital value at inception of the leases of £nil (2019 - £90,000).

28. *Financial commitments and post balance sheet events*

Group

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 Land and buildings £'000	2020 Other assets £'000	2019 Land and buildings £'000	2019 Other assets £'000
Within one year	1,259	90	1,005	89
Within 2 to 5 years	3,790	67	2,068	116
After 5 years	2,552	-	2,867	-
	7,601	157	5,940	205

Company

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020 Land and buildings £'000	2020 Other assets £'000	2019 Land and buildings £'000	2019 Other assets £'000
Within one year	61	1	61	1
Within 2 to 5 years	208	-	244	1
After 5 years	-	-	25	-
	269	1	330	2

On 29 March 2012 the Company signed a subscription agreement with Zouk to invest a total of €10,000,000 into Zouk's Renewable Energy and Environmental Infrastructure Fund II. As at 31 December 2020 the Company had invested €9,300,000 into the fund. On 25 March 2021 the Company invested a further €600,000 into the fund and has a commitment to invest the remaining €100,000 plus €1,514,000 of recallable distributions.

The Group had contracted for but not provided financial commitments for tangible fixed assets of £nil (2019 - £nil).

On 22 January 2021, the Group sold the entire trade and some of the assets of WGUS BCO LLC dba OzArk Technologies Inc. to a third-party company.

On 2 February 2021, the Company subscribed to a convertible loan note in Global Fresh Foods Limited

On 25 February 2021, the Company made a further follow-on investment in Synomics Ltd and as a result, the Company's interest in the shares of Synomics Ltd increased to 84%.

On 30 March 2021, the Company made a further follow-on investment in Enterra Feed Corporation and as a result, the Company's interest in the shares of Enterra Feed Corporation increased to 35.2%.

28. Financial commitments and post balance sheet events (continued)

On 26 March 2021, the Company made a further follow-on investment in Ozo Innovations Limited and on the same date, the convertible loan note plus interest was converted. As a result, the Company's interest in the shares Ozo Innovations Limited increased to 69%.

On 31 March 2021, the Company made a further follow-on investment in Ostara Nutrient Recovery Technologies Inc.. As the result of other third-party investment, the Company's interest in the shares of Ostara Nutrient Recovery Technologies Inc. decreased to 77.2%.

On 12 April 2021, the Company made a further follow-on investment in Oxbury Bank Plc and as a result, the Company's interest in the shares of Oxbury Bank Plc increased to 9.9%.

On 6 May 2021, the Company made a further follow-on investment in Farmdrop Limited by subscribing to a convertible loan note.

On 28 May 2021, the Group invested in Global Village Fruit Inc. dba The Jackfruit Company, a global leader in sustainable meat alternatives, acquiring a 7.8% shareholding. Jack Fruit is the largest tree-borne fruit found in the world and is full of sustaining fibre and important nutrients. The business also provides a social benefit by elevating the livelihoods of hundreds of farming families.

29. Employee benefits

Defined contribution schemes

The Group operates defined contribution retirement benefit schemes for all qualifying employees. The total expense charged to profit or loss in the year ended 31 December 2020 was £598,000 (2019 - £362,000).

Defined benefit schemes

Wheatsheaf Group Limited participates in a defined benefit plan that shares risks between entities under common control. The Group accounts for its proportionate share of the defined benefit obligation, scheme assets and cost of this scheme, based on the proportion of the accrued liabilities that relate to the Group's employees.

The analysis in note 30 relates to the Grosvenor Pension Plan ("the plan") as a whole, measured in accordance with accounting standards on the basis of assumptions that apply to the plan as a whole

The plan is open to qualifying employees of the Group, the Grosvenor Estate and the UK subsidiaries of Grosvenor Group. Under the plan, the employees are entitled to retirement benefits based on service and average or final salary on attainment of a retirement. No other post-retirement benefits are provided. The plan is a funded plan and is administered by member and employer nominated Trustees. The Trustees are responsible for payment of the benefits, management of the scheme's assets and determining the funding strategy. This includes the amount and timing of the future payments to be made by the entity under any agreement with the defined benefit plan to fund a deficit (such as a schedule of contributions).

An independent qualified actuary completes a valuation of the scheme every three years, and in accordance with their recommendations, annual contributions are paid to the scheme to secure the benefit set out in the rules.

The most recent full actuarial valuations of scheme assets and the present value of the defined benefit obligation were carried out for 31 December 2017 and projected to the accounting date by Mr. C Tavener, Fellow of the Institute of Actuaries. The 31 December 2020 full actuarial valuation is currently being prepared. The present value of the defined benefit obligation was measured using the projected unit method.

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Notes to the financial statements (continued)
Year ended 31 December 2020

30. *Retirement benefit schemes*

The principal actuarial assumptions used for accounting purposes reflect prevailing market conditions and are:	2020	2019
Discount rate	1.3%	2.1%
Future pension increases	2.9%	3.0%
Inflation	2.9%	3.0%

Mortality assumptions:

The assumed life expectations on retirement at age 65 are:

Retiring today:	2020 years	2019 years
Males	23.7	24.5
Females	26.0	26.2
Retiring in 20 years:		
Males	25.3	26.2
Females	27.7	27.7

Profit and loss account amounts for the Grosvenor Pension Plan as a whole are as follows:	2020 £'m	2019 £'m
Current service cost	12.6	11.0
Past service cost	0.1	0.4
Net interest cost	0.6	0.2
	13.3	11.6

Recognised in other comprehensive income (for the scheme as a whole):	2020 £'m	2019 £'m
Actual return less expected return on assets	8.0	29.2
Changes in assumptions underlying liabilities	(53.7)	(34.0)
Total charge relating to defined benefit scheme	(45.7)	(4.8)

Wheatsheaf Group Limited

Notes to the financial statements (continued)
Year ended 31 December 2020

30. Retirement benefit schemes (continued)

The balance sheet amounts for the Grosvenor Pension Plan as a whole are as follows:

	2020 £'m	2019 £'m
Present value of defined benefit obligations	(393.3)	(327.2)
Fair value of scheme assets	328.8	316.9
Net liability	(64.5)	(10.3)

Movements in the present value of defined benefit obligations for the entire scheme were as follows:	2020 £'m	2019 £'m
At 1 January	327.2	280.4
Employer's part of current service cost	12.6	11.0
Interest on plan liabilities	6.0	8.3
Actuarial losses/(gains)	53.7	34.0
Benefit payments	(6.3)	(6.9)
Past service costs	0.1	0.4
At 31 December	393.3	327.2

Movements in the fair value of scheme assets were as follows:	2020 £'m	2019 £'m
At 1 January	316.9	281.3
Interest on plan liabilities	5.4	8.1
Actual return on plan assets less interest on plan assets	8.0	29.2
Contributions by the employer	4.8	5.2
Benefit payments	(6.3)	(6.9)
At 31 December	328.8	316.9

30. Retirement benefit schemes (continued)

The analysis of the scheme assets at the balance sheet date was as follows:	Fair value of assets 2020 £'m	2019 £'m
Equity instruments	238.9	248.9
Gilts and corporate bonds	16.8	37.0
Multi asset credit funds	27.2	26.2
Infrastructure	24.1	-
Other assets	21.8	4.8
	328.8	316.9

The scheme does not invest directly in property occupied by the Group or in financial securities issued by the Group. The scheme's assets are invested in a diversified range of asset classes as set out in this note.

31. Ultimate controlling parties and related party transactions

Wheatsheaf Group Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2020

The majority of the shares in the company are held by trustees for the benefit of the current and future generations of the Grosvenor family headed by the Duke of Westminster. These trusts are based in the United Kingdom and as such pay income tax, capital gains tax and inheritance tax. The individual beneficiaries of the trusts are all resident in the United Kingdom and as such are subject to United Kingdom income tax laws.

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

During the year, the Group was charged rental, maintenance and other administrative costs totalling £1,126,000 (2019 - £991,000), of which £257,000 related to the Company (2019 - £343,00), by a Grosvenor Trust. Two Trustees of this Trust are also directors of the ultimate parent company. At the year end, there was an amount of £144,000 (2019 - £76,000) within creditors outstanding between the Group and the Trust, of which £16,000 related to the Company (2019 - £21,000). In addition, subsidiaries within the Group provided services to and made payments on behalf of this Trust and received funds for service jobs for the sum of £20,000 during the year (2019 - £17,000). At the year end, the amount owed by the Trust to the Group subsidiary companies was £14,000 (2019 – £3,000).

Rent and management charges totalling £470,000 (2019 - £377,000) of which £370,000 (2019 - £295,000) related to the Company, were received from companies within Grosvenor Group Limited. Wheatsheaf Group Limited and Grosvenor Group Limited are under common control. At the year-end £19,000, was included within creditors in respect to charged amounts (2019 - £192,000).

Insurance premiums paid to Realty Insurance Limited, a company owned by a Grosvenor Trust, by the Group were £2,000 (2019 - £1,000). At the year-end £nil was owed (2019 - £nil).

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Notes to the financial statements (continued)
Year ended 31 December 2020

31. Ultimate controlling parties and related party transactions (continued)

Subsidiaries within the Group purchased £3,632,000 (2019 - £236,000) from, invoiced £nil (2019 - £836,000) to and transferred assets on receivership worth £ nil (2019 - £2,047,000) to related parties of the subsidiary. At 31 December 2020 £700,000 was included in unsecured loan notes payable (2019 - £700,000), £nil was included in trade debtors (2019 - £3,000) and £1,822,000 was included in trade creditors (2019 - £4,000).

During the year services and management charges totalling £272,000 (2019 - £209,000), of which £117,000 related to the Company, were invoiced to associate and jointly controlled companies. At 31 December 2020, the associate and jointly controlled companies owed £28,000 (2019 - £88,000), of which £3,000 related to the Company. Details of loans provided and interest charged to associate and jointly controlled entities can be found in notes 15 and 16 respectively.

During the year services and management charges totalling £9,000 (2019 - £17,000) were invoiced to other investment companies by the Company. At 31 December 2020 the other investment companies owed the Company £nil (2019 - £10,000). Details of loans provided and interest charged to other investment companies can be found in note 14.

During the year service and management charges totalling £386,000 (2019 - £507,000) were invoiced to non-wholly owned subsidiaries of the Company by the Company. During the year loans of £850,000 (2019 - £7,361,000) were provided and interest of £494,000 (2019 - £354,000) charged to non-wholly owned subsidiaries of the Company by the Company. At 31 December 2020 £7,852,000 (2019 - £8,070,000) was included in amounts owed by group undertakings and £180,000 (2019 - £391,000) in trade debtors in the balance sheet of the Company.

Other related party transactions

The total remuneration for key management personnel for the year totalled £3,528,000 (2019 - £2,136,000), being Directors' remuneration disclosed in note 7.