

GERMINAL GB LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021



GERMINAL GB LIMITED

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FOR THE YEAR ENDED 30 JUNE 2021**

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GERMINAL GB LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021**

| | |
|---------------------------|--|
| DIRECTORS: | J W S Gilbert P J Billings W J Gilbert A J Brown |
| SECRETARY: | A J Brown |
| REGISTERED OFFICE: | Commercial Road Banbridge BT32 3ES |
| REGISTERED NUMBER: | NI007063 (Northern Ireland) |
| AUDITORS: | Baker Tilly Mooney Moore Chartered Certified Accountants Statutory Auditors 17 Clarendon Road Clarendon Dock Belfast BT1 3BG |
| BANKERS: | Danske Bank 37 - 39 Bridge Street Banbridge BT32 3JL |

GERMINAL GB LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2021

The directors present their Strategic Report and financial statements for the year ended 30 June 2021.

REVIEW OF BUSINESS

The Company is domiciled and incorporated in the United Kingdom and is a wholly owned subsidiary of Germinal Holdings Limited.

The results for the year and financial position of the company are as shown in the annexed financial statements. The directors are pleased to report a profit for the year and that the company has maintained its market share.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the company are set out below:

- Competition from other suppliers
- Product availability
- General economic climate

In addition, the company need to consider the impact in the demand for its product due to changes in the overall agricultural sector, consumer requirements and changes in UK or European legislation or regulations. The company adheres to all relevant legislation as it applies and also endeavours to achieve the highest possible standards in quality of product and service to address these risks.

KEY PERFORMANCE INDICATORS ("KPI'S")

Given the nature of the business, the company's directors are of the opinion that an analysis using KPIs is not necessary, for an understanding of the development, performance or position of the business.

FINANCIAL RISK MANAGEMENT

The directors have considered the need to disclose financial risks material to the company. At this stage in the company's development, the directors are of the opinion that there are no material price, credit, liquidity or interest rate risks. The directors will continue to assess the financial risks and their management on a regular basis.

ON BEHALF OF THE BOARD:



A J Brown - Secretary

Date: 18th November 2021

GERMINAL GB LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2021

The directors present their report with the financial statements of the company for the year ended 30 June 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of processing and manufacturing of seed and grain.

DIVIDENDS

During the year, dividends of £1,000,000 were paid

The directors recommend payment of a final dividend of £2,000,000 for the year end 30 June 2021.

FUTURE DEVELOPMENTS

The board intends to continue its policy of expansion and development.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2020 to the date of this report.

J W S Gilbert
P J Billings
W J Gilbert
A J Brown

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

GERMINAL GB LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2021**

AUDITORS

The auditors, Baker Tilly Mooney Moore, have indicated their willingness to continue in office.

ON BEHALF OF THE BOARD:


.....

A J Brown - Secretary

Date: 18th November 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GERMINAL GB LIMITED

Opinion

We have audited the financial statements of Germinal GB Limited (the 'company') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GERMINAL GB LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GERMINAL GB LIMITED

Auditors' 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 a Report of the Auditors 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.

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 opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to revenue recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and local tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. This included compliance with Financial Conduct Authority regulation for the UK.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- obtained an understanding of provisions and held discussions with management to understand the basis of recognition or non-recognition of tax provisions; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and significant component audit teams, and remained alert to any indications of fraud or noncompliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GERMINAL GB LIMITED**

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 a Report of the Auditors 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.



Joanne Small (Senior Statutory Auditor)
for and on behalf of Baker Tilly Mooney Moore
Chartered Certified Accountants
Statutory Auditors
17 Clarendon Road
Clarendon Dock
Belfast
BT1 3BG

Date: 22nd November 2024

GERMINAL GB LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

| | Notes | 30.6.21 £ | £ | 30.6.20 £ | £ |
|--|-------|------------------|-------------------|------------------|-------------------|
| TURNOVER | | | 17,604,556 | | 16,938,785 |
| Cost of sales | | | <u>11,830,005</u> | | <u>11,887,664</u> |
| GROSS PROFIT | | | 5,774,551 | | 5,051,121 |
| Distribution costs | | 410,589 | | 421,207 | |
| Administrative expenses | | <u>2,556,867</u> | | <u>2,452,145</u> | |
| | | | <u>2,967,456</u> | | <u>2,873,352</u> |
| | | | 2,807,095 | | 2,177,769 |
| Other operating income | | | <u>460,992</u> | | <u>559,358</u> |
| OPERATING PROFIT | 4 | | 3,268,087 | | 2,737,127 |
| Interest payable and similar expenses | 5 | | <u>234,908</u> | | <u>199,644</u> |
| PROFIT BEFORE TAXATION | | | 3,033,179 | | 2,537,483 |
| Tax on profit | 6 | | <u>605,275</u> | | <u>462,254</u> |
| PROFIT FOR THE FINANCIAL YEAR | | | 2,427,904 | | 2,075,229 |
| OTHER COMPREHENSIVE INCOME | | | - | | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | | <u>2,427,904</u> | | <u>2,075,229</u> |

The notes form part of these financial statements

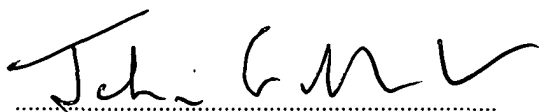
GERMINAL GB LIMITED (REGISTERED NUMBER: NI007063)

BALANCE SHEET
30 JUNE 2021

| | Notes | 30.6.21 £ | 30.6.20 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 430,023 | 363,070 |
| CURRENT ASSETS | | | |
| Stocks | 9 | 5,415,851 | 5,263,368 |
| Debtors | 10 | 5,619,630 | 4,541,440 |
| Cash in hand | | <u>2,450</u> | <u>2,450</u> |
| | | 11,037,931 | 9,807,258 |
| CREDITORS | | | |
| Amounts falling due within one year | 11 | <u>1,738,438</u> | <u>1,868,716</u> |
| NET CURRENT ASSETS | | <u>9,299,493</u> | <u>7,938,542</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>9,729,516</u> | <u>8,301,612</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 80,000 | 80,000 |
| Retained earnings | 13 | <u>9,649,516</u> | <u>8,221,612</u> |
| SHAREHOLDERS' FUNDS | | <u>9,729,516</u> | <u>8,301,612</u> |

The financial statements were approved by the Board of Directors and authorised for issue on
and were signed on its behalf by:

18th November 2021



J W S Gilbert - Director



W J Gilbert - Director

The notes form part of these financial statements

GERMINAL GB LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|--------------------------------|--|------------------------------------|-------------------------------|
| Balance at 1 July 2019 | 80,000 | 6,146,383 | 6,226,383 |
| Changes in equity | | | |
| Total comprehensive income | <u>-</u> | <u>2,075,229</u> | <u>2,075,229</u> |
| Balance at 30 June 2020 | <u>80,000</u> | <u>8,221,612</u> | <u>8,301,612</u> |
| Changes in equity | | | |
| Dividends | - | (1,000,000) | (1,000,000) |
| Total comprehensive income | <u>-</u> | <u>2,427,904</u> | <u>2,427,904</u> |
| Balance at 30 June 2021 | <u>80,000</u> | <u>9,649,516</u> | <u>9,729,516</u> |

The notes form part of these financial statements

GERMINAL GB LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. STATUTORY INFORMATION

Germinal GB Limited is a private company, limited by shares, registered in Northern Ireland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

The company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under FRS 102:

- a) Disclosures in respect of each class of share have not been presented;
- b) No cash flow statement has been presented for the company;
- c) Disclosures in respect of financial instruments have not been presented;
- d) No disclosure has been given for the aggregate remuneration of key management personnel.

Significant judgements and estimates

In preparing these financial statements the directors have made the following judgements:

Establish whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and the business in general.

Consider the recoverability of trade debtors and the need for impairment provisions. These considerations are undertaken regularly by the directors, and especially at the year end date. Factors taken into account include historical experience, current market conditions and knowledge of the sector. Amounts identified as irrecoverable will be provided against in the relevant period.

Consider the valuation of stock and the requirement for write down provisions. These considerations are undertaken regularly by the directors, and especially at the year end date. Factors taken into account include historical experience, germination rates and knowledge of the sector. Stock identified as impaired will be written down in value in the relevant period.

The directors also consider the depreciation rates on an annual basis to ensure there is sufficient evidence to support these and that the estimates remain reasonable.

GERMINAL GB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2021

2. ACCOUNTING POLICIES - continued

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off each asset over its estimate useful life:

| | |
|--------------------------------|----------------------------|
| Freehold property improvements | - 25% on cost |
| Plant and machinery | - 25% on cost |
| Fixtures, fittings & equipment | - at varying rates on cost |
| Motor vehicles | - 33% on cost |

Stocks

Stocks are valued at the lower of cost, on a first in, first out basis, and net realisable value after making due allowance for any obsolete or slow moving items.

Financial instruments

All financial instruments of the company are considered to meet the definition of basic financial instruments.

- Short term debtors and creditors

Debtors and creditors with no stated interest rate and are receivable or payable on demand are recognised at transaction price, and subject to annual impairment reviews. Any losses arising on impairment are recognised in the profit and loss account.

- Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

GERMINAL GB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2021

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company participates in a pension scheme, Germinal Holdings Limited Retirement & Death Benefits Plan, with other group companies.

A formal actuarial valuation of the Plan must be undertaken at least every 3 years. The fund is valued using the projected unit method, and the rates of contributions payable are determined by the Trustee on the advice of the scheme actuary. In the intervening years the trustee should request an annual actuarial report to review the scheme.

In accordance with FRS 102 Section 28, Employee Benefits, paragraph 11, as sufficient information is not available to use defined benefit accounting for a multi employers plan, the company have accounted for the plan as a defined contribution scheme recognising the contributions payable for the year.

Obligations for contributions to the stakeholder pension plan are recognised as an expense in the statement of comprehensive income as incurred.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and is available to carry forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

3. EMPLOYEES AND DIRECTORS

| | 30.6.21 | 30.6.20 |
|-----------------------|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,743,728 | 1,636,535 |
| Social security costs | 200,825 | 190,735 |
| Other pension costs | 124,740 | 109,912 |
| | <u>2,069,293</u> | <u>1,937,182</u> |

GERMINAL GB LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021**

3. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

| | 30.6.21 | 30.6.20 |
|----------------|-----------|-----------|
| Production | 9 | 7 |
| Distribution | 17 | 17 |
| Administration | 4 | 4 |
| | <u>30</u> | <u>28</u> |

| | 30.6.21 | 30.6.20 |
|-------------------------|----------------|----------------|
| | £ | £ |
| Directors' remuneration | <u>380,346</u> | <u>358,226</u> |

The number of directors to whom retirement benefits were accruing was as follows:

| | | |
|-------------------------|----------|----------|
| Defined benefit schemes | <u>1</u> | <u>1</u> |
|-------------------------|----------|----------|

Information regarding the highest paid director is as follows:

| | 30.6.21 | 30.6.20 |
|----------------|----------------|----------------|
| | £ | £ |
| Emoluments etc | <u>380,346</u> | <u>358,226</u> |

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

| | 30.6.21 | 30.6.20 |
|------------------------------------|---------------|--------------|
| | £ | £ |
| Depreciation - owned assets | 238,581 | 316,782 |
| Profit on disposal of fixed assets | (47,594) | (7,496) |
| Auditors' remuneration | 17,500 | 17,000 |
| Foreign exchange differences | <u>19,727</u> | <u>8,976</u> |

5. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 30.6.21 | 30.6.20 |
|------------------------|----------------|----------------|
| | £ | £ |
| Other interest payable | 721 | - |
| Finance charge - group | <u>234,187</u> | <u>199,644</u> |
| | <u>234,908</u> | <u>199,644</u> |

GERMINAL GB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2021

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

| | 30.6.21 £ | 30.6.20 £ |
|--------------------|--------------------|--------------------|
| Current tax: | | |
| UK corporation tax | 302,739 | 379,499 |
| Group relief | <u>302,536</u> | <u>82,755</u> |
| Tax on profit | <u>605,275</u> | <u>462,254</u> |

UK corporation tax was charged at 19% in 2021.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | 30.6.21 £ | 30.6.20 £ |
|--|--------------------|--------------------|
| Profit before tax | <u>3,033,179</u> | <u>2,537,483</u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%) | 576,304 | 482,122 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 26,031 | 2,621 |
| Income not taxable for tax purposes | (9,111) | - |
| Capital allowances in excess of depreciation | - | (17,056) |
| Depreciation in excess of capital allowances | 12,051 | - |
| Utilisation of tax losses | - | (5,433) |
| Total tax charge | <u>605,275</u> | <u>462,254</u> |

Factors that may affect future tax charges

Finance Bill 2021 announced increases to corporation tax from April 2023, meaning that Companies will now pay between 19 and 25% corporation tax depending on the size of the profits of the Company and any associated Companies.

7. DIVIDENDS

| | 30.6.21 £ | 30.6.20 £ |
|--|------------------|--------------|
| Ordinary shares of £1 each | | |
| Final dividend of prior financial year | <u>1,000,000</u> | <u>-</u> |

GERMINAL GB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

8. TANGIBLE FIXED ASSETS

| | Freehold property improvements machinery £ | Assets Under Construction £ | Plant and Machinery £ |
|------------------------|---|--------------------------------------|-----------------------------|
| COST | | | |
| At 1 July 2020 | 32,796 | - | 2,272,335 |
| Additions | - | 123,319 | 91,722 |
| Disposals | - | - | (67,075) |
| At 30 June 2021 | <u>32,796</u> | <u>123,319</u> | <u>2,296,982</u> |
| DEPRECIATION | | | |
| At 1 July 2020 | 30,609 | - | 1,970,974 |
| Charge for year | 2,181 | - | 161,663 |
| Eliminated on disposal | - | - | (67,072) |
| At 30 June 2021 | <u>32,790</u> | <u>-</u> | <u>2,065,565</u> |
| NET BOOK VALUE | | | |
| At 30 June 2021 | <u>6</u> | <u>123,319</u> | <u>231,417</u> |
| At 30 June 2020 | <u>2,187</u> | <u>-</u> | <u>301,361</u> |
| | Fixtures, fittings & equipment £ | Motor Vehicles £ | Totals £ |
| COST | | | |
| At 1 July 2020 | 39,852 | 331,840 | 2,676,823 |
| Additions | 2,750 | 87,749 | 305,540 |
| Disposals | - | (72,875) | (139,950) |
| At 30 June 2021 | <u>42,602</u> | <u>346,714</u> | <u>2,842,413</u> |
| DEPRECIATION | | | |
| At 1 July 2020 | 39,846 | 272,324 | 2,313,753 |
| Charge for year | 687 | 74,050 | 238,581 |
| Eliminated on disposal | - | (72,872) | (139,944) |
| At 30 June 2021 | <u>40,533</u> | <u>273,502</u> | <u>2,412,390</u> |
| NET BOOK VALUE | | | |
| At 30 June 2021 | <u>2,069</u> | <u>73,212</u> | <u>430,023</u> |
| At 30 June 2020 | <u>6</u> | <u>59,516</u> | <u>363,070</u> |

GERMINAL GB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

9. STOCKS

| | 30.6.21 | 30.6.20 |
|---------------------------|------------------|------------------|
| | £ | £ |
| Grasses, clovers & grains | <u>5,415,851</u> | <u>5,263,368</u> |

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.6.21 | 30.6.20 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 1,226,056 | 1,202,408 |
| Amounts owed by group undertakings | 4,304,891 | 3,222,095 |
| Other debtors | 16,232 | 41,584 |
| Prepayments and accrued income | <u>72,451</u> | <u>75,353</u> |
| | <u>5,619,630</u> | <u>4,541,440</u> |

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.6.21 | 30.6.20 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 497,332 | 701,454 |
| Amounts owed to group undertakings | 17,286 | 7,299 |
| Tax | 112,989 | 229,053 |
| Social security and other taxes | 30,080 | 26,539 |
| Accruals and deferred income | <u>1,080,751</u> | <u>904,371</u> |
| | <u>1,738,438</u> | <u>1,868,716</u> |

12. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | | 30.6.21 | 30.6.20 |
|----------------------------------|----------|----------------|---------------|---------------|
| Number: | Class: | Nominal value: | £ | £ |
| 80,000 | Ordinary | £1 | <u>80,000</u> | <u>80,000</u> |

13. RESERVES

| | Retained earnings £ |
|---------------------|------------------------|
| At 1 July 2020 | 8,221,612 |
| Profit for the year | 2,427,904 |
| Dividends | <u>(1,000,000)</u> |
| At 30 June 2021 | <u>9,649,516</u> |

GERMINAL GB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2021

14. PENSION COMMITMENTS

The Germinal group operates a defined benefit pension scheme for certain of the company's employees, the Germinal Holdings Limited Retirement & Death Benefits Plan. It is a defined benefit scheme and the assets and liabilities of the scheme are held in separate administered funds. It is not possible to identify the company's share of the underlying assets and liabilities of the scheme as required by FRS 102 section 28.11 and as a result the amount charged to the Statement of Comprehensive Income represents contributions payable to the scheme in respect of the accounting period.

The most recent full actuarial valuation of the Group Pension Scheme was as at 30 June 2017. The valuation was carried out by Spence & Partners Limited using the projected unit method. This valuation method showed the position for the entire scheme as follows:

| | £'000 |
|--------------------|--------|
| Scheme assets | 18,376 |
| Scheme liabilities | 17,980 |
| Scheme deficit | 396 |

The Group's defined benefit scheme is closed to new entrants.

Other pension arrangements

Since October 2001 new employees have been offered membership of Germinal Holdings stakeholder pension plan, a defined contribution pension arrangement.

The pension cost charge represents contributions payable by the company to the funds and amounted to :

| | 30.06.21 | 30.06.20 |
|--|----------------|----------------|
| | £ | £ |
| Germinal Holdings Limited Retirement and Death Benefits Plan | 48,062 | 47,227 |
| Germinal Holdings Stakeholder Pension Scheme | 76,678 | 62,685 |
| | <u>124,740</u> | <u>109,912</u> |

15. CONTINGENT SECURITY

There are cross guarantees with its ultimate parent undertaking and fellow subsidiaries in favour of Danske Bank in relation to overdraft facilities of the group. The parent company and other subsidiaries involved are -

- Germinal Holdings Limited (Parent Company)
- Germinal Ireland Limited
- Germinal NI Ltd
- Germinal Trading Limited
- Samuel McCausland Ltd

Due to various factors that may impact on the above guarantees it is not possible to quantify the amounts that could be involved or give any indication as to the timing of when a liability may arise.

GERMINAL GB LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30 JUNE 2021

16. OTHER FINANCIAL COMMITMENTS

The company together with a fellow subsidiary (Germinal NI Limited) have entered into a full joint and several guarantee in respect of the entire plan obligation of Germinal Holdings Limited Retirement & Death Benefits Plan.

17. RELATED PARTY DISCLOSURES

The company has taken the exemption contained in FRS 102 Section 33.1A - "Related Party Disclosure" not to disclose any transactions with its parent undertakings, fellow subsidiary undertakings or the associated undertakings of any group company on the grounds that it is a 100% owned subsidiary and the consolidated accounts of Germinal Holdings Limited, in which the company is included, are publicly available.

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102 Section 33.

18. ULTIMATE CONTROLLING PARTY

The company is a wholly owned subsidiary of ultimate parent company Germinal Holdings Limited, a company registered in Northern Ireland.

The largest and smallest group in which the results of this company are consolidated is that headed by Germinal Holdings Limited, registered in Northern Ireland. These financial statements are available to the public from Companies House, The Linenhall, 32-38 Linenhall Street, Belfast.

The company continues to be controlled by the Gilbert and McCausland families by virtue of their share ownership of the parent undertaking.