Origin
ENTERPRISES PLC

Annual Report 2016

Origin Enterprises plc is a leading Agri-Services Group, providing value added services, technologies and inputs that address the quality, efficiency and output requirements of primary food producers.

Supporting primary food producers in...

UK

26,000 Customers | **1,128** Employees

Poland

8,400 Customers | **285** Employees

Ireland

500 Customers | **106** Employees

Romania

5,600 Customers | **286** Employees

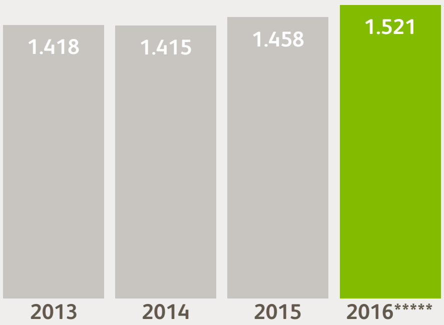
Ukraine

1,500 Customers | **267** Employees

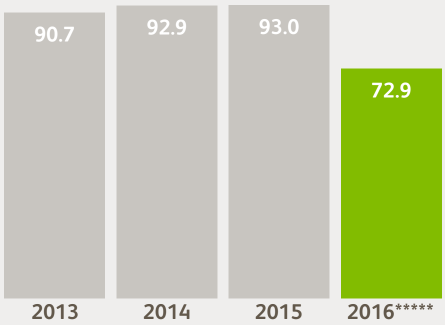
Strategic Report
2016 Highlights

	Year to 31 July 2016 €'m	Year to 31 July 2015 €'m
Group revenue	**1,521.3**	1,458.1
Group operating profit*		
Agri-Services	**67.3**	78.9
Associates and joint venture**	**5.6**	14.1
Total Group operating profit*	**72.9**	93.0
Finance expense, net	**(7.4)**	(4.8)
Profit before tax*	**65.5**	88.2
Adjusted diluted EPS*** (cent)	**44.51**	60.10
Dividend per share (cent)****	**21.00**	21.00

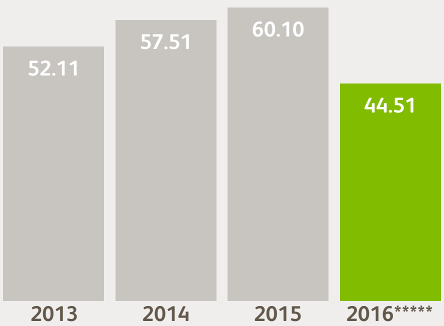
Group Revenue (€'bn)



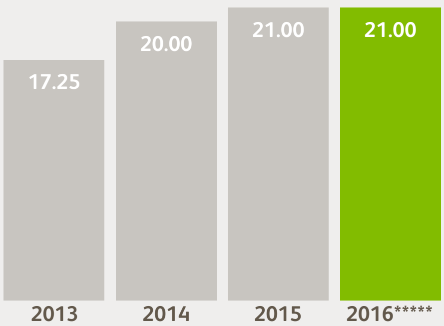
Total Group Operating Profit* (€'m)



Adjusted Diluted EPS*** (cent)



Dividend per Share (cent)



* Before amortisation of non-ERP intangible assets and exceptional items.
** Profit after interest and tax before amortisation of non-ERP intangible assets and before exceptional items.
*** Before amortisation of non-ERP intangible assets, net of related deferred tax (2016: €3.1 million, 2015: €10.2 million) and exceptional items, net of tax (2016: €4.7 million credit, 2015: €12.0 million credit).
**** Dividend per share includes an interim dividend paid of €0.0315 per share and a proposed final dividend of €0.1785 per share.
***** References to '2016' or 'FY2016' throughout this Annual Report refer to the financial year ended 31 July 2016.

Strategic Report

Governance

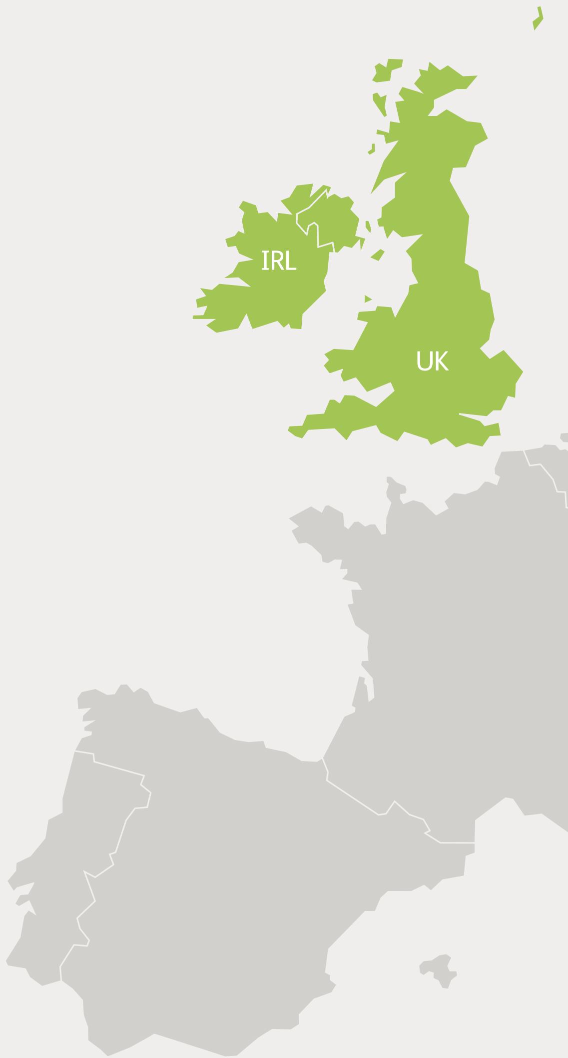
Financial Statements

Discover more:
originenterprises.com

Origin at a Glance

Origin is an international Agri-Service Group with operations in Ireland, the UK, Poland, Romania and Ukraine.

Origin is listed on the ESM and AIM markets of the Irish and London Stock Exchanges respectively, is headquartered in Dublin, Ireland and has Group revenues of over €1.5 billion.



The Group supports the primary sectors of the food industry through two business channels.

Business-to-Business Agri-Inputs

Business-to-Business Agri-Inputs provides procurement and supply chain solutions to the Irish and UK primary food production sectors covering the macro inputs that drive on-farm efficiency i.e. animal feed ingredients and prescription blended fertilisers. In addition Origin is the market leader in service and inputs provision to the professional sports turf, landscaping and amenity sectors in the UK.

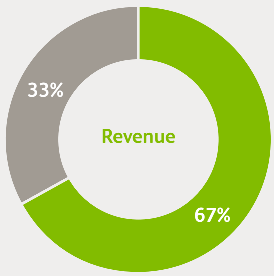
Integrated Agronomy On-Farm Services

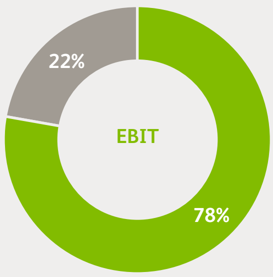
Integrated Agronomy and On-Farm Services provides agronomy advice, services and inputs directly to arable, fruit and vegetable growers in the UK, Poland, Romania and Ukraine. Our customised solutions ensure the delivery of crop production systems that adhere to the highest safety, quality, environmental and sustainability standards.

▶ Find out more about our business model and strategy on pages 8 and 11

Revenue & EBIT by Geography

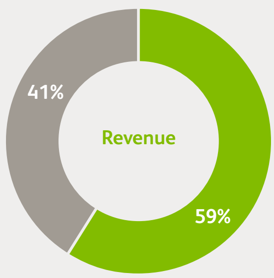
- Ireland/UK
- Central & Eastern Europe

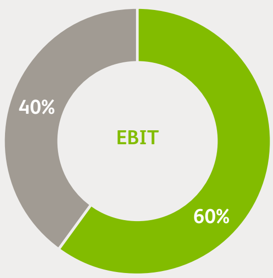




Revenue & EBIT by Customer Channel

- Integrated Agronomy and On-Farm Services
- Business-to-Business





Where we operate:

Ireland ('IRL') & UK

Agrii (UK)
Goulding (Ireland)
Origin Fertilisers (UK)
Origin Northern Ireland (UK)
PB Kent (UK)
Rigby Taylor (UK)
R&H Hall Trading (Ireland and UK)

Central & Eastern Europe

Agrii (Poland)
Agroscope (Ukraine)
Comfert (Romania)
Redoxim (Romania)

About Us:

5	Countries Served	100	Distribution Points
600	Sales Force	77	Retail Units
11.8m Ha	Direct Farm Customer Footprint	24	Input Formulation & Production Facilities
42,000	Customers	78	Demonstration Farms
2,072	Average Number of Employees	59,000	Trial Units

Our Business Explained

Agronomy is the combination of science and practical farming expertise to enable growers to optimise the productivity of crops, whilst caring for the consumer, the soil and the wider environment.

Agronomy

Our agronomists are specialist plant and soil scientists, along with being trusted professional advisors. They work directly with farmers and the agricultural community to provide innovative farm practices and technologies that increase farm yields, protect crops and the environment. Our agronomy business operates in the UK, Poland, Romania and Ukraine.

Our innovative approach represents a fully integrated service provision of on-farm agronomy advice. We cover establishment, prescription formulation and application, cultivation systems, soil health and field inspections, varietal selection and nutrition, decision support systems along with the supply of seed, crop protection products and fertilisers to ensure high performing marketable crops which adhere to the highest levels of safety, quality, sustainability and environmental requirements.

Our approach to integrated agronomy comprises:

Step 1
Research and Analysis

> We invest in leading edge research to develop unique growing systems to maximise crop productivity on a sustainable basis.
> Our trial teams manage circa 59,000 replicated trial units.
> We develop strategic partnerships with the leading global seed breeders, manufacturers of crop protection and nutrition input applications, as well as providers of decision support technologies.
> Farms are visited regularly throughout the growing season.
> Crops are closely inspected and monitored for health and development.
> Soil and tissue analysis is conducted to verify deficiencies and identify anomalies.

Step 2
Prescription Development

> Agronomists advise across all components of crop and field management.
> Input programmes are recommended for the achievement of yield and quality targets.
> Environmental stewardship and compliance requirements are assured.
> Computerised treatment plans are communicated to farmers.

Step 3
Application and Delivery

> Agronomists advise on the precise timing of applications to achieve maximum results.
> Seed, fertiliser and crop protection technologies are delivered to farms from our local distribution centres through same/next day service.
> Crops continue to be monitored through to harvest.

Business-to-Business Agri-Inputs

We provide procurement and supply chain solutions to the Irish and UK primary food production sectors covering the macro inputs that drive on-farm efficiency i.e. animal feed ingredients and prescription blended fertilisers. In addition Origin is the market leader in advisory, service and inputs provision to the professional sports turf, landscaping and amenity sectors in the UK.

We operate a continuous programme of innovation and product development aimed at improving nutrient efficiency and farmer returns on this key input.

By blending different combinations of the major nutrients contained in fertiliser we can tailor specific products to particular farm production systems and soil types.

The Group has a wide nutrition offering and related services with a strong presence in the UK through its Origin Fertiliser brand and in Ireland under the Goulding brand.

Origin's feed business plays a vital role in the Irish food supply chain as the leading provider of quality and safe raw materials to the animal feed manufacturing industry. Rigorous systems of traceability and comprehensive supply chain protocols ensure the continuous supply of safe feed raw materials.

Origin is the leading service provider to the professional sports turf, landscaping and amenity sectors in the UK. A system of continuous product development and improvement supported by leading independent research collaborations, positions the Group's amenity business to the forefront of the industry. Origin Amenity incorporates the businesses of PB Kent, Rigby Taylor and Headland Amenity. Headland Amenity was acquired during the year ended 31 July 2016.

Insight into Business-to-Business – Innovation

The Group continues to be the leader in innovative branded products across Ireland and the UK. Following extensive on-farm research, our fertiliser businesses identify the major needs of farmers and design products around these needs. For the arable sector, we have increased our offering of micronutrient fertiliser coatings to give farmers the option of applying the full range of elements on their fertiliser at sowing. We have also introduced an exciting new range of selenium fertilisers for use on livestock farms. As our farmers aim to exploit their competitive advantage of production from grass based systems, these new products provide a convenient 'labour free' and cheap method of meeting the selenium requirements of grazing animals.

Chairman's Statement

I am pleased to present my first Annual Report as Chairman of Origin since my appointment to the Board in October 2015.

Rose Hynes
Non-Executive Chairman

As a Group our vision is to remain a recognised leader in the provision of integrated agronomy solutions and sustainable agricultural technologies.

Financial Performance

2016 was a challenging year for the business. This was largely driven by unseasonal weather conditions across northern Europe along with weak farm sentiment, resulting in a decrease in total Group operating profit of 21.6 per cent, delivering an adjusted diluted earnings per share of 44.51 cent. The Board is recommending a final dividend of 17.85 cent per ordinary share which brings the total dividend per ordinary share for the year ended 31 July 2016 to 21.0 cent which is equal to the previous year's annual dividend.

During 2016 we continued our strategic acquisitions programme, with the acquisition of the Kazgod Group in Poland along with Comfert and Redoxim in Romania, with total acquisition expenditure of €73.6 million. These acquisitions delivered a strong performance for the year and have strengthened our farm services footprint in Central and Eastern Europe. Their integration is now significantly progressed.

Details of our financial performance are set out in our Financial Review on pages 20 to 23.

Board

There were a significant number of changes to the Board during the year. Following the disposal by ARYZTA AG of its entire 68.1 per cent shareholding in Origin, Owen Killian and Patrick McEniff retired on 23 October 2015 as Non-Executive Chairman and Non-Executive Director respectively. They made significant contributions to the Group since the establishment of Origin in 2006. On behalf of the Board, I would like to express our thanks to Owen and Patrick.

I would like to welcome Kate Allum, Gary Britton and Christopher Richards who joined the Board as Non-Executive Directors on 1 October 2015. I am also delighted to have Hugh McCutcheon and Rose McHugh remain as Non-Executive Directors as they bring valuable experience and continuity to the Board. Each of these Directors brings a wealth of knowledge, expertise, independence of mind and a willingness to challenge in the Board discussions. I would like to thank the Directors for their commitment and contribution during the year and I look forward to continuing to work with them for the benefit of the Group in the years ahead.

Corporate Governance

A key objective of the Board is to promote excellence in governance practices to facilitate the effective stewardship and long term success of the Group. Details of our approach are set out in the Corporate Governance Statement on pages 32 to 37.

Our People

The Group's success would not be possible without the dedication and commitment of our people. We are fortunate to have talented and motivated management teams supported by skillful and enthusiastic colleagues throughout the Group. On behalf of the Board, I would like to express my appreciation for the efforts of all employees during the year and I look forward to their ongoing contributions in the years ahead.

Outlook

While the outlook for the sector remains subdued we are confident of building on our strengths during 2017.

I would like to thank you, our shareholders, for your continued support.

Rose Hynes
Non-Executive Chairman
27 September 2016

Governance Highlights

Leadership:
The Board, which comprises three Executive Directors and six Non-Executive Directors, directs, develops and oversees implementation of the Group's strategy and monitors operating performance. Four new Non-Executive Directors were appointed to the Board in October 2015 and the Nomination Committee was established.

Effectiveness:
The Board maintains a programme of agenda items to ensure all matters reserved for it are considered at the appropriate time. The Board undertook its first formal evaluation, led by the Chairman during the year.

Accountability:
The Board has overall responsibility for maintaining and assessing the Group's risk management and internal control procedures. The Risk Committee was established during the financial year, with this Committee now working closely with the Audit Committee.

Remuneration:
Executive remuneration policy is monitored to ensure it is correctly aligned with the Group's strategy, targets and performance. A detailed review of the remuneration policy was performed in 2016.

Shareholders:
The Board attaches great importance to maintaining strong relationships with all shareholders who are kept informed of significant Company developments. Following the recent change in our shareholder profile, the Company held its first Capital Markets Day in London in May 2016.

Insights into UK Agronomy

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Increasing Yields and Quality

Agrii UK combines excellence and innovation with the latest research and development to ensure our customers can meet today's farming challenges with knowledge and confidence.

Case Study

Agrii's Best of British Wheat Initiative was undertaken with a leading bread making variety, Skyfall, at the Kent based Demonstration iFarm in 2015. The objective of this initiative was to achieve a 13 tonnes per hectare ('t/Ha') yield with a 13 per cent protein content (which compares to the average yield from Skyfall official UK variety trials of 11.8 t/Ha at 11.5 per cent protein content in the same season).

This trial initiative involved 63 separate treatments replicated across 169 units designed to explore how to make the most of the variety's yield and quality potential with the best fungicide, nitrogen and trace element programme.

Trial Learnings and Results

> Crop protection products (SDHIs and Bixafen) delivered up to 1.0 t/Ha advantage over untreated soil.
> Nitrogen – minimum application of 260 kg/Ha achieved 14.5 t/Ha and 13.3 per cent protein.
> Nitrogen – application up to 360 kg/Ha achieved no significant increase in yield and 14.4 per cent protein.
> Well formulated micronutrients applied in the spray programme increased the yield by 0.21 t/Ha and 0.5 per cent in protein.
> For a relatively low outlay, the micronutrient programme delivered a margin over input cost of £85 per hectare.
> The trial results were used to inform the agronomy programme at John Boyd Farms during the 2015 growing season with impressive commercial results. Not only did the farm achieve the 13 t/Ha yield mark at proteins ranging from 13.5-14.5 per cent but two fields averaged 14.5 t/Ha.

"We've always been pretty good at growing milling wheat. With valuable intelligence from the Agrii trials alongside it, Skyfall has proved to be a Rolls Royce of a crop for us, earning us a handsome margin at a very reasonable cost/tonne and even impressing my father who rates it at the pinnacle of his long wheat-growing experience."

Mark Boyd (who runs the 1,400 Ha business with his father William).

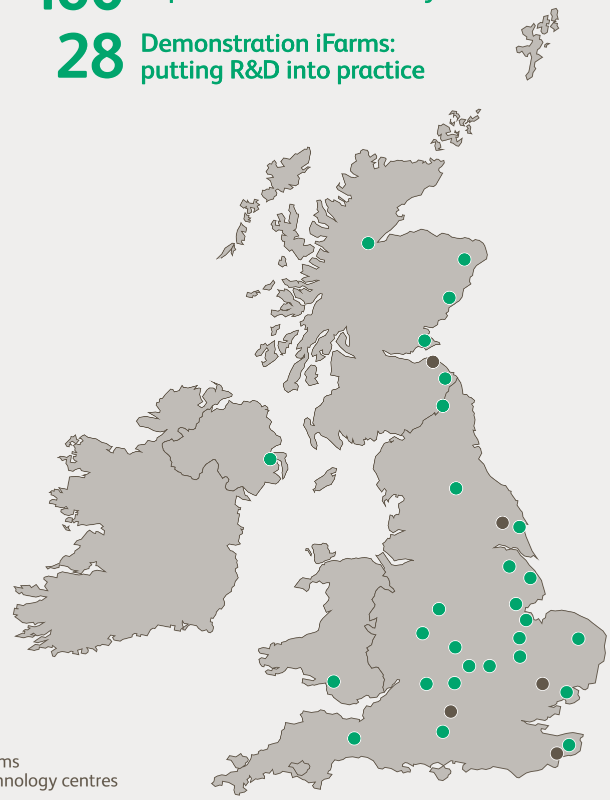
R&D Facilities – UK

5 Technology Centres

55,000 Trial units across the UK representing all regions and crops

460 Replicated trials nationally

28 Demonstration iFarms: putting R&D into practice



Market Analysis

Opportunity identified

Total Farm Units (No.)	187,000
Total Cropping Area	4.3m Ha
% of Farm Units > 50 Ha	88 %
Average Wheat Yield/Ha	8.0 t
Grain and Oil Seeds Production	24.5m t

Market penetration

Access Vehicle	Agrii
Agrii Customers' Farming Footprint	1.4m Ha
Agrii Customers' Principal Farm Size	100 – 2,000 Ha
Agrii advised Beal Farm achieved a world wheat yield record (2015)	16.52 t/Ha using Dickens (an Agrii branded Master Seeds product)
Origin Market Positioning – No. 1	

Chief Executive's Review

Origin Enterprises has delivered a solid operational and financial performance against the backdrop of a challenging planning and operating environment for primary food producers in 2016.

Tom O'Mahony
Chief Executive Officer

Highly adverse and unseasonal weather conditions, combined with weak farm sentiment, drove a highly competitive trading environment which negatively impacted the Group's profitability and returns. Overall performance has benefited from an excellent result from the Group's Central and Eastern European farm services businesses acquired in 2016, together with maintaining a group-wide operational focus on strategic cost control, business integration and cash flow management. This focus will continue in 2017.

We remain committed to expanding Origin's farm services footprint and will continue to prioritise investment in strategic acquisitions as well as in the further development of the Group's crop management systems and yield technology transfer platforms.

Financial and Operating Highlights

> Solid results in line with market expectations, against a highly challenging trading environment.
> Strong performance from Central and Eastern European farm services businesses acquired in 2016, with integration progressing to plan.
> Good volume recovery in Q4 following weak Q3.
> Agrii brand launched in Poland.
> Continued track record of robust cash generation, with net cash of €3.1 million at year end.
> Adjusted diluted earnings per share of 44.51 cent, a decrease of 25.9 per cent.
> Full year dividend maintained at 21.0 cent per share.

Our Businesses

Agri-Services had a challenging year. Underlying revenue decreased 3.7 per cent principally reflecting the impact of lower input prices and crop marketing volumes. Underlying service revenue and input volumes increased 0.1 per cent in the period, reflecting a 3.2 per cent reduction in Ireland and the UK and a 12.2 per cent increase in Central and Eastern Europe. Operating margin was 100 basis points lower, largely reflecting the impact of unseasonal weather and weaker primary producer returns.

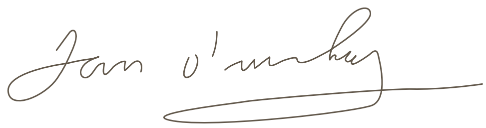
A comprehensive review of Business Operations is set out in the Operational Review on pages 18 and 19.

People

Origin's strength lies in its people. The quality of people in our organisation is exceptional and represents the cornerstone of our business. To all our employees I would like to thank you for your total dedication and commitment to the Group and I look forward to working with you all in the coming year.

Outlook

Notwithstanding the fact that sector sentiment remains subdued reflecting the current pressures on farm incomes, the Group is well positioned to respond to present market conditions and to benefit from a sustained improvement in primary producer returns.



Tom O'Mahony
Chief Executive Officer
27 September 2016

Business Model

Our vision is to remain a recognised leader in the provision of integrated agronomy solutions and sustainable agricultural technologies.

ENTERPRISES PLC

What we stand for >

Innovation and technology transfer
… are at the core of our business

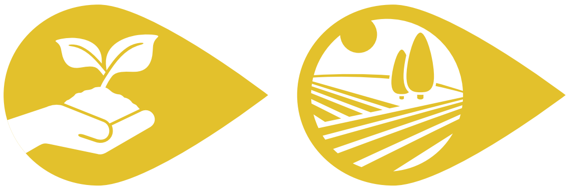
Information
… is the cornerstone of successful farming

Growth
… is what we strive for as an organisation

People
… are key to our business

Our vision is enabled through:

- Strategically located and well invested infrastructure
- Highly skilled people
- Expertise and innovation excellence
- Technological innovation
- Excellent supply chain management
- Strong balance sheet
- Focused cash generation



What we do >

Agri-Services comprises integrated agronomy and on-farm services and business-to-business agri-inputs. These businesses provide customised solutions that address the efficiency, quality and output requirements of primary food producers in Ireland, the UK, Poland, Romania and Ukraine.

How we deliver >

Business-to-Business Agri-Inputs

Provides procurement and supply chain solutions to the Irish and UK primary food production sectors covering the macro inputs that drive on-farm efficiency i.e. animal feed ingredients and prescription blended fertilisers. In addition Origin is the market leader in advisory, service and inputs provision to the professional sports turf, landscaping and amenity sectors in the UK.

Integrated Agronomy and On-Farm Services

Provides agronomy advice, services and inputs directly to arable, fruit and vegetable growers in the UK, Poland, Romania and Ukraine. Our customised solutions ensure the delivery of crop production systems that adhere to the highest safety, quality, environmental and sustainability standards.

Supported by:

- Research and development
- Demonstration iFarms
- Technology
- Distribution and logistics
- Centralised functional expertise:
  – Finance
  – Information Technology
  – Treasury
  – Legal

Our business model drives a profitable and cash generative business.

How we create value >

Integrated Agronomy and On-Farm Services

B2B Agri-Inputs

Capability Sets

Benchmarking and Return on Investment Analysis >	Evidencing Value Add
Yield Enhancement and Knowledge Transfer >	Guiding On-Farm Decision Making
Solution Development and Customisation >	Prescription Creation and Fulfillment
Supply Chain >	Risk Management and Procurement Planning
Crop Science and Coordinated Growing Systems >	Applications Research and Localisation
Specialist Route-to-Market >	Strategic Alliances with Service, Input and Technology Providers

Capability Sets Compliment Our Delivery Channels

Insights into Polish Agronomy

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Delivering for the Primary Producer through Research and Development

Agrii provides agronomy advice and solutions to primary producers throughout Poland. The business invests in research projects and conducts a variety of trials which support the agronomy service.

Case Study

In collaboration with the University of Warmia and Mazury, Olsztyn, Agrii conducted research on fertiliser application methods. The objective of this research was to encourage farmers to change their approach to fertiliser application targeted at improving efficiency and reducing production costs.

This trial initiative used winter wheat and was undertaken in two locations, Balcyny and Winna Góra. It was replicated in four separate units over two years. An NPK coated fertiliser was used with a formula P-Reserve (ABS P-69) which helps to protect phosphorous against binding within the soil thereby ensuring plants absorb more phosphorus through their root system. The product application involved reducing the input of nitrogen by 33 per cent, phosphorus by 10 per cent and potash by 50 per cent along with increasing the input of magnesium, sodium and sulphur.

Trial Learnings and Results

- Balcyny is located in the north east of Poland with sandy clay soil and normally experiences high levels of frost. For the 2014/15 growing season similar yields and quality were achieved using the ABS P-69 and traditional NPK fertiliser applications.
- Winna Góra is located in west central Poland with sandy soil and normally experiences low rainfall and milder winters in comparison to the north east. For the 2014/15 growing season marginally higher yields were achieved using the ABS P-69 application in comparison to traditional NPK fertiliser applications.
- In both research locations ABS P-69 is shown to reduce input costs by €26 per Ha without sacrificing yields or grain quality.

"Farmers involved in plant production are less interested in presentations about new products which show exciting yield performance on graphs. They are more focused on the economic side, i.e. how much money you can save in the production process. They should not only be focused on traditional methods like fertilisers, but should also be open to new solutions and be willing to implement new technologies, which cost less, and help to produce the same or similar yields as proven in these research results."

Bogdan Dubis (PH.D.) University of Warmia and Mazury, Olsztyn

Our Branded Products – Poland

Market Analysis

Opportunity identified	
Total Farm Units (No.)	1,507,000
Total Cropping Area	10.8m Ha
% of Farm Units > 50 Ha	30 %
Average Wheat Yield/Ha	4.0 t
Grain and Oil Seeds Production	32.0m t

Market penetration	
Access Vehicle	Agrii
Agrii Customers' Farming Footprint	3.0m Ha
Agrii Customers' Principal Farm Size	100 – 1,000 Ha
Agrii Recognised Brands Include	FoliQ Dalgety Seeds
Origin Market Positioning – No. 2	

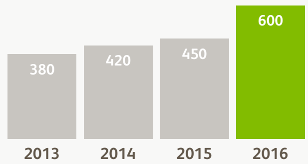
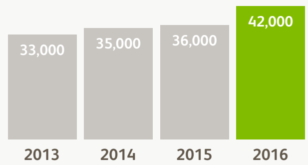
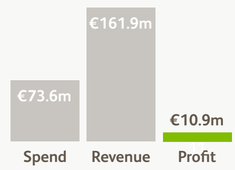
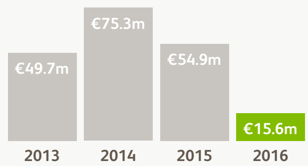
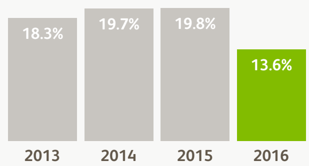
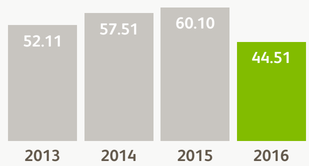
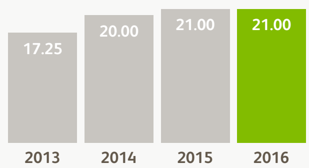
Strategy

Our strategy is to maintain a sustainable business which creates value for all our stakeholders. We will achieve this through focusing on our strategic priorities set out below.

Strategic Priorities	Detail	2016 Progress	The Future
Sustainable growth	In advancing the Group's strategic goal of sustainable growth, we aim to minimise the financial risk to the Group, thereby focusing on generating the greatest value for our shareholders.	The Group achieved positive operating cash flows of €15.6 million during the year, with a year end net cash balance of €3.1 million and committed banking facilities of €430 million. The weighted average debt maturity in 2016 is 4.28 years.	The Group will continue to target growth both organically and through acquisitions, while maintaining a robust balance sheet.
Build on core competencies	As a business, we focus on constantly improving our systems, processes and capabilities, developing and empowering entrepreneurial teams, thereby continuously building on our core competencies which support the services and products we offer and supply.	The Group hired a number of specialists in Central and Eastern Europe ('CEE') to ensure the core competencies in our business were transferred to our newly acquired operations. The Group continued to build on its core competencies during the year through investment in infrastructure, training and technologies.	The Group will continue to focus on opportunities to build and/or transfer core competencies during 2017 and beyond.
Strong cash conversion	The Group aims to convert earnings to cash in an efficient manner such that resources are available to fund commercial opportunities and acquisitions, pay dividends and service debt.	The Group continued its strong performance of cash conversion with cash flows from operating activities of €15.6 million during the financial year.	Our aim is to continue our strong record of cash generation and conversion.
Selective acquisitions and business expansion	The Group has recently expanded with the acquisition of businesses in CEE. These acquisitions provide an important geographic extension and build upon the Group's existing platform. The Group aims to further develop our businesses in all markets in which we operate in the coming years along with continuing to pursue selective acquisitions.	The Group invested €73.6 million in new acquisitions in 2016, which contributed €161.9 million to revenue and €10.9 million to operating profit in the period. The integration of these acquisitions has been significantly progressed in the year.	The Group will continue to monitor potential acquisition and business expansion opportunities and will evaluate each opportunity based on its strategic importance, capital requirements and expected financial returns.
Deliver long term shareholder value	In pursuing our strategic objectives, we will do so in a financially disciplined manner focusing on organic growth in our existing businesses along with selective acquisitions so as to maximise shareholder value over the long term.	The Group allocated capital to existing businesses and acquisitions with the focus of driving shareholder value along with prioritising dividend, maintaining a 21.0 cent per share payout.	Our aim is to continue to identify innovative crop technologies to develop our existing business and to identify suitable acquisitions along with maintaining dividend payments at an appropriate level taking account of the Group's financial performance, all targeted at delivering long term shareholder value.

Key Performance Indicators

Origin employs financial and non financial Key Performance Indicators (‘KPIs’) which benchmark progress towards our strategic goals.

KPI	Definition	Performance	The Future
Number of agronomists and sales representatives	Measures the number of agronomists and sales representatives available to customers to ensure that the appropriate mix of experience and expertise is available.		Our target is to remain adequately resourced with skilled agronomists and sales representatives who can meet our customers’ needs.
Number of customers	Measures the number of customers to which Origin provides services during the financial year.		We aim to increase market share in the coming year, and as a result increase the number of customers to whom we provide services.
Acquisition investment and contribution	Measures the additional revenue and operating profit contributed by acquisitions completed during the financial year.		Our aim is to target acquisitions that complement our existing business in addition to adding to our revenue and profit base.
Cash conversion	Measures cash flows from operating activities after taking account of working capital movements.		Our aim is to continue our strong record of cash generation and conversion, while noting that inter year variations may arise particularly as a result of working capital movements.
ROIC	Return on invested capital is defined as Group earnings before interest, tax and amortisation of non-ERP related intangible assets taken as a percentage of Group Net Assets.		Our aim is to deliver long term returns in excess of the Group’s cost of capital.
Shareholders (Earnings per share)	Measures the change in adjusted diluted EPS recognised in the current year compared to the prior year.		Our aim is to target growth in adjusted diluted EPS while recognising that factors outside our control may cause inter year variances.
Shareholders (Dividends)	Measures the dividend per ordinary share proposed in the current financial year.		Our aim is to maintain dividends at an appropriate level taking account of the Group’s financial performance.

Risk Report

The Board, supported by the Audit Committee and Risk Committee, is responsible for identifying, evaluating and managing the principal risks faced by the Group.

Risk Management

Overall risk management is owned by the Board who is responsible for risk management and internal control systems throughout the Group. The Audit Committee and Risk Committee each assist the Board by taking delegated responsibility for risk identification and assessment and for reviewing the Group's risk management and internal control systems along with making recommendations to the Board regarding the operation of the Group's Risk Management Framework.

The detailed Terms of Reference of the Audit Committee and Risk Committee are available on the Company's website: **www.originenterprises.com**. The principal duties and responsibilities of the Audit Committee are summarised on page 39. The principal duties and responsibilities of the Risk Committee are listed below:

> Continually review the Group's overall risk assessment processes and its capability to identify and manage new risk types;
> Consider the output of the consolidated Group Risk Review Process in terms of the risk map produced and the appropriateness of the positioning of individual risks;
> Review and approve the statements to be included in the Annual Report concerning risk management and the Risk Committee;
> Work and liaise as necessary with all other Board committees and in particular with the Audit Committee;
> Annually review the Risk Committee's Terms of Reference and carry out its performance evaluation review; and
> Report to the Board on how it has discharged its responsibilities.

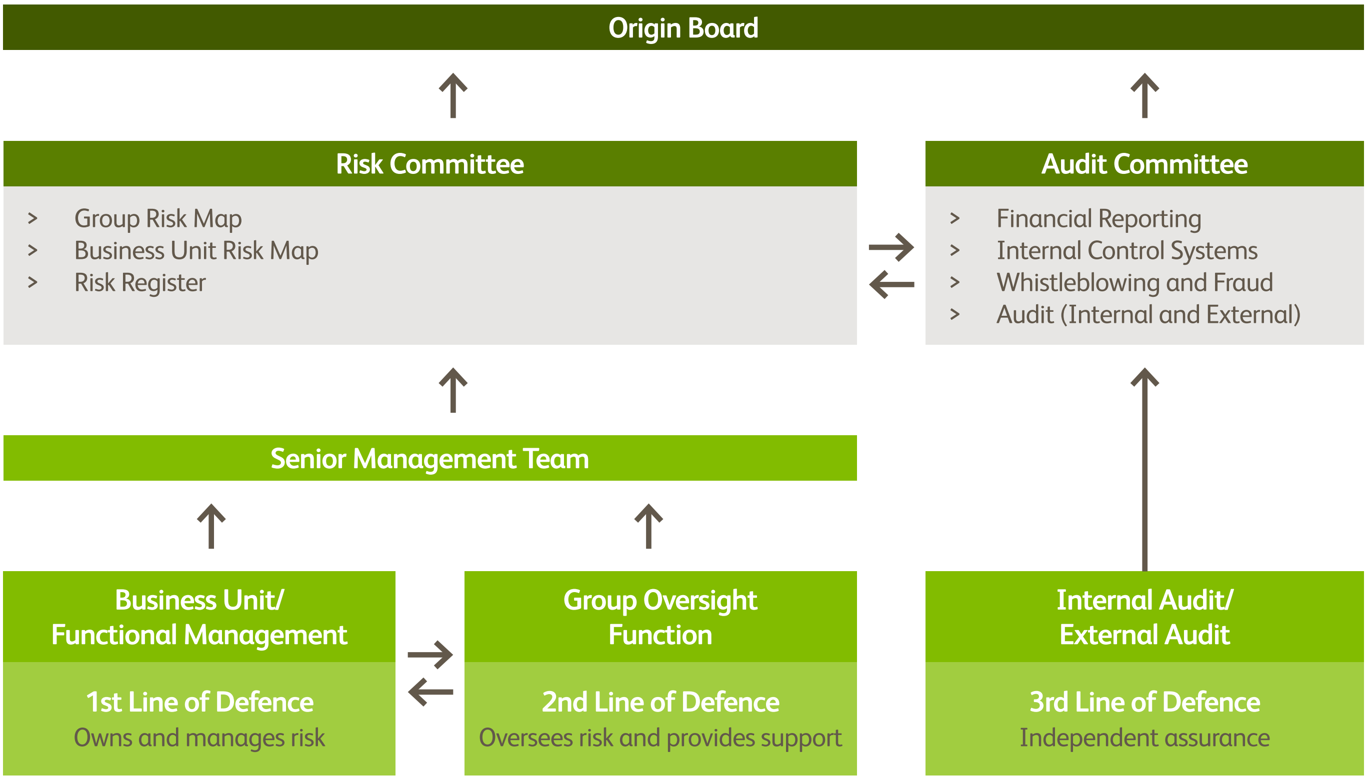
Risk Management Framework

Significant time and resources have been invested in identifying specific risks across the Group and in developing a culture of balanced risk minimisation. To facilitate this, the Group has a Risk Management Framework and a formal risk assessment process in place through which risks are identified and mitigating controls are evaluated.

The risk assessment process is driven by business unit management who are best placed to identify the significant ongoing and emerging risks facing their businesses. The outputs of these risk assessment processes are subject to review and the risks identified, together with associated mitigating controls, are also subject to audit as part of health and safety and operational/financial audit programmes.

The Group's Risk Management Framework is set out diagrammatically below and incorporates the 'three lines of defence' as follows:

> The first line comprises business unit and functional management who have day-to-day responsibility for identifying and managing risk along with devising, implementing and upholding effective internal controls in each respective business unit and functional area;
> The second line comprises Group oversight functions who provide specific functional expertise; and
> The third line is Internal Audit who together with External Audit provide a level of independent assurance.



Risk Report *(continued)*

Roles and Responsibilities
The roles and responsibilities in respect of the key elements of the Risk Management Framework are set out below:

Board	> Agree strategic objectives > Establish Audit and Risk Committees > Consider the reports of the Audit and Risk Committees > Monitor principal risks
Audit Committee	> Review and consider reports from Internal Audit > Review and consider reports from External Auditors > Review internal control systems > Ensure appropriate whistleblowing arrangements are in place > Review procedures for identifying and preventing fraud > Report to the Board on how it has discharged its responsibilities
Risk Committee	> Review the Group's overall risk assessment processes > Review mitigating actions which are undertaken to minimise each risk area > Monitor the risk maps in terms of completeness > Liaise with other Board Committees, in particular the Audit Committee > Report to the Board on how it has discharged its responsibilities
Senior Management Team	> Develop, promote and implement a risk management and control systems environment > Review, assess and support the implementation of agreed risk mitigation and control programs
Group Oversight Function	> Oversee business unit and functional management > Promote the importance of a strong control environment > Additional focus in respect of Group finance, tax, treasury and information technology
Group Internal Audit	> Monitor Risk Management Framework > Identify areas for improvement > Provide independent and objective assurance

The Risk Committee comprises three Independent Non-Executive Directors, Gary Britton (Non-Executive Director, Chairman of the Risk Committee), Hugh McCutcheon (Senior Independent Director) and Rose McHugh (Non-Executive Director).

Length of Tenure
The length of tenure of the Directors on the Risk Committee as at 31 July 2016 is set out below:

Length of tenure on Risk Committee	Years
Gary Britton	0.75
Hugh McCutcheon	0.75
Rose McHugh	0.75

Risk Register and Risk Mapping Process
The Group's risk register process is based on a group-wide approach to the identification and assessment of risks.

Each business unit is required to maintain a risk register, which is reviewed and updated for submission to Group Finance and Internal Audit annually. A risk register template, pre-populated with a number of relevant risks covering strategic, operational, financial and compliance areas, has been developed. This template is then completed by each business unit, with the impact and probability of occurrence for each risk determined and scored.

A risk scoring matrix is issued to ensure a consistent approach is taken when completing the probability and impact assessments. New or emerging risks are added to the risk register as they are identified and the template is formally reviewed and updated annually.

From these risk registers a risk map is created for each business. This requires input from senior management in each business unit and Group Finance.

The Group risk register and risk map is prepared and maintained by Group Finance and is updated to reflect any significant changes noted during the reviews of business unit risk registers.

The Group and business unit risk maps were formally reviewed by the Risk Committee during the financial year.

The principal risks and uncertainties which have the potential, in the short to medium term, to have a significant impact on the Group's business operations and strategy are set out below.

The risks outlined are not listed in order of importance. In addition, the principal mitigation measures are outlined. These mitigation measures are designed to give reasonable but not absolute protection against the impact of each of the potential events in question.

These represent the Board's view of the principal risks and uncertainties at this point in time, though it should be noted that this is not an exhaustive list, of all relevant risks and uncertainties. Matters which are not known to the Board or events which the Board currently considers to be of low likelihood or low financial impact could emerge and give rise to material consequences.

Risk	Impact	Mitigation
Strategic/Commercial		
Competitor activity, product innovation, pricing and margin erosion	The Group operates in a competitive environment where the pace of new innovation, changes in regulatory requirements and the impact of competitors' activity, could have an adverse impact on margin and on the Group's results, including the risk of impairment of assets.	The business operates group-wide product forums, undertakes extensive research and development and focuses on sales, marketing and distribution targeted at ensuring the Group is at the forefront of application methodologies, product innovation and the delivery of superior advisory and inputs offerings. In addition, the Group actively monitors competitor activity and develops strategies to maintain its competitive advantage. The Group's ERP system, Microsoft Dynamics AX helps drive business efficiencies. In addition the business employs experienced teams who track potential or actual changes in regulatory requirements, such that they can be managed and where possible mitigated against.
Acquisitions and corporate development	The Group faces risks and challenges associated with acquiring new businesses including the failure to identify suitable acquisitions, to properly integrate acquisitions and to accurately identify all potential liabilities at the time of acquisition.	All significant acquisitions must be approved by the Board. Financial, commercial and operational due diligence is performed both by external consultants and in house resources in advance of all acquisitions. There is substantial experience within the Group which lends itself to strong project management capability in the area of acquisitions, transaction completion and integration.
Commodity price volatility	The Group is exposed to commodity price risk, particularly in its Agri-Inputs business. It is also indirectly exposed to output price volatility in commodity markets which impacts on the value of outputs to the Group's end customer.	The Group prioritises margin delivery and cost management as key focus points in mitigating input commodity price risk. From an output perspective the business is focused on maximising yield for the end customer by providing value added services, technologies and inputs that address the quality, efficiency and output requirements of primary food producers.
Political	The Group is a multinational organisation and may be negatively impacted by political decisions, civil unrest or other developments in the geographies in which it operates.	Political decisions and civil unrest are not within the control of the Group nor have they had a major impact on the Group's performance to date. Nevertheless the Group monitors these risks and actively manages its businesses to ensure minimum disruption to its operations.
Compliance with legislation and regulations including environmental and health and safety matters	Compliance with laws and regulations is of critical importance to the Group. The business is subject to legislation in the areas of Health and Safety, emissions and effluent controls. Failure to comply clearly with applicable legislation or regulatory obligations could result in enforcement action, legal liabilities, costs and damage to the Group's reputation. Product availability and potential changes in the regulatory environment and legislation could also have a material impact on the Group's results and reputation.	The Group monitors closely all changes to legislation and regulation. It operates thorough hygiene and health and safety systems across its businesses, has well-established product, environmental and discharge controls which ensure product traceability. The Group also develops diverse sources of supply and distribution capability for its products to ensure it continues to compete effectively and to anticipate and meet customer requirements on a continuing basis.

Risk Report *(continued)*

Risk	Impact	Mitigation
Operational		
Adverse weather and climate change	Adverse weather conditions, changes in weather patterns and the impact of climate change affect farming conditions and yields. The environment in which the Group operates is highly seasonal. As a result, the Group's earning's profile is significantly weighted towards the second half of the financial year. This seasonality and the inherent uncertainty of weather conditions has an ongoing impact on working capital requirements and can significantly impact the Group's results.	Weather conditions and climate change are not within the control of the Group. Nevertheless the Group monitors these risks and focuses on the management of the earnings profile, geographical diversity, investment in working capital, inventories, customer receivables, current liabilities along with the monitoring of weather and climate change by divisional and Group managers.
Procurement and supplier risk	The Group sources its products from a number of significant suppliers. The loss of any, or a number, of these suppliers could have a material impact on the Group.	The Group endeavours to maintain close commercial relationships with all its suppliers, the most significant of whom are large multinational organisations which supply across the Group's geographical markets.
IT/Disaster Recovery/ Cyber Security	The Group is a multinational business with operations in a number of countries. The Group's IT strategy and its use of technology is key across the organisation and a robust IT disaster recovery plan is of high importance. Significant challenges would arise in the event there was a lack of access to the IT systems and environment or through cybercrime.	The Group ensures the presence of a robust IT strategy together with a related disaster recovery plan, both of which are frequently reviewed and updated. The Group's IT strategy and disaster recovery plan is overseen by the Group Chief Information Officer. Cyber security controls are in place, which are managed by external technical experts.
Financial		
Brexit uncertainty	The Group has operations within and outside the Eurozone. The UK's referendum decision to leave the EU ('Brexit') has increased uncertainty, particularly in relation to foreign exchange rates, interest rates, farm subsidies post Brexit and the short to medium term outlook for the UK economy. There is a risk that this uncertainty could reduce demand in the Group's UK market, in other markets where there is currently a significant trade relationship with the UK and could adversely impact the financial performance of the Group. There is also a risk that any continuing and sustained weakening of sterling will impact the Group's translation of its sterling earnings with consequential impacts on the reported performance and results of the Group.	Management and the Board are monitoring the potential impacts of the UK's referendum decision to leave the EU on all of the Group's operations. Any potential developments, including new information and policy indications from the UK Government and the EU, will be reviewed on an ongoing basis with a view to taking appropriate actions targeted at managing and where possible mitigating the consequences of Brexit.
Banking, credit, liquidity and market risk	The Group is a multinational organisation with interests both within and outside the Eurozone. As a result Origin is subject to the risk of adverse movements in foreign exchange rates, fluctuations in interest rates and other market risks (including movements in the market value of investments which impact the funding levels of our defined benefit pension schemes). The Group is also exposed to credit risk arising on customer receivables and financial assets.	The Group Treasury Department manages such risks under the supervision of the CFO. Foreign exchange rate and interest rate exposures are managed through appropriate derivative financial instruments. Where available/appropriate credit insurance is in place to mitigate credit risk. Financial Risk Management objectives and policies are further discussed in Note 23 to the financial statements. The Group closely monitors the ongoing costs of its defined benefit schemes and has closed all such schemes to new members.
Fraud	The Group, like all businesses, is at risk of fraudulent activities from both internal and external sources.	The Group places a high importance on the design and ongoing effectiveness of its internal control process. Physical and IT based security measures are in place across the Group's subsidiaries to mitigate such risk. There are whistleblowing arrangements in place throughout the Group. In addition the Group has appropriate insurances in place to provide cover against such an event.

Insights into Ukrainian Agronomy

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Contributing to the Economic Success of Agricultural Producers

An important goal for Agroscope is to contribute to the progressive development of Ukraine's agricultural industry by enhancing economic opportunities for agricultural producers.

Case Study

Agroscope opened two research and development 'Agrocentres' at Petrovo, Kirovograd and Nastasiv, Ternopol in 2014. The objective of these Agrocentres is to organise research activities which are focused on building expertise in each element of crop production, in addition to developing scientifically grounded technologies and products which adapt well to local conditions.

Over 130 trials covering 3,000 trial units are conducted annually including the study of technological elements such as varieties, hybrids, crop protection products, micro and macronutrients.

One such trial was Agroscope's wheat trial initiative, undertaken using exclusive varieties Ellen, Dagmar and Fulvio during the 2015/2016 season. The objective of the trial initiative was to achieve a 10 t/Ha yield.

The trial was undertaken with three separate treatments replicated across 12 units. Different bread and forage wheat was used with the best nitrogen, fungicide and trace element programmes to determine forage-bread ratio influence on yield.

Moderate levels of nitrogen were applied at the early stages with a dramatic increase in application towards flag leaf and later stages (which is significantly different from traditional methods). Nitrogen was applied in later stages, supplemented with different mixing methods, mixing UAN with water and spraying via large drop nozzles and tubes and in small portions with the time spacing between applications.

Trial Learnings and Results

> Trials achieved 13.75 t/Ha on Ellen, 12.60 t/Ha on Dagmar and 11.34 t/Ha on Fulvio.
> Two technologies applied during the trial, using exclusive varieties, crop protection products and micronutrients generated profits of circa 1.5 times the outlay costs.

"Ukrainian agricultural potential is huge with fertile soils, incredible volumes of arable land and unique weather conditions which allow us to grow a wide range of crops and achieve high quality yields. This is why we feel responsible for bringing innovation to primary producers in an easy way, having an input in every step of the operational process and sharing our knowledge with them. We learn from their experiences, listen to their needs and support them in each of these steps. We believe that with our help, primary producers in Ukraine can be more efficient, economically profitable and be the real driver of the country's economy."

Iryna Ivanova, CEO Agroscope International

Ukrainian Agricultural Market – Key Facts

Research and development Agrocentres

32m Ha of arable land
Equivalent to one third of the arable land in the entire European Union

3rd largest exporter of grain worldwide (USDA)

Worldwide Exports
#1 in sunflower oil
#3 in wheat rapeseed
#3 in corn
#5 in barley

Drives 17% of Ukraine's employment

Market Analysis

Opportunity identified	
Total Farm Units (No.)	43,000
Total Cropping Area	22.3m Ha
% of Farm Units > 50 Ha	85 %
Average Wheat Yield/Ha	4.0 t
Grain and Oil Seeds Production	65.0m t

Market penetration	
Access Vehicle	Agroscope
Agroscope Customers' Farming Footprint	5.4m Ha
Agroscope Customers' Principal Farm Size	3,000 – 50,000 Ha
Research & Development Facilities	2 Agrocentres 130 trials annually 3,000 trial units
Origin Market Positioning – No. 3	

Operational Review

Agri-Services comprises integrated agronomy and on-farm services and business-to-business agri-inputs. During the year the Group's operations spanned Ireland, the UK, Poland, Romania and Ukraine.

Tom O'Mahony
Chief Executive Officer

Review of Business Operations
Agri-Services

	2016 €'m	2015 €'m	Change on prior year Change €'m	Underlying** €'m
Revenue	**1,521.3**	1,458.1	63.2	(54.3)
Operating profit*	**67.3**	78.9	(11.6)	(21.9)
Operating margin*	**4.4%**	5.4 %	(100bps)	–
Return on capital employed	**13.6%**	18.5 %	(490bps)	–

* Before amortisation of non-ERP intangible assets and exceptional items.
** Excluding currency movements and the impact of acquisitions.

Agri-Services had a challenging year. Underlying revenue decreased 3.7 per cent principally reflecting the impact of lower input prices and crop marketing volumes. Underlying service revenue and input volumes increased 0.1 per cent in the period, reflecting a 3.2 per cent reduction in Ireland and the UK and a 12.2 per cent increase in Central and Eastern Europe. Operating margin was 100 basis points lower, largely reflecting the impact of unseasonal weather and weaker primary producer returns.

Integrated Agronomy and On-Farm Services
United Kingdom

Origin's agronomy brand in the UK is Agrii, which specialises in offering independent and innovative advice, crop inputs and services to arable, fruit and vegetable growers. Agrii performed robustly in a very difficult environment in 2016. The business recorded lower revenues and margins in the period due to a combination of highly adverse weather and reduced farm profitability.

Unseasonably lower temperatures and higher average and sustained rainfall levels across the main crop growing regions of the United Kingdom during the second and third quarters led to very late spring growing conditions. This resulted in delayed and missed service and input application. Pressure on farm incomes and cash flow, combined with the more compressed nature of seasonal activity, led to highly competitive trading conditions and lower demand across a variety of market sectors.

The Group's service orientated agronomy model continues to demonstrate resilience, benefiting from a broad cropping focus and customised approach designed to maximise the economic potential of farmers' crops. Agronomy service revenue and crop protection volumes recovered well during the fourth quarter following significant shortfalls in the third quarter. Seed and nutrition performed strongly for the year as a whole, growing market share despite the challenging backdrop.

During the period, the Group completed the acquisition of ReSo Seeds, a specialist mobile seed services company, and R&T Liming, a leading provider of extended nutrition applications. These businesses strongly complement the overall agronomy offering by broadening the technical and on-farm service component of Agrii's seed and nutrition portfolios.

Poland

The Agrii Polska brand was created in 2016 through the merger of Dalgety and the Kazgod Group which was acquired during the financial year. This merger represents a transformative expansion to the Group's farm service footprint in Poland, and Agrii Polska is now a scale business with market leadership positions and an enhanced service capability.

The business achieved a satisfactory result in the context of extreme weather conditions which negatively impacted revenues, profits and margins. Service and input application was significantly curtailed following a combination of prolonged frost conditions and an absence of snow cover throughout Northern and Central Poland during March and April. This unusual weather pattern led to the loss of 1.2 million hectares or c. 20 per cent of total autumn and winter crop plantings in addition to a shorter growing season for spring cropping. The market backdrop was generally mixed reflecting weak farm sentiment due to poor crop potential and a delayed season. This, together with a reduced market for service and input application drove highly competitive trading conditions in the period.

Romania

The Group's Romanian operations, comprising the farm service brands of Comfert and Redoxim, delivered an excellent maiden contribution in the period. There was a strong organic performance with higher underlying revenues, volumes and margins reflecting growth in all service and input portfolios.

Crop growing conditions were generally excellent throughout the period reflecting the benefit of good autumn establishment and favourable spring weather.

Integration was advanced during the period, with the initial areas of focus being organisational simplification, the introduction of enhanced technical support to the sales teams and product specialists, and the establishment of five knowledge transfer demonstration farms.

Ukraine

The Group's Ukrainian operations trade under the Agroscope brand. A more challenging market backdrop in the year drove a lower year-on-year operating profit result, with service providers responding competitively to the impacts of weaker local currency and on farm cash flow pressures on primary producer economics.

Soil fertility and seed technology applications maintained good development momentum during the period. New customer gains in the year were supported through the expansion of the agronomy sales force together with an extension of the regional distribution footprint of the business.

Business-to-Business Agri-Inputs

Business-to-Business Agri-Inputs achieved a satisfactory performance in highly competitive market conditions.

Fertiliser

Origin's fertiliser brands are Goulding in Ireland and Origin Fertilisers in the UK. General uncertainty regarding fertiliser raw material price development and delayed seasonal timing due to late spring conditions, together with pressures on farm incomes, drove lower revenues, volumes and margins in the period. Weaker demand in the UK was partially offset by a robust volume performance in Ireland underpinned by higher livestock numbers with primary producers focused on maximising grass production to achieve higher milk volumes.

Specialist fertiliser applications maintained strong development momentum in the period through the roll out of technically enhanced nutrition solutions that meet the requirements of high yielding grassland and cereal crop production systems. Routine investment and operational improvement programmes are driving an enhanced capability within the business to address evolving market and structural changes, such as the demands of an increasingly concentrated sales offtake pattern.

Amenity

Origin's principal amenity brands are PB Kent and Rigby Taylor, which are based in the UK. These businesses service the professional sports turf, landscaping, general amenity and niche agriculture sectors. Amenity performed very satisfactorily in the period, with the professional channel continuing to provide growth opportunity supported by new customer development and the benefit of ongoing product and service innovation.

Development continues to be positively supported through the formation of industry leading partnerships. During the year, Rigby Taylor became the official service provider to the UK Football Association's pitch improvement programme, an initiative to improve playing surfaces in order to encourage increased participation in grass roots football. In 2016, the Group completed the acquisition of UK based Headland Amenity ('Headland'), a niche provider of advanced turf management and maintenance solutions. Headland's strong technical credentials will enhance the Group's sector position in the wider amenity market.

Feed

Against the backdrop of weaker returns from beef and dairy enterprises, Feed achieved a satisfactory performance underpinned by a modest volume increase in the period. Spot demand was robust at varying times during the year reflecting unsettled weather patterns, while price volatility drove generally weaker forward buying momentum.

Associates and Joint Venture

John Thompson & Sons Limited, in which Origin has a 50 per cent shareholding, is the largest single site multispecies animal feed mill in the European Union. It delivered a satisfactory performance during the year.

Financial Review

This Financial Review provides an overview of the Group's financial performance for the year ended 31 July 2016 and of the Group's financial position at that date.

Imelda Hurley
Chief Financial Officer

Overview of Results

As outlined in the Chief Executive's Review on page 7, the Group faced a challenging and competitive trading environment in 2016.

The key financial highlights include:

> Adjusted diluted EPS*** of 44.51 cent
> Full year dividend maintained at 21.0 cent per share
> Net cash of €3.1 million**** at year end

Results summary	2016 €'m	2015 €'m
Group revenue	**1,521.3**	1,458.1
Operating profit*	**67.3**	78.9
Associates and joint venture**	**5.6**	14.1
Total Group operating profit*	**72.9**	93.0
Finance expense, net	**(7.4)**	(4.8)
Profit before tax*	**65.5**	88.2
Income tax	**(9.4)**	(12.7)
Adjusted net profit	**56.1**	75.5
Adjusted diluted EPS (cent)* **	**44.51**	60.10
Net cash******	**3.1**	88.8

* Operating profit and Total Group operating profit are stated before amortisation of non-ERP intangible assets and exceptional items.

** Share of profit of associates and joint venture represents profit after interest and tax before amortisation of non-ERP intangible assets and before exceptional items.

*** Adjusted diluted earnings per share is stated before amortisation of non-ERP intangible assets, net of related deferred tax (2016: €3.1 million, 2015: €10.2 million) and exceptional items, net of tax (2016: €4.7 million credit, 2015: €12.0 million credit).

**** Including restricted cash (2016: €2.9 million, 2015: €29.4 million).

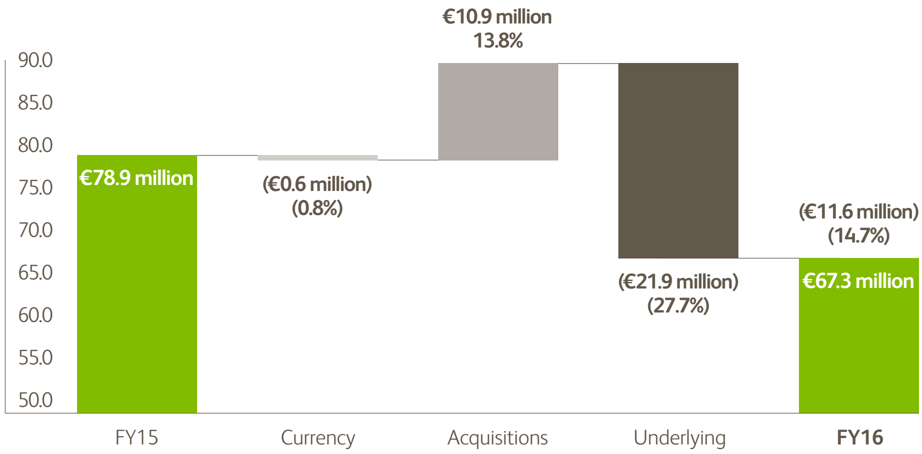
Revenue

Group revenue was €1,521.3 million compared to €1,458.1 million in the previous year, an increase of 4.3 per cent. Underlying revenue (adjusted for the impact of currency movements and acquisitions) decreased by €54.3 million (3.7 per cent) principally reflecting a combination of lower input prices and crop marketing volumes. Underlying service revenue and input volumes were 0.1 per cent higher in the period.

Operating Profit*

Operating profit* amounted to €67.3 million compared to €78.9 million in the previous year. On a like-for-like basis (adjusted for currency movements and acquisitions) operating profit* decreased by €21.9 million (27.7 per cent). This was a solid result in the context of a particularly challenging year for primary food producers.

The following table shows the year-on-year movement:



Seasonality

The Group's earnings profile is significantly weighted towards the latter half of the financial year with in excess of 100 per cent of earnings arising in the second half of this year. An analysis of the quarterly revenue and operating profit is set out in the following table:

	2016				
	Q1 €'m	Q2 €'m	Q3 €'m	Q4 €'m	Total €'m
Revenue	**300.4**	**206.8**	**555.5**	**458.6**	**1,521.3**
Operating profit	**3.8**	**(5.6)**	**24.6**	**44.5**	**67.3**

	2015				
	Q1 €'m	Q2 €'m	Q3 €'m	Q4 €'m	Total €'m
Revenue	318.0	213.6	560.9	365.6	1,458.1
Operating profit	6.6	(2.5)	36.8	38.0	78.9

€69.1 million of operating profit was generated in the seasonally more important second half of the current year, a decrease of €5.7 million (7.6 per cent) on the second half of 2015.

Associates and Joint Venture

Origin's share of the profit after interest and taxation from associates and joint venture decreased by €8.5 million (60.1 per cent) to €5.6 million. This decrease was primarily driven by the disposal of the Group's 32 per cent interest in Valeo Foods in July 2015.

Finance Expense and Net Debt

Net finance costs amounted to €7.4 million, an increase of €2.6 million (53.2 per cent) on the prior year. Average net debt amounted to €190 million compared to €186 million last year. Actual net cash at 31 July 2016 was €3.1 million**** compared to actual net cash of €88.8 million**** at the end of the previous year. The prior year net cash position of €88.8 million included the receipt of €86.6 million of cash proceeds on the disposal of our interest in Valeo Foods in July 2015, with the year on year movement being driven primarily by an acquisition spend of €73.6 million (including debt acquired) in the current financial year.

Taxation

The effective tax rate for the year ended 31 July 2016 was 15.7 per cent (2015: 16.7 per cent), and reflects the mix of geographies where profits were earned in the year.

Exceptional Items

Exceptional items net of tax amounted to a credit of €4.7 million in the year. These principally relate to a gain arising from the revaluation of deferred acquisition consideration payable (€6.6 million), restructuring, acquisition, integration and other costs (€3.3 million) and a gain of €1.4 million relating to a fair value adjustment to the Group's investment properties.

Financial Review *(continued)*

Adjusted Diluted Earnings per Share*** ('EPS')

EPS*** amounted to 44.51 cent per share, a decrease of 25.9 per cent from 2015. The year on year decrease of 15.59 cent per share can be summarised as follows:

Impact of	Cent per share	%
Currency	(0.41)	(0.7)
Acquisitions	6.59	11.0
Disposals	(8.53)	(14.2)
Underlying growth	(13.24)	(22.0)
Total	**(15.59)**	**(25.9)**

Dividends

The Board is recommending a final dividend of 17.85 cent per ordinary share which, when combined with the interim dividend of 3.15 cent per ordinary share, brings the total dividend for the year to 21.0 cent per ordinary share (2015: 21.0 cent). Subject to shareholder approval, the final dividend is payable on 16 December 2016 to shareholders on the register on 2 December 2016.

Return on Capital Employed

The creation of shareholder value through the delivery of consistent, long term returns in excess of the cost of capital is one of Origin's core strategic aims. Return on capital employed for the Group (including Associates and Joint Venture) for 2016 was 13.6 per cent.

Capital Structure – Bank Facilities

The financial structure of the Group is managed to maximise shareholder value while providing the Group with the flexibility to take advantage of opportunities to develop the business. The Group targets acquisition and investment opportunities that are value enhancing and the Group's policy is to fund these transactions in the most efficient manner.

The Group has unsecured committed banking facilities of €400 million with a syndicate of seven banks. In May 2016, these facilities were extended for a further year and now expire in May 2021. The Group refinanced a further €30 million of unsecured committed banking facilities for three years starting in September 2015.

Cash Flow and Net Debt

Actual net cash at 31 July 2016 was €3.1 million**** compared with €88.8 million at the end of the previous year. The majority of Group borrowings are subject to financial covenants calculated in accordance with lenders' facility agreements. The Group's balance sheet is in a strong position. Group Treasury monitors compliance with all financial covenants which at 31 July 2016 included:

	Covenant	**2016 Times**	2015 Times
Net debt(i): EBITDA	Maximum 3.50	**–**	–
EBITDA: Net interest	Minimum 3.00	**11.06**	17.84

(i) Net cash position.

A summary cash flow is presented below:

		2016 €'m	2015 €'m
Cash flow from operating activities, before exceptional and one off items		**72.4**	86.1
Change in working capital		**(20.7)**	(9.7)
Interest and taxation		**(18.2)**	(16.2)
Cash flow from ongoing operating activities		**33.5**	60.2
Exceptional and once off items		**(17.9)**	(5.3)
Net cash flow from operating activities		**15.6**	54.9
Dividends received		**2.9**	2.9
Net capital expenditure	– Routine	**(4.3)**	(7.9)
	– Investment	**(3.0)**	(3.1)
Acquisition expenditure (including debt acquired)		**(73.6)**	–
Cash consideration on disposal of equity investment		**1.1**	–
Cash consideration on disposal of associates and joint venture		**–**	42.9
Cash consideration on repayment/disposal of vendor loan note		**–**	44.2
Dividends paid		**(30.3)**	(25.0)
Other		**(1.2)**	(0.5)
Decrease in (cash)/debt		**(92.8)**	108.4
Opening net cash/(debt)		**88.8**	(11.9)
Translation		**7.1**	(7.7)
Closing net cash ****		**3.1**	88.8

Acquisitions
During the year, the Group completed the acquisitions of the Kazgod Group in Poland, together with Comfert SRL and Redoxim SRL in Romania. The Group also completed the acquisitions of R&T Liming and ReSo Seeds in the UK. Total acquisition expenditure during the year amounted to €73.6 million.

Working Capital
Investment in working capital remains a key area of focus for the Group given the funding costs and the related risks in the current environment. The year end represents the low point in the working capital cycle for the Group reflecting the seasonality of the business.

Post Employment Benefit Obligations
The Group operates a number of defined benefit and defined contribution pension schemes with assets held in separate trustee administered funds. All of the defined benefit schemes have been closed to new members for a number of years and the majority are closed to future accrual.

Under IAS 19, 'Employee Benefits' the amounts recognised in the Consolidated Statement of Financial Position as at 31 July 2016 are as follows:

	2016 €'m	2015 €'m
Non-current liabilities		
Deficit in defined benefit schemes	**7.7**	7.4

Post Employment Benefit Obligations
The movement during the year can be summarised as follows:

	€'m
Net liability at 1 August 2015	**7.4**
Current service costs	**0.6**
Past service costs	**0.1**
Other finance expense	**0.1**
Contributions paid (including special contributions)	**(4.7)**
Remeasurements	**4.9**
Translation	**(0.7)**
Net liability at 31 July 2016	**7.7**

The remeasurements of €4.9 million principally relate to a reduction in the discount rate used for the Irish and UK schemes by 0.8 per cent and 1.4 per cent respectively.

Risk Exposures
The Group's international operations expose it to different financial risks that include currency risk, credit risk, liquidity risk and interest rate risk. The Group has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Group. The Board has determined the policies for managing these risks. It is the policy of the Board to manage these risks in a non speculative manner. Details of the Group's risk exposures and the controls in place to monitor such exposures are set out in Note 23 to the financial statements.

Share Price
The Group's ordinary shares traded in the range of €5.02 to €7.98 during the year from 1 August 2015 to 31 July 2016. The Group's share price at 31 July 2016 was €5.40 (31 July 2015: €7.62).

Investor Relations
Origin's Senior Management Team is committed to interacting with the international shareholder community to ensure a full understanding of Origin's strategic plan, long term targets and current trading performance.

Imelda Hurley
Chief Financial Officer
27 September 2016

Strategic Report

Our Progress Since Establishment

The following table summarises the financial performance of the Group since flotation in June 2007. Over the period the Group has delivered compound annual growth in adjusted diluted EPS of 9.5 per cent.

Cumulative cash flow over the period of €446.8 million reflects the strong cash generative nature of the business and this cash flow has funded acquisition and development expenditure of €388.8 million.

Over the year the Group has delivered a return on investment of 13.6 per cent, well in excess of the Group's cost of capital. With year end net cash of €3.1 million***, committed banking facilities as outlined earlier and the cash generative nature of the business, Origin is well positioned to pursue future development opportunities.

	2007 €'m	2008 €'m	2009 €'m	2010 €'m	2011 €'m	2012 €'m	2013 €'m	2014 €'m	2015 €'m	**2016 €'m**	CAGR
Year ended 31 July											
EBITA*	42.8	74.1	81.0	82.4	89.8	85.7	97.1	95.5	95.4	**74.0**	**6.3%**
Adjusted diluted EPS** (cent)	19.63	34.05	36.16	37.26	43.34	45.16	52.11	57.51	60.10	**44.51**	**9.5%**
Acquisition expenditure (cumulative)	–	157.4	193.9	195.1	274.4	288.2	301.8	315.2	315.2	**388.8**	
Cash flow after capex (cumulative)	38.8	91.9	145.3	197.4	236.7	293.1	333.9	394.5	438.4	**446.8**	
Return of capital to shareholders	–	–	–	–	–	–	–	100.0	–	**–**	
Year end net (debt)/cash***	(71.7)	(175.1)	(153.8)	(111.9)	(92.1)	(67.8)	(29.6)	(11.9)	88.8****	**3.1********	
Net debt/EBITDA (times)	1.42	2.13	1.77	1.33	1.17	0.81	0.38	0.14	–****	**–********	
Return on investment*****	16.6 %	19.4 %	20.5 %	18.8 %	19.1 %	17.4 %	18.3 %	19.7 %	19.8 %	**13.6%**	

* Earnings before interest, taxation, amortisation and exceptional items including our share of the profit before tax of associates and joint venture before exceptional items and non-ERP intangible amortisation.

** Before amortisation of non-ERP intangible assets, net of related deferred tax (2016: €3.1 million, 2015: €10.2 million) and exceptional items, net of tax (2016: €4.7 million credit, 2015: €12.0 million credit). 2007 adjusted to reflect the current capital structure of the Group.

*** Including restricted cash (2016: €2.9 million, 2015: €29.4 million).

**** Group in a net cash position at 31 July 2016 and 31 July 2015.

***** ROI of total Group including Associates and Joint Venture.

Insights into Romanian Agronomy

—

Origin has identified agronomy enhancement opportunities in the Romanian agricultural market where yields are less than 50% of the EU average.

Case Study

During the current year, Origin created a footprint in the Romanian integrated agronomy market through the acquisition of Comfert SRL ('Comfert') and Redoxim SRL ('Redoxim'). Both companies are leading agricultural service and input providers.

With yields less than 50 % of the EU average, input spends lower than the EU average and EU subsidies set to increase above the current €150 per Ha level, the opportunity exists to increase input spend and enhance yield. These conditions provide the platform for Origin to build on the existing Comfert and Redoxim businesses using the Group's integrated agronomy services and on-farm knowledge transfer capabilities.

Launch of Agricultura Plus

Comfert and Redoxim have for many years had close relationships with their customers and have identified the many issues facing primary producers in Romania.

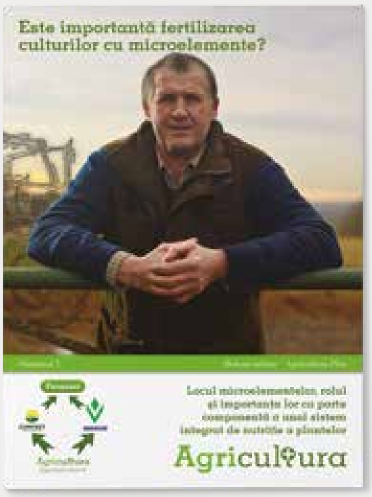
Recognising the existing competencies of the sales and agronomy teams in the acquired businesses and the opportunity to transfer knowledge from our other Origin geographies, Agricultura Plus was launched in January 2016. The objective of this initiative is to organise research activities focused on identifying and selecting best seed varieties, crop protection products and technologies which deliver increased productivity for Romanian primary producers.

Since the launch of the Agricultura Plus brand, the research team based in Bucharest and at two farm locations, has commenced research on sunflower and corn variety trials in addition to sunflower foliar and corn foliar fertilisation trials.

Field days, information brochures and electronic newsletters are used to communicate our research initiatives to customers. Smartphone and tablet applications are also being developed to improve communication and knowledge transfer opportunities.

Our sales teams and specialist agronomists together with our research team at Agricultura Plus target to assist primary producers in overcoming the barriers they face and offer solutions to maximise yields and profitability.

Agricultura Plus



"Romania has huge agricultural potential with low input costs, increasing EU farm subsidies and yields less than 50% of the EU average. We believe that through our experienced sales team, skilled agronomists and our Agricultura Plus intitiative, we are in a very strong position to influence and support farmers overcome barriers to increase their yields and profitability."

Monalisa Ungureanu, Chief Financial Officer – Comfert and Redoxim, Romania

"The competencies established in Comfert and Redoxim, together with the launch of Agricultura Plus research activities will enable our team to deliver effective customised solutions to farmers so they can increase their yields and profitability."

Dr. Valerian Istoc, Agronomist, Agricultura Plus

Market Analysis

Opportunity identified	
Total Farm Units (No.)	3,859,000
Total Cropping Area	8.0m Ha
% of Farm Units > 50 Ha	59 %
Average Wheat Yield/Ha	3.0 t
Grain and Oil Seeds Production	22.4m t

Market penetration	
Access Vehicle	Comfert Redoxim
Customers' Farming Footprint	2.0m Ha
Customers' Principal Farm Size	100 – 600 Ha
Origin brand introduced	Agricultura Plus
Origin Market Positioning – No. 2	

Board of Directors

The Board of Origin comprises a Non-Executive Chairman, three Executive Directors and five Non-Executive Directors.

Non-Executive Chairman

Rose Hynes (59)
Non-Executive Chairman
NATIONALITY: Irish

Rose Hynes was appointed to the Origin Board on 1 October 2015.

Rose is the Senior Independent Director of Total Produce plc, One Fifty One plc and Mincon plc. She is also Chairman of Shannon Group plc. She previously held a number of senior Executive positions with GPA Group plc in the period 1988-2002 including General Counsel and Head of the Commercial Department.

A law graduate of University College Dublin and a lawyer, Rose is an Associate of the Irish Institute of Taxation and of the Chartered Institute of Arbitrators.

Executive Directors

Tom O'Mahony (54)
Chief Executive Officer
NATIONALITY: Irish

Tom O'Mahony was appointed to the Origin Board on 9 February 2007.

Tom is CEO of Origin since its formation in 2006.

Prior to his appointment he was Chief Operations Officer of IAWS Group plc having previously held a number of senior management positions at IAWS, spanning functional areas including corporate development, business integration and financial control within the Group.

Imelda Hurley (44)
Chief Financial Officer
NATIONALITY: Irish

Imelda Hurley was appointed to the Origin Board on 1 August 2014.

Imelda is Chief Financial Officer of Origin having joined the Group in July 2014.

She was previously based in Hong Kong as Chief Financial Officer and Head of Corporate Social Responsibility at PCH International Holdings. Prior to that, Imelda held a number of senior leadership positions at Greencore Group plc during the period 2001 to 2011, including Group Finance Director and Finance Director of the Convenience Foods Division.

Imelda is a business graduate of the University of Limerick and a fellow of the Institute of Chartered Accountants in Ireland, having trained with Arthur Andersen.

Declan Giblin (60)
Executive Director
NATIONALITY: Irish

Declan Giblin was appointed to the Origin Board on 15 October 2008.

Declan is Head of Corporate Development and Executive Chairman of Agrii.

He was formerly Chief Executive of Masstock and has been the driving force behind the development of Agrii over a 20-year period.

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Non-Executive Directors

Kate Allum (51)
Non-Executive Director
NATIONALITY: British

Kate Allum was appointed to the Origin Board on 1 October 2015.

Kate is a Non-Executive Director of Cranswick plc where she is a member of the Audit, Remuneration and Nomination Committees. She has previously held a number of senior management positions in the food and agricultural sector, including Chief Executive of First Milk Limited and Head of European Supply Chain for McDonald's Restaurants.

Gary Britton (62)
Non-Executive Director
NATIONALITY: Irish

Gary Britton was appointed to the Origin Board on 1 October 2015.

Gary is a Non-Executive Director of The Irish Stock Exchange plc, KBC Bank Ireland plc, Cairn Homes plc and The Cheshire Foundation in Ireland. He was previously a partner in KPMG where he served in a number of senior positions, including the firm's Board, the Remuneration and Risk Committees and as head of its Audit Practice.

Gary is a member of the Institute of Chartered Accountants in Ireland, the Institute of Directors and the Institute of Banking. He is also a Certified Bank Director as designated by the Institute of Banking.

Hugh McCutcheon (62)
Non-Executive Senior Independent Director
NATIONALITY: Irish

Hugh McCutcheon was appointed to the Origin Board on 21 November 2011.

Hugh is a Non-Executive Director of One Fifty One plc. He is also an Alternate Director at the Irish Takeover Panel. Hugh was formerly Head of Corporate Finance at Davy Stockbrokers.

Hugh is a fellow of the Institute of Chartered Accountants in Ireland, having trained with PWC.

Rose McHugh (52)
Non-Executive Director
NATIONALITY: Irish

Rose McHugh was appointed to the Origin Board on 18 May 2012.

Rose is Chairman of Brook Food Services and a Non-Executive Director of IMRO, Xiu Lan Hotels Ltd, Irish Life Assurance plc and the Hope Foundation. She was previously Chairman of Bord Iascaigh Mhara and is a former Non-Executive Director of Bord na Mona. Rose was formerly Head of Corporate Finance with Merrion Capital Group, deputy CEO of SWS Group and a Director of Taxation with Ernst & Young.

Rose is a fellow of the Institute of Chartered Accountants in Ireland, an Associate of the Irish Institute of Taxation, holding a law degree and MBA from University College Cork.

Christopher Richards (62)
Non-Executive Director
NATIONALITY: British

Christopher Richards was appointed to the Origin Board on 1 October 2015.

Chris is Chairman of Plant Health Care plc and of Nanoco Group plc as well as Non-Executive Director of Cibus Global. He has more than 30 years international experience in the agriculture industry and currently farms in the West of England. Chris previously spent 20 years in various leadership roles with Syngenta and its predecessor companies before serving as CEO and, later, Non-Executive Chairman of Arysta LifeScience.

Chris holds an MA in Zoology and a D. Phil. in Ecology from Oxford University.

Directors' Report

The Directors present their Annual Report together with the audited consolidated financial statements of the Group for the year ended 31 July 2016, which are prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU.

Principal Activity and Business Review

The Group's principal activities comprise the provision of value added services, technologies and inputs that address the quality, efficiency and output requirements of primary food producers. The manufacturing, research and development, trading and distribution operations are based in Ireland, the UK, Poland, Romania and Ukraine.

During the year under review, the Group continued to develop its core activities. The Group completed the acquisitions of the Kazgod Group in Poland, together with Comfert SRL and Redoxim SRL in Romania. The Group also completed the acquisitions of R&T Liming and ReSo Seeds Limited in the UK.

A comprehensive review of the performance and development of the Group is included in the Operational Review on pages 18 and 19 and Financial Review on pages 20 to 23. The Directors consider the state of affairs of the Company and the Group to be satisfactory. A list of the Group's principal subsidiaries and associates is set out in Note 35 to the Group financial statements.

The key performance indicators relevant to the Group are set out in the Strategic Report on page 12.

Results for the Year

The results for the year are set out in the Consolidated Income Statement on page 59. Revenue for the financial year was €1,521,256,000 (2015: €1,458,098,000). The profit after tax and exceptional items for the financial year was €57,801,000 (2015: €77,527,000).

Future Developments

The Group will continue to pursue new developments to enhance shareholder value, through a combination of organic growth, acquisitions and development opportunities.

Dividends

The Board is recommending a final dividend of 17.85 cent per ordinary share which, when combined with the interim dividend of 3.15 cent per ordinary share, brings the total dividend for the year to 21.0 cent per ordinary share (2015: 21.0 cent). Subject to shareholder approval, the final dividend is payable on 16 December 2016 to shareholders on the register on 2 December 2016.

Share Capital and Treasury Shares

At 31 July 2016, Origin's total authorised share capital comprised 250,000,000 ordinary shares of €0.01 each (2015: 250,000,000), and the Company's total issued share capital (including treasury shares) comprised 126,378,777 ordinary shares of €0.01 each (2015: 126,378,777). At 31 July 2016, 800,330 securities were held as treasury shares (2015: 1,212,871).

In December 2012, the issued ordinary share capital was increased by the issue of 1,212,871 ordinary shares pursuant to a share subscription by a wholly owned subsidiary for the purposes of the 2012 LTIP. These shares are treated as treasury shares in the Group's consolidated financial statements. Under the terms of the 2012 LTIP, 412,541 of these shares were transferred to the Directors and senior management during the year as a result of certain targets being achieved. The remaining 800,330 ordinary shares continue to be held as treasury shares. Following a review of the remuneration policies of the Group, the 2015 LTIP, in line with evolving market practice, was proposed and approved by shareholders at the Company's AGM held in November 2015. Further details in respect of the 2012 LTIP and the 2015 LTIP are included in the Remuneration Committee Report and in Note 9 to the financial statements.

In respect of share transfers, the Directors may refuse to register any share transfer unless: (i) it is in respect of a share on which the Company does not have a lien, (ii) it is in respect of only one class of shares, (iii) it is in favour of not more than four joint holders as transferees, (iv) no restriction has been imposed and is in force on the transferor or transferee in default of complying with a notice to disclose beneficial ownership under the Articles of Association or under Chapter 4 of Part 17 of the Companies Act 2014, and (v) the required formalities for the registration of transfers have been satisfied. With the exception of transfers of shares through a stock exchange on which the shares are traded, the Directors may also decline to register: (i) any transfer of a share which is not fully paid, or (ii) any transfer to or by a minor or person of unsound mind but this shall not apply to a transfer of such a share resulting from a sale of the share through a stock exchange on which the share is traded.

The rights and obligations to the ordinary shares are set out in the Articles of Association of the company which are available on the Company's website: **www.originenterprises.com**.

Principal Risks and Uncertainties

Under Irish Company law (Section 327(1)(b) of the Companies Act 2014), Origin is required to give a description of the principal risks and uncertainties facing the Group. These are addressed in the Risk Report on pages 13 to 16.

Financial Instruments and Financial Risk

Details of the financial instruments used along with the objectives and policies to which they relate are set out in Note 23 to the financial statements.

Corporate Governance

The Corporate Governance Statement on pages 32 to 37 sets out the Group's application of corporate governance principles, the Group's system of risk management and internal control and the adoption of the going concern basis in preparing the financial statements. The Corporate Governance Statement shall be treated as forming part of the Directors' Report.

Directors and Secretary

The following Directors and Secretary held office as at 31 July 2016:

Directors:
Rose Hynes (Non-Executive Chairman)
Tom O'Mahony (Chief Executive Officer)
Imelda Hurley (Chief Financial Officer)
Declan Giblin (Executive Director)
Kate Allum (Non-Executive Director)
Gary Britton (Non-Executive Director)
Hugh McCutcheon (Non-Executive Senior Independent Director)
Rose McHugh (Non-Executive Director)
Christopher Richards (Non-Executive Director)

Secretary:
Imelda Hurley

The biographical details of the Directors are set out on pages 26 and 27 of this Annual Report.

Changes in Directors during the Year

Owen Killian and Patrick McEniff resigned as Directors of the Board on 23 October 2015.

Kate Allum, Gary Britton, Rose Hynes and Christopher Richards were appointed to the Board on 1 October 2015 and each was elected by shareholders at the Company's 2015 Annual General Meeting on 27 November 2015.

Directors' Interests in Share Capital at 31 July 2016

The interests of the Directors and the Company Secretary in the shares of the Company are set out in the Annual Report on Remuneration on pages 47 to 52.

Substantial Holdings

As at 31 July 2016, the Directors have been notified of the following shareholdings which amount to 3 per cent or more of the Company's issued ordinary share capital:

	Number of shares	%
Mawer Investment Management Limited	18,725,205	14.9%
F&C Management Limited	10,007,724	8.0%
FMR LLC	9,072,500	7.2%
Invesco Limited	8,840,753	7.0%
Setanta Asset Management Limited	8,613,475	6.9%
Kinney Asset Management LLC	4,952,100	3.9%
DNCA Finance	4,260,000	3.4%

As at 23 September 2016, the Directors have been notified of the following shareholdings which amount to 3 per cent or more of the Company's issued ordinary share capital:

	Number of shares	%
Mawer Investment Management Limited	18,724,194	14.9%
FMR LLC	11,378,695	9.1%
F&C Management Limited	9,891,851	7.9%
Setanta Asset Management Limited	9,318,961	7.4%
Invesco Limited	8,530,967	6.8%
Kinney Asset Management LLC	5,037,100	4.0%
DNCA Finance	4,260,000	3.4%

Directors' Compliance Statement

The Directors acknowledge that they are responsible for securing compliance by the Company with its relevant obligations as defined in the Companies Act, 2014 (hereinafter called the Relevant Obligations).

The Directors confirm that they have drawn up and adopted a compliance policy statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company in respect of its compliance with its Relevant Obligations.

The Directors further confirm that the Company has put in place appropriate arrangements or structures that are, in the Directors' opinion, designed to secure material compliance with its Relevant Obligations and that they have reviewed the effectiveness of these arrangements or structures during the financial period to which this Annual Report relates.

Audit Committee

Pursuant to the Company's Articles of Association the Board had established an Audit Committee that in all material respects meets the requirements of Section 167 of the Companies Act 2014. The Audit Committee was fully constituted and active during the current and prior financial periods under review in these financial statements.

Directors' Report *(continued)*

Disclosure of Information to Auditors

The Directors in office at the date of this report have each confirmed that:

- As far as he/she is aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- He/She has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

Accounting Records

The Directors believe that they have complied with the requirement of Section 281 of the Companies Act 2014 with regard to accounting records by employing personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Company are maintained at the Company's registered office at: 4-6 Riverwalk, Citywest Business Campus, Dublin 24.

Corporate Social Responsibility

Origin recognises the importance of conducting its business in a socially responsible manner. The Group understands its responsibilities as an important member of the communities in which it operates and aims to not only provide employment opportunities to the local population but to earn a positive reputation in those communities by carrying out its commercial dealings and operations with integrity and in compliance with local and national regulations.

The Directors believe that the Group's long-term success will benefit from a motivated and committed workforce and, therefore, aims to provide its employees with an environment to work safely and develop their skills and practices in a well-structured manner. Health and Safety in the work place is given high priority across the Group and is driven internally by health and safety reviews and procedures.

Research and Development

Certain Group companies are involved in research and development activities which are focused on improving the quality, capabilities and range of technologies available to support our businesses.

Political Donations

No political donations were made in the current year (2015: €Nil).

Events since the end of the Financial Year

There were no material events since the end of the financial year to report.

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

On behalf of the Board

Rose Hynes
Director
27 September 2016

Tom O'Mahony
Director
27 September 2016

Chairman's Overview

As Chairman, one of my key objectives is to promote excellence in governance practices to facilitate the effective stewardship and long term success of the Group.

Rose Hynes
Chairman

Dear Shareholder

We, as a Board of Directors, are firmly committed to business integrity, high ethical values and professionalism in all of the Group's activities. We believe these principles form the foundations for the long term success of the Group and facilitate us in determining strategy and growth targets for the future.

The financial year ended 31 July 2016 has been a period of substantial change at the Company. During the first quarter of the year, there was a significant change in the Company's shareholder profile. Reflecting this change, four new Board members, including myself, were appointed on 1 October 2015 leading to my subsequent appointment as Chairman on 23 October 2015. As Chairman, I am responsible for ensuring our Board has the right balance of skills, experience, diversity and independence that are required to deliver the strategic objectives of the Group. Origin's Board comprises of a balanced, diverse and experienced team that is committed to developing Group strategy and maintaining the highest standards of corporate governance.

All Non-Executive Directors who joined the Board during the year were comprehensively briefed on the Company and the Group's operations. Biographies of the Directors are set out on pages 26 and 27.

Our Corporate Governance Statement on pages 32 to 37 discusses the key features of our governance structures, provides an insight into our Board and outlines our Committees, their memberships and activities. During the year ended 31 July 2016 we strengthened our governance structures with the establishment of a Risk Committee and a Nomination Committee, a review of our remuneration structures and a detailed review of our corporate governance processes. On pages 38 to 55 there are detailed reports from our respective Audit, Remuneration, and Nomination Committees. A detailed Risk Report is outlined on pages 13 to 16.

We continue to operate a clear line of distinction between management, led by Tom O'Mahony, our Chief Executive Officer, who is responsible for the day-to-day running of the business, and the Board, acting under my stewardship, which provides constructive challenge to management ensuring an open culture of debate that creates and preserves value for our shareholders.

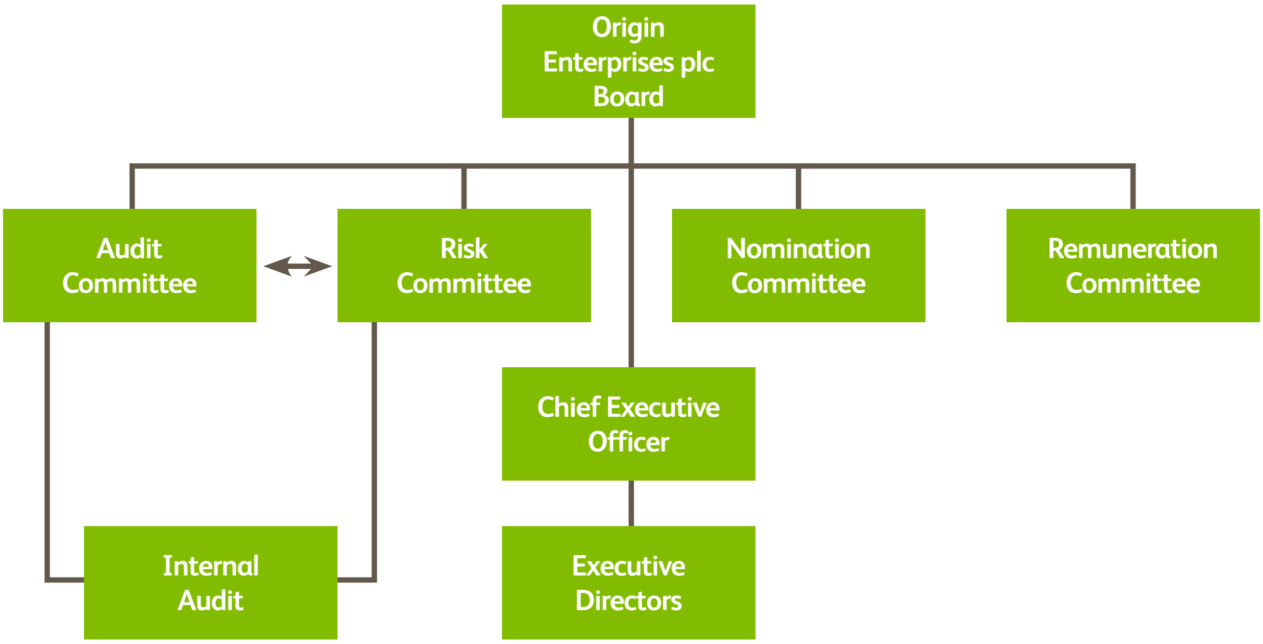
This year, the Board conducted its first formal Board evaluation. This assessed our effectiveness as a Board and as leaders of the business. I led the Board evaluation as Chairman, assessing how we work as a Board, our skills, our diversity, our experience and how we could improve our effectiveness as a team. We also assessed our approach to formulation of strategy, risk management, performance management and stakeholder engagement. Further details of the outcome of the Board evaluation are set out on page 35. We will continue to focus on Board effectiveness over the coming year.

Rose Hynes
Chairman
27 September 2016

Corporate Governance Statement

Under the rules of AIM and ESM, the Company is not subject to mandatory compliance with corporate governance codes. Nevertheless the Board recognises the importance of maintaining the highest standards of corporate governance and that it is accountable to its shareholders in this regard. The Company provides the following voluntary disclosures and has endeavoured to design appropriate corporate governance arrangements having regard to the Company's size and the markets on which its shares are traded. The Board continues to review the governance structures in place, to ensure that the current practices are appropriate for our current shareholder base and that, where necessary, changes are made. Our key governance principles and practices are described in the statement below.

Corporate Governance Framework



The Board of Directors

The Board of Origin comprises a Non-Executive Chairman, five Non-Executive Directors and three Executive Directors, namely the Chief Executive Officer ('CEO'), the Chief Financial Officer ('CFO') and the Head of Corporate Development. The role of the Board is to provide leadership and the Directors are collectively responsible for the long term success of the Group.

The offices of the Chairman and the CEO are separate and clearly distinct. The division of their responsibilities is set out in writing and has been approved by the Board. The CEO, together with the other two Executive Directors, is responsible for the day-to-day running of the Group, carrying out agreed strategy and implementing specific Board decisions. Detailed biographies of current Directors are set out on pages 26 and 27.

The Board has delegated some of its duties and responsibilities to the various Committees of the Board whose composition and activities are set out in their reports on pages 38 to 55. A Risk Report is outlined on pages 13 to 16.

Directors have access to independent professional advice in the furtherance of their duties should they think it necessary.

Schedule of Matters Reserved for the Board

There are certain matters that are deemed sufficiently significant to be reserved for the Board. A schedule of matters set out below, reserved for the Board, was approved during the year and will be reviewed annually by the Board to ensure it continues to be appropriate for the Company.

Matters reserved for the Board include:
Setting of Group strategy and long term objectives
Approval of annual and interim results and report, interim management statements and any non-routine stock exchange announcements
Approval of the annual budget
Approval of the dividend policy
Changes to the Company's capital structure
Policy on remuneration for Executive Directors and Senior Management Team
Approval of significant acquisitions
Approval of significant capital expenditure

Chairman

The Chairman is responsible for the leadership of the Board and ensuring it is effective in carrying out all aspects of its duties and responsibilities. The Chairman is also responsible for setting the Board's agenda and ensuring that adequate time is available for the consideration of all agenda items, in particular strategic issues. The Chairman is the link between the Board and the Company. She is specifically responsible for establishing and maintaining an effective working relationship with the Chief Executive Officer and promotes a culture of open dialogue between the Executive and Non-Executive Directors. She has the responsibility to ensure that there is ongoing and effective communication with shareholders and to ensure that members of the Board develop and maintain an understanding of the views of the shareholders.

Chief Executive Officer
The Chief Executive Officer is responsible for the day-to-day management of the Group's operations and for the implementation of Group strategy and policies agreed by the Board. The Chief Executive also has a key role in the process of setting and reviewing strategy. The Chief Executive instills the Company's culture and standards which include appropriate corporate governance throughout the Group. In executing his responsibilities, the Chief Executive is supported by the Chief Financial Officer and the Head of Corporate Development, who together with the Chief Executive, are responsible for ensuring that high quality information is provided to the Board on the Group's financial and strategic performance.

Senior Independent Director
Hugh McCutcheon, who has been a member of the Board since 2011, was appointed as Senior Independent Director in October 2015 and is available to shareholders should they have any matters for discussion other than through the normal channels. He is also responsible for leading the review of the Chairman's performance, as part of the annual Board evaluation.

Company Secretary
All Directors have access to the advice and services of the Company Secretary, Imelda Hurley, who is responsible for ensuring that Board procedures are complied with. She is also responsible for supporting the Chairman and other Board members as necessary, including the management of Board and Committee meetings, advising on Directors' duties and facilitating appropriate, quality and timely information flows between the business and the Board. Both the appointment and removal of the Company Secretary are matters for the Board as a whole.

Appointment of Directors
The newly formed Nomination Committee is responsible for reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any new appointments of Non-Executive Directors. The report of the Nomination Committee is set out on pages 53 to 55.

The Board may appoint a person willing to act as a Director, either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed fifteen as set out in the Company's Articles of Association. Such new Directors will hold office only until the next AGM, at which, the new Director will be offered up for re-election by ordinary resolution of the Company.

The terms of appointment of each of the Non-Executive Directors are set out in the Directors' Letters of Appointment and are available for inspection at the Company's registered office during normal office hours and at the AGM of the Company.

New Non-Executive Directors are required to serve an initial three year term of office which may be extended for an additional period, subject to Board approval.

Re-election of Directors
In line with the Company's Articles of Association, at each AGM of the Company, one third of the Directors or, if their number is not three or a multiple of three, the number nearest to one-third, shall retire from office and offer themselves up for re-election. Accordingly Hugh McCutcheon, Imelda Hurley and Tom O'Mahony will retire at the Company's forthcoming AGM in November 2016 and seek re-election. The Notice of AGM will provide further details.

Details of the length of tenure of each Director on the Board as at 31 July 2016 are set out in the Nomination Committee Report on page 54.

Induction and Training
All new Directors are comprehensively briefed on the Group and its operations upon joining the Board. They also receive extensive induction materials (via the Directors' electronic boardroom). Training requirements are considered as part of the ongoing Board evaluation process.

During the year, upon their appointment to the Board, each of Kate Allum, Gary Britton, Rose Hynes and Christopher Richards received appropriate induction and training which included financial and operational briefings, recent updates to corporate governance best practices and capital markets training. In addition the new Non-Executive Directors were introduced to the Group's senior management at the Throws Farm Research and Technology Centre.

The Chairman and Company Secretary review Directors' training needs. As part of the Board evaluation process, the Chairman discussed individual training requirements with each Director.

Independence
The Board has carried out its annual evaluation of the independence of each of its Non-Executive Directors and has given regard to the highest standards in governance in doing so. Non-Executive Directors should be independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, the Directors' judgement.

Since their appointment, all current Non-Executive Directors, including the Chairman, have been considered by the Board to be independent and free from any business or other relationship which could materially affect their judgement. The Board notes that Rose Hynes and Hugh McCutcheon serve together on the board of One Fifty One plc. The Board remain satisfied that they are able to apply objective, unfettered and independent judgement and act in the best interest of the Company regardless of this relationship.

The highest standards in governance require that at least half of the Board should comprise Non-Executive Directors and as a result of the new Directors' appointments this has been fully met since 1 October 2015.

Board Meetings
A schedule of Board and Committee meetings is circulated to all Board members annually setting out the dates on which Board and Committee meetings will be held. Board papers are circulated electronically at least three days in advance of the meetings.

During the year ended 31 July 2016, the Board held a total of ten meetings, eight scheduled meetings and two unscheduled. There is regular contact between meetings in order to progress the Company's business. Individual attendance at Board meetings and Committee meetings is set out in the following table.

Corporate Governance Statement *(continued)*

Board of Directors: Attendance at meetings during the year ended 31 July 2016

		Committees			
	Board	Audit	Remuneration	Nomination	Risk
Continuing Directors					
Kate Allum*	9/9	2/2	5/5	–	–
Gary Britton*	9/9	2/2	–	–	2/2
Declan Giblin	10/10	–	–	–	–
Imelda Hurley	10/10	–	–	–	–
Rose Hynes*	9/9	–	4/4***	2/2	–
Hugh McCutcheon	10/10	3/3	–	2/2	2/2
Rose McHugh	10/10	–	–	–	2/2
Tom O'Mahony	10/10	–	–	2/2	–
Christopher Richards*	7/9	–	4/4	–	–
Former Directors					
Owen Killian**	2/2	–	1/1	–	–
Patrick McEniff**	1/2	1/1	1/1	–	–

The attendance statistics represents: Total number of meetings attended by the Director/Total number of meetings held during the year to which the Director was eligible to attend.

* Kate Allum, Gary Britton, Rose Hynes and Christopher Richards were appointed to the Board on 1 October 2015.
** Owen Killian and Patrick McEniff resigned as Directors on 23 October 2015.
*** In accordance with the Terms of Reference of the Remuneration Committee, the Chairman did not attend the Committee meeting held on 25 November 2015 as the sole purpose of the meeting was to fix the remuneration of the Chairman.

Committees

The Board has delegated certain responsibilities to Board committees namely:

> Audit Committee
> Remuneration Committee
> Nomination Committee
> Risk Committee

These Committees operate under clearly defined Terms of Reference and report to the Board at each Board meeting via the relevant Committee's Chairman. Updated or new, as the case may be, Terms of Reference were approved for the Committees during the year and will be subject to an annual review in future years. Any revisions will be proposed by the respective Committees and then approved by the Board. The Terms of Reference for each Board Committee are available to view on the Company's website **www.originenterprises.com**.

Audit Committee

The primary function of the Audit Committee is to assist the Board in fulfilling its financial and risk oversight responsibilities. In terms of risk oversight the Audit Committee works closely with the Risk Committee. Further details of the activities of the Audit Committee are set out in the report on pages 38 to 41.

Remuneration Committee

The Remuneration Committee is responsible for determining the remuneration policy for the Executive Directors, Chairman and the Senior Management Team. Further details of the activities of the Remuneration Committee are set out in the report on pages 42 to 52.

Nomination Committee

The Nomination Committee was established in October 2015. It is responsible for reviewing the structure, size and composition of the Board, including with respect to diversity of background and gender, having regard to the Group's businesses and strategic objectives. Further details of the activities of the Nomination Committee are set out in the report on pages 53 to 55.

Risk Committee

The Risk Committee was established in October 2015. The primary function of the Risk Committee is to assist the Board in fulfilling its risk oversight responsibilities, working closely with the Audit Committee in this regard. Further details of the Risk Committee are outlined in the Risk Report on pages 13 to 16.

Remuneration

It has been the Company's practice since 2015 to put the Remuneration Report to an advisory, non-binding shareholder vote at the AGM. Accordingly the Annual Report on Remuneration will be put to an advisory, non-binding shareholder vote at the Company's 2016 AGM.

Share Ownership and Dealing

Details of each of the Directors' interests in Origin's shares are set out in the Remuneration Committee Report on pages 42 to 52.

The Board has adopted the Origin Enterprises plc Share Dealing Policy (the 'Policy'). The Policy relates to the dealings in shares of the Company by Directors and certain employees of the Group and is designed to ensure that these individuals neither abuse, nor set themselves under suspicion of abusing, information held about the Group which is not in the public domain. It is also designed to ensure compliance with the EU Market Abuse Regulation (596/2014) which came into effect on 3 July 2016.

The Policy requires Directors and certain employees to obtain clearance from the Company Secretary and the Non-Executive Chairman prior to dealing in the shares of the Company and prohibits them outright from dealing in shares during prohibited periods and when in possession of inside information.

Risk Management and Internal Control Procedures

The Board is responsible for identifying, evaluating and managing the principal risks faced by the Group in achieving its strategic objectives. It is ultimately responsible for monitoring risk management systems including financial controls, controls in respect of the financial reporting process and controls of an operational and compliance nature.

The Group's internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve the Group's objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The Board has delegated responsibility for the ongoing monitoring of the effectiveness of the risk management and internal control systems to the Audit and Risk Committees. Details in relation to the Audit Committee's work in this regard are set out in the Audit Committee Report on pages 38 to 41. Details in relation to the Risk Committee's work in this regard are set out in the Risk Report on pages 13 to 16.

The Directors have established a number of key procedures designed to provide an effective system of internal control and risk management. The key procedures which are supported by detailed controls and processes include:

Internal Audit

A Group internal audit function, reporting directly to the Audit Committee, undertakes examinations of business processes on a risk basis and reports on controls throughout the Group.

Control Environment

Maintaining an organisation structure with defined lines of responsibility and specified delegation of authority within which the Group's activities can be planned and monitored. The control environment is overseen by experienced Group and divisional management teams.

Financial Reporting

A comprehensive financial reporting system involving setting of annual budgets and plans, timely monthly reporting and variance analysis and ongoing review, supported by information systems developed for this purpose.

Whistleblowing Arrangements

The Audit Committee is responsible for the review of the Group's whistleblowing arrangements and for ensuring that these arrangements are suitable for the Group's employees. The Audit Committee reviewed these arrangements during the year and satisfied itself that they are adequate for the needs of the Group.

Risk Management Framework

The Group has a robust Risk Management Framework to identify, manage and monitor risks. Details of the operation of the Risk Management Framework are outlined in the Risk Report on pages 13 to 16.

Annual Review of Internal Controls and Risk Management Systems

The Directors confirm that they have conducted an annual review of the effectiveness of internal control and risk management systems as operated up to and including the date of approval of the financial statements. This has had regard to the processes for identifying the principal business risks facing the Group, the methods for managing those risks, the controls that are in place to contain them and the procedures to monitor them.

Consolidated Financial Statements

The consolidated financial statements are prepared subject to the oversight and control of the Chief Financial Officer, ensuring correct data is captured and all information that is required to be provided is disclosed in the consolidated financial statements. The consolidated financial statements are reviewed by the Audit Committee and approved by the Board.

Board Evaluation

This year, the Board undertook its first formal evaluation, led by the Chairman. The 2016 review comprised a self assessment questionnaire completed by each Director, one to one interviews with the Chairman and a Board discussion on the outcome at the September 2016 Board meeting. The review considered a range of factors including the balance of skills and experience of the Board members, independence of the Board, Board diversity, the Board agenda and relations between the Executive and Non-Executive Directors. The results of the review demonstrated that the Board was operating effectively and needed to continue to devote time in particular to strategic matters. Actions were agreed which will be implemented by the Chairman during the current year.

The Committees of the Board followed a similar process in assessing their effectiveness during the year.

Executive Directors' performance is reviewed by the Remuneration Committee in conjunction with the Chief Executive Officer, except in the case of his own performance review. The Chairman's performance is reviewed by the Board, without the Chairman present. This is led by the Senior Independent Director.

During the year, the Chairman met with the other Non-Executive Directors without the Executive Directors present, and the Senior Independent Director met with the other Non-Executive Directors, without the Chairman present.

Future Reviews

The Board's current intention is to undertake an externally facilitated evaluation process every three years. In the intervening years, the review will be facilitated by the Chairman supported by the Senior Independent Director and Company Secretary.

Corporate Governance Statement *(continued)*

Relations with Shareholders

The Board has responsibility for ensuring that satisfactory engagement with its shareholders takes place. Presentations are made to both existing and prospective institutional shareholders principally, after the release of the interim and annual results. Information is disseminated to shareholders and the market generally, via Regulatory Information Services, as well as the Company's website **www.originenterprises.com**, which provides the full text of press releases and all regulatory announcements. All current and historical annual and interim reports and investor presentations are also made available on the Company's website.

The Board is kept informed of the views of shareholders through the Chief Executive and Chief Financial Officers' attendance at investor presentations and results presentations. Furthermore, relevant feedback from such meetings together with brokers' notes are provided to the entire Board on a regular basis. The Chairman is also readily available to meet institutional shareholders as and when appropriate. The Senior Independent Director and other Non-Executive Directors will attend meetings with major shareholders if requested. No such meetings were requested during the year.

The Executive Directors have had a number of communications with shareholders and prospective shareholders and the market during the financial year as follows:

Date	Activity
September 2015	2015 Preliminary Results
September 2015	Roadshows in Dublin, London, Chicago, Paris and Frankfurt
November 2015	Trading update and AGM
January 2016	Roadshows in New York and Boston
March 2016	Interim Management Statement for 2016
March 2016	Roadshows in Dublin, London, Frankfurt, Paris, Edinburgh
April 2016	Quarter 3 Pre-close Trading update
May 2016	Capital Markets Day – London
May 2016	Quarter 3 Trading Update

The Company engaged with a number of significant shareholders in relation to the Origin Long Term Incentive Plan 2015 to ensure their views were considered in the overall design of the plan.

The current year saw a major change to the Company's shareholder base following the disposal by ARYZTA AG of its entire shareholding in the Company. In light of this, the Company held its first Capital Markets Day in London in May 2016 which was attended by the Chairman, the Senior Independent Director and the Executive Directors. A number of the Company's key shareholders as well as various brokers, analysts and fund managers were present at this event.

All shareholders are given the opportunity to ask questions at the AGM which will take place at The Westbury Hotel, Balfe Street, Dublin 2 at 11.00am on Friday, 25 November 2016. The Group Chairman along with the Chairs of the Audit, Nomination, Remuneration and Risk Committees will be available to answer questions at that meeting. Further information on the AGM will be made available on publication of the notice of AGM.

A copy of the Memorandum and Articles of Association of the Company may be inspected at the registered office of the Company or on the Company's website **www.originenterprises.com**.

General Meetings

Matters of Ordinary Business

General meetings of the Company are convened in accordance with and governed by the Articles of Association and the Companies Act 2014. The Company is required to hold an AGM at intervals of no more than 15 months from the previous AGM, provided that an AGM is held in each calendar year. The AGM has the power to consider the following matters, which are deemed by the Articles of Association to be items of ordinary business: (i) declaring a dividend (ii) the consideration of the financial statements and reports of the Directors and Auditor (iii) the election of Directors in the place of those retiring by rotation or otherwise (iv) the re-appointment of the retiring Auditor and the fixing of the remuneration of the Auditor (v) generally authorising the Directors, for a period to expire no later than the conclusion of the next AGM, to allot relevant securities with a nominal value not exceeding the authorised but unissued share capital of the Company (vi) generally authorising the Directors, for a period to expire no later than the conclusion of the next AGM, to allot equity securities non-pre-emptively and (vii) generally authorising the Directors, for a period to expire no later than the conclusion of the next AGM, to exercise the power of the Company to make market purchases of the Company's shares.

Matters of Special Business

All other business transacted at an AGM and all business transacted at an Extraordinary General Meeting (an 'EGM') are deemed by the Articles of Association to be special business. Matters which must be attended to by the Company in general meeting pursuant to the Companies Act 2014 include (i) amending the Memorandum and Articles of Association (ii) changing the name of the Company (iii) increasing the authorised share capital, consolidating or dividing share capital into shares of larger or smaller amounts or cancelling shares which have not been taken by any person (iv) reducing the issued share capital (v) approving the holding of the AGM outside the State (vi) commencing the voluntary winding up of the Company (vii) re-registering the Company as a company of another type (viii) approving a substantial property transaction between the Company and a Director (ix) approving a guarantee or security for a loan or similar transaction made by the Company to a Director or connected person of a Director and (x) approving the draft terms of a cross-border merger.

Attendance at meetings and exercise of voting rights

A quorum for an AGM or an EGM of the Company is constituted by three members entitled to vote and present in person, by proxy or duly authorised representative in the case of a corporate member. The passing of resolutions at a general meeting, other than special resolutions, requires a majority of more than 50 per cent of the votes cast. To be passed, a special resolution requires a majority of at least 75 per cent of the votes cast.

Votes may be given either personally or by proxy or a duly authorised representative of a corporate member. Subject to rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, every member present in person and every proxy or duly authorised representative of a corporate body shall have one vote. No individual shall have more than one vote, and on a poll, every member present in person or by proxy or a duly authorised representative of a corporate body shall have one vote for every share carrying voting rights of which the individual is the holder.

The instrument appointing a proxy must be deposited at the registered office of the Company or at another place specified for that purpose in the notice of the meeting, not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

Restrictions may be placed on specified shares such that their holder or holders will not be entitled to vote at any general meeting, in circumstances where the holder or holders of those shares has failed to pay any call at the time appointed for payment or the holder or holders has failed to comply, to the satisfaction of the directors, with a notice to disclose beneficial ownership under the Articles of Association or under Chapter 4 of Part 17 of the Companies Act 2014.

Shareholders have the right to attend, speak, ask questions and vote at general meetings. In accordance with Irish company law, the Company specifies a record date for each general meeting, by which date shareholders must be registered in the Register of Members of the Company in order to be entitled to attend.

D&O Insurance

The Company maintains Directors' and Officers' liability insurance cover, the level of which is reviewed annually.

Going Concern

The Group's business activities are set out in the Operational Review on pages 18 and 19. As noted in the financial statements, the Group has generated cash flow from operating activities of €15.6 million during the year and its net cash at 31 July 2016 is €3.1 million (including restricted cash).

The Directors have a reasonable expectation, having made appropriate enquiries that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Audit Committee Report

The Audit Committee comprises three independent Non-Executive Directors, Hugh McCutcheon (Senior Independent Director, Chairman of the Audit Committee), Kate Allum (Non-Executive Director) and Gary Britton (Non-Executive Director). The members of the Committee have significant financial and business experience. Further biographical details of the members of the Audit Committee are set out on pages 26 and 27.

Hugh McCutcheon
Chairman of the Audit Committee

Dear Shareholder

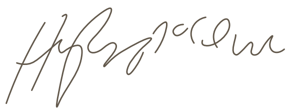
I am pleased to present the report of the Audit Committee for the year ended 31 July 2016 which has been prepared by the Audit Committee and approved by the Board.

The responsibilities of the Audit Committee are summarised in the following report and are set out in full in the Terms of Reference for the Audit Committee which were reviewed in the current year and are available on the Company's website: **www.originenterprises.com**.

Under the rules of AIM and ESM, the Group is not subject to mandatory compliance with corporate governance codes. Nevertheless, the Board and the Audit Committee recognise the need for high standards of corporate governance. The voluntary disclosures set out in this report are designed to give information to shareholders in relation to corporate governance, having regard to the Company's size and the markets on which its shares are traded, and how the Audit Committee has carried out its responsibilities during the year.

A key responsibility of the Audit Committee is to review the Company's risk management and internal control systems. Details in regard to these matters are set out on pages 13 to 16. This report sets out further details of the duties and responsibilities of the Committee as well as an overview of its activities.

PricewaterhouseCoopers is the External Auditor for the Group and has been in place since 28 April 2010.



Hugh McCutcheon
Chairman, Audit Committee
27 September 2016

Duties and Responsibilities

The principal duties and responsibilities of the Audit Committee include the following:

> Monitor the integrity of the financial statements (including the Annual Report, Interim Report and preliminary results announcements);
> Monitor and review the financial reporting process, reviewing and challenging the judgements of management in relation to interim and annual financial statements;
> Review the effectiveness of the Company's internal financial controls and internal control and risk management systems along with reviewing and approving the statements to be included in the Annual Report concerning internal control and risk management systems;
> Review the Group's whistleblowing arrangements;
> Review the Company's procedures for detecting and preventing fraud;
> Review the effectiveness of the Internal Audit function;
> Review and monitor management's responsiveness to the findings and recommendations of the Internal Auditor;
> Oversee the relationship with the External Auditor, including (but not limited to) monitoring all matters associated with the appointment, terms, remuneration and performance of the External Auditor and for reviewing the scope and results of the audit and the effectiveness of the process; and
> Annually review the Audit Committee's Terms of Reference and conduct a performance evaluation of the Committee.

Length of Tenure

The length of tenure of the Directors on the Audit Committee as at 31 July 2016 is set out below:

Length of tenure on Audit Committee	Years
Kate Allum	0.75
Gary Britton	0.77
Hugh McCutcheon	4.63

Meetings

The Audit Committee met three times during the year. Each Committee meeting was attended by the Chief Financial Officer and the Head of Internal Audit. The External Auditor also attended these meetings as required. The Audit Committee also met with both the Head of Internal Audit and the External Audit Lead Partner without other Executive Management being present.

Financial Reporting

The primary role of the Audit Committee, in relation to financial reporting, is to review the appropriateness of the half year and annual financial statements, with both management and the External Auditor, and to report to the Board. This review focuses on, amongst other matters:

> The quality and acceptability of accounting policies and practices;
> The clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements; and
> Material areas in which significant judgements have been applied or there has been discussion with the External Auditor.

As part of this review, the Audit Committee considers reports made by the Chief Financial Officer and reports from the External Auditor on the outcomes of its half year review and annual audit. The Audit Committee assesses the External Auditor annually in respect of its independence and objectivity, taking into account relevant professional and regulatory requirements and the relationship with the Auditor as a whole. In addition, the Audit Committee reviews and considers the Company's draft Annual Report and the Group's financial statements in advance of final approval.

In addition, ahead of final approval of the Annual Report and the financial statements, the Audit Committee discussed with management the key sources of estimation and critical accounting judgements outlined in Note 34 to the Group's financial statements. The significant areas of focus considered by the Audit Committee in relation to the Group's financial statements for the year ended 31 July 2016, and how these have been addressed, are listed below. In concluding that the list below represents the primary areas of judgement, the Audit Committee considered a detailed report which referenced both quantitative and qualitative judgement factors across each significant account balance, assessing the impact on the user of the financial statements. These are also areas of higher audit risk and, accordingly, the External Auditor reported to the Audit Committee on these judgements which were then duly considered by the Audit Committee.

The significant areas of judgement that were discussed at the interim and year end Audit Committee meetings included:

Area of Judgement	Discussion
Goodwill	The Audit Committee considered the impairment reviews carried out by management. Impairment reviews are carried out annually using the fair values of subsidiaries at 31 July and the latest planning information.
Exceptional Items	During the year, the Audit Committee considered a detailed paper prepared by management in respect of the Group's accounting policy in relation to exceptional items. Following discussion, the Audit Committee confirmed the appropriateness of the accounting policy, which is set out on page 69. The Audit Committee has concluded that the items disclosed in the Group's financial statements as exceptional complied with the accounting policy.
Contingent and Deferred Consideration	The Audit Committee considered the valuation method of all deferred and contingent consideration including the put option liability. Following a discussion, the Audit Committee was satisfied that the method adopted was appropriate and prudent.
Rebates (including price settlement adjustments)	The Audit Committee considered rebates receivable and settlement price adjustments accrued at the year end. The Audit Committee reviewed the timing of income recognition, asset recoverability, the recognition of payable amounts and the related judgements.
Going Concern	The Audit Committee considered a report on Going Concern, presented by the Chief Financial Officer. This report took account of the 2016/2017 budget analysis, the borrowing requirements of the Group, liability management, contingent liabilities and financial risk management.
Other Matters	In addition, the Audit Committee has considered a number of other judgements which have been made by management including matters related to: revenue recognition, business combinations, financial instruments, post employment benefit obligations (relating to the defined benefit pension schemes), provisioning for impairment of trade receivables, inventories and tax provisioning.

Audit Committee Report *(continued)*

Risk Management, Internal Control and Internal Audit

The Audit Committee has been delegated responsibility by the Board for reviewing the effectiveness of the Company's internal financial controls and internal control and risk management systems.

The Chairman of the Audit Committee reports to the Board on the Audit Committee's activities and how it has discharged its responsibilities in this regard.

Risk Management

In order to ensure a strong focus on risk management and having regard to risk management systems, the Board established a Risk Committee during the year. Its Terms of Reference are available to view on the Company's website: **www.originenterprises.com**. The Audit and Risk Committees work in tandem with each other in discharging the Board's responsibilities with regard to risk management, with the Chair of the Audit Committee being a member of the Risk Committee and similarly the Chair of the Risk Committee being a member of the Audit Committee.

The Risk Committee's main duties encompass the review of the Group's overall risk assessment processes, including the ability to identify and manage new risks. Additionally, it is responsible for considering the appropriateness of the Group's risk review process and advising the Board in respect of the current risk exposures of the Group.

The Risk Committee has responsibility for reviewing the Group's risk register and ensuring that the processes for identifying, managing and mitigating risks are operating effectively. The principal risks facing the Group and the processes and steps taken to mitigate these risks are set out in the Risk Report on pages 13 to 16.

Internal Control and Internal Audit

The Audit Committee considers the results of internal control reviews and reviews the effectiveness of the Internal Audit function as part of its annual activities.

The Group's internal control systems are designed to manage, rather than eliminate, the risk of failure to achieve the Group's objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss. In assessing what constitutes reasonable assurance, the Audit Committee considers the materiality of financial and operational risks and the relationship between the costs of, and benefit from, internal control systems.

The Head of Internal Audit is appointed by the Audit Committee and has responsibility for all Internal Audit matters and ensuring the effective operation of the Internal Audit function. The Internal Audit function is currently outsourced to a third party service provider, EY. The Head of Internal Audit independently reports to the Audit Committee in relation to their work and findings.

Each year, the Internal Audit function sets out a rolling programme of Internal Audit reviews to be carried out across the Group's businesses throughout Ireland, the UK and Central and Eastern Europe. The Internal Audit review programme is tailored to focus attention on the particular financial reporting and operational risks at each location, which may have a material financial impact on the Group's results. The Audit Committee receives this annual audit plan in advance and reviews the adequacy of the plan and considers whether it represents an appropriate allocation of Internal Audit resources given its knowledge of Group's risk profile.

The Internal Audit function reports its findings to the Audit Committee with each report comprising findings and detailed recommendations as to processes and controls which could be implemented or improved in order to reduce the level of financial reporting and operating risk. It also updates the Audit Committee on processes and improvements made, where appropriate, at each location since its previous Internal Audit review.

The Audit Committee is responsible for ensuring the Internal Audit function is adequately resourced and that the Committee undertakes an annual review of the effectiveness of the Internal Audit function.

External Auditor

The Audit Committee oversees the relationship with the External Auditor, including approval of the External Auditor's fees. PricewaterhouseCoopers ('PwC') conducted the external audit in respect of the year ended 31 July 2016.

Appointment, independence and effectiveness

The Audit Committee considers the re-appointment of the External Auditor each year, whilst assessing its independence on an ongoing basis. PwC was re-appointed as Auditor at the Company's 2015 AGM and has been our Auditor since 2010 during which time the audit has not been put to tender. There are no contractual obligations that restrict the Audit Committee's choice of External Auditor, however the Audit Committee's Terms of Reference require the Committee to ensure that at least once every ten years the audit services contract is put out to tender. The External Auditor is required to rotate the Audit Partner every five years. The current Audit Partner has completed three years as Auditor for the Company.

In addition, the Audit Committee considers the effectiveness of the external audit process on an annual basis, reporting its findings to the Board as part of its recommendations. This process is carried out with the completion of a detailed questionnaire which includes consideration of the Audit Partner, the audit approach, communication, independence, objectivity and reporting. The questionnaire is completed by members of the Audit Committee together with the Chief Financial Officer. The results of the questionnaire are reported to and considered by the Audit Committee.

The Audit Committee considered the length of PwC's tenure and the results of the detailed questionnaire when assessing its continued effectiveness, independence and re-appointment. The Audit Committee continues to consider PwC to be independent and effective in the role of Auditor. Accordingly, the Audit Committee has provided the Board with its recommendation, to be put to shareholders for approval at the Annual General Meeting, to re-appoint PwC as External Auditor for the year ending 31 July 2017.

Non-audit services

During the year, the Audit Committee approved a policy on engagement of the External Auditor to provide non-audit services. This policy will assist to further safeguard the independence and objectivity of the External Auditor. Details of the amounts paid to the External Auditor for non-audit services are set out in Note 5 to the Group's financial statements.

Whistleblowing Arrangements
The Audit Committee is responsible for the review of the Group's whistleblowing arrangements and for ensuring that these are suitable for the Group's employees. The Audit Committee reviewed these arrangements during the year and satisfied itself that they are adequate for the needs of the Group.

Annual Evaluation of Performance
The Audit Committee carried out an evaluation of its own performance for the year ended 31 July 2016. The Audit Committee reported that its performance, and that of the Chairman of the Audit Committee, were satisfactory and that no changes were required to be made to the Audit Committee's Terms of Reference and composition.

Reporting
The Chairman of the Audit Committee reports to the Board at each meeting on the activities and key discussion areas of the Audit Committee. The Chairman of the Audit Committee attends the Company's Annual General Meeting to answer questions on the report on the Audit Committee's activities and matters within the remit of the Audit Committee's role and responsibilities.

Remuneration Committee Report

The Remuneration Committee comprises three Independent Non-Executive Directors, Kate Allum (Non-Executive Director, Chairman of the Remuneration Committee), Rose Hynes (Non-Executive Chairman) and Christopher Richards (Non-Executive Director). Further biographical details of the members of the Remuneration Committee are set out on pages 26 and 27.

Kate Allum
Chairman of the Remuneration Committee

Dear Shareholder

On behalf of the Board, I am pleased to present the Remuneration Committee Report for the year ended 31 July 2016. The objective of the report is to provide shareholders with information to enable them to understand the remuneration structures and the link to the Group's financial performance.

The responsibilities of the Remuneration Committee are summarised in the following report and are set out in full in the Terms of Reference for the Remuneration Committee which were reviewed in the current year and are available on the Company's website: **www.originenterprises.com**.

Governance Structure

We have been mindful to ensure disclosures in relation to the remuneration structures are in line with best practice. While Origin, as an Irish incorporated company, is not obliged to adhere to UK legislation on the disclosure of Directors' remuneration, we recognise the importance of having remuneration policies, practices and reporting that reflect best corporate governance practices, having regard to the Company's size and the markets on which its shares are traded. In future years, we will continue to improve disclosures and dialogue with the Company's new broader shareholder base to ensure that the link between remuneration structures and strategic objectives is clear and transparent.

We are keen to ensure that there is a demonstrable link between reward and long term value creation. The two year hold period following the vesting of shares under the 2015 LTIP, the operation of a clawback provision and shareholding guidelines all foster an ongoing commitment to the business from the Company's Executives and a continued alignment of shareholders' and Executives' interests. The Chief Executive Officer's significant shareholding also demonstrates his ongoing commitment to the long term success of the Company.

Paying for Performance

As a Committee, our focus is on the alignment of reward with the Group's strategic goals to ensure that pay truly drives performance for all stakeholders. In this regard, a number of initiatives were undertaken during the year. The Remuneration Committee will continue to embed changes made and to evolve and strengthen the Group's practices to ensure that only superior performance is rewarded.

We believe in rewarding Executives based on the value that they have created for the Company's shareholders. The variable elements of Executive remuneration are focused on simple and transparent measures of earnings per share growth, return on invested capital and the achievement of strategic objectives. The Company's bonus plan and 2015 LTIP are based on challenging targets (outlined on pages 47 and 48), which we believe are in line with market practice.

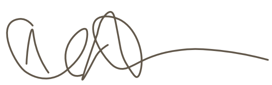
Pay Outcomes for 2016

The 2016 financial year had a number of challenges including a very difficult planning and operating environment for primary food producers, along with adverse and unseasonal weather conditions, which combined with weak farm sentiment, resulted in a highly challenging and competitive trading environment. Our outturn for the year was an adjusted diluted earnings per share of 44.51 cent versus 60.10 cent in 2015. Based on these results, no bonuses were paid to Executive Directors in respect of the 2016 financial year and no salary increases were awarded for the 2017 financial year.

In relation to long term incentives, other than awards made in 2014, the historic share-based LTIP plan is not in use and there are no awards vested, based on the Group's financial performance to 31 July 2016. No awards have yet been made from the newly approved share-based 2015 LTIP, however the Remuneration Committee will consider making an award in the 2017 financial year to ensure that variable pay based on long term sustainable measures comprises an appropriate percentage of Executive pay.

We all acknowledge that the conditions for 2016 were challenging and the Remuneration Committee believes that the current year pay outcomes accurately reflect current year performance.

We are grateful for the support we have received in the past from our shareholders. We hope that we will continue to receive your support at the forthcoming AGM.



Kate Allum
Chairman, Remuneration Committee
27 September 2016

Duties and Responsibilities

The principal duties and responsibilities of the Remuneration Committee include the following:

> Responsibility for setting an appropriate remuneration policy for all Executive Directors and the Group's Chairman;
> Recommend and monitor the level and structure of remuneration for Senior Management;
> Determine the total individual remuneration package of each Executive Director, the Group Chairman and other designated Senior Management including bonuses, incentive payments, share options and other awards;
> Approve the design of, and determine targets for, any performance related pay schemes operated by the Company and approve the total annual payments made under such schemes;
> Determine the policy for, and scope of, pension arrangements for each Executive Director and other designated Senior Executives;
> Review the design of all share incentive plans for approval by the Board and shareholders;
> Ensure that contractual terms on termination of any Director or other designated senior Executives, and any payments made, are fair to the individual, and the Company and that failure is not rewarded;
> Oversee any major changes in employee benefits structures throughout the Group; and
> Ensure the Company maintains contact as required with its principal shareholders regarding remuneration matters.

Length of Tenure

The current members of the Remuneration Committee were appointed in October 2015. The appointments were made following the retirements of O Killian and P McEniff, each a representative director of ARYZTA AG, on 23 October 2015, following the sale of ARYZTA AG's shareholding in the Company. Both O Killian and P McEniff were members of and, together, comprised the total membership of the Remuneration Committee to that point. The length of tenure of the current Remuneration Committee members as at 31 July 2016 is set out below:

Length of tenure on Remuneration Committee	Years
Kate Allum	0.77
Rose Hynes	0.77
Christopher Richards	0.75

Meetings and Committee Governance

The Remuneration Committee met six times during the financial year. For full details on individual Remuneration Committee members' attendance at meetings, see page 34. The principal activities carried out included:

> Formal adoption of Terms of Reference for the Committee;
> Approval of a new remuneration policy;
> Consideration of Executive benchmarking;
> Devising a new bonus policy including clawback provisions;
> Approving the 2015 LTIP and SAYE scheme for recommendation to shareholders; and
> Approving shareholding guidelines for the first time.

The Committee has access to independent advice and also consults with shareholders where it considers it appropriate to do so. Mercer Ireland advised the Company on the 2015 LTIP design with the Chairman of the Remuneration Committee also consulting with significant shareholders in this regard. Mercer Ireland also advised in respect of the benchmarking of remuneration packages of the Executive Directors.

Mercer is a member of the Remuneration Consultants Group and abides by the Remuneration Consultants Group Code of Conduct, which requires its advice to be objective and impartial. The fee paid to Mercer Ireland in respect of Remuneration Committee matters over the financial year under review was €19,700.

The remuneration of the Group Chairman and the Executive Directors is determined by the Board on the advice of the Remuneration Committee, with the Group Chairman absenting herself from all discussions relating to her remuneration.

Directors' Remuneration Policy

The Directors' remuneration policy (the 'Remuneration Policy') is set out below. As an Irish incorporated company, Origin is not required to comply with UK legislation which requires UK companies to submit their remuneration policies to a binding shareholder vote. However, we recognise the importance of having remuneration policies, practices and reporting that reflect best corporate governance practices. In formulating our Remuneration Policy, full consideration has been given to best practice, having regard to the Company's size and the markets on which its shares are traded. The Company aims to provide a remuneration structure that is aligned with shareholders' interests and is competitive in the marketplace and that motivates Executive Directors to deliver sustainable value for shareholders. The Group's policy going forward is that performance related components should form a significant portion of the Directors' overall remuneration package, with maximum total potential rewards being earned through the achievement of challenging performance targets based on measures that represent the best interests of shareholders. Long term incentives also form an important part of the remuneration structure.

Consideration of Shareholder Views

The Remuneration Committee considers shareholder feedback received at each year's AGM. This feedback, in addition to any feedback received during any meetings held from time to time, will be considered as part of the Remuneration Committee's annual review of the Remuneration Policy. In addition, the Remuneration Committee will seek to engage directly with major shareholders and their representative bodies, should any material changes be made to the prevailing Remuneration Policy.

Details of votes cast for and against the resolution at last year's Annual General Meeting to approve the Company's Remuneration Report are set out in the Annual Report on Remuneration below.

Remuneration Committee Report *(continued)*

Summary of the Remuneration Policy

The table below summarises the Remuneration Policy for 2016 onwards:

Element of remuneration	Approach	Maximum opportunity
Salary To provide competitive fixed remuneration and to motivate Executive Directors of superior calibre in order to deliver for the business. To attract and retain skilled and experienced Executives.	The basic salary for each Executive Director is reviewed annually by the Remuneration Committee. Individual salary adjustments take into account: > Each Executive Director's performance against agreed challenging objectives; > The Group's financial circumstances; and > Competitive market practice.	There is no prescribed maximum annual increase. The Remuneration Committee is guided by general increases in the market for the functional roles held by the respective Executive Directors along with general increases for the broader employee population of the Group. On occasion, the Remuneration Committee may need to recognise, for example, an increase in the scale, scope or responsibility of a role. Salary will be benchmarked against market rates at least every three years. Current salary levels are set out on page 49.
Benefits To provide benefits consistent with the market.	Current benefit provision may include a company car or car allowance and private health insurance. Other benefits may be payable, where appropriate.	Not applicable.
Bonus Incentivises annual achievement of performance targets.	Bonus payments to Executive Directors are based on the meeting of pre-determined targets for a number of financial measures, in addition to the attainment of corporate and personal objectives. These are approved by the Remuneration Committee annually. Bonus payments are not pensionable. Annual incentive payments are determined by the Remuneration Committee after the year end based on actual performance achieved against these targets. The Remuneration Committee can apply appropriate discretion in specific circumstances in determining the incentive payment to be awarded. For FY2016, 80 per cent of the maximum bonus potential is based on financial targets (namely adjusted EPS and ROIC) and 20 per cent is based on other corporate and personal objectives such as the delivery of key projects or acquisitions. The measures, their weighting and the targets are reviewed on an annual basis. On the basis that the targets are commercially sensitive, we will not be disclosing these prospectively. A clawback provision is in operation.	Maximum bonus of 100 per cent of basic salary in cash.

Element of remuneration	Approach	Maximum opportunity
Long-Term Incentive Plan (2015) Designed to align the interests of Executives with the delivery of sustainable earnings growth and the interests of shareholders.	Grant of options at a set nil or nominal option price, conditional on the achievement of challenging performance targets over a three-year period. A two-year holding period follows the testing period, ensuring Executives' interests are aligned with those of shareholders over the five-year period. Clawback provisions apply in any circumstance in which the Remuneration Committee believes they are appropriate. The clawback provisions apply throughout the overall five-year period. Performance targets are measured over three years based on a combination of adjusted diluted earnings per share ('EPS') growth (30 per cent), return on invested capital ('ROIC') performance (40 per cent) and free cash flow ratio ('FCFR') performance (30 per cent). Each metric has set minimum vesting thresholds as follows: > EPS – 5 per cent growth > ROIC – 12.5 per cent > FCFR – 50 per cent Further detail is included in Note 9.	**Plan limits:** 100 per cent (normal limit). 200 per cent (exceptional limit – e.g. recruitment).
All employee share plans To encourage employee share ownership and therefore increase alignment with shareholders' interests.	**2015 UK/Ireland Sharesave Scheme** A HMRC/Revenue approved plan under which regular monthly savings are made over a three-year period which can be used to fund the exercise of an option, the exercise price being discounted by up to 20 per cent. Performance conditions are not applicable to any employee share plans.	**2015 UK/Ireland Sharesave Plan** Maximum permitted savings of £500/€500 per month across all ongoing Sharesave contracts for any individual.
Share ownership guidelines To increase alignment of Executives' interests with shareholders' interests.	Executive Directors are required to retain 50 per cent of the net of tax amount vested in LTIP shares until the guideline is met.	LTIP retention guideline applies until the Executive Director holds shares to the value of 100 per cent of salary.
Pension To provide retirement benefits.	Defined benefit, defined contribution and/or salary supplement arrangements. Life cover of up to four times salary is also provided. The defined benefit arrangement applies to one Executive Director and relates to an historic agreement.	Defined contribution benefit of up to 22.5 per cent of basic salary (35 per cent for the CEO in connection with historic arrangements).
Non-Executive Director fees Reflect time commitments and the responsibilities of each role. Reflect fees paid by similarly sized companies.	Fees are reviewed on an annual basis and are intended to be in line with the general market. The remuneration for each Non-Executive Director is set by a sub committee of the Board, comprising Executive Directors only.	As with Executive Directors, there is no prescribed maximum annual increase. General increases in the Non-Executive Director market and general increases received by the broader employee population are taken into account. On occasion, an increase in the scale, scope or responsibility of a role may need to be recognised. Current fee levels are set out on page 49.

Remuneration Committee Report *(continued)*

Notes:
A description of how the Company intends to implement the Remuneration Policy above is set out in the Annual Report on Remuneration.

Differences between the Group's policy for the remuneration of Executive Directors (as set out above) and its approach to the remuneration of employees generally include:

> A lower level of maximum annual bonus opportunity (or zero bonus opportunity) may apply to employees other than the Executive Directors and certain Senior Executives;
> Benefits offered to other employees generally comprise provision of healthcare (UK only) and company car benefits where required for the role or to meet market norms;
> The majority of employees participate in local defined contribution pension arrangements (post employment benefits are detailed in Note 27 to the financial statements);
> Participation in the LTIP is limited to the Executive Directors and certain selected senior managers (other employees are eligible to participate in the Company's Sharesave Scheme); and
> The Company may in future years operate a cash based long-term incentive for senior management other than Executive Directors, if appropriate.

In general, these differences arise from the development of remuneration arrangements that are market competitive for the various categories of individuals. They also reflect the fact, in the case of the Executive Directors and Senior Executives, a greater emphasis tends to be placed on performance related pay.

The choice of performance metrics applicable to the annual bonus scheme reflect the Remuneration Committee's belief that any incentive compensation should be appropriately stretching and tied to the delivery of earnings, appropriate return on invested capital and specific corporate and individual objectives.

The performance conditions applicable to the 2015 LTIP were selected by the Remuneration Committee on the basis that they reward the delivery of long term returns to shareholders and the Group's financial growth and are consistent with the Company's objective of sustainable long term value to shareholders.

The Remuneration Committee operates share plans in accordance with their respective rules and in accordance with the Rules for ESM companies, the Rules for AIM companies and the rules of Revenue and HMRC, where relevant. The Remuneration Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of the plans.

Performance conditions are not applicable to any employee share plans. Non-Executive Directors do not currently participate in the Company's Sharesave Scheme.

Details of remuneration received by the Directors including salary and fees, taxable benefits, pension contributions, annual bonuses and long term incentive awards are set out in the Annual Report on Remuneration.

Service Contracts for Executive Directors

The Remuneration Committee will review the contractual terms for any new Executive Directors to ensure these reflect best market practice.

The current service agreements of the Executive Directors are not fixed term and in the case of the CEO/Chief Financial Officer ('CFO') are terminable by either the Company giving twelve months' or the respective Executive Director giving six months' notice and in the case of the Head of Corporate Development, twenty-four months' notice by either party (arising as a result of his historical contract arrangements). The service contracts make provision, at the Board's discretion, for early termination by way of payment of salary in lieu of notice. Incidental expenses may also be payable where appropriate. In calculating the amount payable to an Executive Director on termination of employment, the Board would take into account the commercial interests of the Company.

Provision	Detailed terms
Notice period	6 months' notice from the CEO/CFO and 12 months' notice from the Company. 24 months' notice from the Corporate Development Director and from the Company.
Termination payment	For any unexpired period of notice on termination, up to 12 months' salary (and other remuneration) in respect of the CEO/CFO and 24 months' salary in respect of the Head of Corporate Development.
Remuneration entitlements	A bonus may be payable (pro-rated where relevant) and outstanding share awards may vest.
Change of control	No Executive Director's contract contains additional provisions in respect of change of control.

Non-Executive Directors

Each of the Non-Executive Directors are appointed under a letter of appointment, detailing arrangements that may generally be terminated at will, by either party, without compensation. Their appointment is reviewed on a three year basis.

Annual Report on Remuneration

Implementation of the Remuneration Policy for the year ending 31 July 2017

A summary of how the Remuneration Policy will be applied during the financial year ending 31 July 2017 is set out below.

Basic Salary for Executive Directors

Taking account of the 2016 financial performance, the Remuneration Committee has maintained salaries at the 2016 level for the 2017 financial year, with no increases to be awarded.

Executive Director €'000	2017	2016	% increase
T O'Mahony	500	500	Nil
I Hurley	350	350	Nil
D Giblin[(1)]	493	493	Nil

Note:
(1) Remuneration in respect of D Giblin is set in sterling and has been translated to euro at an average exchange rate (0.76052) for 2016. For the purposes of the above table the average exchange rate for 2016 has also been used to translate the related salary for 2017. No increase to the underlying sterling salary has been awarded for 2017.

For the forthcoming financial year, the Group's employees are, in general, receiving pay rises ranging from 0 per cent to 2 per cent depending on promotional increases and individual performance.

The increases in salaries for Executive Directors over recent years are shown in the table below:

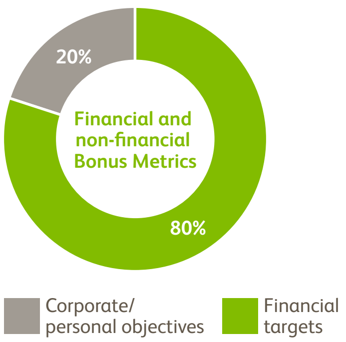
Executive Director €'000	**2016**	2015	2014	2013	2012
T O'Mahony[(1)]	**500**	420	420	420	420
I Hurley[(2)]	**350**	300	n/a	n/a	n/a
D Giblin[(3)]	**493**	398	362	325	322

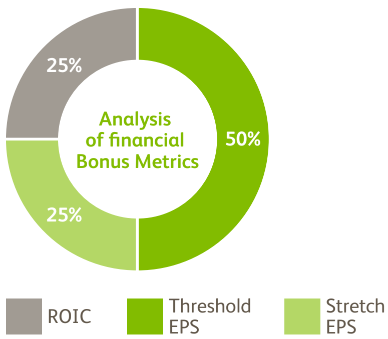
Notes:
(1) T O'Mahony's salary increase, which took effect from 1 August 2015, was to reflect the fact that no increase had been made in the previous five years despite solid Company performance.
(2) I Hurley's salary increase, which took effect from 1 August 2015, was to bring her salary more closely in line with market rates.
(3) D Giblin's salary is paid in sterling. He received an increase in salary from £300,000 to £375,000 which took effect from 1 August 2015 to reflect personal and Company performance. His salary over the last five years has been as follows: 2012 – £270,000, 2013 – £270,000, 2014 – £300,000 and 2015 – £300,000. These sterling amounts have been converted to euros using an average euro sterling rate for each financial year with the current year rate of 0.76052 applying for FY2016.

Annual Bonus

The maximum bonus achievable in 2017 will remain at 100 per cent of basic salary. The choice of the performance metrics applicable to the annual bonus scheme reflect the Remuneration Committee's belief that any incentive compensation should be appropriately stretching and tied to the delivery of earnings targets, appropriate return on invested capital targets and specific corporate and individual objectives.

The key metrics underlying the 2016 bonus plan were as follows:





These metrics applied to all Executive Directors and the maximum bonus achievable was 100 per cent of basic salary. Corporate objectives included the successful completion of a number of acquisitions, the development of certain corporate strategies and the establishment of appropriate stand alone governance structures for the Group.

The measures, their weighting and the targets are reviewed on an annual basis. On the basis that the FY2017 targets are commercially sensitive, we will not be disclosing these prospectively.

Annual Report on Remuneration *(continued)*

Pension Arrangements

D Giblin participates in the UK defined benefit section of the Group's UK pension scheme, which relates to a historic arrangement.

I Hurley and T O'Mahony each participate in the defined contribution section of the Group's Irish pension scheme. The Company contributes 35 per cent of salary to T O'Mahony's pension and for I Hurley the Company contributes 22.5 per cent of the first €300,000 of salary and 15 per cent on all amounts above €300,000.

Members of the Irish and UK pension schemes are entitled to life assurance cover of up to four times salary and a retirement pension subject to the scheme rules. If a member dies whilst in pensionable service, the value of the members' retirement account will be used by the trustees to provide a lump sum and/or a pension payable to dependents.

Long Term Incentives Share-Based

No long term incentives were awarded during the year and no long term incentive awards vested based on the Group's performance in the 2016 financial year.

2015 LTIP

Following a review of the remuneration policies of the Group, a new LTIP, in line with evolving market practice, was proposed and approved by shareholders at the AGM held in November 2015. The Remuneration Committee believes that the 2015 LTIP reflects best market practice, better aligns Executive Directors' interests with shareholders' interests and better reflects the Group's strategic objectives, in particular Adjusted Diluted Earnings per Share ('EPS') growth and Return On Invested Capital ('ROIC'). The extended holding period, namely five years, together with the operation of clawback provisions ensure that the Group pays for sustainable performance only.

No awards have yet been made from the newly approved share-based 2015 LTIP, however the Remuneration Committee will consider making an award in the 2017 financial year to ensure that variable pay based on long term sustainable measures comprises an appropriate percentage of Executive pay. A summary of the performance conditions applicable to this 2015 LTIP is set out below.

Metric	Weighting	Vesting at threshold	Condition
Adjusted Diluted Earnings per Share ('EPS')	30 per cent	30 per cent	Adjusted Diluted EPS growth over the three year period in excess of 5 per cent on a pro-rata basis (straight-line) to 10 per cent (maximum stretch) for full pay-out.
Return on Invested Capital ('ROIC')	40 per cent	30 per cent	An average annual ROIC of at least 12.5 per cent (threshold) on a pro-rata basis to 17.5 per cent (maximum stretch) for full pay-out.
Free Cash Flow Ratio	30 per cent	30 per cent	An average annual free cash flow ratio of at least 50 per cent (threshold) on a pro-rata basis to 100 per cent (maximum stretch) for a full pay-out.

2012 LTIP

No further awards will be made under the 2012 LTIP. All outstanding awards under this plan, namely those awarded in 2014, will be determined on final testing in 2017. For clarity, the Remuneration Committee outlines the performance conditions for the outstanding awards, made in 2014, below. Each performance condition must be satisfied before any award can vest.

The number of shares to vest in respect of share awards is determined by reference to a formula based on the excess of the share price on the date of the termination notice being received over €7.80. Termination notices may only be served in respect of these share awards between 31 July 2019 and 31 July 2024. The number of share options to vest in respect of share option awards is the total options awarded on the payment by the recipient of the option price of €7.80 per share which share options can only be exercised between 31 July 2019 and 31 July 2024. A summary of the performance conditions applicable to this 2012 LTIP is set out below.

Metric	Condition
Adjusted Diluted Earnings per Share	Compound annual growth in Adjusted Diluted EPS in the three years to 31 July 2017 to exceed the compound annual growth rate in the Eurozone core CPI plus 7.5 per cent in the corresponding period.
Return on Invested Capital	ROIC over the three-year period to 31 July 2017 in excess of the Group's weighted average cost of capital.
Dividend Policy	Dividends of at least 25 per cent of Adjusted EPS must be declared and paid to shareholders.

Long Term Incentives Cash Based

Historically, the Group also utilised a cash-based LTIP. The most recent scheme came to an end on 31 July 2015 and no further awards have been or will be made to Executive Directors under it.

Non-Executive Directors

The remuneration for each Non-Executive Director is set by a sub-committee of the Board comprising Executive Directors only. The remuneration of the Group Chairman is set by the Board, following recommendation from the Remuneration Committee with the Group Chairman absenting herself from all discussions relating to her remuneration arrangements. In determining the appropriate fees for each Non-Executive Director, account is taken of the time and responsibility involved in each role, including, where applicable, the Chairmanship of Board Committees.

Fees of the Non-Executive Directors for the 2016 and 2017 financial years are detailed below.

Position	2017	2016	% increase
Chairman	130,000	130,000	Nil
Base fee	62,000	62,000	Nil
Additional fees:			
Audit Committee Chair	13,000	13,000	Nil
Risk Committee Chair	8,000	8,000	Nil
Remuneration Committee Chair	8,000	8,000	Nil

Notes:

(1) The current Group Chairman, Rose Hynes, was appointed to the Board on 1 October 2015 and the above figures reflect a fully annualised salary. The previous Chairman, Owen Killian, was an Executive Director at ARYZTA AG, the historic parent company of the Group. His fee was €50,000. The Remuneration Committee is of the opinion that the current Chairman's fee is comparable with companies of similar size and nature.

(2) All fees stated above are annualised.

Remuneration Received by Directors for the year ended 31 July 2016 (audited)

Directors' remuneration for the year ended 31 July 2016 was as follows:

	Salary and fees (1) €'000	Taxable benefits (2) €'000	Pension (3) €'000	Annual bonus (4) €'000	Long-term incentives (5) €'000	Total €'000
T O'Mahony						
2016	**500**	**26**	**175**	**–**	**–**	**701**
2015	420	25	147	298	2,272	3,162
I Hurley						
2016	**350**	**–**	**75**	**–**	**–**	**425**
2015	300	–	67	250	150	767
D Giblin						
2016	**493**	**16**	**28**	**–**	**–**	**537**
2015	398	27	22	282	2,220	2,949
R Hynes*						
2016	**108**	**7**	**–**	**–**	**–**	**115**
2015	–	–	–	–	–	–
H McCutcheon						
2016	**73**	**–**	**–**	**–**	**–**	**73**
2015	70	–	–	–	–	70
K Allum*						
2016	**58**	**2**	**–**	**–**	**–**	**60**
2015	–	–	–	–	–	–
G Britton*						
2016	**58**	**–**	**–**	**–**	**–**	**58**
2015	–	–	–	–	–	–
R McHugh*						
2016	**58**	**6**	**–**	**–**	**–**	**64**
2015	50	1	–	–	–	51
C Richards*						
2016	**52**	**–**	**–**	**–**	**–**	**52**
2015	–	–	–	–	–	–
O Killian*						
2016	**12**	**–**	**–**	**–**	**–**	**12**
2015	50	–	–	–	–	50
P McEniff*						
2016	**12**	**–**	**–**	**–**	**–**	**12**
2015	50	–	–	–	–	50

* Board changes are as follows: R Hynes, K Allum, G Britton and C Richards were appointed to the Board on 1 October 2015, O Killian and P McEniff resigned on 23 October 2015.

Annual Report on Remuneration *(continued)*

Notes:

1. Salary and Fees

In 2016, D Giblin received a salary of £375,000, converted at an average exchange rate of 0.76052 (2015: 0.7547). The amount charged and disclosed in the 2015 accounts was €398,000, based on a sterling salary of £300,000.

2. Taxable Benefits

Taxable benefits include a company car or company car allowance (D Giblin and T O'Mahony) and private medical insurance (including immediate family members) (D Gilbin). Taxable benefits also include mileage claimed by Non-Executive Directors for travel to Board meetings. Under Irish legislation, this is taxable as a benefit in kind.

3. Pensions

The Company contributes 35 per cent of salary to T O'Mahony's pension and for I Hurley the Company contributes 22.5 per cent of the first €300,000 and 15 per cent on all amounts above €300,000.

Figures for D Giblin represent the defined benefit provision for the year in respect of his membership of a UK scheme, as calculated in line with applicable legislation.

	Number of Directors	
	2016	2015
Retirement benefits are accruing to the following number of Directors under:		
Defined contribution scheme	**2**	2
Defined benefit scheme	**1**	1

4. Annual Bonus Payments

The payment of annual bonuses, presented in the table below, was based on performance measured by reference to growth in the Group's EPS and ROIC along with the achievement of specified corporate and personal objectives measured over the course of the 2016 financial year.

Executive	Maximum % of salary	EPS required for threshold bonus	ROIC required for threshold bonus %	Actual Adjusted Diluted EPS	Actual ROIC	Actual bonus (% of salary)
T O'Mahony	100	51c	15%	44.51c	13.6%	–
I Hurley	100	51c	15%	44.51c	13.6%	–
D Giblin	100	51c	15%	44.51c	13.6%	–

Final bonus outcome is determined by calculating the pay-out based on achievement of EPS growth targets, minimum ROIC and corporate and personal performance based on the Remuneration Committee's assessment of the achievement of corporate and personal objectives. For FY2016, objectives included the organisational development of the Group, the completion of targeted acquisitions along with the successful integration of these acquisitions and the establishment of standalone best practice governance structures.

Maximum bonus is only paid where the stretch EPS growth, ROIC target and personal performance are at maximum. The Remuneration Committee believes that this combination of financial and personal objectives strongly aligns with the Group's strategic goals and the determination of bonus outcomes elsewhere in the Group.

Whilst the Executive Directors achieved corporate and personal objectives in 2016, the Remuneration Committee exercised its discretion in relation to the bonus payment and determined that no bonuses were payable to Executives for the 2016 financial year.

5. LTIP Awards

No LTIP awards vested based on the Group's performance in the year ending 31 July 2016. The LTIP awards, made in 2014, to T O'Mahony, I Hurley and D Giblin will undergo final performance testing after 31 July 2017, in line with the rules of that plan.

The comparable figures for the financial year ended 2015 include awards made under the 2012 share-based LTIP and amounts paid under the cash-based LTIP. The amounts earned under the cash-based LTIP have been included in the figures for the year in which the final performance measures were tested (i.e. 2015) and not spread over the years they were earned. Thus, the 2015 award is an accumulation of awards earned over a number of years over the life of the plan. The share-based LTIP comprises the 2012 awards made to T O'Mahony and D Giblin; 181,518 and 82,508 ordinary shares vested respectively. The long-term incentives portion of total remuneration, reflecting the performance of the Group, comprises the following:

	2016			2015		
Executive €'000	**Cash LTIP**	**Share LTIP**	**Total**	Cash LTIP	Share LTIP	Total
T O'Mahony	–	–	–	1,100	1,172	2,272
I Hurley	–	–	–	150	–	150
D Giblin	–	–	–	1,688	532	2,220

Notes:

The value of the share-based LTIP in 2015 has been calculated using the market value of the shares on 28 September 2015 (the scheme vesting date) – i.e. €6.45 per share.

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Outstanding share awards

The table below sets out details of outstanding share awards held by Executive Directors.

Plan	Grant date	Exercise/ Option price	No. of share awards at 1 August 2015	Granted during the year	Vested/ exercised during the year	Lapsed during the year	**No. of share awards at 31 July 2016**	End of performance period	Date from which exercisable	Expiry date
T O'Mahony										
LTIP	13/12/2012	Nil	554,554	–	181,518	373,036	**–**	31/07/2015	28/09/2015	31/07/2021
	23/10/2014	7.80*	250,000	–	–	–	**250,000**	31/07/2017	31/07/2019	31/07/2024
	Total		**804,554**	**–**	**181,518**	**373,036**	**250,000**			
I Hurley										
LTIP	23/10/2014	7.80*	100,000	–	–	–	**100,000**	31/07/2017	31/07/2019	31/07/2024
D Giblin										
LTIP	13/12/2012	Nil	123,762	–	82,508	41,254	**–**	31/07/2015	28/09/2015	31/07/2021
	23/10/2014	7.80**	100,000	–	–	–	**100,000**	31/07/2017	31/07/2019	31/07/2024
	Total		**223,762**	**–**	**82,508**	**41,254**	**100,000**			

Notes:

* Awards made under the 2012 share-based LTIP to I Hurley and T O'Mahony are shown above as gross equity entitlements. The calculation of the number of shares that vest following performance testing is calculated based on the difference between the original option price as disclosed above, and the price at the date of exercise, divided by the price on the date of exercise.

** The award to D Giblin is in the form of a share option, which is exercisable at the option price.

Awards based on the financial year ending 31 July 2015, vested on 28 September 2015, based on the Group's performance during that financial year.

No gains were made by Directors by the exercise of options during the year ending 31 July 2016.

2015 LTIP awards and 2012 LTIP awards are subject to the performance conditions outlined in the Long-Term Incentives section of the Annual Report on Remuneration, set out on page 48.

Non-Executive Directors do not participate in any Group share incentive or award scheme.

Payments to Past Directors (audited)

During the 2016 financial year, O Killian and P McEniff resigned from the Board. They were paid fees of €12,000 each for the year to the date of their retirement. No termination payments or payments for loss of office were made.

Payments for Loss of Office (audited)

No payments for loss of office were made.

Statement of Directors' and Company Secretary's Shareholdings and Share Interests (audited)

Director	Beneficially owned at 1 August 2015	Beneficially owned at 31 July 2016	Outstanding awards made under 2012 LTIP at 31 July 2016	Outstanding deferred share awards	Outstanding share awards under all employee share plans
T O'Mahony	1,441,855	1,646,373	250,000	–	–
I Hurley	10,000	25,000	100,000	–	–
D Giblin	205,227	302,735	100,000	–	–
R Hynes	–	3,875	–	–	–
H McCutcheon	32,000	45,000	–	–	–
K Allum	–	–	–	–	–
G Britton	–	5,000	–	–	–
R McHugh	–	–	–	–	–
C Richards	–	3,405	–	–	–

The statement of beneficially owned shares as at 1 August 2015 does not include the shares vesting from the 2012 LTIP award which transferred to the Executive Directors during the 2016 financial year.

Annual Report on Remuneration *(continued)*

Statement of Voting at the Annual General Meeting

At the Company's 2015 AGM, the following votes were received from shareholders:

	Remuneration Report	%
Votes cast in favour [1]	65,379,369	82%
Votes cast against	14,065,408	18%
Total votes cast	79,444,777	100%
Abstentions	5,015,070	6.3%

(1) Does not include Chairman's discretionary votes.

Nomination Committee Report

The Nomination Committee comprises Rose Hynes (Non-Executive Chairman), Hugh McCutcheon (Senior Independent Director) and Tom O'Mahony (Executive Director – Chief Executive Officer). Further biographical details of the members of the Nomination Committee are set out on pages 26 and 27.

Rose Hynes
Chairman of the Nomination Committee

Dear Shareholder

As Chairman of the Nomination Committee (newly formed in October 2015) I am pleased to present the report of the Nomination Committee for the year ended 31 July 2016 which has been prepared by the Nomination Committee and approved by the Board.

The responsibilities of the Nomination Committee have been designed having given consideration to best practices in corporate governance. These responsibilities are summarised in the following report and set out in full in the Terms of Reference for the Nomination Committee, which are available on the Company's website: **www.originenterprises.com**.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, including with respect to diversity of background and gender, having regard to the Group's businesses and strategic objectives. It is also responsible for reviewing the leadership needs of the organisation, both Executive and Non-Executive, to ensure the continued ability of the organisation to compete effectively in the marketplace.

The Committee is required to stay up to date and informed about strategic issues and commercial changes affecting the Group and the market in which it operates such that it is in possession of all relevant information as it carries out its duties.

This report sets out further details of the duties and responsibilities of the Committee, as well as an overview of its activities to date.

Rose Hynes
Chairman, Nomination Committee
27 September 2016

Nomination Committee Report *(continued)*

Formation

The Nomination Committee was formed in October 2015, with its members appointed by the Board. The Chairman of the Board was appointed as the Chairman of the Nomination Committee having regard to the Committee's Terms of Reference.

Duties and Responsibilities

The principal duties and responsibilities of the Nomination Committee include the following:

> Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes;
> Give full consideration to succession planning for Directors and other Senior Executives, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future;
> Keep under review the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
> Before any appointment is made to the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment;
> Be responsible for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise;
> Make recommendations to the Board as regards the re-appointment of any Non-Executive Director at the conclusion of their specified term of office;
> Make recommendations to the Board concerning suitable candidates for the role of Senior Independent Director and the appointment of any Director to Executive or other office;
> Make recommendations to the Board as regards membership of the Audit, Remuneration and Risk Committees respectively, and any other Board Committees as appropriate; and
> Conduct an annual Committee evaluation process and additionally review the results of the Board's performance evaluation process that relate to the composition of the Board.

Length of Tenure

The length of tenure of the Directors on the Board and on the Nomination Committee as at 31 July 2016 is set out below.

Length of tenure on Board	Years
Kate Allum	0.83
Gary Britton	0.83
Declan Giblin	7.80
Imelda Hurley	2.00
Rose Hynes	0.83
Hugh McCutcheon	4.69
Rose McHugh	4.20
Tom O'Mahony	9.48
Christopher Richards	0.83

Length of tenure on Nomination Committee	Years
Rose Hynes	0.75
Hugh McCutcheon	0.75
Tom O'Mahony	0.75

Board Composition

Elections and Re-elections at AGM

Kate Allum, Gary Britton, Rose Hynes and Christopher Richards were elected by the shareholders as Directors at the Company's AGM on 27 November 2015. Imelda Hurley was elected by the shareholders at the Company's AGM on 24 November 2014.

Declan Giblin and Rose McHugh were last re-elected at the Company's AGM on 27 November 2015. Tom O'Mahony and Hugh McCutcheon were last re-elected at the Company's AGM on 24 November 2014.

Resignations

Owen Killian and Patrick McEniff resigned from the Board on 23 October 2015 following the disposal by ARYZTA AG of its entire shareholding in the Company. Both Mr Killian and Mr McEniff are Executive Directors of ARYZTA AG and served as Non-Executive Directors on the Board since their first election to the Board at the Company's AGM on 10 December 2007.

Boardroom Diversity

The Board is keen to ensure the Group benefits from the existence of a high quality Board comprising of individuals with an appropriate balance of skills and experience. In considering nominations to the Board, the Nomination Committee takes into account the benefit of Board diversity, including diversity of business background, geographical diversity and gender diversity. Gender diversity will continue to be given consideration by the Nomination Committee in respect of all Board appointments.

Following the election and resignation of the various Non-Executive Directors during the year as detailed above, the Board currently comprises nine members in total of which three are Executive and six are Non-Executive (including the Chairman). Female Directors constitute 44 per cent of the Board.

Meetings

The Nomination Committee has met on two occasions during the financial year end 31 July 2016. The principal activities carried out by the Nomination Committee from formation to the date of this report included:

> Formal adoption of Terms of Reference of the Nomination Committee;
> Completing a review of the composition of the individual Committees and the Board having regard to skills, experienced, diversity and the time required of each of the Non-Executive Directors in discharging their responsibilities;
> Giving detailed consideration to diversity including gender diversity both at Board level and at Senior Executive level across the Group;
> Overseeing a review of the corporate governance processes in place at Origin and the related implementation of agreed actions;
> Completing an initial review of succession planning at the senior leadership level; and
> Undertaking an effectiveness review of the Committee.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements, in accordance with Irish law.

Irish law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law and in accordance with the Rules of the AIM and ESM exchanges issued by the London and Irish Stock Exchanges, the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU ('EU IFRS') with those parts of the Companies Acts applicable to companies reporting under EU IFRS. The Directors have elected to prepare the Company financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

Under Irish law, the Directors shall not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the Group and Company's assets, liabilities and financial position as at the end of the financial year and of the profit or loss of the Group and Company for the financial year.

In preparing each of the Group and Company financial statements, the Directors are required to:

> Select suitable accounting policies and then apply them consistently;
> Make judgements and estimates that are reasonable and prudent;
> State whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question and ensure that they contain the additional information required by the Companies Act 2014; and
> Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

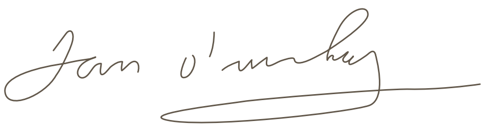
> Correctly record and explain the transactions of the Group and Company;
> Enable, at any time, the assets, liabilities, financial position and profit or loss of the Group and Company to be determined with reasonable accuracy; and
> Enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The Directors 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.

Under applicable law and the requirements of the AIM and ESM Rules, the Directors are also responsible for preparing a Directors' Report that complies with that law and those rules.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



Rose Hynes
Director
27 September 2016

Tom O'Mahony
Director
27 September 2016

Independent Auditors' Report

to the members of Origin Enterprises plc

Report on the Financial Statements

Our opinion

In our opinion:

> Origin Enterprises plc's Group financial statements and Company financial statements (the 'financial statements') give a true and fair view of the Group's and the Company's assets, liabilities and financial position as at 31 July 2016 and of the Group's profit and the Group's and the Company's cash flows for the year then ended;
> the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union;
> the Company financial statements have been properly prepared in accordance with Generally Accepted Accounting Practice in Ireland; and
> the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

What we have audited

The financial statements comprise:

> the Consolidated Statement of Financial Position as at 31 July 2016;
> the Company Balance Sheet as at 31 July 2016;
> the Consolidated Income Statement for the year then ended;
> the Consolidated Statement of Comprehensive Income for the year then ended;
> the Consolidated Statement of Cash Flows for the year then ended;
> the Company Statement of Cash Flows for the year then ended;
> the Consolidated Statement of Changes in Equity for the year then ended;
> the Company Statement of Changes in Equity for the year then ended;
> the Accounting Policies; and
> the Notes to the financial statements, which include other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the Notes to the financial statements. These are cross referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish law and IFRSs as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Company financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland) including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

In applying the financial reporting framework, the Directors have made a number of subjective judgements; for example, in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Matters on Which We Are Required to Report by the Companies Act 2014

> We have obtained all the information and explanations which we consider necessary for the purposes of our audit;
> In our opinion the accounting records of the Company were sufficient to permit the Company financial statements to be readily and properly audited;
> The Company balance sheet is in agreement with the accounting records; and
> In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matter on Which We Are Required to Report by Exception

Directors' remuneration and transactions

Under the Companies Act 2014 we are required to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by sections 305 to 312 of that Act have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the Financial Statements and the Audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 56, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

> whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed;
> the reasonableness of significant accounting estimates made by the Directors; and
> the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

Independent Auditors' Report *(continued)*

to the members of Origin Enterprises plc

Responsibilities for the Financial Statements and the Audit (continued)

What an audit of financial statements involves (continued)

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

John Dillon
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin

27 September 2016

Consolidated Income Statement

For the financial year ended 31 July 2016

	Notes	Pre-exceptional 2016 €'000	Exceptional 2016 €'000	Total 2016 €'000	Pre-exceptional 2015 €'000	Exceptional 2015 €'000	Total 2015 €'000
Revenue	1	1,521,256	–	1,521,256	1,458,098	–	1,458,098
Cost of sales		(1,300,712)	–	(1,300,712)	(1,231,783)	–	(1,231,783)
Gross profit		220,544	–	220,544	226,315	–	226,315
Operating costs	2, 3	(157,580)	4,955	(152,625)	(154,817)	10,020	(144,797)
Share of profit of associates and joint venture	3, 7	5,621	–	5,621	10,112	(433)	9,679
Operating profit	5	68,585	4,955	73,540	81,610	9,587	91,197
Finance income	4	453	–	453	3,268	–	3,268
Finance expense	4	(7,820)	–	(7,820)	(8,078)	–	(8,078)
Profit before income tax		61,218	4,955	66,173	76,800	9,587	86,387
Income tax (expense)/credit	3, 10	(8,151)	(221)	(8,372)	(11,507)	2,377	(9,130)
Profit for the year		53,067	4,734	57,801	65,293	11,964	77,257

		2016	2015
Basic earnings per share	11	46.03c	61.72c
Diluted earnings per share	11	45.85c	61.52c

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Consolidated Statement of Comprehensive Income

For the financial year ended 31 July 2016

	2016 €'000	2015 €'000
Profit for the year	**57,801**	77,257
Other comprehensive (expense)/income		
Items that are not reclassified subsequently to the Group income statement:		
Group/Associate defined benefit pension obligations		
– remeasurements on Group's defined benefit pension schemes	**(4,881)**	(3,654)
– deferred tax effect of remeasurements	**926**	599
– share of remeasurements on associate's defined benefit pension schemes	**(356)**	(7,716)
– share of deferred tax effect of remeasurements – associates	**71**	999
Items that may be reclassified subsequently to the Group income statement:		
Group foreign exchange translation details		
– exchange difference on translation of foreign operations	**(29,008)**	15,888
Group/Associate cash flow hedges		
– effective portion of changes in fair value of cash flow hedges	**1,633**	(850)
– fair value of cash flow hedges transferred to operating costs	**(473)**	1,022
– deferred tax effect of cash flow hedges	**(243)**	(19)
– share of associates and joint venture cash flow hedges	**2,405**	28
– deferred tax effect of share of associates and joint venture cash flow hedges	**(301)**	(3)
– recycling on disposal of interest in associate	**–**	(43)
Other comprehensive (expense)/income for the year, net of tax	**(30,227)**	6,251
Total comprehensive income for the year attributable to equity shareholders	**27,574**	83,508

Consolidated Statement of Financial Position

As at 31 July 2016

	Notes	2016 €'000	2015 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**102,796**	97,889
Investment properties	13	**9,675**	7,575
Goodwill and intangible assets	14	**185,220**	161,401
Investments in associates and joint venture	15	**39,008**	38,537
Other financial assets	16	**2,550**	494
Deferred tax assets	24	**7,376**	3,236
Total non-current assets		**346,625**	309,132
Current assets			
Inventory	17	**163,438**	158,100
Trade and other receivables	18	**430,026**	336,021
Derivative financial instruments	23	**1,337**	96
Restricted cash	20	**2,948**	29,358
Cash and cash equivalents	21	**168,199**	199,303
Total current assets		**765,948**	722,878
TOTAL ASSETS		**1,112,573**	1,032,010
EQUITY			
Called up share capital presented as equity	28	**1,264**	1,264
Share premium		**160,399**	160,399
Retained earnings and other reserves		**117,639**	120,692
TOTAL EQUITY		**279,302**	282,355
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	22	**159,124**	100,053
Deferred tax liabilities	24	**19,109**	16,343
Put option liability	26	**10,358**	16,461
Provision for liabilities	25	**4,010**	–
Post employment benefit obligations	27	**7,713**	7,373
Derivative financial instruments	23	**628**	414
Total non-current liabilities		**200,942**	140,644
Current liabilities			
Interest-bearing borrowings	22	**8,901**	39,808
Trade and other payables	19	**596,928**	535,755
Corporation tax payable		**16,140**	21,253
Provision for liabilities	25	**9,768**	11,470
Derivative financial instruments	23	**592**	725
Total current liabilities		**632,329**	609,011
TOTAL LIABILITIES		**833,271**	749,655
TOTAL EQUITY AND LIABILITIES		**1,112,573**	1,032,010

On behalf of the Board

Rose Hynes
Director

Tom O'Mahony
Director

Consolidated Statement of Changes in Equity

For the financial year ended 31 July 2016

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cash flow hedge reserve €'000	Revaluation reserve €'000	Share-based payment reserve €'000	Re-organisation reserve €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000
2016											
At 1 August 2015	**1,264**	**160,399**	**(12)**	**134**	**(1,748)**	**12,843**	**1,749**	**(196,884)**	**1,606**	**303,004**	**282,355**
Profit for the year	–	–	–	–	–	–	–	–	–	57,801	57,801
Other comprehensive income/(expense) for the year	–	–	–	–	3,021	–	–	–	(29,008)	(4,240)	(30,227)
Total comprehensive income/(expense) for the year	–	–	–	–	3,021	–	–	–	(29,008)	53,561	27,574
Transfer of shares (Note 28(ii))	–	–	4	–	–	–	(4)	–	–	–	–
Share-based payment credit	–	–	–	–	–	–	(300)	–	–	–	(300)
Transfer of share-based payment reserve to retained earnings	–	–	–	–	–	–	(1,445)	–	–	1,445	–
Dividend paid to shareholders	–	–	–	–	–	–	–	–	–	(30,327)	(30,327)
At 31 July 2016	**1,264**	**160,399**	**(8)**	**134**	**1,273**	**12,843**	**–**	**(196,884)**	**(27,402)**	**327,683**	**279,302**

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cash flow hedge reserve €'000	Revaluation reserve €'000	Share-based payment reserve €'000	Re-organisation reserve €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000
2015											
At 1 August 2014	1,264	160,399	(12)	134	(1,883)	12,843	1,825	(196,884)	(14,282)	260,552	223,956
Profit for the year	–	–	–	–	–	–	–	–	–	77,257	77,257
Other comprehensive income for the year	–	–	–	–	135	–	–	–	15,888	(9,772)	6,251
Total comprehensive income for the year	–	–	–	–	135	–	–	–	15,888	67,485	83,508
Share-based payment credit	–	–	–	–	–	–	(76)	–	–	–	(76)
Dividend paid to shareholders	–	–	–	–	–	–	–	–	–	(25,033)	(25,033)
At 31 July 2015	1,264	160,399	(12)	134	(1,748)	12,843	1,749	(196,884)	1,606	303,004	282,355

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Consolidated Statement of Cash Flows

For the financial year ended 31 July 2016

	Notes	2016 €'000	2015 €'000
Cash flows from operating activities			
Profit before tax		**66,173**	86,387
Exceptional items		**(4,955)**	(9,587)
Finance income		**(453)**	(3,268)
Finance expenses		**7,820**	8,078
Profit on disposal of property, plant and equipment		**(143)**	(117)
Share of profit of associates and joint venture, net of intangible amortisation	15	**(5,621)**	(10,113)
Depreciation of property, plant and equipment	12	**7,073**	6,299
Amortisation of intangible assets	14	**6,800**	10,110
Employee share-based payment credit	8	**(300)**	(76)
Pension contributions in excess of service costs	27	**(3,978)**	(1,615)
Payment of exceptional rationalisation costs	25	**(7,202)**	(3,199)
Payment of employment related incentive costs		**(9,312)**	–
Payment of exceptional acquisition costs		**(1,392)**	(2,090)
Operating cash flow before changes in working capital		**54,510**	80,809
Increase in inventory		**(3,610)**	(15,129)
Increase in trade and other receivables		**(60,368)**	(24,700)
Increase in trade and other payables		**43,328**	30,088
Cash generated from operating activities		**33,860**	71,068
Interest paid		**(6,575)**	(6,782)
Income tax paid		**(11,635)**	(9,402)
Cash inflow from operating activities		**15,650**	54,884
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**1,133**	358
Proceeds from sale of equity investment		**1,051**	–
Purchase of property, plant and equipment		**(6,789)**	(8,719)
Additions to intangible assets		**(1,640)**	(2,637)
Arising on acquisition		**(62,461)**	–
Payment of contingent acquisition consideration	25	**(1,000)**	–
Cash consideration on disposal of associate and joint venture	3	**–**	42,946
Repayment of vendor loan note – principal	16	**–**	35,100
Repayment of vendor loan note – interest	16	**–**	9,070
Restricted cash	20	**26,410**	(29,358)
Investment in associates and joint venture		**(164)**	–
Dividends received from associates		**2,942**	2,899
Cash (outflow)/inflow from investing activities		**(40,518)**	49,659
Cash flows from financing activities			
Drawdown/(Repayment) of bank loans		**47,234**	(33,812)
Bank overdraft arising on acquisition		**(10,108)**	–
Payment of dividends to equity shareholders		**(30,327)**	(25,033)
Payment of finance lease obligations		**(22)**	(146)
Cash inflow/(outflow) from financing activities		**6,777**	(58,991)
Net (decrease)/increase in cash and cash equivalents		**(18,091)**	45,552
Translation adjustment		**(14,255)**	11,615
Cash and cash equivalents at start of year		**191,803**	134,636
Cash and cash equivalents at end of year	21, 22	**159,457**	191,803

Group Accounting Policies

Origin Enterprises plc (the 'Company') is a company domiciled and incorporated in Ireland. The Group's financial statements for the year ended 31 July 2016 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as the 'Group') and show the Group's interest in associates and joint venture using the equity method of accounting.

The Company and Group financial statements were authorised for issue by the Directors on 27 September 2016.

Statement of Compliance

As permitted by Company law and as required by the Rules of the AIM and ESM exchanges the Group financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') and their interpretations issued by the International Accounting Standards Board ('IASB') as adopted by the EU.

The IFRSs adopted by the EU applied by the Group in the preparation of these financial statements are those that were effective for accounting periods beginning on or after 1 August 2015.

New IFRS Accounting Standards and Interpretations Not Yet Adopted by the EU

The Group has not applied the following IFRS's and International Financial Reporting Interpretations Committee ('IFRIC') Interpretations that have not yet been adopted by the EU:

> IFRS 9 'Financial Instruments'.
> Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities – Applying the Consolidation Exception.
> IFRS 15 'Revenue from Contracts with Customers'.
> IFRS 16 'Leases'.
> IAS 12 'Recognition of Deferred Tax Assets for Unrealised Losses'.
> Amendments to IAS 7 as a result of the Disclosure Initiative.
> Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions.

The above standards are not expected to have a significant impact on the Group financial statements with the exception of IFRS 16 'Leases' which is expected to result in more leases being recognised on the balance sheet.

New IFRS Accounting Standards and Interpretations Not Yet Effective

The Group has not applied the following IFRS's and International Financial Reporting Interpretations Committee ('IFRIC') Interpretations that have been issued and adopted by the EU but are not yet effective.

> IFRS 11 (Amended) 'Joint Arrangements on Acquisitions of an Interest in a Joint Operation'.
> IAS 16 (Amended) 'Property, Plant and Equipment'.
> IAS 38 (Amended) 'Intangible Assets'.
> IAS 27 (Amended) 'Equity Method in Separate Financial Statements'.
> IAS 1 (Amended) 'Presentation of Financial Statements' – Disclosure Initiative.
> Annual Improvements to IFRS's 2012-2014 Cycle.

The above standards are not expected to have a significant impact on the Group financial statements.

New IFRS Accounting Standards and Interpretations Adopted in 2015/16

During the year ended 31 July 2016, the Group adopted the below amendments to International Financial Reporting Standards ('IFRS'), International Accounting Standards ('IAS') and the International Financial Reporting Interpretation Committee ('IFRIC') pronouncements.

None of these had a material impact on the consolidated results or financial position of the Group:

> Amendment to IAS 19 'Employee Benefits'.
> Annual Improvements to IFRS's 2010-2012 Cycle.
> Annual Improvements to IFRS's 2011-2013 Cycle.

Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretation Committee ('IFRS IC') interpretations as adopted by the European Union and those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

The Directors have elected to prepare the Company financial statements in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

The financial statements have been prepared on the going concern basis and under the historical cost convention, as modified by the revaluation of investment properties, and certain financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's and Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 34.

Basis of Consolidation

The Group financial statements reflect the consolidation of the results, assets and liabilities of the parent undertaking, the Company and all of its subsidiaries, together with the Group's share of profits/losses of associates and joint ventures. Where a subsidiary, associate or joint venture is acquired or disposed of during the financial year, the Group financial statements include the attributable results from, or to, the effective date when control passes, or, in the case of associates, when significant influence is obtained or ceases.

Basis of Consolidation (continued)

Subsidiary undertakings

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Consolidated Income Statement.

The anticipated acquisition method of accounting is applied in relation to option arrangements entered into with minority shareholders whereby the non-controlling interest is not recognised but rather treated as already acquired by the Group both in the Consolidated Statement of Financial Position and the Consolidated Statement of Comprehensive Income. This treatment has been adopted as the Directors have formed the view that, based on the structure, pricing and timing of option contracts, significant risks and rewards are deemed to have transferred to Origin.

Associates and joint ventures

Associates are those entities in which the Group has significant influence over, but not control of, the financial and operating policies. Joint ventures are those entities over which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Investments in associates and joint ventures are accounted for using the equity method of accounting.

Under the equity method of accounting, the Group's share of the post-acquisition profits or losses of its associates and joint ventures is recognised in the Consolidated Income Statement. The income statement reflects, in profit before tax, the Group's share of profit after tax of its associates and joint ventures in accordance with IAS 28, 'Investments in Associates'.

The Group's interest in their net assets is included as investments in associates and joint ventures in the Consolidated Statement of Financial Position at an amount representing cost at acquisition plus the Group's share of post-acquisition retained income and expenses. The Group's investment in associates and joint ventures includes goodwill on acquisition. The amounts included in the financial statements in respect of the post-acquisition income and expenses of associates and joint ventures are taken from their latest financial statements prepared up to their respective year ends, together with management accounts for the intervening periods to the Group's year end. The fair value of any investment retained in a former subsidiary is regarded as a cost on initial recognition of an investment in an associate or joint venture. Where necessary, the accounting policies of associates and joint ventures have been changed to ensure consistency with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-Group transactions, are eliminated in preparing the Group financial statements. Unrealised gains and income and expenses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that they do not provide evidence of impairment.

Revenue

Revenue represents the fair value of the sale consideration received for the goods supplied to third parties, after deducting discounts estimated based on individual customer arrangements and historical experience and exclusive of value added tax. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Segmental Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker, being the Origin Executive Directors, to make decisions about resources to be allocated to segments and to assess performance, and for which discrete financial information is available.

The Group has two operating segments: Agri-Services and Associates and Joint Venture (see Note 1 for further information). Segment assets and liabilities consist of property, plant and equipment, goodwill and intangible assets and other assets and liabilities that can be reasonably allocated to the reported segment. Unallocated assets and liabilities principally include current and deferred income tax balances together with financial assets and liabilities.

Employee Benefits

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee administered funds, determined by periodic actuarial calculations.

Pension obligations

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Income Statement as the related employee service is received. The Group's net obligation in respect of defined benefit pension plans is calculated, separately for each plan, by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the year end date on high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. Fair value is based on market price information, and in the case of quoted securities is the published bid price.

Group Accounting Policies *(continued)*

Employee Benefits (continued)

Pension obligations (continued)

Defined benefit costs are categorised as: (1) service costs; (2) net interest expense or income; and (3) remeasurement. Service cost includes current and past service cost as well as gains and losses on curtailments and settlements; it is included in operating profit. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest, is calculated by applying the discount rate to the net defined benefit asset or liability at the beginning of the year; it is included in finance costs. Remeasurement is comprised of the return on plan assets other than interest at the discount rate and actuarial gains and losses; it is recognised in other comprehensive income in the period in which it arises and is not subsequently reclassified to profit or loss. Settlement gains or losses, where they arise, are recognised in the Consolidated Income Statement as exceptional items.

Long-Term Incentive Plans

The Group has established the '2012 Origin Long-Term Incentive Plan' ('the 2012 LTIP Plan') and the '2015 Origin Long-Term Incentive Plan' ('the 2015 LTIP Plan').

All equity instruments issued under the 2012 LTIP Plan and the 2015 LTIP Plan are equity-settled share-based payments as defined in IFRS 2, 'Share-based Payments'. The fair value of equity instruments issued is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the equity instrument. The fair value of the equity instruments issued is measured taking into account the vesting conditions under which the equity instruments were issued. The plans are subject to non-market vesting conditions and, therefore, the amount recognised as an expense is adjusted to reflect the actual number of equity instruments that are expected to vest.

The Group recognises an expense in the income statement for cash-based long-term incentive plans as employees render service under the plan and the expense is based on the benefits earned by employees during the period. The liability for other long-term employee benefits represents the Group's best estimate of its obligation that employees have earned in return for their service in current and prior periods. The liability for cash-based long-term incentive plans is discounted to its present value and presented as 'Other payables – employment related'.

Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case the related tax is also recognised in the Consolidated Statement of Comprehensive Income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws that have been enacted or substantially enacted at the year end date, and any adjustment to tax payable in respect of previous years.

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and tax provisions in the period in which such determination is made.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year end date. If a temporary difference arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss, no deferred tax is recognised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates and joint venture, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be recovered. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Foreign Currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end date are translated to functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Income Statement.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments, are translated to euro at the foreign exchange rates ruling at the year end date. The revenues and expenses of foreign operations are translated to euro at the average exchange rates. Foreign exchange differences arising on translation of the net assets of a foreign operation are recognised directly in the Consolidated Statement of Comprehensive Income, in a translation reserve. Exchange gains or losses on long-term intra-Group loans that are regarded as part of the net investment in non-euro-denominated operations, are taken to the translation reserve to the extent that they are neither planned nor expected to be repaid in the foreseeable future.

Dividends

Dividends are recognised in the period in which they are approved by the Company's shareholders, or in the case of an interim dividend, when it has been approved by the Board of Directors and paid.

Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure including repairs and maintenance costs is recognised in the income statement as an expense as incurred.

Property, Plant and Equipment (continued)

Depreciation is calculated to write off the cost less estimated residual value of property, plant and equipment, other than freehold land, on a straight line basis, by reference to the following estimated useful lives:

Buildings	25 to 50 years
Plant and machinery	3 to 15 years
Motor vehicles	3 to 7.5 years

The residual value of assets, if significant, and the useful life of assets is reassessed annually.

Gains and losses on disposals of property, plant and equipment are recognised on the completion of sale. Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount and are included in operating profit.

Investment Properties

Investment property, principally comprising land, is held for capital appreciation. Investment property is stated at fair value. The fair value is based on market value, being the estimated amount for which a property could be exchanged in an arms length transaction. Any gain or loss arising from a change in fair value is recognised in the Consolidated Income Statement. When property is transferred to investment property following a change in use, any difference arising at the date of transfer between the carrying amount of the property immediately prior to transfer and its fair value is recognised in equity if it is a gain unless the increase reverses a previous impairment loss on that property in which case the increase is recognised in profit or loss. Upon disposal of the property, the gain would be transferred to retained earnings in equity. Any loss arising in this manner, unless it represents the reversal of a previously recognised gain, would be recognised immediately in the Consolidated Income Statement. Investment properties are disclosed as a Level 3 fair value where there are unobservable inputs and as a Level 2 fair value where there are observable inputs.

Leased Assets

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the Consolidated Income Statement on a straight line basis over the lease term.

Leases, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in interest-bearing loans and borrowings. The interest element of the payments is charged to the Consolidated Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under the finance lease is depreciated over the shorter of the useful life of the asset or the lease term.

Business Combinations and Goodwill

All business combinations are accounted for by applying the acquisition method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and the joint venture. In respect of acquisitions that have occurred since 1 August 2005, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, i.e. original cost less accumulated amortisation from the date of acquisition up to 31 July 2005, which represents the amount recorded under Irish GAAP. Goodwill is now stated at cost or deemed cost less any accumulated impairment losses. In respect of associates and the joint venture, the carrying amount of goodwill is included in the carrying amount of the investment.

Contingent Acquisition Consideration

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date and classified as a financial liability or as equity in accordance with IAS 32. Subsequent changes to the fair value of the contingent consideration that is deemed to be a liability are recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Deferred Acquisition Consideration

To the extent that deferred acquisition consideration is payable after more than one year from the date of acquisition, it is discounted at an appropriate loan interest rate and accordingly, carried at net present value on the Consolidated Statement of Financial Position. An appropriate interest charge, using the Group's incremental cost of capital, at a constant rate on the carrying amount adjusted to reflect market conditions, is reflected in the Consolidated Income Statement over the earnout period, increasing the carrying amount so that the obligation will reflect its settlement at the time of maturity.

Intangible Assets

Intangible assets acquired as part of a business combination are initially recognised at fair value being their deemed cost as at the date of acquisition. These generally include brand and customer related intangible assets. Computer software that is not an integral part of an item of computer hardware is also classified as an intangible asset. Where intangible assets are separately acquired, they are capitalised at cost. Cost comprises purchase price and other directly attributable costs.

Intangible assets with finite lives are amortised over the period of their expected useful lives in equal annual instalments, as follows:

Brands	up to 20 years
Customer related	up to 20 years
Supplier agreements	up to 20 years
Computer related	3 to 7 years

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and impairment losses incurred.

Group Accounting Policies *(continued)*

Intangible Assets (continued)

In line with IAS 38, Intangible assets, a review of the estimated useful lives of brands, customer and computer related intangible assets is undertaken on an annual basis. Following significant investment in recent years on extending the useful lives of many customer related intangible assets through a number of restructuring initiatives and with the benefit of the ownership and use of these assets for a number of years, the Group was in a position to undertake a more detailed reassessment of estimated useful lives. The nature of the Origin business is that customer relationships with agronomists are highly valued and brands are long established. In carrying out this review items such as recent customer churn experience, extended use of fundamental IP acquired and the useful lives of intangible assets for comparable companies were analysed. The result of this review was to increase the useful lives of brands from 3-10 years to up to 20 years, customer related intangibles from 5-20 years to up to 20 years and supplier agreements from 4-10 years to up to 20 years. The impact of this change in accounting estimate on the 2016 Consolidated Income Statement was a decrease in the amortisation charge of c. €3,500,000 and similarly for 2017. Going forward, the Group will review the useful lives of all brands, customer and computer relates intangible assets on an annual basis.

Impairment

The carrying amounts of the Group's assets, other than inventories (which are carried at the lower of cost and net realisable value), deferred tax assets (which are recognised based on recoverability), investment properties (which are carried at fair value) and financial instruments (which are carried at fair value), are reviewed to determine whether there is an indication of impairment when an event or transaction indicates that there may be. If any such indication exists, an impairment test is carried out and the asset is written down to its recoverable amount. An impairment test is carried out annually on goodwill.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Income Statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then, to reduce the carrying amount of the other assets in the unit on a pro rata basis. An impairment loss, other than in the case of goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventory

Inventory is stated at the lower of cost and net realisable value. Cost is determined at either the first-in, first-out ('FIFO') method or the weighted average method, depending on the inventory type. Cost includes all expenditure, which has been incurred in the normal course of business in bringing the products to their present location and condition. Net realisable value is the estimated selling price of inventory on hand less all further costs to completion and all costs expected to be incurred in marketing, distribution and selling.

Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and call deposits of less than three months. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Financial Assets and Liabilities

Trade and other receivables

Trade and other receivables are initially measured at fair value and are, thereafter, measured at amortised cost using the effective interest method, less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material.

A provision is established for irrecoverable amounts when there is objective evidence (including a customer going into liquidation or receivership, the commencement of legal proceedings or poor payment history) that amounts due under the original payment terms will not be collected.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group have transferred substantially all risks and rewards of ownership. Where risks associated with receivables are transferred out of the Group under receivables purchase agreements, such receivables are recognised in the Statement of Financial Position to the extent of the Group's continued involvement and retained risk.

Short-term bank deposits

Short-term bank deposits of greater than three months maturity which do not meet the definition of cash and cash equivalents are classified as loans and receivables within current assets and stated at amortised cost in the Consolidated Statement of Financial Position.

Trade and other payables

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost, using the effective interest method.

Derivatives

All derivatives are initially recorded at fair value on the date the contract is entered into and subsequently, at reporting dates remeasured to their fair value. The gain or loss arising on remeasurement is recognised in the income statement except where the instrument is a designated hedging instrument.

Derivative financial instruments are used to manage the Group's exposure to foreign currency risk and interest rate risk through the use of forward currency contracts and interest rate swaps. These derivatives are generally designated as cash flow hedges in accordance with IAS 39. The Group does not enter into speculative derivative transactions.

Financial Assets and Liabilities (continued)

Put option liability
Where put/call option agreements are in place in respect of shares held by non-controlling shareholders, the liability is measured in accordance with the requirements of IAS 32 and IAS 39 and is stated at fair value. Such liabilities are shown as current or non-current financial liabilities in the Consolidated Statement of Financial Position. The change in the fair value of such options in the year is recognised in the Consolidated Income Statement within exceptional items.

Cash flow hedges
Subject to the satisfaction of certain criteria, relating to the documentation of the risk, objectives and strategy for the hedging transaction and the ongoing measurement of its effectiveness, cash flow hedges are accounted for under hedge accounting rules. In such cases, any unrealised gain or loss arising on the effective portion of the derivative instrument is recognised in the cash flow hedging reserve, a separate component of equity. Unrealised gains or losses on any ineffective portion of the derivative are recognised in the income statement. When the hedged transaction occurs the related gains or losses in the hedging reserve are transferred to the Consolidated Income Statement.

Interest-bearing loans and borrowings
Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost using an effective interest rate method.

Finance lease liabilities
Fair value for disclosure purposes is based on the present value of future cash flows discounted at appropriate current market rates.

Exceptional Items
The Group has adopted an income statement format which seeks to highlight significant items within the Group results for the year. The Group believes that this presentation provides a more informative analysis as it highlights one-off items. Such items may include significant restructuring costs, acquisition related costs, profit or loss on disposal or termination of operations, profit or loss on disposal of property, plant and equipment, profit or loss on disposal of investments, changes in fair value of investment properties, charges in fair value of put option liabilities, claims and significant impairment of assets. Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature, should be disclosed in the Consolidated Income Statement and related notes as exceptional items.

Borrowing Costs
Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the Consolidated Income Statement using the effective interest method.

Provisions
A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Finance Income
Finance income is recognised using the effective interest method.

Notes to the Group Financial Statements

1 Segment Information

IFRS 8, 'Operating Segments', requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker ('CODM') in order to allocate resources to the segments and to assess their performance. Two operating segments have been identified: Agri-Services and Associates and Joint Venture.

Origin's Agri-Services segment comprises integrated agronomy services and agri-inputs. The Associates and Joint Venture operating segment is comprised of the feed ingredient businesses.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's CODM, being the Origin Executive Directors. Segment operating profit is used to measure performance, as this information is the most relevant in evaluating the results of the Group's segments.

Segment results, assets and liabilities include all items directly attributable to a segment.

Segment capital expenditure is the total amount incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

	Agri-Services		Associates and Joint Venture		Total Group	
	2016 €'000	2015 €'000	**2016 €'000**	2015 €'000	**2016 €'000**	2015 €'000
(a) Analysis by segment						
(i) Segment revenue and results						
Total revenue	**1,521,256**	1,458,098	**314,233**	461,854	**1,835,489**	1,919,952
Less revenue from associates and joint venture	**–**	–	**(314,233)**	(461,854)	**(314,233)**	(461,854)
Revenue	**1,521,256**	1,458,098	**–**	–	**1,521,256**	1,458,098
Segment result	**67,258**	78,895	**5,621**	14,076	**72,879**	92,971
Amortisation of non-ERP intangible assets – Group					**(4,294)**	(7,397)
Amortisation of non-ERP intangible assets – Associates and joint venture					**–**	(3,964)
Total operating profit before exceptional items					**68,585**	81,610
Exceptional items					**4,955**	9,587
Operating profit					**73,540**	91,197

	2016 €'000	2015 €'000
(ii) Segment earnings before financing costs and tax is reconciled to reported profit before tax and profit after tax as follows:		
Segment earnings before financing costs and tax	**73,540**	91,197
Finance income	**453**	3,268
Finance expense	**(7,820)**	(8,078)
Reported profit before tax	**66,173**	86,387
Income tax expense	**(8,372)**	(9,130)
Reported profit after tax	**57,801**	77,257

1 Segment Information (continued)

	Agri-Services		Associates and Joint Venture		Total Group	
	2016 €'000	2015 €'000	**2016 €'000**	2015 €'000	**2016 €'000**	2015 €'000
(iii) Segment assets						
Segment assets excluding investment in associates and joint venture and investment properties	**883,466**	753,411	**–**	–	**883,466**	753,411
Investment in associates and joint venture (including other financial assets)	**–**	–	**39,572**	39,031	**39,572**	39,031
Segment assets	**883,466**	753,411	**39,572**	39,031	**923,038**	792,442
Reconciliation to total assets as reported in Consolidated Statement of Financial Position						
Cash and cash equivalents					**168,199**	199,303
Restricted cash					**2,948**	29,358
Investment properties					**9,675**	7,575
Derivative financial instruments					**1,337**	96
Deferred tax assets					**7,376**	3,236
Total assets as reported in Consolidated Statement of Financial Position					**1,112,573**	1,032,010

	Agri-Services		Associates and Joint Venture		Total Group	
	2016 €'000	2015 €'000	**2016 €'000**	2015 €'000	**2016 €'000**	2015 €'000
(iv) Segment liabilities						
Segment liabilities	**628,777**	571,059	**–**	–	**628,777**	571,059
Reconciliation to total liabilities as reported in Consolidated Statement of Financial Position						
Interest-bearing loans and liabilities					**168,025**	139,861
Derivative financial instruments					**1,220**	1,139
Current and deferred tax liabilities					**35,249**	37,596
Total liabilities as reported in Consolidated Statement of Financial Position					**833,271**	749,655

	Agri-Services		Associates and Joint Venture		Total Group	
	2016 €'000	2015 €'000	**2016 €'000**	2015 €'000	**2016 €'000**	2015 €'000
(v) Other segment information						
Depreciation	**7,073**	6,299	**–**	–	**7,073**	6,299
Intangible amortisation	**6,800**	10,110	**–**	3,964	**6,800**	14,074
Exceptional gain (Note 3)	**4,955**	10,020	**–**	(433)	**4,955**	9,587
Capital expenditure – property, plant and equipment	**6,780**	8,536	**–**	–	**6,780**	8,536
Capital expenditure – ERP and computer intangibles	**4,302**	1,770	**–**	–	**4,302**	1,770
Total capital expenditure	**11,082**	10,306	**–**	–	**11,082**	10,306

	Ireland		UK		Rest of world		Total	
	2016 €'000	2015 €'000	**2016 €'000**	2015 €'000	**2016 €'000**	2015 €'000	**2016 €'000**	2015 €'000
(b) Analysis by geography								
Revenue	**143,211**	163,502	**880,409**	981,857	**497,636**	312,739	**1,521,256**	1,458,098
Assets	**75,460**	83,726	**510,973**	588,727	**336,605**	119,989	**923,038**	792,442
IFRS 8 non-current assets	**62,194**	60,935	**201,652**	223,295	**75,403**	21,666	**339,249**	305,896

Notes to the Group Financial Statements *(continued)*

2 Operating Costs

	2016 €'000	2015 €'000
Distribution expenses	**88,725**	81,908
Administration expenses	**64,561**	65,512
Amortisation of non-ERP related intangible assets	**4,294**	7,397
	157,580	154,817
Exceptional items (Note 3)	**(4,955)**	(10,020)
	152,625	144,797

3 Exceptional Items

Exceptional items are those that, in management's judgement, should be separately presented and disclosed by virtue of their nature or amount. Such items are included within the Consolidated Income Statement caption to which they relate. The following exceptional items arose during the year:

	2016 €'000	2015 €'000
Gain on disposal of interest in associate (i)	**–**	22,047
Rationalisation costs (ii)	**(2,846)**	(11,377)
Gain on disposal of investment (iii)	**1,341**	–
Transaction and strategy related costs (iv)	**(2,228)**	(1,031)
Fair value adjustment on investment properties (v)	**2,100**	–
Fair value adjustment on put option liability (vi)	**6,588**	381
Arising in associates and joint venture, net of tax (vii)	**–**	(433)
Total exceptional credit before tax	**4,955**	9,587
Tax (charge)/credit on exceptional items	**(221)**	2,377
Total exceptional credit after tax	**4,734**	11,964

(i) Gain on disposal of interest in associate

On 28 July 2015 Origin announced the disposal of its 32 per cent equity interest in the consumer foods group Valeo Foods Group Limited ('Valeo') to CapVest Partners LLP together with the settlement/disposal of the outstanding principal and accumulated interest receivable relating to the Group's vendor loan note which was put in place at the time of the formation of Valeo. A total cash consideration of €86.6 million was received in connection with the transaction comprising €42.5 million in respect of the disposal of the Group's 32 per cent shareholding and €44.1 million in full settlement of the vendor loan note. A gain of €22.0 million arose on the transaction and was recognised as an exceptional item in the year ended 31 July 2015.

(ii) Rationalisation costs

Rationalisation costs comprise termination payments arising from the restructuring of Agri-Services in the UK. The tax impact of this exceptional item in the current year is a tax credit of €0.6 million.

(iii) Gain on disposal of investment

A gain on the disposal of an investment in Adaptris Group Limited has been recorded in the current year of €1.3 million. The tax impact of this exceptional item in the current year is a tax charge of €0.3 million.

(iv) Transaction and strategy related costs

Transaction related costs principally comprise costs incurred in relation to the acquisitions during the year and strategy related costs relate to once off consultancy costs associated with the Groups' Agrii Services five-year strategy review. The tax impact of this exceptional item in the current year is a tax credit of €0.2 million.

(v) Fair value adjustment on investment properties

During the current year the Group commissioned an independent valuations expert to conduct a valuation of the Groups' investment properties. The valuation was on the basis of market value and complies with the requirements of the Valuation and Appraisal Standards issued under the auspices of the Society of Chartered Surveyors. This valuation resulted in an increase to the carrying value of investment properties of €2.1 million. The tax impact of this exceptional item is a tax charge of €0.7 million in the current year. (See Note 13 for further details).

(vi) Fair value adjustment on put option liability

This gain relates to the movement in fair value of the put option liability in respect of the Agroscope acquisition. See Note 26 for further details.

(vii) Arising in associates and joint venture, net of tax

The exceptional costs arising in associates and joint venture in the prior year related to the Group's share of redundancy, acquisition and financing costs arising in Valeo.

4 Finance Income and Expense

	2016 €'000	2015 €'000
Recognised in the Consolidated Income Statement		
Finance income:		
Interest income on bank deposits	453	577
Interest receivable on vendor loan note	–	2,691
Total finance income	453	3,268
Finance expenses:		
Interest payable on bank loans and overdrafts	(7,244)	(7,460)
Unwinding of discount rate on put option liability (Note 26)	(485)	(478)
Defined benefit pension obligations: net interest cost (Note 27)	(91)	(140)
Total finance expenses	(7,820)	(8,078)
Finance costs, net	(7,367)	(4,810)
Recognised directly in Other Comprehensive Income		
Effective portion of changes in fair value of interest rate swaps	(405)	450

5 Statutory and Other Information

	2016 €'000	2015 €'000
Group operating profit before exceptional items is stated after charging:		
Raw materials and consumables used	1,300,877	1,223,547
Amortisation of intangible assets (Note 14)	6,800	10,110
Depreciation of property, plant and equipment (Note 12)	7,073	6,299
Operating lease rentals	12,539	11,224
Foreign exchange expense	340	1,400

Auditors' remuneration

Remuneration (including expenses) for the statutory audit of the entity financial statements and other services carried out for the Company by the Company's auditors is as follows:

	2016 €'000	2015 €'000
Audit of the consolidated financial statements	431	366
Other assurance services [(i)]	–	190
Tax advisory services	25	24
Other non-audit services	2	8

(i) Fees for other assurance services in 2015 relate to an audit carried out by the Company's auditors for the period ended 24 March 2015. These fees were paid for by ARYZTA AG.

Notes to the Group Financial Statements *(continued)*

6 Directors' Emoluments

	2016 €'000	2015 €'000
Emoluments	**2,109**	2,457
Benefits under long-term incentive schemes	**–**	3,865
Gains on the exercise of share options	**–**	–
Emoluments above include the following contributions to retirement benefit schemes:		
– Defined contribution	**250**	214
– Defined benefit	**28**	22
	278	236

Further details are shown in the Remuneration Committee Report on pages 42 to 52.

Retirement benefits are accruing to one Director (2015: one Director) under a defined benefit scheme and to two Directors (2015: two Directors) under a defined contribution scheme.

Included in the benefits under long-term incentive schemes in FY15 was an amount of €927,000 relating to share entitlements, the calculation of which was based on the cumulative share-based payment charge calculated under IFRS 2. The amount receivable by the Directors in relation to these share entitlements was €1,702,800 calculated using the market value of the shares on 28 September 2015 (€6.45 per share at the scheme vesting date).

7 Share of Profit After Tax of Associates and Joint Venture

	2016 €'000	2015 €'000
Total Group share of:		
Revenue	**314,233**	461,854
Profit after tax*	**5,621**	9,679

* After charging exceptional costs of €Nil (2015: €433,000).

8 Employment

The average number of persons (including Executive Directors) employed by the Group during the year was as follows:

	2016 Number	2015 Number
Sales and distribution	**1,306**	982
Production	**289**	278
Management and administration	**477**	401
	2,072	1,661

	2016 Number	2015 Number
Average number of Non-Executive Directors	**6**	4
Average number of Executive Directors	**3**	3

8 Employment (continued)

	2016 €'000	2015 €'000
Aggregate employment costs of the Group are analysed as follows:		
Wages and salaries	**92,213**	89,537
Social insurance costs	**10,330**	9,820
Retirement benefit costs (Note 27) included in Consolidated Income Statement:		
– defined benefit schemes – current service cost	**589**	582
– defined benefit schemes – past service cost	**107**	–
– defined benefit schemes – net interest cost	**91**	140
– defined contribution schemes	**3,515**	3,279
Share-based payment credit	**(300)**	(76)
Cash-based long-term incentive plan	**–**	1,417
Termination benefits (Note 3)	**2,846**	11,377
	109,391	116,076
Retirement benefit costs (Note 27) included in Other Comprehensive Income:		
– defined benefit schemes – remeasurements	**4,881**	3,654
	114,272	119,730

9 Long-Term Incentive Plans

The Executive Directors and Other Senior Employees participate in the following Long-Term Incentive Plans:

2015 LTIP Plan

The 2015 Origin Long-Term Incentive Plan ('2015 LTIP Plan') is a share-based payment plan which was approved by the shareholders on 27 November 2015. The details of awards under the plan are as follows:

2016 Awards

Award

No awards were made in the current year. Awards may be granted, at the discretion of the Remuneration Committee ('the Committee'), to employees only, including Executive Directors, of the Company and its subsidiaries, whose contribution can have a direct and significant impact on Group value or who the Company wishes to retain in anticipation of direct and significant contribution to Group value in the future, and to a small number of key support staff.

Targets & Thresholds

Transfer of ownership and vesting of equity entitlements is determined by reference to the following conditions:

> Up to 30 per cent of the shares subject to the award will vest depending on the growth in the Company's consolidated Adjusted Diluted Earnings per Share ('**Adjusted EPS**') over a three-year performance period starting on the first day of the financial year in which the award is granted, determined in accordance with the table below.

Annualised Adjusted Diluted EPS growth	Proportion of the Adjusted Diluted EPS award vesting
Below 5 per cent	0 per cent
5 per cent	30 per cent
Between 5 per cent and 10 per cent	30 per cent – 100 per cent pro rata
10 per cent and above	100 per cent

Vesting under the EPS performance condition is also contingent on the Company's annualised EPS over the three year performance period being positive.

> Up to 40 per cent of the Shares subject to an award will vest depending on the Company's Return On Investment Capital ('**ROIC**') over a three-year performance period starting on the first day of the financial year in which the award is granted, determined in accordance with the table below.

Average Annual ROIC Return	Proportion of the ROIC award vesting
Below 12.5 per cent	0 per cent
12.5 per cent	30 per cent
Between 12.5 per cent and 17.5 per cent	30 per cent – 100 per cent pro rata
17.5 per cent and above	100 per cent

> Up to 30 per cent of the shares subject to an award will vest depending on the Company's Free Cash Flow Ratio ('**FCFR**') over a three-year performance period starting on the first day of the financial year in which the award is granted, determined in accordance with the table below.

Average Annual FCFR	Proportion of the FCFR award vesting
Below 50 per cent	0 per cent
50 per cent	30 per cent
Between 50 per cent and 100 per cent	30 per cent – 100 per cent pro rata
100 per cent and above	100 per cent

9 Long-Term Incentive Plans (continued)
2015 LTIP Plan (continued)

2016 Awards

Additional Conditions	Additional conditions attaching to the transfer of ownership and vesting of the equity entitlements include the following: > As a general rule, the participant must remain in service throughout the performance period, except in certain pre-determined circumstances; > The Committee will specify a minimum retention period during which either vested options cannot be exercised or if vested options can be exercised there will be a restriction on the disposal of the shares acquired for the period. This period must be for a minimum of two years; and > Where a participant whose primary management responsibility is in respect of a business division of the Company is granted an award, the Remuneration Committee at its discretion may determine that a maximum of 40 per cent of an award will be subject to divisional financial or other performance conditions related to the business division.
Transfer of Ownership/Vesting	Under the terms of the 2015 LTIP Plan, awards will vest no earlier than the third anniversary of the award date and in the case of options cannot be exercised later than the seventh anniversary of the award date. An award will not vest unless the Committee is satisfied that the Company's underlying financial performance has shown a sustained improvement in the period since the award date. If this condition is met, the extent of vesting for awards granted to employees of the Company following the adoption of the Plan will be determined by the performance conditions set out above.

2012 LTIP Plan
The 2012 Origin Long-Term Incentive Plan ('2012 LTIP Plan') is a share-based payment plan which was approved by the shareholders on 21 November 2011. The details of previous awards under the plan are as follows:

2014 Awards

*Award **	On 26 September 2014, under the terms of the 2012 LTIP plan, Mr T O'Mahony and Ms I Hurley acquired interests in 250,000 and 100,000 equity entitlements, respectively. Outright ownership of ordinary shares of up to 250,000 and 100,000 may transfer to them subject to certain targets, thresholds and conditions being met, as set out below. On the same date Mr D Giblin was granted 100,000 share options which are subject to similar terms.
Targets & Thresholds	Transfer of ownership of the equity entitlements and vesting of the share options is determined by reference to underlying adjusted diluted EPS growth: > None of the equity entitlements or share options will vest unless compound annual growth in the Company's EPS in the three years to 31 July 2017 exceeds the compound annual growth rate in the Eurozone core CPI plus 7.5 per cent in the corresponding period, in which case some of the 350,000 equity entitlements will vest and all of the 100,000 share options will vest.
Additional Conditions	Additional conditions attaching to the transfer of ownership of the equity entitlements and vesting of the share options are as follows: > The Executive Directors must remain in service throughout the three-year performance period; > Additional two-year holding period facilitating clawback; > Group's return on invested capital over the expected performance period is not less than its weighted average cost of capital (currently 8.5 per cent); and > Annual dividends to shareholders are at least 25 per cent of the underlying EPS during the performance period.
Transfer of Ownership/Vesting	Under the terms of the 2012 LTIP Plan, the number of shares to vest is determined by reference to a formula based on the excess of the share price on the date of the termination notice over €7.80. These awards will remain as treasury shares until the termination notice has been served, which can occur on any date between 31 July 2019 and 31 July 2024. In addition, the 100,000 share options can be exercised by Mr D Giblin between 31 July 2019 and 31 July 2024 upon payment by him of the option price of €7.80 per share.

* The 2012 LTIP Plan has been terminated and no new awards since the 2014 Awards have been or will be made under the 2012 LTIP Plan.

Movements in the number of equity entitlements and share options outstanding are as follows:

	2016		2015	
	Number of equity entitlements	Number of share options	Number of equity entitlements	Number of share options
At 1 August	**350,000**	**100,000**	891,088	–
Granted (i)	**–**	**–**	350,000	100,000
Vested (ii)	**–**	**–**	(412,541)	–
Forfeited	**–**	**–**	(478,547)	–
At 31 July	**350,000**	**100,000**	350,000	100,000

(i) The fair value of the equity entitlements and share options granted in 2015 was €2.01 per share, determined using the Black-Scholes valuation model. The significant inputs into the model were weighted average share price of €7.80 at the grant date, exercise price of €7.80 for the share options and an assumed exercise price of €7.80 for the purposes of the fair value calculation for the equity entitlements, volatility of 28.7 per cent (volatility has been calculated based on the Origin Enterprises plc share price volatility over the three years immediately preceding the grant date), dividend yield of 2.4 per cent, an expected option life of 6.5 years and an annual risk-free interest rate of 3.5 per cent.

(ii) The ordinary share price at the date of vesting of the equity entitlements during the prior year was €6.45.

9 Long-Term Incentive Plans (continued)

Save As You Earn ('SAYE') scheme – UK and Ireland

The Save As You Earn ('SAYE') scheme ('the Scheme') is a share-based savings plan which was approved by the shareholders on 27 November 2015. The details of awards under the plan are as follows:

Award	A HMRC/Revenue approved plan under which regular monthly savings are made over a three year period which can be used to fund the exercise of an option, the exercise price being discounted by up to 20 per cent. The maximum permitted savings of £500/€500 per month across all on-going sharesave contracts for any individual.
Conditions	Conditions attaching to the transfer of ownership of the equity entitlements and vesting of the share options include the following: > In general, the employee must remain in service throughout the three year savings period; > The option may not be granted if the result would be that the aggregate number of shares issuable pursuant to options granted under the Scheme or under any other share award or share option plan operated by the Group in the preceeding ten years exceeding 10 per cent of the Group's issued ordinary share capital at the date of grant; and > The option may not be granted if the result would be that the aggregate number of shares issuable pursuant to options granted under the Scheme or under any other share award or share option plan operated by the Group in the preceeding three years exceeding 3 per cent of the Group's issued ordinary share capital at the date of grant.
Transfer of Ownership/Vesting	Under the terms of the SAYE scheme, the eligible employee will have a choice at the end of the three year period (representing the term of the scheme), to cash in their total savings or alternatively purchase shares at the discounted price agreed at the time of entry into the SAYE scheme. Ownership of shares will not transfer until this time.

10 Income Tax

	2016 €'000	2015 €'000
Current tax	8,800	9,910
Deferred tax	(428)	(780)
Income tax expense	8,372	9,130
Reconciliation of average effective tax rate to Irish corporate tax rate:		
Profit before income tax	66,173	86,387
Share of profits of associates and joint venture	(5,621)	(9,679)
	60,552	76,708
Taxation based on Irish corporate rate of 12.5 per cent	7,569	9,588
Effect of deferred tax rate change	(676)	–
Expenses not deductible for tax purposes	1,316	1,917
Higher rates of tax on overseas earnings	2,657	1,366
Changes in estimate/adjustment in respect of previous periods:		
– Current tax	(376)	(1,021)
– Deferred tax	168	37
Non-taxable income	(790)	(2,872)
Utilisation of unprovided deferred tax assets	(1,256)	–
Recognition of previously unrecognised tax losses	(477)	–
Other	237	115
	8,372	9,130
Movement on deferred tax (liability)/asset and current tax recognised directly in the Consolidated Statement of Comprehensive Income		
Relating to Group employee benefit schemes	(926)	(599)
Property, plant and equipment	27	–
Foreign exchange (Note 24)	(87)	450
Derivative financial instruments and other	243	19
Movement on deferred tax liability	(743)	(130)
Foreign exchange	(983)	(770)
Movement on current tax	(983)	(770)
Recognised in the Consolidated Statement of Comprehensive Income	(1,726)	(900)

A deferred tax asset of €7.4 million (2015: €3.2 million) has been recognised on the basis that the realisation of the related tax benefit through future taxable profits is probable. This includes deferred tax assets which are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable.

Notes to the Group Financial Statements *(continued)*

10 Income Tax (continued)

The total deductible temporary differences which have not been recognised are €36 million (2015: €1.34 million). This amount includes losses with a value of €9.7 million which have not been recognised due to the uncertainty that taxable profits will be available against which tax losses can be utilised before the expiry date of seven years.

Deferred tax has not been recognised in respect of withholding taxes and other taxes that would be payable on the unremitted earnings of foreign subsidiaries, as the Group is in a position to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. As the Group can rely on participations exemptions and tax credits that would be available in the context of the Group's investments in subsidiaries in the majority of the jurisdictions in which the Group operates, the aggregate amount of temporary differences in respect of which deferred tax liabilities have not been recognised would not be material.

11 Earnings per Share

Basic earnings per share

	2016 €'000	2015 €'000
Profit for the financial year attributable to equity shareholders	**57,801**	77,257

	'000	'000
Weighted average number of ordinary shares for the year	**125,579**	125,166

	Cent	Cent
Basic earnings per share	**46.03**	61.72

Diluted earnings per share

	2016 €'000	2015 €'000
Profit for the financial year attributable to equity shareholders	**57,801**	77,257

	'000	'000
Weighted average number of ordinary shares used in basic calculation	**125,579**	125,166
Impact of the SAYE scheme (i)	**495**	–
Impact of shares with a dilutive effect (ii)	**–**	413
Weighted average number of ordinary shares (diluted) for the year	**126,074**	125,579

	Cent	Cent
Diluted earnings per share	**45.85**	61.52

(i) During the current year the shareholders approved a Save As You Earn ('SAYE') Scheme for adoption within the Group. The SAYE Scheme provides for the grant of options (with an agreed market value exercise price) linked to a savings arrangement. On vesting, such savings will be used to exercise options granted pursuant to the SAYE Scheme. The SAYE Scheme will be subject to an overall limit that the number of shares issued or issuable within any ten-year period, when aggregated with all other employee share schemes of the Company, will not exceed 10 per cent of the Group's issued share capital. The dilutive impact on the ordinary shares of this SAYE Scheme is included in the calculation above.

(ii) In the prior year shares with a dilutive effect related to the equity entitlements which had fully vested under the 2012 LTIP Plan.

Adjusted basic earnings per share

	2016 '000	2015 '000
Weighted average number of ordinary shares for the year	**125,579**	125,166

	€'000	€'000
Profit for the financial year	**57,801**	77,257
Adjustments:		
Amortisation of non-ERP related intangible assets (Note 14)	**4,294**	7,397
Share of associate and joint venture amortisation of non-ERP related intangible assets, net of tax (Note 15)	**–**	3,964
Tax on amortisation of non-ERP related intangible assets	**(1,242)**	(1,183)
Exceptional items, net of tax	**(4,734)**	(11,964)
Adjusted earnings	**56,119**	75,471

	Cent	Cent
Adjusted basic earnings per share	**44.69**	60.30

11 Earnings Per Share (continued)

Adjusted diluted earnings per share

	2016 '000	2015 '000
Weighted average number of ordinary shares used in basic calculation	125,579	125,166
Impact of the SAYE scheme [(i)]	495	–
Impact of shares with a dilutive effect [(ii)]	–	413
Weighted average number of ordinary shares (diluted) for the year	**126,074**	125,579

	€'000	€'000
Adjusted earnings (as above)	**56,119**	75,471

	Cent	Cent
Adjusted diluted earnings per share	**44.51**	60.10

12 Property, Plant and Equipment

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total €'000
Cost				
At 1 August 2015	82,913	58,450	5,330	146,693
Additions	2,276	3,652	852	6,780
Arising on acquisition (Note 33)	11,674	1,762	1,368	14,804
Disposals	(526)	(2,073)	(1,057)	(3,656)
Translation adjustments	(6,549)	(6,093)	(598)	(13,240)
At 31 July 2016	**89,788**	**55,698**	**5,895**	**151,381**
Accumulated depreciation				
At 1 August 2015	10,806	34,603	3,395	48,804
Depreciation charge for year	1,388	4,916	769	7,073
Disposals	(2)	(1,803)	(861)	(2,666)
Translation adjustments	(1,252)	(2,981)	(393)	(4,626)
At 31 July 2016	**10,940**	**34,735**	**2,910**	**48,585**
Net book amounts				
At 31 July 2016	**78,848**	**20,963**	**2,985**	**102,796**
At 31 July 2015	72,107	23,847	1,935	97,889

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total €'000
Cost				
At 1 August 2014	75,779	50,655	4,994	131,428
Additions	3,030	4,673	833	8,536
Disposals	(108)	(613)	(633)	(1,354)
Translation adjustments	4,212	3,735	136	8,083
At 31 July 2015	**82,913**	**58,450**	**5,330**	**146,693**
Accumulated depreciation				
At 1 August 2014	9,015	28,961	3,026	41,002
Depreciation charge for year	1,167	4,511	621	6,299
Disposals	(97)	(538)	(478)	(1,113)
Translation adjustments	721	1,669	226	2,616
At 31 July 2015	**10,806**	**34,603**	**3,395**	**48,804**
Net book amounts				
At 31 July 2015	**72,107**	**23,847**	**1,935**	**97,889**
At 31 July 2014	66,764	21,694	1,968	90,426

Notes to the Group Financial Statements *(continued)*

12 Property, Plant and Equipment (continued)

Assets held under finance leases

The net book value in respect of assets held under finance leases and accordingly capitalised in property, plant and equipment is as follows:

	Plant and machinery €'000	Motor vehicles €'000	Total €'000
At 31 July 2016	**225**	**594**	**819**
At 31 July 2015	197	–	197

13 Investment Properties

	2016 €'000	2015 €'000
At 1 August	**7,575**	7,575
Fair value adjustment	**2,100**	–
At 31 July	**9,675**	7,575

Investment property comprises land located in Ireland in areas designated for future development and regeneration.

Measurement of Fair Value

Investment property is carried at fair value. The Group has transferred the investment properties from level 3 into level 2 fair value as the valuation obtained in the current year is based on observable inputs.

During the year ended 31 July 2016 the Directors commissioned an independent valuations expert to conduct a valuation of the Group's investment properties due to expected movements in property values. The valuation was on the basis of fair value using a market approach with inputs including sales of similar properties in the surrounding area and complies with the requirements of the RICS Red Book – RICS Valuation – Professional Standards published in January 2014.

The results of this independent valuation show an increase of €2.1 million to the carrying value of the investment properties. This gain has been shown as an exceptional item in the Consolidated Income Statement for the year ended 31 July 2016.

14 Goodwill and Intangible Assets

		Intangible assets					
	Goodwill €'000	Brand €'000	Customer related €'000	Supplier agreements €'000	Computer related €'000	ERP related (i) €'000	Total €'000
Cost							
At 1 August 2015	98,858	17,446	71,793	885	2,691	17,699	209,372
Additions	–	–	3,557	–	821	3,481	7,859
Arising on acquisition (Note 33)	26,609	5,252	11,841	–	38	–	43,740
Translation adjustment	(14,193)	(1,631)	(9,935)	(178)	(417)	(256)	(26,610)
At 31 July 2016	**111,274**	**21,067**	**77,256**	**707**	**3,133**	**20,924**	**234,361**
Accumulated amortisation							
At 1 August 2015	–	8,203	30,380	850	1,349	7,189	47,971
Amortisation	–	773	3,048	–	473	2,506	6,800
Translation adjustment	–	(1,135)	(4,173)	(143)	(179)	–	(5,630)
At 31 July 2016	**–**	**7,841**	**29,255**	**707**	**1,643**	**9,695**	**49,141**
Net book amounts							
At 31 July 2016	**111,274**	**13,226**	**48,001**	**–**	**1,490**	**11,229**	**185,220**
At 31 July 2015	98,858	9,243	41,413	35	1,342	10,510	161,401

(i) ERP related amortisation is charged to administration expenses within operating costs in the income statement.

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14 Goodwill and Intangible Assets (continued)

	Goodwill €'000	Intangible assets: Brand €'000	Customer related €'000	Supplier agreements €'000	Computer related €'000	ERP related €'000	Total €'000
Cost							
At 1 August 2014	87,840	15,364	63,307	796	1,760	16,700	185,767
Additions	–	–	867	–	771	999	2,637
Translation adjustment	11,018	2,082	7,619	89	160	–	20,968
At 31 July 2015	**98,858**	**17,446**	**71,793**	**885**	**2,691**	**17,699**	**209,372**
Accumulated amortisation							
At 1 August 2014	–	6,030	22,169	761	959	4,476	34,395
Amortisation	–	1,416	5,651	–	330	2,713	10,110
Translation adjustment	–	757	2,560	89	60	–	3,466
At 31 July 2015	**–**	**8,203**	**30,380**	**850**	**1,349**	**7,189**	**47,971**
Net book amounts							
At 31 July 2015	**98,858**	**9,243**	**41,413**	**35**	**1,342**	**10,510**	**161,401**
At 31 July 2014	87,840	9,334	41,138	35	801	12,224	151,372

Cash-generating units ('CGUs')

Goodwill acquired through business combination activity has been allocated to cash-generating units ('CGUs') that are expected to benefit from the business combination. The carrying amount of goodwill allocated to CGUs across the Group and the key assumptions used in the impairment calculations are summarised as follows:

	Pre-tax discount rate 2016	Pre-tax discount rate 2015	**Projection period**	**Growth rate in year 2 & 3 of projection period**	**Terminal value growth rate**	**2016 €'000**	2015 €'000
Agri-Services:							
Agrii	**10.6%**	8.5 %	**3 years**	**5%**	**2%**	**64,763**	75,508
Amenity	**10.6%**	8.5 %	**3 years**	**5%**	**2%**	**5,932**	5,957
Fertiliser	**10.6%**	8.5 %	**3 years**	**5%**	**2%**	**7,796**	9,255
Agroscope	**14.7%**	13.3 %	**3 years**	**10%**	**2%**	**8,152**	8,138
Agrii Polska	**10.1%**	–	**3 years**	**5%**	**2%**	**1,575**	–
Romania	**10.9%**	–	**3 years**	**5%**	**2%**	**23,056**	–
						111,274	98,858

Impairment testing of goodwill

No impairment losses have been recognised by the Group in respect of goodwill in either the current or prior financial year. The recoverable amounts of cash-generating units ('CGUs') are based on value in use computations. The cash flow forecasts used for 2017 are extracted from the 2017 budget document formally approved by the Board of Directors. The cash flow projections are based on current operating results of the individual CGUs and a conservative assumption regarding future organic growth. For the purposes of the calculation of value in use, management have approved that the cash flows are projected over a three-year period with additional cash flows in subsequent years calculated using a terminal value methodology. In calculating the terminal value similar assumptions regarding growth have been used.

The cash flows are discounted using appropriate risk adjusted discount rates as disclosed in the table above. The overall weighted average cost of capital of the Group pre-tax is 10.4 per cent and post-tax is 8.3 per cent. Any significant adverse change in the expected future operational results and cash flows may result in the value in use being less than the carrying value of a CGU and would require that the carrying value of the CGU be impaired and stated at the greater of the value in use or the fair value less costs to sell of the CGU. However, the results of the impairment testing undertaken in the current year indicates sufficient headroom. Assuming a 5 per cent decrease in growth assumptions for years 2 and 3 in the projection period across all CGUs, there is still significant headroom across all CGUs with the exception of Agroscope which, when sensitised to use a growth rate of 5 per cent, results in an impairment of €1.3 million.

Key assumptions include management's estimates of future profitability, growth rates, discount rates, replacement capital expenditure requirements and trade working capital investment needs. These assumptions are based on management's past experience. Capital expenditure requirements and profitability are based on the Group's budgets and broadly assume that historic investment patterns will be maintained. Working capital requirements are forecast to increase in line with activity.

Notes to the Group Financial Statements *(continued)*

15 Investments in Associates and Joint Venture

	2016 €'000	2015 €'000
At 1 August	**38,537**	54,911
Share of profits after tax, before exceptional items	**5,621**	14,077
Share of intangible amortisation, net of tax	**–**	(3,964)
Share of acquisition and rationalisation costs, net of tax	**–**	(433)
Dividends received	**(2,942)**	(2,899)
Disposal of interest in Valeo (i)	**–**	(19,364)
Share of other comprehensive income/(expense)	**1,819**	(6,693)
Translation adjustment	**(4,027)**	2,902
At 31 July	**39,008**	38,537
Split as follows:		
Total associates	**18,693**	22,682
Total joint venture	**20,315**	15,855
	39,008	38,537

(i) During the prior year, Origin sold its 32 per cent shareholding in Valeo Foods Group Limited ('Valeo') to CapVest Partners LLP. As a result Origin no longer has an investment in Valeo. This gave rise to a gain on disposal of €22,047,000 which was recorded in the Consolidated Income Statement as an exceptional gain for the year ended 31 July 2015 (Note 3).

The information below reflects the amounts presented in the financial statements of the associates and the joint venture (and not Origin's share of those amounts) adjusted for differences in accounting policies between the Group and these applied by its associates and joint venture.

	2016 €'000	2015 €'000
Associates and joint venture income statement (100 per cent):		
Revenue	**628,466**	1,070,150
Other comprehensive income	**1,819**	(6,693)
Dividends received by Group	**(2,942)**	(2,899)
Exchange differences arising on consolidation	**(4,027)**	2,902

The investment in associates and joint venture as at 31 July 2016 is analysed as follows:

	Associates €'000	Joint venture €'000	Total €'000
Non-current assets	**4,974**	**6,128**	**11,102**
Current assets	**31,770**	**31,389**	**63,159**
Non-current liabilities	**(7,280)**	**(6,502)**	**(13,782)**
Current liabilities	**(10,771)**	**(10,700)**	**(21,471)**
At 31 July 2016	**18,693**	**20,315**	**39,008**

The investment in associates and joint venture as at 31 July 2015 is analysed as follows:

	Associates €'000	Joint venture €'000	Total €'000
Non-current assets	5,129	6,407	11,536
Current assets	40,209	33,102	73,311
Non-current liabilities	(7,846)	(6,941)	(14,787)
Current liabilities	(14,810)	(16,713)	(31,523)
At 31 July 2015	**22,682**	**15,855**	**38,537**

The amounts included in these financial statements in respect of the income and expenses of associates and the joint venture are taken from their latest financial statements prepared up to their respective year ends together with management accounts for the intervening periods to the Group's year end.

16 Other Financial Assets

	2016 €'000	2015 €'000
Non-current		
At 1 August	**494**	42,586
Loan to associate/interest	**164**	–
Receivable from related party	**1,684**	–
Other equity investments	**303**	–
Interest receivable	**–**	2,025
Disposal/Repayment from associate – principal	**–**	(35,100)
Disposal/Repayment from associate – interest	**–**	(9,070)
Translation adjustments	**(95)**	53
At 31 July	**2,550**	494

17 Inventory

	2016 €'000	2015 €'000
Raw materials	**35,639**	54,148
Finished goods	**126,303**	102,525
Consumable stores	**1,496**	1,427
	163,438	158,100

18 Trade and Other Receivables

	2016 €'000	2015 €'000
Trade receivables	**388,320**	299,209
Amounts due from related parties	**24,389**	22,159
Value added tax	**2,822**	1,303
Other receivables	**3,394**	784
Prepayments and accrued income	**11,101**	12,566
	430,026	336,021

19 Trade and Other Payables

	2016 €'000	2015 €'000
Trade payables (i)	**501,897**	435,177
Accruals and other payables	**63,642**	69,963
Amounts due to other related parties	**11,819**	8,585
Income tax and social insurance	**4,412**	2,625
Value added tax	**15,158**	10,314
Other payables – employment related	**–**	9,091
	596,928	535,755

(i) Certain Origin Enterprises plc subsidiary suppliers factor their trade payables from Origin Enterprises plc subsidiaries with third parties through supplier finance arrangements. At 31 July 2016 approximately €7.7 million of the Origin Enterprises plc trade payables were known to have been sold onward under such arrangements whereby Origin Enterprises plc subsidiary confirms invoices. Origin Enterprises plc continues to recognise these liabilities as trade payables and will settle the liabilities in line with the original payment terms of the related invoices.

20 Restricted Cash

On 28 July 2015, Origin announced that it had reached agreement to acquire Romanian based Redoxim SRL. On that date, Origin placed in escrow an amount of €29,358,000 being the total consideration payable less local withholding tax. The completion of the acquisition was dependent on an approval process which required notification to the Official Gazette of Romania. This approval process was subsequently finalised and the acquisition of Redoxim SRL completed on 17 September 2015. On this date, 90 per cent of the funds in escrow were released to the sellers of Redoxim. The balance of €2,948,000 was paid post year end on 17 September 2016.

Notes to the Group Financial Statements *(continued)*

21 Cash and Cash Equivalents

In accordance with IAS 7, 'Cash Flow Statements', cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Where investments are categorised as cash equivalents, the related balances have a maturity of three months or less from the date of acquisition. Bank overdrafts are classified as current interest-bearing borrowings in the Consolidated Statement of Financial Position.

	2016 €'000	2015 €'000
Cash at bank and in hand	**168,199**	199,303
Bank overdrafts (Note 22)	**(8,742)**	(7,500)
Included in the Consolidated Statement of Cash Flows	**159,457**	191,803

Cash at bank earns interest at floating rates based on daily deposit bank rates.

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

22 Interest-bearing Loans and Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

	2016 €'000	2015 €'000
Included in non-current liabilities:		
Bank loans	**158,925**	100,053
Finance leases	**199**	–
Non-current interest-bearing loans and borrowings	**159,124**	100,053
Included in current liabilities:		
Bank loans	**–**	32,166
Bank overdrafts	**8,742**	7,500
Finance leases	**159**	142
Current interest-bearing loans and borrowings	**8,901**	39,808
Total interest-bearing loans and borrowings	**168,025**	139,861

Analysis of net debt

	2015 €'000	Cash flow €'000	Non-cash movements €'000	Translation adjustment €'000	**2016 €'000**
Cash	199,303	(16,433)	–	(14,671)	**168,199**
Overdraft	(7,500)	(1,658)	–	416	**(8,742)**
Cash and cash equivalents	**191,803**	**(18,091)**	**–**	**(14,255)**	**159,457**
Finance lease obligations	(142)	22	(250)	12	**(358)**
Loans	(132,219)	(47,234)	(798)	21,326	**(158,925)**
Net cash	**59,442**	**(65,303)**	**(1,048)**	**7,083**	**174**
Restricted cash	29,358	(26,410)	–	–	**2,948**
Net cash including restricted cash	**88,800**	**(91,713)**	**(1,048)**	**7,083**	**3,122**

Cash pooling is availed of across the Group in order to reduce interest costs, however, no overdraft balances have been offset in the Statement of Financial Position at the year end.

22 Interest-bearing Loans and Borrowings (continued)

Analysis of net debt (continued)

The details of outstanding loans are as follows:

	Currency	Nominal value €'000	Carrying amount €'000
2016			
Unsecured loan facility:			
– term facility maturing in May 2021	**EUR**	**37,894**	**37,248**
– term facility maturing in May 2021	**STG**	**59,397**	**58,384**
– term facility maturing in May 2021	**RON**	**27,686**	**27,214**
– term facility maturing in May 2021	**PLN**	**6,184**	**6,079**
– term facility maturing in September 2018	**EUR**	**30,000**	**30,000**
		161,161	**158,925**
2015			
Unsecured loan facility:			
– term facility maturing in May 2020	EUR	32,000	31,232
– term facility maturing in May 2020	STG	70,512	68,820
– term facility maturing in September 2015	EUR	30,000	30,000
		132,512	**130,052**

At 31 July 2016, the average interest rate being paid on the Group's borrowings was 1.66 per cent (2015: 2.35 per cent).

	2016 €'000	2015 €'000
Repayment schedule – loans, overdrafts and finance leases		
Within one year	**8,901**	39,808
Between one and five years	**159,124**	100,053
Loans and overdrafts	**168,025**	139,861

Guarantees

Group borrowings are secured by guarantees from Origin Enterprises plc and certain principal operational entities of the Group.

Notes to the Group Financial Statements *(continued)*

23 Financial Instruments and Financial Risk

	Fair value hierarchy	Financial instruments at fair value €'000	Loans and receivables €'000	Financial liabilities at amortised cost €'000	Total carrying value €'000	Fair value €'000
2016						
Other financial assets – equity securities	Level 1	303	–	–	303	303
Other financial assets		–	2,247	–	2,247	2,247
Trade and other receivables		–	416,103	–	416,103	416,103
Derivative financial assets	Level 2	1,337	–	–	1,337	1,337
Cash and cash equivalents		–	168,199	–	168,199	168,199
Restricted cash		–	2,948	–	2,948	2,948
Total financial assets		1,640	589,497	–	591,137	591,137
Trade and other payables		–	–	(580,768)	(580,768)	(580,768)
Bank overdrafts		–	–	(8,742)	(8,742)	(8,742)
Bank borrowings (greater than one year)	Level 2	–	–	(158,925)	(158,925)	(158,925)
Finance lease liabilities		–	–	(358)	(358)	(358)
Put option liability	Level 3	(10,358)	–	–	(10,358)	(10,358)
Derivative financial liabilities	Level 2	(1,220)	–	–	(1,220)	(1,220)
Total financial liabilities		(11,578)	–	(748,793)	(760,371)	(760,371)
2015						
Other financial assets		–	494	–	494	494
Trade and other receivables		–	322,152	–	322,152	322,152
Derivative financial assets	Level 2	96	–	–	96	96
Cash and cash equivalents		–	199,303	–	199,303	199,303
Restricted cash		–	29,358	–	29,358	29,358
Total financial assets		96	551,307	–	551,403	551,403
Trade and other payables		–	–	(531,519)	(531,519)	(531,519)
Bank overdrafts		–	–	(7,500)	(7,500)	(7,500)
Bank borrowings (within one year)		–	–	(32,166)	(32,166)	(32,166)
Bank borrowings (greater than one year)	Level 2	–	–	(100,053)	(100,053)	(100,053)
Finance lease liabilities		–	–	(142)	(142)	(142)
Put option liability	Level 3	(16,461)	–	–	(16,461)	(16,461)
Derivative financial liabilities	Level 2	(1,139)	–	–	(1,139)	(1,139)
Total financial liabilities		(17,600)	–	(671,380)	(688,980)	(688,980)

Estimation of fair values
Set out below are the major methods and assumptions used in estimating the fair values of the financial assets and liabilities disclosed in the preceding table.

Other financial assets
Other financial assets include €303,000 of listed equity securities. These are fair valued through profit or loss. The €2,247,000 loans and receivables included in other financial assets are carried at amortised cost.

Trade and other receivables/payables
For any receivables and payables with a remaining life of less than six months or demand balances, the carrying value less impairment provision, where appropriate, is deemed to reflect fair value. All other receivables and payables are discounted to fair value on initial recognition.

Cash and cash equivalents including short-term bank deposits and restricted cash
For short-term bank deposits and cash and cash equivalents, all of which have a remaining maturity of less than three months, the carrying amount is deemed to reflect fair value.

Derivatives – forward foreign exchange contracts
Forward foreign exchange contracts are marked to market using quoted forward exchange rates at the reporting date.

The absolute principal amount of the outstanding forward foreign exchange contracts at 31 July 2016 was €47,204,000 (2015: €52,796,000).

The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 12 months. Gains and losses recognised in the hedging reserve in equity on forward foreign exchange contracts as of 31 July 2016 are recognised in the Consolidated Income Statement in the period or periods during which the hedged transaction affects the Consolidated Income Statement. This is generally within 12 months of the end of the reporting period.

23 Financial Instruments and Financial Risk (continued)

Estimation of fair values (continued)

Derivatives – interest rate swaps
The fair value of interest rate swaps is calculated as the present value of the expected future cash flows based on observable yield curves.

The notional principal amounts of the outstanding interest rate swap contracts at 31 July 2016 were €59,397,000 (2015: €70,512,000).

At 31 July 2016, the average fixed interest rate on the swap portfolio was 0.99 per cent. The main floating rates are EURIBOR and LIBOR. Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as of 31 July 2016 will be continually released to the Consolidated Income Statement within finance cost until the maturity of the relevant interest rate swap.

Interest-bearing loans and borrowings
For interest-bearing loans and borrowings with a contractual repricing date of less than one year, the nominal amount is deemed to reflect fair value. For loans with repricing dates of greater than six months, the fair value is calculated based on the present value of the expected future principal and interest cash flows discounted at interest rates effective at the year end date and adjusted for movements in credit spreads.

Finance lease liabilities
Fair value is based on the present value of future cash flows discounted at market rates at the year end date.

Put option liability
The fair value of the put option liability has been determined based on an agreed earnings before interest and tax based formula that is not capped which includes an expectation of future trading performance ('EBIT') and timing of when the options are expected to be exercised, discounted to present day value using a cost of debt rate of 2.5 per cent. The valuation technique applied to fair value the put option liability was the income approach. A reconciliation from opening to closing balance has been included in Note 26.

Fair value hierarchy
The tables at the beginning of this note summarise the financial instruments carried at fair value, by valuation method, as of 31 July 2016. Fair value classification levels have been assigned to the Group's financial instruments carried at fair value. The different levels assigned are defined as follows:

Level 1: Price quoted in active markets
Level 2: Valuation techniques based on observable market data
Level 3: Valuation techniques based on unobservable input

Risk exposures

The Group's international operations expose it to different financial risks that include currency risk, credit risk, liquidity risk, commodity price risk and interest rate risk. The Group has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Group. The Board has determined the policies for managing these risks. It is the policy of the Board to manage these risks in a non-speculative manner.

The Group has exposure to the following risks from its use of financial instruments:

> Credit risk;
> Liquidity risk; and
> Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing the risk. Further quantitative disclosures are included throughout this note.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has established an internal audit function under the direction of the Audit Committee. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Board, through its Audit Committee and Risk Committee, has reviewed the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks will be managed effectively. The Board has embedded these structures and procedures throughout the Group and considers these to be a robust and efficient mechanism for creating a culture of risk awareness throughout the business.

Credit risk

Exposure to credit risk
Credit risk arises from credit to customers arising on outstanding receivables and outstanding transactions as well as cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. The Group uses credit insurance where appropriate to limit the exposure.

Trade and other receivables
The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk by dependence on individual customers or geographically. While a high proportion of receivables are located in the UK, the risk is mitigated due to the geographic spread throughout the UK, rather than an isolated geographic region.

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables based on experience, customers' track record and historic default rates. Individual risk limits are generally set by customer and risk is only accepted above such limits in defined circumstances. The utilisation of credit limits is regularly monitored and credit insurance is used where appropriate. Impairment provisions are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point the amount is considered irrecoverable and is written off directly against the trade receivable. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and other financial assets. The main component of this allowance is a specific loss component that relates to individually significant exposures.

23 Financial Instruments and Financial Risk (continued)

Credit risk (continued)

Cash and short-term bank deposits and restricted cash
Group surplus cash is invested in the form of short-term bank deposits with financial institutions. Deposit terms are for a maximum of three months. Cash and short-term deposits are invested with institutions within Origin's bank financing syndicate, with limits on amounts held with individual banks or institutions at any one time.

Exposure to credit risk
The carrying amount of financial assets, net of impairment provisions represents the Group's maximum credit exposure. The maximum exposure to credit risk at year end was as follows:

	Carrying amount 2016 €'000	Carrying amount 2015 €'000
Other financial assets	**2,550**	494
Trade and other receivables	**416,103**	322,152
Cash and cash equivalents	**168,199**	199,303
Derivative financial assets	**1,337**	96
	588,189	522,045

Trade receivables
The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables. Trade receivables are monitored by geographic region and by largest customers. The maximum exposure to credit risk for trade receivables at the reporting date by geographic region based on location of customers was as follows:

	Carrying amount 2016 €'000	Carrying amount 2015 €'000
Ireland and United Kingdom	**193,960**	224,381
Central and Eastern Europe	**194,360**	74,828
	388,320	299,209

At 31 July 2016 trade receivables of €41,430,000 (2015: €40,356,000) were past due but not impaired. These relate to customers for which there is no recent history of default. The following table details the ageing of gross trade receivables, and the related impairment provisions in respect of specific amounts expected to be irrecoverable:

	2016		2015	
	Gross €'000	**Impairment €'000**	Gross €'000	Impairment €'000
Not past due	**325,576**	**–**	240,970	–
Past due 0-30 days	**41,430**	**–**	40,356	–
Past due 31-120 days	**27,603**	**(6,289)**	24,393	(6,510)
Past due +121 days	**3,243**	**(3,243)**	4,311	(4,311)
At 31 July	**397,852**	**(9,532)**	310,030	(10,821)

An analysis of movement in impairment provisions in respect of trade receivables was as follows:

	Impairment 2016 €'000	Impairment 2015 €'000
1 August	**(10,821)**	(11,122)
Credit to the Consolidated Income Statement	**131**	137
Receivables written off as uncollectable	**209**	280
Translation adjustments	**949**	(116)
31 July	**(9,532)**	(10,821)

During the year, under a debt purchase agreement with a financial institution, the Group transferred credit risk and retained late payment risk on certain trade receivables, amounting to €8.4 million (2015: €9.5 million). The Group has continued to recognise an asset of €115,000 (2015: €134,000) representing the extent of its continuing involvement and an associated liability of a similar amount.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between flexibility and continuity of funding. Short-term flexibility is achieved through the availability of overdraft facilities. The Group's policy is that not more than 40 per cent of bank facilities should mature in the 12 month period following the year end. As at 31 July 2016, 7 per cent of the Group's total bank facilities, other than bank overdrafts are due to mature within a 12 month period. The remaining 93 per cent of bank facilities mature after one year.

23 Financial Instruments and Financial Risk (continued)

Liquidity risk (continued)

The contractual maturities of the Group's loans and borrowings are set out in Note 22.

The contractual maturities of the other financial liabilities are set out below:

	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 – 12 months €'000	1 – 2 years €'000	2 – 5 years €'000
2016						
Variable rate bank loans	(158,925)	(170,212)	(1,322)	(1,322)	(2,645)	(164,923)
Trade and other payables	(580,768)	(580,768)	(580,768)	–	–	–
Put option liability	(10,358)	(10,358)	–	–	–	(10,358)
Derivative financial liabilities						
Interest rate swaps used for hedging	(818)	(818)	(23)	(167)	–	(628)
Currency forward contracts used for hedging:						
– Inflows	22,236	22,236	21,002	1,234	–	–
– Outflows	(22,638)	(22,638)	(21,349)	(1,289)	–	–
	(1,220)	(1,220)	(370)	(222)	–	(628)

	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 – 12 months €'000	1 – 2 years €'000	2 – 5 years €'000
2015						
Variable rate bank loans	(130,052)	(141,531)	(31,293)	(1,175)	(2,351)	(106,712)
Trade and other payables	(531,519)	(531,519)	(531,519)	–	–	–
Put option liability	(16,461)	(16,461)	–	–	–	(16,461)
Derivative financial liabilities						
Interest rate swaps used for hedging	(414)	(414)	–	–	(414)	–
Currency forward contracts used for hedging:						
– Inflows	42,758	42,758	42,758	–	–	–
– Outflows	(43,483)	(43,483)	(43,483)	–	–	–
	(1,139)	(1,139)	(725)	–	(414)	–

Accounting for derivatives and hedging activities

The fair value of derivative financial assets and liabilities at the year end date is set out in the following table:

	2016		2015	
	Assets €'000	Liabilities €'000	Assets €'000	Liabilities €'000
Cash flow hedges				
Currency forward contracts	1,337	(402)	96	(725)
Interest rate swaps	–	(818)	–	(414)
At 31 July	1,337	(1,220)	96	(1,139)

Cash flow hedges

Cash flow hedges are those of highly probable forecasted future income or expenses. In order to qualify for hedge accounting, the Group is required to document the relationship between the item being hedged and the hedging instrument and demonstrate, at inception, that the hedge relationship will be highly effective on an ongoing basis. The hedge relationship must be tested for effectiveness on subsequent reporting dates.

There is no significant difference between the timing of the cash flows and income statement effect of cash flow hedges.

Market risk

Market risk is the risk that changes in market prices and indices, such as foreign exchange rates, and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's risk management strategy is to manage and control market risk exposures within acceptable parameters, while optimising the return earned by the Group. The Group has two types of market risk being currency risk and interest rate risk, each of which is dealt with as follows:

Currency risk

In addition to the Group's operations carried out in eurozone economies, it also has significant operations in the United Kingdom and certain smaller operations in Poland, Romania and Ukraine. In addition, purchases are also denominated in US dollars. As a result the Consolidated Statement of Financial Position is exposed to currency fluctuations on foreign denominated subsidiaries. The Group manages its Consolidated Statement of Financial Position having regard to the currency exposures arising from its assets being denominated in different currencies. To this end, where foreign currency assets are funded by borrowing, such borrowing is generally sourced in the currency of the related assets.

Transactional exposures arise from sales or purchases by an operating unit in currencies other than the unit's functional currency. The Group uses forward currency contracts to eliminate the currency exposures on certain foreign currency purchases. The Group requires all its operating units, where possible, use forward currency contracts to eliminate the currency exposures on certain foreign currency purchases. The forward currency contracts must be in the same currency as the hedged item.

Notes to the Group Financial Statements *(continued)*

23 Financial Instruments and Financial Risk (continued)

Accounting for derivatives and hedging activities (continued)

Currency risk (continued)

Exposure to currency risk

The Group's exposure to transactional foreign currency risk at the year end date is as follows:

	Leu €'000	Euro €'000	Sterling €'000	US dollar €'000	Total €'000
2016					
Trade receivables	**–**	**1,101**	**11**	**7,497**	**8,609**
Cash and cash equivalents	**72**	**(557)**	**611**	**5,277**	**5,403**
Other payables	**–**	**(8,744)**	**(592)**	**(10,043)**	**(19,379)**
At 31 July 2016	**72**	**(8,200)**	**30**	**2,731**	**(5,367)**
2015					
Trade receivables	–	2,308	–	120	2,428
Cash and cash equivalents	–	877	198	2,296	3,371
Other payables	–	(6,635)	(426)	(9)	(7,070)
At 31 July 2015	–	(3,450)	(228)	2,407	(1,271)

Hedged items are excluded from the tables above.

Currency sensitivity analysis

A 10 per cent strengthening/weakening of the euro against the following currencies at 31 July 2016 would have affected profit or loss on a transactional basis by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2015.

A positive number below indicates an increase in profit where the euro strengthens or weakens 10 per cent against the relevant currency.

	10% strengthening income statement €'000	10% weakening income statement €'000
2016		
Dollar	**273**	**(273)**
Sterling	**3**	**(3)**
Leu	**7**	**(7)**
At 31 July 2016	**283**	**(283)**
2015		
Dollar	(241)	241
Sterling	23	(23)
At 31 July 2015	(218)	218

Interest rate risk

The Group's debt bears both floating and fixed rates of interest per the original contracts. Fixed rate debt is achieved through the use of interest rate swaps.

At 31 July, the interest rate profile of the Group's interest bearing financial instruments was as follows:

	Carrying amount 2016 €'000	Carrying amount 2015 €'000
Fixed-rate instruments		
Finance lease liabilities	**(358)**	(142)
At 31 July	**(358)**	(142)
Variable rate instruments		
Interest-bearing borrowings	**(158,925)**	(132,219)
Bank overdraft	**(8,742)**	(7,500)
Cash and cash equivalents	**168,199**	199,303
At 31 July	**532**	59,584
Total interest-bearing financial instruments	**174**	59,442

23 Financial Instruments and Financial Risk (continued)

Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments

The sensitivity analysis below is based on the exposure to interest rates for both derivatives and non-derivative instruments. A change of 50 basis points in interest rates at the reporting date would have increased/decreased profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

	Principal amount €'000	Income statement 50 bp increase €'000
2016		
Unhedged variable rate instruments	**(99,528)**	**(498)**
Bank overdraft	**(8,742)**	**(44)**
Cash flow sensitivity (net)	**(108,270)**	**(542)**
2015		
Unhedged variable rate instruments	(59,541)	(298)
Bank overdraft	(7,500)	(38)
Cash flow sensitivity (net)	(67,041)	(336)

A 50 basis points decrease in interest rates at the reporting date would have had the equal but opposite effect on the above.

24 Deferred Tax

The deductible and taxable temporary differences at the year end dates in respect of which deferred tax has been recognised are analysed as follows:

	2016 €'000	2015 €'000
Deferred tax assets (deductible temporary differences)		
Pension related	**2,975**	2,344
Property, plant and equipment	**25**	33
Hedge related	**–**	175
Losses carried forward	**1,179**	–
Other	**3,197**	684
Total	**7,376**	3,236
Deferred tax liabilities (taxable temporary differences)		
Property, plant and equipment	**(4,881)**	(4,872)
Investment property	**(1,620)**	(927)
Pension related	**(475)**	(74)
Intangibles	**(9,556)**	(8,870)
Hedge related	**(68)**	–
Other	**(2,509)**	(1,600)
Total	**(19,109)**	(16,343)
Net deferred tax liability	**(11,733)**	(13,107)

Notes to the Group Financial Statements *(continued)*

24 Deferred Tax (continued)

Movements in deferred tax assets and liabilities, during the year, were as follows:

	Property, plant and equipment €'000	Investment property €'000	Hedge related €'000	Pension related €'000	Intangibles €'000	Losses carried forward & other €'000	Total €'000
2016							
At 1 August 2015	(4,839)	(927)	175	2,270	(8,870)	(916)	(13,107)
Recognised in the Consolidated Income Statement	(49)	(693)	–	(468)	1,242	396	428
Recognised in Other Comprehensive Income	(27)	–	(243)	926	–	87	743
Acquisitions related	(210)	–	–	–	(3,008)	2,189	(1,029)
Foreign exchange and other	269	–	–	(228)	1,080	111	1,232
At 31 July 2016	(4,856)	(1,620)	(68)	2,500	(9,556)	1,867	(11,733)
2015							
At 1 August 2014	(4,562)	(927)	194	2,326	(8,922)	(728)	(12,619)
Recognised in the Consolidated Income Statement	163	–	–	(1,040)	1,183	474	780
Recognised in Other Comprehensive Income	–	–	(19)	599	–	(450)	130
Foreign exchange and other	(440)	–	–	385	(1,131)	(212)	(1,398)
At 31 July 2015	(4,839)	(927)	175	2,270	(8,870)	(916)	(13,107)

Deferred tax has not been recognised in respect of withholding taxes and other taxes that would be payable on the unremitted earnings of foreign subsidiaries, as the Group is in a position to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. As the Group can rely on participation exemptions and tax credits that would be available in the context of the Group's investments in subsidiaries in the majority of the jurisdictions in which the Group operates, the aggregate amount of temporary differences in respect of which deferred tax liabilities have not been recognised would not be material.

25 Provision for Liabilities

The estimate of provisions is a key judgement in the preparation of the financial statements.

	Deferred/ Contingent acquisition consideration €'000 (i)	Rationalisation €'000 (ii)	Other €'000 (iii)	Total €'000
2016				
At 1 August 2015	–	8,703	2,767	11,470
Arising on acquisition (Note 33)	7,585	–	–	7,585
Provided in year	1,407	2,846	–	4,253
Paid in year	(1,000)	(7,202)	(27)	(8,229)
Released in year	–	–	(210)	(210)
Currency translation adjustment	(154)	(937)	–	(1,091)
At 31 July 2016	7,838	3,410	2,530	13,778
Current	3,828	3,410	2,530	9,768
Non-current	4,010	–	–	4,010
2015				
At 1 August 2014	–	–	2,818	2,818
Provided in year	–	11,377	–	11,377
Paid in year	–	(3,199)	(51)	(3,250)
Released in year	–	–	–	–
Currency translation adjustment	–	525	–	525
At 31 July 2015	–	8,703	2,767	11,470

(i) Contingent acquisition consideration relates to the acquisition of ReSo Seeds Limited ('ReSo') in August 2015, Redoxim SRL ('Redoxim') in September 2015, Comfert SRL ('Comfert') in December 2015 and Headland Amenity Limited ('Headland') in July 2016. A payment of €1.0 million was made during the year related to Redoxim, with the balance of €2.9 million paid post year end on 17 September 2016, one year following completion. The amount attributable to Comfert is €2.9 million, with the balance related to ReSo Seeds and Headland being €0.2 million and €0.5 million, respectively. An amount of €1.4 million was provided in relation to a bolt on acquisition in Agrii (R&T Liming).

(ii) Rationalisation costs relate to termination payments arising from the restructuring of Agri-Services in the UK.

(iii) Other provisions relate to various operating and employment related costs.

26 Put Option Liability

	2016 €'000	2015 €'000
At 1 August	**16,461**	16,360
Fair value adjustment (Note 3)	**(6,588)**	(377)
Interest payable (Note 4)	**485**	478
Translation adjustments	**–**	–
At 31 July	**10,358**	16,461

The fair value of the put option liability has been determined based on an agreed earnings before interest and tax based formula that is not capped which includes an expectation of future trading performance ('EBIT') and timing of when the options are expected to be exercised, discounted to present day value using a cost of debt rate of 2.5 per cent. The valuation technique applied to fair value the put option liability was the income approach. This is a level 3 fair value measurement.

The assumption is that the holder of the Put Option will exercise this option during FY2020 albeit they have the right to exercise 25 per cent of the Put Option during FY2017. Should such an event arise approximately one quarter of the value of the Put Option included in the Consolidated Statement of Financial Position as at 31 July 2016 would be payable within twelve months.

An increase of 5 per cent or 10 per cent in the FY2017 and FY2018 profit assumption included in the Put Option calculation would increase the liability by €629,000 and €1,298,000 respectively. A decrease of 5 per cent or 10 per cent in the FY2017 and FY2018 profit assumption included in the Put Option calculation would decrease the liability by €643,000 and €1,246,000 respectively.

27 Post Employment Benefit Obligations

The Group operates a number of defined benefit pension schemes and defined contribution schemes with assets held in separate trustee administered funds. All of the defined benefit schemes are closed to new members. The trustees of the various pension funds are required by law to act in the best interests of the scheme participants and are responsible for investment strategy and scheme administration. The majority of the Group's defined benefit pension schemes are closed to future benefits accrual with a small minority accruing benefits. The level of benefits available to members depends on length of service and either their average salary over their period of employment, their salary in the final years leading up to retirement and in some cases historical salaries depending on the rules of the individual scheme. Under IAS 19, 'Employee Benefits', the total deficit in the Group's defined benefit schemes at 31 July 2016 was €7,713,000 (2015: €7,373,000).

During the prior year Origin UK Defined Benefit Pension Schemes were merged into one scheme with assets and liabilities transferred to a new single Defined Benefit Scheme. The assets of the scheme continue to be managed under the pre-existing investment arrangements and the liabilities have not changed.

The pension charge included in the Consolidated Income Statement for the year in respect of the Group's defined benefit schemes was €787,000 (2015: €722,000) and a charge of €3,515,000 (2015: €3,279,000) in respect of the Group's defined contribution schemes.

Employee benefits included in the Consolidated Statement of Financial Position comprises the following:

	2016 €'000	2015 €'000
Deficit in defined benefit schemes	**7,713**	7,373

The valuations of the defined benefit schemes used for the purposes of the following disclosures are those of the most recent actuarial reviews carried out at 31 July 2016 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

Employee benefit plan risks

The employee benefit plans expose the Group to a number of risks, the most significant of which are:

Asset volatility
The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. If assets underperform this yield, this will create a deficit. The plans hold a significant proportion of equities which, though expected to outperform corporate bonds in the long-term, create volatility and risk. The allocation to equities is monitored to ensure it remains appropriate given the plans long-term objectives.

Changes in bond yields
A decrease in corporate bond yields will increase the plans' liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk
In certain schemes the plans' benefit obligations are linked to inflation, with the result that higher inflation will lead to higher liabilities (although caps on the level of inflationary increases are in place). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy
In the event that members live longer than assumed a further deficit will emerge in the Schemes.

The Group targets that the investment positions are managed with an overall asset-liability matching ('ALM') framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the Group's ALM objective is to match assets to the pension obligations.

Notes to the Group Financial Statements *(continued)*

27 Post Employment Benefit Obligations (continued)

Employee benefit plan risks (continued)

Life expectancy (continued)

Most of the plans are closed and therefore, under the projected unit credit method, the current service cost is expected to increase as the members approach retirement and to decrease as members retire or leave service. The expected employee and employer contributions for the year ending 31 July 2017 are €221,000 and €1,185,000 respectively.

Financial assumptions – scheme liabilities

The significant long-term assumptions used by the Group's actuaries in the computation of scheme liabilities as at 31 July 2016 and 31 July 2015 are as follows:

	2016	2015
Republic of Ireland schemes		
Rate of increase in salaries	**0.00%-2.00%**	0.00 %-2.50 %
Discount rate on scheme liabilities	**1.50%**	2.30 %
Inflation rate	**1.25%**	1.75 %
UK scheme		
Rate of increase in salaries	**0.00%-2.70%**	0.00 %-3.30 %
Rate of increases in pensions in payment and deferred benefits	**0.00%-2.70%**	0.00 %-3.30 %
Discount rate on scheme liabilities	**2.40%**	3.80 %
Inflation rate	**1.90%**	2.50 %

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in both geographic regions. The mortality assumptions imply the following life expectancies in years of an active member on retiring at age 65, 20 years from now:

	2016 ROI	2016 UK	2015 ROI	2015 UK
Male	**25.1**	**24.1**	25.0	23.9
Female	**27.2**	**26.5**	27.1	26.3

The mortality assumptions imply the following life expectancies in years of an active member, aged 65, retiring now:

	2016 ROI	2016 UK	2015 ROI	2015 UK
Male	**22.9**	**21.8**	22.8	21.7
Female	**24.9**	**24.2**	24.8	24.0

Sensitivity analysis for principal assumptions used to measure scheme liabilities

There are inherent uncertainties surrounding the financial assumptions adopted in calculating the actuarial valuation of the Group's defined benefit pension schemes. The following table analyses (for the Group's Irish and UK pension schemes) the estimated impact on plan liabilities resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Republic of Ireland schemes

Assumption	Change in assumption	Impact on plan liabilities
Discount rate	Increase/decrease 0.50 per cent	Decrease/increase by 10.4 per cent
Price inflation	Increase/decrease 0.50 per cent	Increase/decrease by 1.0 per cent
Salary	Increase/decrease 0.50 per cent	Increase/decrease by 0.2 per cent
Mortality	Increase/decrease by one year	Decrease/increase by 3.1 per cent

UK scheme

Assumption	Change in assumption	Impact on plan liabilities
Discount rate	Increase/decrease 0.50 per cent	Decrease/increase by 9.0 per cent
Price inflation	Increase/decrease 0.50 per cent	Increase/decrease by 5.6 per cent
Salary	Increase/decrease 0.50 per cent	Increase/decrease by 0.6 per cent
Mortality	Increase/decrease by one year	Decrease/increase by 3.4 per cent

27 Post Employment Benefit Obligations (continued)

Financial assumptions – scheme liabilities (continued)

	2016 ROI €'000	2016 UK €'000	2016 Total €'000
Net pension liability			
Market value of scheme assets:			
Equities	2,267	12,986	15,253
Bonds	10,466	–	10,466
Property	4,407	535	4,942
Investment funds	–	63,684	63,684
Insurance policy and insurance annuity	–	6,837	6,837
Other	65	255	320
Total market value of assets	17,205	84,297	101,502
Present value of scheme obligations	(19,387)	(89,828)	(109,215)
Liability in the schemes	(2,182)	(5,531)	(7,713)

	2015 ROI €'000	2015 UK €'000	2015 Total €'000
Net pension liability			
Market value of scheme assets:			
Equities	1,565	20,969	22,534
Bonds	6,106	43,292	49,398
Property	3,860	557	4,417
Investment funds	–	6,106	6,106
Insurance policy and insurance annuity	–	7,659	7,659
Other	61	9,684	9,745
Total market value of assets	11,592	88,267	99,859
Present value of scheme obligations	(18,015)	(89,217)	(107,232)
Liability in the schemes	(6,423)	(950)	(7,373)

The majority of equity securities and bonds have quoted prices in active markets.

The major categories of scheme assets are as follows:

	2016 ROI %	2016 UK %
Split of scheme assets:		
Equities:		
– Developed	12.0%	14.0%
– Emerging	1.0%	1.0%
Bonds:		
– Corporate	0.0%	0.0%
– Government	61.0%	0.0%
Property – Ireland and UK	26.0%	1.0%
Investment funds	0.0%	75.0%
Insurance policy and insurance annuity	0.0%	8.0%
Other	0.0%	1.0%
	100%	100%

	2015 ROI %	2015 UK %
Split of scheme assets:		
Equities:		
– Developed	12.0 %	21.0 %
– Emerging	2.0 %	2.0 %
Bonds:		
– Corporate	0.0 %	18.0 %
– Government	53.0 %	31.0 %
Property – Ireland and UK	33.0 %	1.0 %
Investment funds	0.0 %	7.0 %
Insurance policy and insurance annuity	0.0 %	9.0 %
Other	0.0 %	11.0 %
	100 %	100 %

Notes to the Group Financial Statements *(continued)*

27 Post Employment Benefit Obligations (continued)

Financial assumptions – scheme liabilities (continued)

Movement in the fair value of scheme assets

	2016 €'000	2015 €'000
Fair value of assets at 1 August	**99,859**	80,350
Interest income	**3,429**	3,577
Remeasurements:		
– Return on plan assets excluding amounts included in interest income	**11,136**	7,062
Employer contributions	**4,674**	2,197
Employee contributions	**246**	282
Benefit payments	**(2,863)**	(2,627)
Translation adjustments	**(14,979)**	9,018
Fair value of assets at 31 July	**101,502**	99,859

As at 31 July 2016 and 2015 the pension schemes held no shares in Origin Enterprises plc.

	2016 €'000	2015 €'000
Movement in the present value of scheme obligations		
Value of scheme obligations at 1 August	**(107,232)**	(85,543)
Current service costs	**(589)**	(582)
Past service costs	**(107)**	–
Interest on scheme obligations	**(3,520)**	(3,717)
Employee contributions	**(246)**	(282)
Benefit payments	**2,863**	2,627
Remeasurements:		
– Experience gain/(loss)	**2,150**	(963)
– Effect of changes in demographic assumptions	**(1,329)**	2,033
– Effect of changes in financial assumptions	**(16,838)**	(11,786)
Translation adjustments	**15,633**	(9,019)
Value of scheme obligations at 31 July	**(109,215)**	(107,232)

	2016 €'000	2015 €'000
Movement in net liability recognised in the Consolidated Statement of Financial Position		
Net liability in schemes at 1 August	**(7,373)**	(5,193)
Current service cost	**(589)**	(582)
Past service cost	**(107)**	–
Employer contributions	**4,674**	2,197
Other finance expense	**(91)**	(140)
Remeasurements	**(4,881)**	(3,654)
Translation adjustments	**654**	(1)
Net liability in schemes at 31 July	**(7,713)**	(7,373)

	2016 €'000	2015 €'000
Analysis of defined benefit expense recognised in the Consolidated Income Statement		
Current service cost	**(589)**	(582)
Past service cost	**(107)**	–
Total recognised in operating profit	**(696)**	(582)
Net interest cost (included in financing costs Note 4)	**(91)**	(140)
Net charge to Consolidated Income Statement	**(787)**	(722)

27 Post Employment Benefit Obligations (continued)

Maturity analysis

The maturity profile of the Group's defined benefit obligation (on a discounted basis) is as follows:

	2016 ROI €'000	2016 UK €'000	2016 Total Group €'000
Within one year	296	2,343	2,639
Between one and two years	311	2,361	2,672
Between two and three years	369	2,296	2,665
Between three and four years	390	2,432	2,822
Between four and five years	430	3,273	3,703
After five years	17,591	77,123	94,714
Total	19,387	89,828	109,215

	2015 ROI €'000	2015 UK €'000	2015 Total Group €'000
Within one year	257	2,496	2,753
Between one and two years	272	2,645	2,917
Between two and three years	294	2,633	2,927
Between three and four years	341	2,571	2,912
Between four and five years	360	2,788	3,148
After five years	16,491	76,084	92,575
Total	18,015	89,217	107,232

Average duration and scheme composition

	ROI	UK
Average duration of defined benefit obligation (years)	19	18

	ROI €'000	UK €'000	Total Group €'000
Allocation of defined benefit obligation by participant:			
Active plan participants	5,725	23,785	29,510
Deferred plan participants	9,747	31,253	41,000
Retirees	3,915	34,790	38,705
	19,387	89,828	109,215

Defined benefit pension expense recognised in Other Comprehensive Income

	2016 €'000	2015 €'000
Remeasurement gain on scheme assets	11,136	7,062
Remeasurement gain on scheme liabilities:		
Effect of experience gains on scheme liabilities	2,150	(963)
Effect of changes in demographical and financial assumptions	(18,167)	(9,753)
Remeasurements	(4,881)	(3,654)
Deferred tax	926	599
Defined benefit pension expense recognised in the Consolidated Statement of Comprehensive Income	(3,955)	(3,055)

The cumulative loss recognised in the Consolidated Statement of Comprehensive Income is €32,667,000 (2015: €28,712,000). The actual return on the plan assets was €14,565,000 (2015: €10,639,000).

Notes to the Group Financial Statements *(continued)*

28 Share Capital

	2016 €'000	2015 €'000
Authorised		
250,000,000 ordinary shares of €0.01 each (i)	**2,500**	2,500
Allotted, called up and fully paid		
126,378,777 ordinary shares of €0.01 each (i) (ii)	**1,264**	1,264

(i) Ordinary shareholders are entitled to dividends as declared and each ordinary share carries equal voting rights at meetings of the Company.

(ii) In December 2012, the issued ordinary share capital was increased by the issue of 1,212,871 ordinary shares of nominal value of €0.01 each, at an issue price of €4.04 each, pursuant to a share subscription by a wholly owned subsidiary for the purposes of the Origin Long-Term Incentive Plan 2012 ('2012 LTIP Plan'). Under the terms of 2012 LTIP Plan, 412,541 of these shares were transferred to the Directors and senior management as a result of certain financial targets having been achieved in the three years to 31 July 2015. The remaining 800,330 ordinary shares continue to be held as treasury shares.

29 Dividends

The Board is recommending a final dividend of 17.85 cent per ordinary share, which when combined with the interim dividend of 3.15 cent per ordinary share, brings the total dividend for the year to 21.0 cent per ordinary share (2015: 21.0 cent per ordinary share). Subject to shareholders' approval at the Annual General Meeting, the final dividend will be paid on 16 December 2016 to shareholders on the register on 2 December 2016. In accordance with IFRS, this final dividend of 17.85 cent per ordinary share has not been provided for in the Consolidated Statement of Financial Position as at 31 July 2016.

30 Consolidated Statement of Changes in Equity

Capital redemption reserve

The capital redemption reserve was created in the year ending 31 July 2011 and arose on the redemption of deferred convertible ordinary shares.

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Revaluation reserve

The revaluation reserve relates to revaluation surpluses arising on revaluations of property, plant and equipment.

Share-based payment reserve

This reserve comprises amounts credited to reserves in connection with equity awards less the effect of any exercises of such awards and when applicable less any transfers to retained earnings where the awards are not expected to vest.

Reorganisation reserve

The difference between the fair value of the investment recorded in the Company balance sheet and the carrying value of the assets and liabilities transferred in 2007 on the formation of Origin has been recognised as a reorganisation reserve in other reserves within equity together with the currency translation reserve, cash flow reserve and revaluation reserve.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences from 1 August 2005, arising from the translation of the net assets of the Group's non-euro-denominated operations, including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the year end date. Exchange gains or losses on long-term intra-Group loans that are regarded as part of the net investments in non-euro-denominated operations, are taken to the translation reserve to the extent that they are neither planned nor expected to be repaid in the foreseeable future.

Capital management

The capital managed by the Group consists of the consolidated equity and net debt. The Group has set the following goals for the management of its capital:

- To maintain a prudent net debt (as set out in Note 22) to EBITDA and interest cover ratio (interest as a percentage of EBIT) to support a prudent capital base and ensure a long-term sustainable business;
- To comply with covenants as determined by debt providers;
- To achieve an adequate return for investors; and
- To apply a dividend policy which takes into account the level of peer group dividends, the Group's financial performance and position, the Group's future outlook and other relevant factors including tax and other legal considerations.

The Group employs two key target ratios to monitor equity and to be compliant with its bank covenants:

- The Group's net debt to EBITDA ratio is below 3.50. The ratio is 0.0 times at 31 July 2016 (2015: 0.0); and
- The Group's interest cover (EBITDA to interest) is above 3.00. The ratio is 11.06 times at 31 July 2016 (2015: 17.84).

31 Commitments

Non-cancellable operating lease rentals are payable as set out below. These amounts represent minimum future lease payments, in aggregate, that the Group are required to make under existing lease agreements.

	2016 €'000	2015 €'000
Within one year	6,303	7,029
In two to five years	14,951	16,243
After more than five years	6,658	8,033
	27,912	31,305

The Group leases a number of properties under operating leases. The leases typically run for periods of 15 to 25 years. Rents are generally reviewed every five years.

Future purchase commitments for property, plant and equipment

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total 2016 €'000
At 31 July 2016				
Contracted for but not provided for	4,579	–	–	4,579

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total 2016 €'000
At 31 July 2015				
Contracted for but not provided for	121	–	–	121

Future purchase commitments: Software Development

	2016 €'000	2015 €'000
At 31 July		
Contracted for but not provided for	458	–

32 Related Party Transactions

In the normal course of business, the Group undertakes trading transactions with its associates, joint venture and other related parties. Related parties include ARYZTA AG and its subsidiaries of which Origin Enterprises plc was an associate up to 29 September 2015. A summary of transactions with these related parties during the year is as follows:

	2016				
	Sale of goods €'000	Purchase of goods €'000	Receiving services from €'000	Rendering services to €'000	Total €'000
Transactions with joint venture	–	(97,607)	–	204	(97,403)
Transactions with associates	65,676	(137)	(1,050)	254	64,743
Transactions with other	4,596	(674)	(1,543)	72	2,451

	2015				
	Sale of goods €'000	Purchase of goods €'000	Receiving services from €'000	Rendering services to €'000	Total €'000
Transactions with joint venture	1,319	(106,059)	–	242	(104,498)
Transactions with associates	86,591	(127)	(1,162)	448	85,750
Transactions with other	–	(341)	–	14	(327)
Transactions with ARYZTA AG and its subsidiaries	–	–	(175)	–	(175)

The trading balances owing to the Group from related parties were €24,389,000 (2015: €22,159,000) and the trading balances owing from the Group to these related parties were €11,819,000 (2015: €8,585,000). Other financial assets on the Consolidated Statement of Financial Position comprise €564,000 (2015: €494,000) in relation to a loan to West Twin Investments Limited and €1,684,000 due from the previous registered owner of Comfert SRL. As at 31 July 2016 the Group owed the founder of Agroscope International LLC and registered owner of 40 per cent of Origin Holdings Ukraine BV an amount of €653,000 (2015: €702,000).

Notes to the Group Financial Statements *(continued)*

32 Related Party Transactions (continued)

Compensation of key management personnel

For the purposes of the disclosure requirements of IAS 24, 'Related Party Disclosures', the term 'key management personnel' (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Group), comprises the Board of Directors and their management team who have responsibility for managing the business and affairs of the Group and its reporting segments. Comparatives are presented on a consistent basis.

	2016 €'000	2015 €'000
Salaries and other short-term employee benefits	**2,114**	2,563
Post employment benefits	**262**	236
Share-based payments	**(300)**	(103)
Other long-term employee benefits	**–**	1,087
Total	**2,076**	3,783

33 Acquisition of Subsidiary Undertakings

During the year the Group completed a number of acquisitions in Romania and Poland, with some additional bolt on acquisitions in the United Kingdom. These acquisitions improved the strategic position of the Groups integrated agronomy services business and further the Group's focus on building new capability, systems and process development along with organisational simplification. Details of the acquisitions are as follows:

1. On 17 September 2015 the Group completed the acquisition of 100 per cent of Redoxim SRL. Based in Romania, Redoxim SRL is a leading provider of agronomy services, macro and micro inputs to arable, vegetable and horticulture growers.
2. On 23 November 2015 the Group completed the acquisition of 100 per cent of the Kazgod Group. Based in Poland, the Kazgod Group is a leading provider of agronomy services, inputs, crop marketing solutions as well as a manufacturer of micro nutrition applications.
3. On 16 December 2015 the Group completed the acquisition of 100 per cent of Comfert SRL. Based in Romania, Comfert SRL is a leading provider of agronomy services, integrated inputs and crop marketing support to arable and vegetable growers.
4. On 20 August 2015 the Group completed the acquisition of 100 per cent of ReSo Seeds Limited. Based in the United Kingdom, ReSo Seeds Limited is a leading mobile seed cleaning and processing specialist company.
5. On 1 July 2016 the Group completed the acquisition of 100 per cent of Headland Amenity Limited. Based in the United Kingdom, Headland Amenity Limited is a technically advanced supplier of products and synergistic programmes to improve sports turf surfaces.

33 Acquisition of Subsidiary Undertakings (continued)

Details of the net assets acquired and goodwill (excluding debt acquired) arising from the business combinations are as follows:

	Fair value
Assets	
Non-current	
Property, plant and equipment	14,804
Intangible assets	17,131
Other financial assets	1,656
Deferred tax asset	1,777
Total non-current assets	35,368
Current assets	
Inventory	23,682
Trade receivables (i)	73,627
Other receivables	9,120
Total current assets	106,429
Liabilities	
Trade payables	(79,879)
Other payables	(8,102)
Finance lease obligation	(250)
Corporation tax	(752)
Deferred tax liability	(2,650)
Total liabilities	(91,633)
Total identifiable net assets at fair value	50,164
Goodwill arising on acquisition	26,609
Total net assets acquired (excluding debt acquired)	76,773
Consideration satisfied by:	
Cash consideration	45,605
Cash acquired	(5,181)
Net cash outflow	40,424
Deferred consideration (ii)	3,472
Contingent consideration	4,113
Consideration	48,009
Debt acquired	28,764
Consideration plus debt acquired	76,773

(i) Gross trade receivables acquired were €110.9 million, net of bad debt provision of €37.3 million.

(ii) Deferred consideration includes €2.9 million relating to the acquisition of Redoxim which was paid post year end on 17 September 2016, one year following completion.

The goodwill recognised on acquisitions is attributable to the skills and technical talent of the acquired businesses' workforce and the synergies expected to be achieved from integrating the companies into the Group's existing business. None of the goodwill recognised is expected to be deductible for income tax purposes.

Contingent consideration arrangements require the Group to make future payments in relation to two of the acquisitions. The final amount payable will be dependent upon annual earnings targets being achieved in the period to 31 December 2020. The potential undiscounted amounts of all future payments that the Group could be required to make under this arrangement is between €1.0 and €4.5 million. The discounted fair value of the contingent consideration of €4.1 million was estimated based on applying a discount rate of 3.0 per cent to the fair value of the potential amount payable of €4.5 million. This is a level 3 fair value measurement.

Post-acquisition revenues and operating profit relating to these acquisitions amounted to €161.9 million and €10.9 million respectively. If the acquisitions had occurred on 1 August 2015, management estimates that consolidated revenue would have been €217.1 million and consolidated operating profit for the year would have been €11.3 million. In determining these amounts management has assumed that the fair value adjustments that arose on the dates of acquisition would have been the same if the acquisition occurred on 1 August 2015.

Notes to the Group Financial Statements *(continued)*

34 Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

Note	Name
Note 9	Long-Term Incentive Plans
Note 10	Income Tax
Note 13	Investment properties
Note 14	Goodwill and intangible assets – measurement of the recoverable amounts of CGUs, useful lives of intangibles
Note 23	Financial instruments and financial risk
Note 24	Deferred tax
Note 25	Provision for liabilities
Note 26	Put option liability
Note 27	Post employment benefit obligations

Revenue represents the fair value of the sale consideration received for the goods supplied to third parties, after deducting discounts estimated based on individual customer arrangements and historical arrangements.

Impairment testing of assets, particularly of goodwill, involves estimating the future cash flows for a CGU and an appropriate discount rate to determine a recoverable value as set out in Note 14.

The estimation of employee benefit costs requires the use of actuaries and the determination of appropriate assumptions such as discount rates and expected future rates of return as set out in Note 27.

Income tax and deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts for financial reporting purposes of assets and liabilities and the amounts used for taxation purposes and for tax loss carry forwards. The valuation of tax loss carry forwards, deferred tax assets and the Company's ability to utilise tax losses is based upon management's estimates of future taxable income in different tax jurisdictions. For further detailed information, please refer to Note 24.

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the Group's provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and tax provisions in the period in which such determination is made.

35 Principal Subsidiaries and Associated Undertakings

Name of undertaking	Nature of business	% of ordinary shares	Registered office
Agrii Polska sp.Z.O.O	Specialist agronomy products and services	100	Obornicka street 233, 60-650 Poznan, Poland
Agroscope International LLC	Specialist agronomy products and services	60	25B Sahaydachnoho Street, Kyiv 04070, Ukraine
BHH Limited	Provender milling	50	35/39 York Road, Belfast BT15 3GW, Northern Ireland
Comfert S.R.L.	Specialist agronomy products and services	100	34 Calea Moinesti Str., Bacau, Romania
Goulding Chemicals Limited	Fertiliser blending and distribution	100	4-6 Riverwalk, Citywest Business Campus, Dublin 24, Ireland
Hall Silos Limited	Grain handling	100	4A Campsie Real Estate, McLean Road, Londonderry, BT47 3PF, Northern Ireland
Masstock Group Holdings Limited	Specialist agronomy products and services	100	Andoversford, Cheltenham, Gloucestershire, GL54 4LZ, England
Origin UK Operations Limited	Fertiliser blending and distribution	100	Orchard Road, Royston, Hertfordshire SG8 5HW, England
Redoxim S.R.L.	Specialist agronomy products and services	100	3 Calea Lugojului St., Ghiroda Village, Ghiroda Commune, Timis County, Romania
Rigby Taylor Limited	Turf management services	100	Orchard Road, Royston, Hertfordshire SG8 5HW, England
R&H Hall	Grain and feed trading	50	La Touche House, Custom House Dock, IFSC, Dublin 1, Ireland
R&H Hall Trading Limited	Grain and feed trading	100	4A Campsie Real Estate, McLean Road, Londonderry, BT47 3PF, Northern Ireland
United Agri Products Limited	Specialist agronomy products and services	100	Andoversford, Cheltenham, Gloucestershire, GL54 4LZ, England
West Twin Silos Limited	Silo operation	50	McCaughey Road, Belfast BT3 9AG, Northern Ireland

The country of registration is also the principal location of activities in each case.

Company Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of Preparation

The Company financial statements have been prepared on the going concern basis and in accordance with the Companies Act, 2014 and Generally Accepted Accounting Principles ('Irish GAAP') in Ireland (accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland).

The Generally Accepted Accounting Principles in Ireland are covered under FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102'). This is the first year in which the financial statements have been prepared under the new Irish GAAP and any transition adjustments to the new standard are explained in Note 10.

The entity financial statements have been prepared under historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through profit or loss, and the measurement of freehold land and buildings at their deemed cost on transition to FRS 102.

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated to write off the cost or valuation of tangible assets, other than freehold land, on a straight line basis, by reference to the following estimated useful lives:

Fixtures and fittings	25 years

Investment Properties

Investment properties are stated at open market value. Changes in the fair value of the investment properties are shown in the profit and loss account for the year.

Financial Fixed Assets

Investments in subsidiaries are carried at cost less accumulated impairment losses. Dividends shall be recognised when the shareholder's right to receive payment is established.

Post Employment Benefits

For the Company's defined benefit schemes, the difference between the market value of the scheme's assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability in the balance sheet, net of deferred tax to the extent that it is deemed to be recoverable.

The amount charged to operating profit is the actuarially determined cost of pension benefits promised to employees and earned during the year plus the cost of any benefit improvements granted to members during the period.

The expected return on the pension scheme's assets during the year and the increase in the scheme's liabilities due to the unwinding of the discount during the year are included as financing costs in the profit and loss account. Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities due to changes in assumptions or because actual experience during the period was different to that assumed, are recognised as actuarial gains and losses in the statement of comprehensive income.

In determining the expected long-term rate of return on assets, consideration was given to the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on asset assumptions for the portfolio.

Taxation

Current tax is provided on the Company's taxable profits, 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, as required by FRS 102. Provision is made at the rates expected to apply when the timing differences reverse.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, 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.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at actual rates. The resulting monetary assets and liabilities are translated at the balance sheet rate or the transaction rate and the exchange differences are dealt with in the profit and loss account.

Long-Term Incentive Plan

The Company has granted Equity Entitlements under the Origin Enterprises Long-Term Incentive Plan 2012. All disclosures relating to the plan are made in Note 9 to the Group financial statements.

Put Option Liability
Where a put/call option agreement is in place in respect of shares held by non-controlling shareholders, the liability is present valued. Such liabilities are shown as current or non-current liabilities in the Company balance sheet. The change in the net present value of such options in the year is recognised in the profit and loss account within net finance costs.

Related Party Disclosures
The Company discloses transactions with related parties that are not wholly owned within the Group. In accordance with FRS 102 33.1A, it does not disclose transactions with members of the same group that are wholly owned.

Company Balance Sheet

As at 31 July 2016

	Notes	2016 €'000	2015 €'000 (Restated)*
Fixed assets			
Investment properties	1	1,925	1,925
Tangible assets	2	12,350	11,329
Intangible assets	3	1,707	1,564
Financial assets	4	34,472	34,417
		50,454	49,235
Current assets			
Debtors	5	497,325	544,957
Cash at bank and in hand		55,117	92,793
		552,442	637,750
Creditors (amounts falling due within one year)	6	(356,009)	(397,110)
Net current assets		196,433	240,640
Total assets less current liabilities		246,887	289,875
Put option liability		(10,358)	(16,461)
Post employment benefit obligations	8	(2,546)	(6,787)
Net assets		233,983	266,627
Capital and reserves			
Called up share capital – presented as equity	9	1,264	1,264
Share premium		165,287	165,287
Profit and loss account and other reserves		67,432	100,076
Shareholders' funds		233,983	266,627

On behalf of the Board

Rose Hynes
Director

Tom O'Mahony
Director

* The Company's prior year financial statements have been restated to comply with FRS 102. For further details refer to Note 10 of the Notes to the Company Financial Statements.

Company Statement of Changes in Equity

For the financial year ended 31 July 2016

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Share-based payment reserve €'000	Profit and loss (Restated)* €'000	Total €'000
2016							
At 1 August 2015	1,264	165,287	(12)	134	1,749	98,205	266,627
Loss for the year	–	–	–	–	–	(2,580)	(2,580)
Actuarial profit on post employment liabilities	–	–	–	–	–	864	864
Deferred tax on actuarial profit	–	–	–	–	–	(108)	(108)
Total comprehensive income for the year	–	–	–	–	–	(1,824)	(1,824)
Transfer of shares (Note 9(ii))	–	–	4	–	(4)	–	–
Share-based payment	–	–	–	–	(300)	–	(300)
Transfer of share-based payment reserve to retained earnings	–	–	–	–	(1,445)	1,445	–
Dividend paid to shareholders	–	–	–	–	–	(30,520)	(30,520)
At 31 July 2016	1,264	165,287	(8)	134	–	67,306	233,983

The loss for the year attributable to shareholders dealt with in the financial statements of the holding company for the year ended 31 July 2016 was €2,580,000 (2015: profit €70,529,000). As permitted by Section 304 of the Companies Act 2014, the income statement of the Company has not been separately presented in these financial statements.

* See Note 10.

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Share-based payment reserve €'000	Profit and loss (Restated)* €'000	Total €'000
2015							
At 1 August 2014	1,264	165,287	(12)	134	1,825	54,347	222,845
Profit for the year	–	–	–	–	–	70,529	70,529
Actuarial loss on post employment liabilities	–	–	–	–	–	(1,594)	(1,594)
Deferred tax on actuarial loss	–	–	–	–	–	199	199
Total comprehensive income for the year	–	–	–	–	–	69,134	69,134
Share-based payment	–	–	–	–	(76)	–	(76)
Dividend paid to shareholders	–	–	–	–	–	(25,276)	(25,276)
At 31 July 2015	1,264	165,287	(12)	134	1,749	98,205	266,627

* See Note 10.

Company Statement of Cash Flows

For the financial year ended 31 July 2016

	Notes	2016 €'000	2015 €'000
Cash flows from operating activities			
Profit before tax		**6,309**	21,997
Exceptional items		**(3,504)**	(15,883)
Finance income		**(329)**	(340)
Finance expenses		**898**	981
Depreciation of property, plant and equipment	2	**57**	51
Amortisation of intangible assets	3	**195**	398
Employee share-based payment credit		**(300)**	(76)
Pension contributions in excess of service costs	8	**(3,443)**	(1,656)
Payment of exceptional acquisition costs		**(1,392)**	–
Operating cash (outflow)/inflow before changes in working capital		**(1,509)**	5,472
Decrease in trade and other receivables		**3,924**	31,149
(Decrease)/increase in trade and other payables		**(7,614)**	9,738
Cash (used)/generated from operating activities		**(5,199)**	46,359
Interest (paid)/received		**(16)**	9
Income tax paid		**(525)**	(3,045)
Cash (outflow)/inflow from operating activities		**(5,740)**	43,323
Cash flows from investing activities			
Purchase of property, plant and equipment	2	**(1,078)**	(24)
Additions to intangible assets	3	**(338)**	–
Income received from subsidiary undertakings		**–**	43,493
Restricted cash		**–**	(29,358)
Cash consideration on disposal of associate		**–**	42,471
Cash (outflow)/inflow from investing activities		**(1,416)**	56,582
Cash flows from financing activities			
Payment of dividends to equity shareholders		**(30,520)**	(25,276)
Cash outflow from financing activities		**(30,520)**	(25,276)
Net (decrease)/increase in cash and cash equivalents		**(37,676)**	74,629
Cash and cash equivalents at start of year		**92,793**	18,164
Cash and cash equivalents at end of year		**55,117**	92,793

Notes to the Company Financial Statements

1 Investment Properties

	2016 €'000	2015 €'000
At 1 August and 31 July	**1,925**	1,925

During the year ended 31 July 2016 the Directors commissioned an independent valuation of its investment properties. The results of this independent valuation show no movement in the carrying value of these properties. As at 31 July 2016 the Directors are satisfied that the carrying value of the investment properties are reasonable.

2 Tangible Fixed Assets

	Land €'000	Fixtures and fittings €'000	Total €'000
Cost			
At 1 August 2015	11,215	638	11,853
Additions	–	1,078	1,078
At 31 July 2016	**11,215**	**1,716**	**12,931**
Accumulated depreciation			
At 1 August 2015	–	524	524
Depreciation charge for year	–	57	57
At 31 July 2016	**–**	**581**	**581**
Net book amounts			
At 31 July 2016	**11,215**	**1,135**	**12,350**
At 31 July 2015	11,215	114	11,329

	Land €'000	Fixtures and fittings €'000	Total €'000
Cost			
At 1 August 2014	11,215	614	11,829
Additions	–	24	24
At 31 July 2015	**11,215**	**638**	**11,853**
Accumulated depreciation			
At 1 August 2014	–	473	473
Depreciation charge for year	–	51	51
At 31 July 2015	**–**	**524**	**524**
Net book amounts			
At 31 July 2015	**11,215**	**114**	**11,329**
At 31 July 2014	11,215	141	11,356

Notes to the Company Financial Statements *(continued)*

3 Intangible Assets

	Brand €'000	Intellectual property €'000	Software €'000	Total €'000
Cost				
At 1 August 2015	184	1,778	–	1,962
Additions	–	–	338	338
At 31 July 2016	**184**	**1,778**	**338**	**2,300**
Amortisation				
At 1 August 2015	11	387	–	398
Charge for year	9	161	25	195
At 31 July 2016	**20**	**548**	**25**	**593**
Net book amounts				
At 31 July 2016	**164**	**1,230**	**313**	**1,707**
At 31 July 2015	173	1,391	–	1,564

	Brand €'000	Intellectual property €'000	Total €'000
Cost			
At 1 August 2014	–	–	–
Transfer from fellow Group company	184	1,778	1,962
At 31 July 2015	**184**	**1,778**	**1,962**
Amortisation			
At 1 August 2014	–	–	–
Charge for year	11	387	398
At 31 July 2015	**11**	**387**	**398**
Net book amounts			
At 31 July 2015	**173**	**1,391**	**1,564**
At 31 July 2014	–	–	–

4 Financial Assets

	2016 €'000	2015 €'000
Investment in subsidiaries	**34,472**	34,417

The principal subsidiaries are set out on Note 35 to the Group financial statements.

5 Debtors

	2016 €'000	2015 €'000
Amounts owed by subsidiary undertakings	**494,027**	540,606
Corporation tax	**1,181**	1,605
Other debtors	**614**	666
Deferred tax – pension related	**1,503**	2,080
	497,325	544,957

Amounts owed by subsidiaries are unsecured and are repayable on demand.

6 Creditors (Amounts Falling Due Within One Year)

	2016 €'000	2015 €'000
Amounts owed to subsidiary undertakings (i)	346,150	380,478
Trade creditors (ii)	1,110	952
Accruals and other payables (ii)	5,229	12,200
Retirement benefit and related liabilities	1,692	1,694
Deferred tax – revaluation of properties	1,828	1,786
	356,009	397,110

(i) Amounts owed to subsidiaries are unsecured and are payable on demand.
(ii) Trade creditors, accruals and other payables are measured at amortised cost.

7 Deferred Tax – Net

	2016 €'000	2015 €'000
At 1 August	2,080	2,396
Charge for the year	(2,405)	(316)
At 31 July	(325)	2,080

8 Post Employment Benefit Obligations

The Company operates a defined benefit pension scheme which is closed to new members.

Under FRS 102 calculations, the total deficit in the Company's defined benefit scheme at 31 July 2016 was €2,182,000 (2015: €6,423,000). The pension charge in the profit and loss account for the period in respect of the Company's defined benefit scheme was €225,000 (2015: €327,000).

The expected contributions from the Company for the year ending 31 July 2017 are €395,000. The valuations of the defined benefit schemes used for the purposes of the following disclosures are those of the most recent actuarial valuations carried out at 31 July 2016 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

Post employment benefits included in the Company Balance Sheet comprises the following:

	2016 €'000	2015 €'000
Deficit in defined benefit schemes (see analysis below)	2,182	6,423
Provision to meet unfunded pensions	364	364
Total	2,546	6,787

	2016 %	2015 %
The main assumptions used by the actuary were as follows:		
Rate of increase in salaries	0.00%-2.00%	0.00 %-2.50 %
Discount rate in scheme liabilities	1.50%	2.30 %
Inflation rate	1.25%	1.75 %
The expected long-term rate of return on the assets of the schemes were:		
Equities	5.00%	5.50 %
Bonds	0.90%	1.70 %
Property	5.00%	5.50 %
Other	5.00%	5.50 %

Notes to the Company Financial Statements *(continued)*

8 Post Employment Benefit Obligations (continued)

	2016 €'000	2015 €'000
Net pension liability		
Market value of scheme assets:		
Equities	**2,267**	1,565
Bonds	**10,466**	6,106
Property	**4,407**	3,860
Other	**65**	61
Total market value of assets	**17,205**	11,592
Present value of scheme liabilities	**(19,387)**	(18,015)
Deficit in the scheme	**(2,182)**	(6,423)
Movement in value of scheme assets		
Value of assets at 1 August	**11,592**	8,256
Expected return on scheme assets	**325**	281
Actuarial gain	**1,974**	1,419
Employer contributions	**3,601**	1,810
Benefit payment	**(324)**	(211)
Employee contributions	**37**	37
Value of assets at 31 July	**17,205**	11,592
Movement in the present value of scheme obligations		
Value of scheme obligations at 1 August	**(18,015)**	(14,568)
Current service costs	**(158)**	(154)
Interest on scheme obligations	**(392)**	(454)
Actuarial loss	**(1,109)**	(3,013)
Benefit payment	**324**	211
Employee contributions	**(37)**	(37)
Value of scheme obligations at 31 July	**(19,387)**	(18,015)

	2016 €'000	2015 €'000
Movement in net liability recognised in the balance sheet		
At 1 August	**(6,423)**	(6,312)
Current service cost	**(158)**	(154)
Employer contributions	**3,601**	1,810
Other finance expense	**(67)**	(173)
Actuarial gain/(loss)	**865**	(1,594)
Net liability in scheme at 31 July	**(2,182)**	(6,423)
Analysis of defined benefit expense recognised in the profit and loss account		
Current service cost	**(158)**	(154)
Total recognised in operating profit	**(158)**	(154)
Expected return on scheme assets	**325**	281
Interest cost on scheme liabilities	**(392)**	(454)
Included in financing costs	**(67)**	(173)
Net charge to Company's profit and loss account	**(225)**	(327)

8 Post Employment Benefit Obligations (continued)

	2016 €'000	2015 €'000
Historical information		
Present value of the scheme obligation	**(19,387)**	(18,015)
Fair value of plan assets	**17,205**	11,592
Deficit in schemes	**(2,182)**	(6,423)

	2016 €'000	2015 €'000
Defined benefit pension expense recognised in the statement of changes in equity		
Actual return less expected return on scheme assets	**1,974**	1,419
Experience adjustment on scheme liabilities	**589**	(91)
Changes in demographical and financial assumptions	**(1,699)**	(2,922)
Actuarial gain/(loss)	**864**	(1,594)
Deferred tax (charge)/credit	**(108)**	199
Actuarial gain/(loss) recognised in statement of changes in equity	**756**	(1,395)
History of experience gains and losses		
Difference between expected and actual return on assets:		
– amount (€'000)	**1,974**	1,419
– % of scheme assets	**11.5%**	12.2%
Experience adjustment on scheme liabilities:		
– amount (€'000)	**589**	(91)
– % of scheme liabilities	**3.0%**	(0.5%)
Total actuarial loss recognised in statement of changes in equity:		
– amount (€'000)	**864**	(1,594)
– % of scheme liabilities	**4.4%**	8.8%

The cumulative loss recognised in the statement of comprehensive income is €19,094,000 (2015: €19,850,000).

9 Share Capital

	2016 €'000	2015 €'000
Authorised		
250,000,000 ordinary shares of €0.01 each (i)	**2,500**	2,500
Allotted, called up and fully paid		
126,378,777 ordinary shares of €0.01 each (i) (ii)	**1,264**	1,264

(i) Ordinary shareholders are entitled to dividends as declared and each ordinary share carries equal voting rights at meetings of the Company.

(ii) In December 2012, the issued ordinary share capital was increased by the issue of 1,212,871 ordinary shares of nominal value of €0.01 each, at an issue price of €4.04 each, pursuant to a share subscription by a wholly owned subsidiary for the purposes of the Origin Long-Term Incentive Plan 2012 ('2012 LTIP Plan'). Under the terms of 2012 LTIP Plan, 412,541 of these shares were transferred to the Directors and senior management as a result of certain financial targets having been achieved in the three years to 31 July 2015. The remaining 800,330 ordinary shares continue to be held as treasury shares.

Notes to the Company Financial Statements *(continued)*

10 Transition To FRS 102

This is the first year the Company has presented its financial statements under FRS 102. The last financial statements prepared under previous Irish GAAP were for the year ended 31 July 2015. The date of transition to FRS 102 was 1 August 2014. Set out below are the changes in accounting policies which reconcile the total equity as at 1 August 2014 and 31 July 2015 between Irish GAAP as previously reported and FRS 102.

	2015 €'000	2014 €'000
Reconciliation of equity		
Equity (as previously stated under Irish GAAP)	268,413	224,631
Adjustments:		
Recognition of deferred tax liability on revaluation of properties [i]	(1,786)	(1,786)
Equity as restated under FRS 102	266,627	222,845

The following is the main accounting policy change adopted on the transition to FRS 102:

(i) **Recognition of deferred tax liability related to properties**
Previous GAAP did not allow the recognition of deferred tax liabilities on revaluation of properties. Under FRS 102 this liability should be recognised on the balance sheet as at 1 August 2014. The effect of the change is to reduce distributable reserves of the Company by €1.8 million.

(ii) Under FRS 102 the deferred tax asset at 1 August 2014 of €803,000 arising on the post employment benefit liability is now included within deferred tax on the balance sheet. Under previous GAAP this deferred tax asset was offset against the liability. This has no effect on the Company's equity or profit for the year.

11 Contingent Liabilities

In order to avail of the exemption under Section 357 of the Companies Act 2014 the Company has guaranteed the liabilities of all of its subsidiaries registered in Ireland. The Company has given guarantees to secure the obligations of its subsidiaries in respect of total committed bank facilities to the value of €430 million.

12 Share-Based Payment

All disclosures relating to the Long-Term Incentive Plan open to employees of the Company are set out in Note 9 to the Group financial statements. A reconciliation of equity entitlements is disclosed on page 51 of the Annual Report.

13 Statutory and Other Information

	2016 €'000	2015 €'000
Auditors' remuneration:		
– statutory audit	**20**	20
– other assurance services	**436**	370
– other non-audit services	**2**	8
(Loss)/profit for the financial year	**(2,580)**	70,529

All of the Group audit fee was recharged by the Company to its subsidiaries in the current year.

14 Employment

	2016 Number	2015 Number
The average number of persons employed by the Company during the year was as follows:		
Management and administration	**17**	17

	2016 €'000	2015 €'000
Aggregate employment costs of the Company are analysed as follows:		
Wages and salaries	**3,121**	3,954
Social welfare costs	**284**	386
Pension costs:		
– defined benefit schemes – statement of total recognised gains and losses	**(864)**	1,594
– defined benefit schemes – profit and loss account	**225**	327
Share-based payment credit	**(300)**	(76)
	2,466	6,185

15 Related Party Transactions

In the normal course of business, the Company undertakes arms-length transactions with its associates and other related parties. A summary of transactions with these related parties during the year is as follows:

	2016				
	Sale of goods €'000	Purchase of goods €'000	Rendering services to €'000	Receiving services from €'000	Total €'000
Transactions with joint venture	**–**	**–**	**204**	**–**	**204**
Transactions with associates	**–**	**–**	**205**	**–**	**205**

	2015				
	Sale of goods €'000	Purchase of goods €'000	Rendering services to €'000	Receiving services from €'000	Total €'000
Transactions with joint venture	–	–	211	–	211
Transactions with associates	–	–	448	–	448
Transactions with ARYZTA AG and its subsidiaries	–	–	205	(175)	30

Compensation of key management personnel

For the purposes of the disclosure requirements of FRS 102, the term 'key management personnel' (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Company), comprises the management team who have responsibility for managing the business and affairs of the Company. Comparatives are presented on a consistent basis.

	2016 €'000	2015 €'000
Salaries and other short term employee benefits	**1,621**	1,883
Post employment benefits	**234**	215
Share-based payments	**(300)**	(206)
Other long-term employee benefits	**–**	1,087
Total	**1,555**	2,979

16 Approval of Financial Statements

These financial statements were approved by the Board on 27 September 2016.

Company Information

Board of Directors

Rose Hynes (Chairman)
Kate Allum
Gary Britton
Declan Giblin
Imelda Hurley
Hugh McCutcheon (Senior Independent Director)
Rose McHugh
Tom O'Mahony
Christopher Richards

Board Committees and Company Secretary

Audit Committee
Hugh McCutcheon (Chairman)
Kate Allum
Gary Britton

Remuneration Committee
Kate Allum (Chairman)
Rose Hynes
Christopher Richards

Nomination Committee
Rose Hynes (Chairman)
Hugh McCutcheon
Tom O'Mahony

Risk Committee
Gary Britton (Chairman)
Hugh McCutcheon
Rose McHugh

Secretary and Registered Office
Imelda Hurley
4-6 Riverwalk
Citywest Business Campus
Dublin 24
Ireland

Advisors

Syndicate Bankers
Allied Irish Banks plc
Bank of Ireland plc
Barclays Bank Ireland plc
HSBC Bank plc
ING Bank NV
Rabobank Ireland plc
Ulster Bank Group

Auditors
PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Registrars
Capita Assets Services
Shareholder solutions (Ireland)
2 Grand Canal Square
Dublin 2
Ireland

ESM Adviser and Stockbroker
Goodbody
Ballsbridge Park
Ballsbridge
Dublin 4
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