Origin
ENTERPRISES PLC

Annual Report and Accounts 2017

Origin Enterprises plc is a leading Agri-Services group, employing over 2,300 people across 136 operating locations* in five countries.

Chairman's Statement

The Chairman's Statement details our performance, strategy and outlook.

Read more on **page 05**

Our Markets

Details of the markets in which we operate, both in Ireland and the UK and Continental Europe, are set out in this review.

Read more on **page 08**

Chief Executive's Review

The Chief Executive's Review includes details of the operational performance across the Group in 2017.

Read more on **page 12**

Strategy

Our objective is to grow a sustainable Agri-Services business which optimises value for our stakeholders.

Read more on **page 16**

Strategic Report

Governance

Financial Statements

* As of 31 July 2017.

Strategic Report

Highlights

A strong underlying performance

Origin delivered a solid operational and financial performance during the year ended 31 July 2017 as follows:

- Adjusted diluted earnings per share up 4.7 per cent to 46.62 cent, and up 14.7 per cent on an underlying basis at constant currency.
- Operating profit of €70.0 million, an increase of 4.1 per cent and up 12.3 per cent on an underlying basis at constant currency.
- Operating margin up 20 basis points to 4.6 per cent.
- Dedicated research partnership with University College Dublin and acquisition of Digital Agricultural Services group, Resterra, providing complementary extension in crop technology transfer.
- Completion of acquisition of fertiliser blending and nutrition business of Bunn Fertiliser in the UK in August 2017.
- Proposed final dividend of 17.85 cent, giving a total dividend of 21.0 cent (2016: 21.0 cent).

Key 2017 Financial Highlights

Revenue

€1.5bn

+0.5%

Underlying[3] increase:
3.4%

Operating Profit[2]

€70.0m

+4.1%

Underlying[3] increase:
12.3%

Adjusted Diluted EPS[1]

46.62 cent

+4.7%

Underlying[3] increase:
14.7%

Dividend Per Share

21.0 cent

(2016: 21.0 cent)

ROCE

13.7%

+10bps

Operating Margin[2]

4.6%

+20bps

1 Before amortisation of non-ERP intangible assets, net of related deferred tax (2017: €3.9 million, 2016: €3.1 million) and exceptional items, net of tax (2017: €9.3 million, 2016: €4.7 million credit).
2 Before amortisation of non-ERP intangible assets and exceptional items, and before the Group's share of profits of associates and joint venture.
3 Excluding currency movements and the impact of acquisitions.

Note: All references to constant currency in this Annual Report are due to the fact that the translation of non-euro denominated earnings are impacted by movements in local currency rates versus the euro, the Group's presentation currency. In order to reflect underlying performance more accurately in the period, the Group calculates results on a constant currency basis by retranslating non-euro denominated current year earnings at prior year exchange rates.

Origin at a Glance*

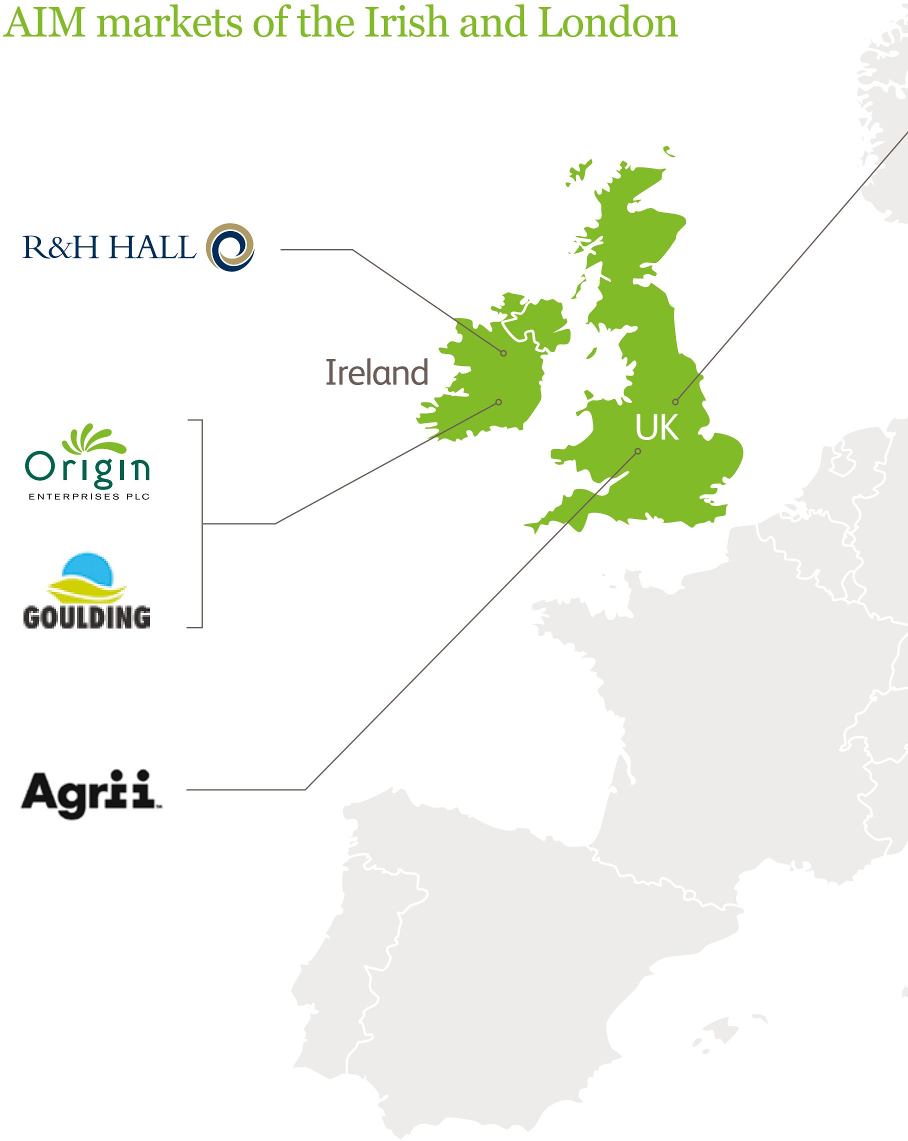
Origin is a focused Agri-Services group providing specialist On-Farm Agronomy Services, Digital Agricultural Services and the supply of crop technologies and inputs. The Group has leading market positions in Ireland, the UK, Poland, Romania and Ukraine. Origin is listed on the ESM and AIM markets of the Irish and London Stock Exchanges.

>2,300
Employees

670
Sales Force

28
Input Formulation and Processing Facilities

108
Distribution Points



Our evolution**

2007	2008	2011	2012
Origin is formed as a wholly owned subsidiary of IAWS Group plc ('IAWS')	Masstock, a leading supplier of speciality agronomy services in the UK and Poland, is acquired	All-Ireland grain and feed trading and handling business, R&H Hall, is established with W&R Barnett	The Group's UK agronomy services businesses, including Masstock and UAP, are combined under the Agrii brand
The Company is admitted to the ESM and AIM markets of the Irish and London Stock Exchanges. IAWS retains 71 per cent shareholding		United Agri Products ('UAP'), a premier supplier of agronomy services in the UK, is acquired	

* As of 31 July 2017. The Bunn acquisition was completed subsequent to the year end and is not reflected in this analysis.
** Timeline is based on Origin's Financial Year.

75
Demonstration Farms

60,000
Trial Units

46,000
Customers

11.8m Ha
Direct Farm Customer Footprint

2014

Following the disposal of an investment in a non-core associate, €100 million is returned to shareholders by way of a tender offer

The acquisition of Agroscope International, a leading provider of agronomy services in Ukraine, is completed

2015

Aryzta AG (formerly IAWS) commences the placing of its shareholding in Origin, reducing its interest to 29 per cent

2016

Aryzta places its entire residual shareholding in Origin

The Group expands its Continental European footprint with the acquisition of Kazgod in Poland and Comfert and Redoxim in Romania, all suppliers of agronomy services and inputs

2017

Origin acquires Digital Agricultural Services group, Resterra, which trades under the AgSpace and IPF brands

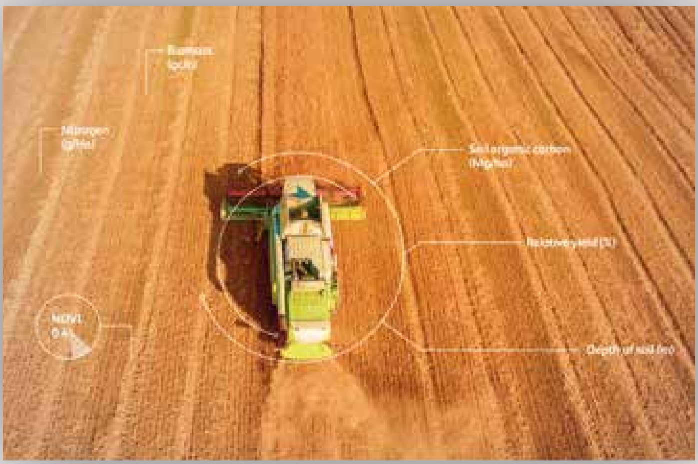
Completion of the acquisition of the fertiliser activities and certain assets of Bunn Fertiliser in the UK post year end

Strategy in Action

Transferring our **Knowledge**

Throws Farm Technology Centre is Origin's industry leading research and development facility and is central to our knowledge capability.

Read more on **page 22**



Investing in **Innovation**

Investment in innovation is driven through our research and data capability which allows us to influence the markets in which we operate.

Read more on **page 24**

Strengthening our **Sustainability**

Sustainability is central to our business model and combines application research, innovation and practical farming expertise.

Read more on **page 26**

Chairman's Statement

A strong underlying performance in 2017 and continued progress of strategic initiatives.

Dear Shareholder,

Performance

I am pleased to report a solid set of results for the year ended 31 July 2017. During the year we had a strong underlying operational and financial performance across the Group. While market conditions were highly competitive in 2017, the Group responded well and delivered an improved underlying business performance underpinned by good volume growth and higher margins. This performance more than offset the currency translation impact of sterling devaluation with total Group operating profit increasing by 12.3 per cent on an underlying basis at constant currency or 4.1 per cent on a reported basis. Adjusted diluted earnings per share was 46.62 cent, an increase of 4.7 per cent or 14.7 per cent on an underlying basis at constant currency.

Rose Hynes
Non-Executive Chairman

Details of our financial performance are set out in the Financial Review on pages 33 to 38.

Strategy

Our core strategic priority is to grow a sustainable Agri-Services business which optimises value for our stakeholders. We will deliver this by focusing on our key strategic priorities. These are:

> Application Research and Innovation.
> Operational Excellence.
> People Excellence.
> Strategic Acquisitions and Business Expansion.
> Delivering Long-term Shareholder Value.

Examples of this strategy being put into effect during the year are demonstrated in the Strategy in Action section of the Annual Report on pages 22 to 25.

In the current year we continued our focus on innovation with the establishment of a dedicated digital, precision agriculture and crop science collaborative research partnership with University College Dublin supported by Science Foundation Ireland ('SFI'). This is a five-year development programme which is being co-funded by Origin and SFI and reflects the Group's continued commitment to advancement and innovation in both the crop science and technology transfer arenas.

In addition, we continued our strategic acquisition programme with the acquisition of Resterra and the agreement to acquire Bunn Fertiliser. Resterra is a Digital Agricultural Services group which we acquired in March and provides us with an exciting opportunity to further develop our digital technology capabilities. The acquisition of Bunn Fertiliser was announced in March and completed subsequent to the financial year end. Bunn Fertiliser advances the Group's capacity to manage supply chain complexities as well as providing complementary customer and product channel access.

Dividend

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 2017 to 21.0 cent, equivalent to the previous year's annual dividend.

Board

As a Board, we are committed to excellence in governance practices to facilitate the effective stewardship and long-term success of the Group. Full details of our approach are set out in the Corporate Governance Statement on pages 46 to 51.

The Board currently comprises six Non-Executive Directors and three Executive Directors. Each of these Directors brings a wealth of knowledge, expertise and independence of mind to Board discussions. Board members meet frequently in Board Committees and at Board meetings. Additionally, the Non-Executive Directors meet as a group from time to time. All of these meetings focus on what is best for Origin, with discussions predominantly centred on business strategy, monitoring ongoing performance and evaluating proposed acquisitions.

I would like to thank the Board for its continued support for the business and its consistent hard work and commitment to the success of Origin.

Management and Employees

Throughout the Group, it is the hard work, dedication and innovation of our management team and employees which allows us to focus relentlessly on serving our customers well and to continually improve our performance. On behalf of the Board, I would like to thank all employees for their achievements this year and we look forward to their ongoing contributions in the years ahead.

Outlook

The business has continued to make commercial and strategic progress over the past year. While we anticipate a stable operating environment for primary producers in 2018, farm sentiment is expected to remain cautious reflecting general volatility in output markets. Our focus is on driving organic and acquisition growth opportunities and the Group is well placed to pursue these objectives. I remain confident that we can meet the challenges that lie ahead and continue the Group's successful long-term development.

On behalf of the Board, I would like to thank you, our shareholders, for your continued support.

Rose Hynes
Non-Executive Chairman
26 September 2017

Our Journey

Origin's history lies in the Irish cooperative movement, dating back to the 1890s. For over 100 years, our business has had leading market positions and operated successfully in the Irish Business-to-Business Agri-Inputs market, supplying fertiliser and speciality nutrition products to the agricultural sector. For the last ten years we have operated as a public company and considerably expanded our business.

Origin was successfully floated and admitted to the ESM and AIM listings of the Irish and London Stock Exchanges in 2007 as a standalone business. Acknowledging the strategic importance of direct relationships with primary producers, the Group sought to transition towards an operating model that provided more direct access to the farmer. This strategy was progressed in 2008 by the acquisition of Masstock, a leading supplier of speciality agronomy services in the UK and Poland. Origin's presence in the UK Integrated Agronomy and On-Farm Services market was consolidated through a number of additional acquisitions followed by the re-branding of the Group's direct farm UK operations under the Agrii brand in 2012.

Origin's strategic expansion in the Integrated Agronomy and On-Farm Services market continued by acquisition over the next number of years. Today we have an enlarged footprint in Continental Europe. Our Polish operation is Agrii and the Group's Romanian business comprises the On-Farm Services brands of Comfert and Redoxim. Our Ukrainian operation trades under the Agroscope brand.

Following significant shareholder changes in 2015, Origin appointed a number of new Non-Executive Directors to the Board, including a new Non-Executive Chairman. During 2015 and 2016 a series of governance changes were made.

Today our governance structure complements the expanding Origin Group, which now operates in five countries across Ireland, the UK and Continental Europe. Our primary routes to market in these geographies are through Integrated Agronomy and On-Farm Services, Digital Agricultural Services and Business-to-Business Agri-Inputs.

Reporting Structure

In recognition of the increased size of the Group's operations in Continental Europe, a series of changes have been made to internal reporting structures to reflect better how performance is managed. There will now be two separate reporting segments as follows:

Ireland and the UK

This segment includes the Group's wholly owned Irish and UK-based Business-to-Business Agri-Inputs operations, Integrated Agronomy and On-Farm Services operations and Digital Agricultural Services business. In addition, this segment includes the Group's associates and joint venture undertakings.

Continental Europe

This segment includes the Group's operations in Poland, Romania and Ukraine.

Segmental Analysis

	Revenue €'m	Operating Profit[2] €'m	Customers	Sales Staff
Ireland and the UK	955.0 + 2.9%[1]	53.4 +12.2%[1]	c.29,000 +9.4%	350 +7.7%
Continental Europe	573.5 +4.5%[1]	16.6 +12.7%[1]	c.17,000 +9.7%	320 +16.4%

1 Excluding currency movements and the impact of acquisitions.
2 Before amortisation of non-ERP intangible assets and exceptional items, and before the result from the Group's share of profits from associates and joint venture.

Our approach to Business-to-Business Agri-Inputs:

Foundations

- Well-established brands.
- Experienced and committed people.
- Strong on-farm presence.
- Flexible production facilities to cater for high seasonal variation in demand.

Innovation and R&D

- Leading bespoke fertiliser blender in Ireland and the UK.
- Continuous and technically-led product development.
- Environmentally sustainable product offering.
- Continuing benchmarking of production and plant performance.

Supply Chain

- Strategic locations and geographic spread.
- Well-invested blending and formulation facilities.
- Market share provides supply chain flexibility.
- Strong supplier partnerships.

Our approach to Integrated Agronomy:

Application Research and Analysis

- Investment in research and development to optimise crop productivity.
- 60,000 trial units managed across the UK and Continental Europe.
- Collaboration with key industry partners and universities.
- Analysis of the needs of primary producers.

Prescription Development

- Advise primary producers on all components of crop and field management.
- Recommendation of customised solutions to optimise yields and quality.
- Ensuring environmental and compliance requirements are met.

Application and Delivery

- Delivery of customised solutions to primary producers.
- Supply of seed, nutrition and crop protection technology to farms.
- Provision of ongoing advice and monitoring on the timing of the application of these products.

What is Agronomy?

Agronomy is the combination of science and applied farming expertise to enable growers to optimise the productivity of crops, whilst caring for the consumer, the soil and the environment. Agronomy services are provided direct to farmers by Agronomists.

What is an Agronomist?

An Agronomist is a specialist plant and soil scientist, who works directly with farmers to provide innovative research based advice and supply inputs and other related services, to optimise crop production.

How do our Agronomists interact with primary food producers?

Our Agronomists act as a trusted adviser to farmers in the provision of a range of services and inputs including:

> Specialist advice.
> Seed inputs.
> Crop protection products.
> Nutrition products.

Ireland and the UK

Origin has market leading positions in the UK Integrated Agronomy Services market and the Irish and UK Fertiliser and Speciality Nutrition markets. These market positions were achieved through a combination of acquisitions and organic growth. Today we support primary food producers and influence food production across Ireland and the UK.

Integrated Agronomy and On-Farm Services

In the UK, Origin operates on-farm under the Agrii brand and is the market leader in the provision of integrated agronomy services and inputs to primary food producers.

Our aim is to help these producers deliver sustainable crop yield enhancement and achieve improved economic benefits through the provision of specialist independent and innovative advice, inputs and related services.

This is enabled by:

- A coordinated set of research and development activities, including replicated trials, undertaken across the Group to develop unique systems to optimise crop productivity on a sustainable basis.
- Our team of expert agronomists who are specialist plant and soil scientists working directly with farmers and the agricultural community.
- Our highly efficient seed, fertiliser and crop protection supply chain.

For an overview of the Group's research and development activities, in particular at Throws Farm, one of our UK technology centres, please refer to pages 22 and 23.

In the UK, Origin influences agronomic decisions taken on:

- 33 per cent of combinable crops.
- 55 per cent of fruit farms.
- 45 per cent of vegetable crops.
- 45 per cent of potato crops.

Business-to-Business Agri-Inputs

In Ireland and the UK, Origin is a market leader in the blending and distribution of fertiliser and speciality nutrition products.

We are also the market leader in the amenity inputs market in the UK.

Our fertiliser and speciality nutrition brands are Goulding in Ireland and Origin Fertilisers in the UK.

Based in the UK, our principal amenity brands are PB Kent and Rigby Taylor. These businesses service the professional sports turf, landscaping, general amenity and niche agriculture sectors.

Our operations are founded on strong relationships with primary manufacturers and customers, and supported by strategically located and well invested formulation and blending facilities.

Our Business-to-Business model provides direct on-farm access, supplying farmers specialist products that are supported by continuous and technically-led product development delivering sustainable crop yield enhancement to our customers.

Our Feed Ingredients business, R&H Hall is a leading importer and supplier of raw material feed ingredients.

Associates and Joint Venture

Our investment in associates and joint venture includes John Thompson & Sons Limited, in which Origin has a 50 per cent shareholding. John Thompson & Sons Limited is the largest single site multispecies animal feed mill in the European Union.

Developments

To complement the Group's model of using replicated trials to develop growing systems, this year the Group completed the acquisition of Resterra, the Digital Agricultural Services group. Resterra provides an important enhancement to Origin's growing digital technology capabilities with a particular emphasis on expanding the Group's data driven crop management solutions framework for the benefit of existing and potential new customers and agronomists. Resterra specialises in the delivery of bespoke digital precision agronomy applications and is a leading provider of agri-tech services to primary producers, input manufacturers and agri-services companies.

For an overview of Resterra, please refer to pages 24 and 25.

In addition, the Group completed the acquisition of UK-based Linemark during the year. Linemark is an innovative market leader in sports and amenity marking solutions. It complements the Group's other amenity brands in the UK and provides an important extension of our amenity operation.

Origin announced in March 2017 that it had reached agreement to acquire the fertiliser activities and certain assets of Bunn Fertiliser Limited in the UK ('Bunn'). Bunn is a leading provider of prescription fertiliser blends and nutrition management systems servicing arable, grassland and horticultural sectors.

The completion of this transaction was subject to clearance from the Competition and Markets Authority ('CMA') in the UK. Following agreement in principle by the CMA of Origin's undertakings to address their areas of concern, Origin completed this transaction subsequent to the year end.

The acquisition of Bunn advances the Group's capacity to manage supply chain complexity as well as providing complementary customer and product channel access.

c.29,000
Customers

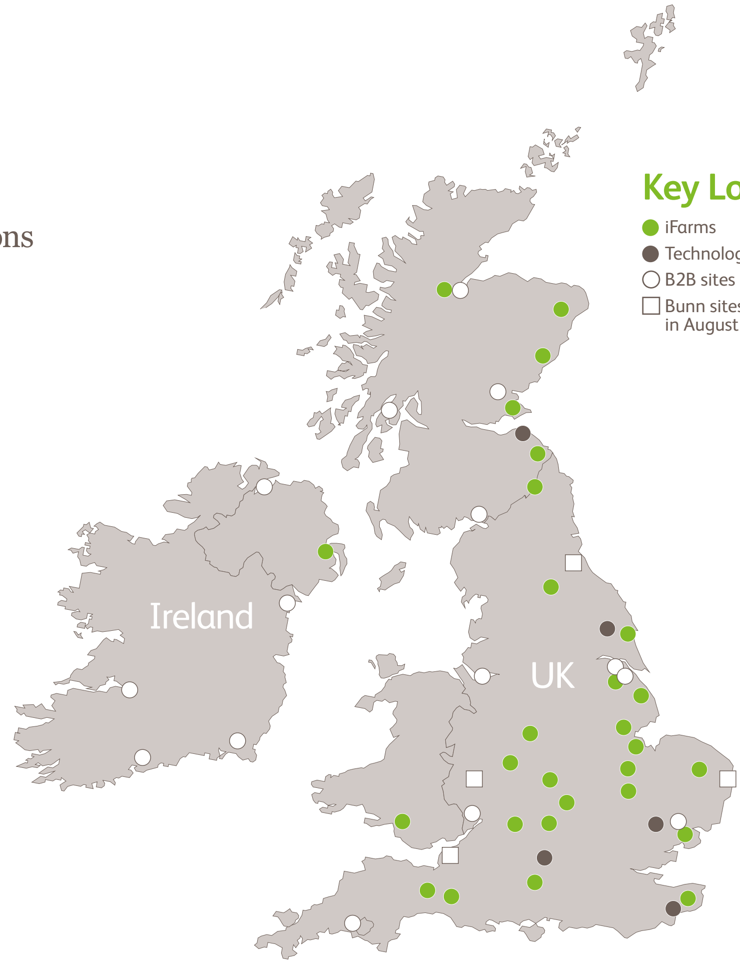
1.4m Ha
Customer Footprint

100-2,000 Ha
Principal Farm Size Range

>1,200
Employees

Our Markets

Our strategically located operations provide a platform to service our customers effectively across Ireland and the UK.



Key Locations

- iFarms
- Technology centres
- B2B sites
- Bunn sites – acquired in August 2017

iFarms

iFarms are a network of sites across the UK, where local farmers can view demonstrations of Agrii's agronomic innovations and discuss how these can be put into practice on-farm.

Technology Centres

Technology centres are research and development facilities where our skilled research staff develop and demonstrate innovative solutions to help meet farmers' needs.

The Role Origin Plays

Origin is a key influencer of primary food production in conjunction with our farmer and grower partners. We work with many of the leading farmers and growers across Ireland and the UK providing grain buyers, food processors and retailers direct and large-scale access to quality assured primary production.

We are a market leader in the provision of the specialist products and services required by primary producers to ensure quality, efficiency and to optimise economic return. Our aim is to guide and positively influence this process of primary food production.

In the UK, Agrii directly influences food production on a large scale. Our highly qualified and experienced agronomists oversee a detailed crop production management process and directly influence the production of key ingredients in the food sector:

Crop	Quantity	Equivalent of
Wheat	5.4 million tonnes	3.6 billion loaves of bread
Barley	3.1 million tonnes	14.5 billion pints of beer
Oil Seed Rape	770,000 tonnes	320 million litres of oil
Potatoes	2.3 million tonnes	750 million 2.5kg bags of potatoes

Source: Management estimate.

Continental Europe

Origin is a recognised market leader in the Continental European Integrated Agronomy Services markets in which it operates. Through the acquisition and integration of leading agronomy businesses in Poland, Romania and Ukraine, the Group has extensive experience and supports primary producers in those markets.

Poland

Origin's Polish brand is Agrii. The Agrii brand was launched in 2016 following the merger of Dalgety and the Kazgod Group. Agrii is the second largest agri-services provider in the Polish market.

Of the total cropping area in Poland of 10.8 million hectares, Agrii's customers have a farming footprint of 3.0 million hectares. Input spend per hectare in Poland is approximately 85 per cent of the EU average and average wheat yields are 33 per cent less than the EU average.

Agrii's new €6 million state-of-the-art seed processing and input formulation facility is on target to be operational early in the 2018 financial year. This facility will enhance the product capabilities of the business and extend its market leadership in the provision of high performing certified seed varieties to Polish farmers.

Romania

Origin's Romanian operations comprise the farm service brands of Comfert and Redoxim. Origin Romania is the second largest agri-services provider in the Romanian market.

Of the total cropping area in Romania of 8.0 million hectares, Origin Romania's customers have a farming footprint of 2.0 million hectares. Input spend per hectare in Romania is approximately 67 per cent of the EU average and average wheat yields are less than 50 per cent of the EU average.

During the year, our Romanian operations progressed the consolidation of research and development activities through our new dedicated programme 'Agricultura Plus'.

Ukraine

The Group's Ukrainian operations trade under the Agroscope brand. Agroscope is the third largest agri-services provider in the Ukranian market.

Of the total cropping area in Ukraine of 22.3 million hectares, Agroscope's customers have a farming footprint of 5.4 million hectares. Input spend per hectare in Ukraine is approximately 79 per cent of the EU average and average wheat yields are approximately 33 per cent less than the EU average.

During the year, Agroscope made further investment in research and development activities to optimise yield enhancement through technology transfer in addition to increased investment in technology centres which are known as 'Agrocentres' in Ukraine.

In Poland, the Agrii brand was launched in 2016 and is the second largest agri-services provider in the Polish market.

Our Markets

Our operations in Poland, Romania and Ukraine provide the Group with a well-connected and strong market position in the countries in which we operate.

c.17,000
Customers

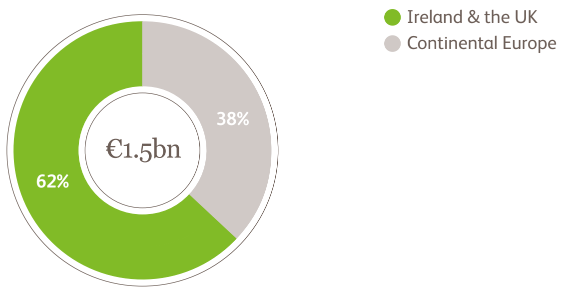
10.4m Ha
Customer Footprint

100-50,000 Ha[2]
Principal Farm Size Range

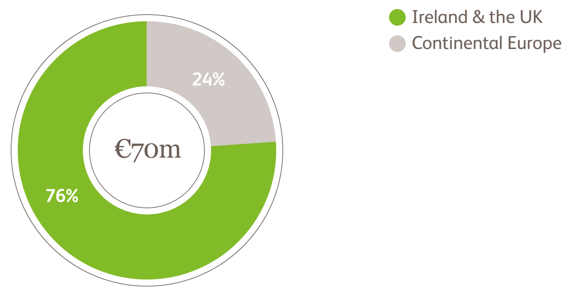
>1,100
Employees

Key Highlights

Revenue[1]
by Geography



Operating Profit[1]
by Geography



1 Revenue and EBIT before the Group's share of profits of associates and joint venture.
2 Principal farm size range for Poland is 100-1,000 hectares, Romania is 100-600 hectares and Ukraine is 5,000-50,000 hectares.

Origin has delivered a solid financial result in 2017, recording a 4.7 per cent increase in adjusted diluted earnings per share.

While market conditions were highly competitive, a combination of sustained volume growth and higher margins underpinned a strong underlying business performance which more than offset the adverse currency translation impact of sterling depreciation.

Demand for agronomy services and inputs was positively influenced by a more stable near-term planning environment for primary producers together with the benefit of generally settled weather leading to good crop planting and growing conditions.

We continue to prioritise growth opportunity in Agri-Services while also focusing on operational and commercial effectiveness. The acquisition development and innovation investments made during the year will broaden the Group's service offer and capabilities in systemised crop technology transfer.

Financial and Operating Highlights

> Adjusted diluted earnings per share[2] up 4.7 per cent to 46.62 cent, and up 14.7 per cent on an underlying basis at constant currency.
> Operating profit[1] of €70.0 million, an increase of 4.1 per cent, and up 12.3 per cent on an underlying basis at constant currency.
> Operating margin[1] up 20 basis points to 4.6 per cent.
> Dedicated research partnership with University College Dublin and acquisition of Digital Agricultural Services group, Resterra, providing complementary extension in crop technology transfer.
> Completion of acquisition of fertiliser blending and nutrition business of Bunn Fertiliser in the UK in August 2017.
> Proposed final dividend of 17.85 cent, giving a total dividend of 21.0 cent (2016: 21.0 cent).

Financial and Operating Highlights

Group Revenue	Operating Profit[1]	Operating Margin[1]	Adjusted Diluted EPS[2]	ROCE
€1.5bn	€70.0m	4.6%	46.62c	13.7%
+0.5%	+4.1%	+20bps	+4.7%	+10bps

Operational Review
Ireland and the UK

	2017 €'m	2016 €'m	Change on prior year Change %	Underlying[ii] %
Revenue	**955.0**	1,023.6	(6.7)%	2.9%
Operating profit[i]	**53.4**	52.7	1.3%	12.2%
Operating margin[i]	**5.6%**	5.1%	50bps	–
Associates and joint venture[iii]	**4.4**	5.6	(21.4)%	(14.3)%

(i) Before amortisation of non-ERP intangible assets and exceptional items.
(ii) Excluding currency movements and the impact of acquisitions.
(iii) Profit after interest and tax before amortisation of non-ERP intangible assets and before exceptional items.

Ireland and the UK delivered a satisfactory performance recording a 12.2 per cent increase in underlying operating profit in a competitive market environment. Operating margin increased 50 basis points to 5.6 per cent primarily driven by higher sales of value added technologies.

The positive impact of sterling depreciation on crop output values, along with a favourable year-on-year backdrop to global dairy markets, and lower unit costs for key macro inputs, were the principal drivers of an improvement in farm incomes in the period.

Integrated Agronomy and On-Farm Services
The Group's Integrated Agronomy and On-Farm Services business, Agrii, delivered a satisfactory performance following particularly difficult trading conditions in 2016. Higher output prices in local currency together with lower than expected input cost inflation supported increased agronomy services and input demand. The business responded well to the more challenging market dynamic with a renewed focus on high service channels and value added technologies resulting in higher volumes and improved margins across all service and input portfolios.

Agrii continues to extend the Group's position in the provision of systemised crop technology transfer direct to farm. This is supported by a comprehensive service offer, market leading agronomic research and technical support, and strong software based decision support capabilities.

Digital Agricultural Services
In March 2017 the Group completed the acquisition of Resterra, the Digital Agricultural Services group. Resterra specialises in the delivery of bespoke digital agronomy applications and is a leading provider of agri-tech services to primary producers, input manufacturers and agri-services companies.

Strong progress on integration in the period has complemented a very satisfactory financial performance from Digital Agricultural Services. Priority focus areas since the acquisition of Resterra have included the development of new agronomy applications, organisational design and the launch of precision farming services across Origin's Continental European footprint.

Business-to-Business Agri-Inputs
Business-to-Business Agri-Inputs delivered good growth in operating profits in the period with performance principally supported by higher volumes and margins in fertiliser.

Tom O'Mahony
Chief Executive Officer

Net Debt	Full Year Dividend[3]
€31.5m	21.0c

1 Before amortisation of non-ERP intangible assets and exceptional items, and before the Group's share of profits of associates and joint venture.
2 Before amortisation of non-ERP intangible assets, net of related deferred tax (2017: €3.9 million, 2016: €3.1 million) and exceptional items, net of tax (2017: €9.3 million, 2016: €4.7 million credit).
3 Interim dividend of 3.15 cent per ordinary share paid in April 2017. Total of interim dividend and proposed final dividend is 21.0 cent per ordinary share.

Chief Executive's Review *continued*

Fertiliser
Strong early season demand drove higher volumes for the year as a whole as primary producers benefitted from greater certainty in raw material pricing and more favourable farm economics.

Speciality nutrition applications maintained solid development momentum and underpinned improved margins in the period. The business is focused on addressing the evolving requirements of primary producers for balanced nutrition planning to restore soil health and optimise crop productivity. Our branded presence on-farm continues to be enhanced, for example, through technologies that facilitate the effective delivery of essential trace elements to animals and arable crops using prescription fertiliser applications.

Amenity
Origin Amenity, which incorporates a market leading portfolio of brands focused on the provision of management and maintenance solutions to the professional sports turf, landscaping, general amenity and niche grassland sectors in the UK, achieved a very satisfactory performance in the year reflecting good underlying volume growth across all business channels.

New customer development continues to be supported through the formation of industry leading partnerships together with comprehensive product development and formulation capabilities, enabling the business to meet the requirements for new and innovative integrated turf improvement programmes.

The integration of Headland Amenity, acquired in 2016, was successfully completed in the period. In July 2017 the Group acquired Linemark in the UK. Linemark is an innovative market leader in advanced sports and amenity marking solutions. The acquisition enhances the existing service offer as well as providing new customer extension opportunity.

Feed Ingredients
Feed Ingredients achieved a satisfactory performance underpinned by good volume growth in competitive trading conditions. Volume improvement largely reflects a more favourable demand backdrop resulting from a combination of higher dairy cow numbers and improved returns for grassland farm enterprises that are seeking to maximise milk production following the abolition of production quotas in 2015.

There was an excellent operational performance from the business in the period including the successful implementation of a new Enterprise Resource Planning system and the commissioning of new grain handling and logistics capacity.

The Group's animal feed manufacturing associate, John Thompson & Sons Limited, in which the Group has a 50 per cent shareholding, delivered a satisfactory performance in the period.

Design concept of Agrii's new state-of-the-art specialised seed processing and input formulation facility in Aleksandrów, Poland.

Continental Europe[(i)]

			Change on prior year	
	2017 €'m	2016 €'m	Change %	Underlying[(iii)] %
Revenue	**397.3**	320.3	24.0%	12.2%
Operating profit[(ii)]	**16.2**	14.9	8.7%	10.3%
Operating margin[(ii)]	**4.1%**	4.6%	(50bps)	–

(i) Excluding crop marketing. While crop marketing has a significant impact on revenue, its impact on operating profit is insignificant. For the year ending 31 July 2017 crop marketing revenues and profits attributable to Continental Europe amounted to €176.2 million and €0.4 million respectively (2016: €177.3 million and a loss of €0.3 million respectively). An analysis of revenues, profits and margins attributable to agronomy services and inputs more accurately reflects the underlying drivers of business performance.
(ii) Before amortisation of non-ERP intangible assets and exceptional items.
(iii) Excluding currency movements and the impact of acquisitions.

Continental Europe performed satisfactorily in 2017 delivering a 10.3 per cent increase in underlying operating profit. Market conditions were generally highly competitive as farmers responded to volatile output markets and the impact of the challenging growing season in 2016. Operating margin has reduced from 4.6 per cent to 4.1 per cent in the period primarily reflecting the timing of acquisitions in 2016.

Poland
Poland delivered a solid performance in 2017. Higher margins in the period were underpinned by an improved portfolio mix of value added technologies. On-farm activity showed positive momentum against a weak 2016 comparative, however service and input demand was largely subdued reflecting a delayed start to spring seasonal activity in 2017 and the impact on primary producers of poor harvest yield and quality in 2016. Total winter and spring plantings for the main arable, root and vegetable crops were broadly in line with 2016 levels at approximately 7.4 million hectares.

The new €6 million seed processing and input formulation facility is on target to be operational early in the 2018 financial year. This facility will enhance the product capabilities of the business and extend its market leadership in the provision of high performing certified seed varieties to Polish farmers.

Romania
Romania delivered a strong performance in the period with good growth achieved across the principal sales channels. Demand was resilient in the case of the main cropping enterprises underpinned by a 2 per cent increase in the total arable, root and vegetable cropping area to approximately 6.6 million hectares. Crop development was satisfactory, notwithstanding the impact of intermittent unseasonal weather patterns in the third quarter.

Nutrition portfolios performed strongly in 2017 reflecting the focus on meeting demand from primary producers for improved ranges and speciality applications.

Good progress was achieved in business integration with the continued development of trial demonstration farms and knowledge transfer infrastructure supporting the delivery of enhanced technical support on-farm.

Ukraine
Ukraine delivered a good performance in the period, achieving higher revenues and margins underpinned by a favourable portfolio mix of services and input technologies.

An improved macro-economic backdrop contributed to a more favourable financing environment for primary producers. Total winter and spring plantings for the main arable, root and vegetable crops were broadly in line with 2016 levels at approximately 22.0 million hectares.

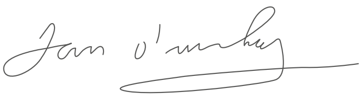
Soil fertility and seed technology applications maintained good growth momentum with new customer gains supported through an expansion of the agronomy sales force together with an extension of the regional distribution footprint of the business. Solid progress has been made during the year leveraging the Group's supply chain partnerships to secure access to high specification technologies.

Other Developments
During the year, Origin continued its investments in innovation with the appointment of Professor Jimmy Burke as Head of Research and Knowledge Transfer.

The Group also announced the establishment of a dedicated digital, precision agriculture and crop science collaborative research partnership with University College Dublin, supported by Science Foundation Ireland ('SFI'). This five year development programme underpinning the research partnership is being financed by a €17.6 million investment which is co-funded by Origin and SFI.

Origin announced in March that it had reached agreement to acquire the fertiliser blending and nutrition business of Bunn Fertiliser in the UK. Bunn is a leading provider of prescription fertiliser blends and nutrition management systems servicing arable, grassland and horticultural enterprises. In August 2017, Origin announced the completion of this transaction following the acceptance by the Competition and Markets Authority of a number of undertakings provided by Origin, including the disposal of one Bunn fertiliser blending facility.

Outlook
While we anticipate a stable operating environment for primary producers in 2018, farm sentiment is expected to remain cautious reflecting general volatility in output markets. Origin remains focused on capturing growth opportunity in systemised crop technology transfer and is well positioned to capitalise on its scalable business platforms, development opportunities and strong balance sheet.



Tom O'Mahony
Chief Executive Officer
26 September 2017

Strategy

Our objective is to grow a sustainable Agri-Services business which optimises value for our stakeholders.

We will achieve this through focusing on five key strategic priorities.

Strategic Priorities

Application Research and Innovation

The aim of our application research and innovation is to focus on yield enhancement, localisation and technology transfer for our customers, which will be achieved through scalable research capabilities combined with digital technologies and highly technical specialists.

Our investment in these innovations enables us to develop comprehensive and evidence-led technical strategies that support our customers in optimising value.

Operational Excellence

Origin aims to maintain our position as a recognised market leader in each of the markets in which we operate. These leading market positions provide relevant routes to market for our services and technologies to enable our customers to optimise the productivity of their crops.

We will achieve operational excellence by focusing on developing our core operations through operational efficiency, effective financial management, leveraging our scale and maximising technology transfer.

We will continue to provide value added solutions to our customers designed to optimise returns and the economic potential of their enterprises.

People Excellence

People are central to what we do at Origin. Our skilled and dedicated colleagues enable us to execute our strategic agenda and to drive performance.

Our people are key to ensuring we are the supplier of choice to our customers.

Our customers are central to our operations and our people are key to delivering the solutions they require.

Corporate Development: Strategic Acquisitions and Business Expansion

Origin's Corporate Development function has a track record of making successful acquisitions.

We have a strong focus on efficient integration to ensure that our acquisition strategy is successful and value enhancing.

Delivering Long-Term Shareholder Value

We aim to maximise long-term value for our shareholders. We continue to drive operational and commercial performance across the Group with particular areas of focus including:

> Targeting growth in new and existing markets.
> Maximising return on capital employed and maintaining an appropriate dividend policy.
> Converting earnings to cash in an efficient manner.
> Selective acquisitions complementing our existing businesses.

2017 Progress	2018 Focus
Origin operates 12 research facilities and 75 demonstration farms across five countries. In 2017, 60,000 trial units were undertaken across our operations. In the UK we hosted 5,500 visits from primary producers across 130 separate demonstrations. Our commitment to application research, localisation and innovation was further progressed during 2017 with the announcement of a Collaborative Research Agreement with University College Dublin, co-funded by Science Foundation Ireland, and the acquisition of the Digital Agricultural Services group, Resterra.	The Group will continue our focus on application research, localisation and innovation via our technology centres and demonstration farms. This will help ensure that we remain at the forefront of innovative technologies and allow us to develop further a coordinated set of research and development activities across the Group. The Group will continue to integrate and develop our digital strategy as well as progress the Collaborative Research Agreement with University College Dublin.
In 2017, on a constant currency basis, Origin delivered underlying revenue growth of 3.4 per cent and underlying operating profit growth of 12.3 per cent. During the year, we commenced a €6 million capital expenditure project for the expansion of a specialised seed processing and input formulation facility in Poland, providing the Group with the production capability to achieve a market leading position in the provision of seed technology in that geography.	The Group will continue to develop our core operations and will invest in the areas of our business that provide opportunities for future growth.
The Group has over 2,300 employees of which 670 are agronomists/sales staff. During the year, the Group appointed a Head of Group Human Resources whose key priorities include the training and development of our people.	The Group will continue to keep people at the centre of our operations and will continue to invest in their development to enable Origin to execute its strategic agenda and to drive performance.
During the year, Origin acquired Resterra and Linemark. The Group also announced that agreement had been reached to acquire the fertiliser activities and certain assets of Bunn Fertiliser, which was completed subsequent to the year end. In 2017 we continued to successfully integrate the acquisitions completed in 2016.	The Group will continue to develop our operations in markets which we believe provide opportunities for future growth and enter into new geographies on a selective basis based on strategic importance, capital requirements and expected financial returns.
In 2017, on a constant currency basis, Origin delivered underlying revenue growth of 3.4 per cent and underlying operating profit growth of 12.3 per cent. Total dividend per share of 21 cent has been proposed for 2017, which is consistent with 2016. ROCE for 2017 was 13.7 per cent, an increase of 10bps. Cash flows from operating activities of €26.3 million were generated during the year.	The Group will continue to focus on driving shareholder value through maximising the performance of our core operations and identifying appropriate acquisitions.

Business Model

Our business model focuses on developing expertise and transferring knowledge across our markets, to optimise value for our stakeholders.

Inputs

Our resources

Expertise
Investment in research, development of innovation and the use of data to deliver scalable solutions and provide value add.

Intellectual
Knowledge and IP transfer to primary producers across our geographies.

Financial
Solid financial base to fund growth organically and through acquisitions.

Human
Excellence of our people to meet the needs of primary producers.

Partnerships
Strong and established partnerships with stakeholders.

Sustainability
Commitment to communities and environments in which we operate.

Activities

What we do

Our businesses specialise in the provision of independent and innovative advice, inputs and related services to farmers to help them optimise crop yield and economic returns.

How we deliver

Our delivery is focused on two geographical regions – Ireland and the UK, and Continental Europe. Delivery across these two segments is via the following channels:

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.

Digital Agricultural Services:
Provides bespoke digital agronomy applications and agri-tech services to primary producers, input manufactures and agri-service companies.

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. prescription blended fertilisers and animal feed ingredients. In addition, Origin is a market leader in advisory, service and input provision to the professional sports turf, landscaping and amenity sectors in the UK.

Outputs

Creating value

>2,300
Employees

46,000
Customers

11.8m Ha
Customer Footprint

€1.5bn
Revenue

€70.0m [1]
Operating Profit

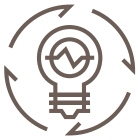
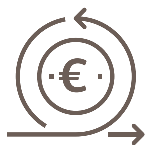
€25.5m
Acquisition Cash Spend

13.7%
ROCE

21.0c
Dividend

Outcomes

Sustaining value

Sustaining value	Strategic reference
Application Research and Innovation	
Operational Excellence	
People Excellence	
Corporate Development: Strategic Acquisitions and Business Expansion	
Delivering Long-Term Shareholder Value	

1 Before amortisation of non-ERP intangible assets and exceptional items, and before the Group's share of profits of associates and joint venture.

Key Performance Indicators

Origin employs financial and non-financial Key Performance Indicators ('KPIs') which benchmark progress towards our strategic priorities.

KPIs are reviewed and monitored on a regular basis and are amended to better reflect the Group's key performance measures when required.

Key Performance Indicators (shown with linkage to strategic priorities)

Adjusted Diluted Earnings per Share ('EPS')

Measures adjusted diluted EPS in the current year compared to the prior year.

Performance

46.62c

(2016: 44.51 cent per share)

+4.7%

+14.7%[1]

Performance Trend

2017	46.62c
2016	44.51c
2015	60.1c
2014	57.51c

2018 Focus

The Group's aim is to target growth in adjusted diluted EPS, while recognising that factors outside our control may cause inter-year variances.

1 On an underlying constant currency basis.

Return on Capital Employed ('ROCE')

ROCE is defined as Group earnings before interest, tax and amortisation of non-ERP related intangible assets taken as a percentage of Group Net Assets.

Performance

13.7%

(2016: 13.6%)

+10bps

Performance Trend

2017	13.7%
2016	13.6%
2015	19.8%
2014	19.7%

2018 Focus

The Group's long-term goal is to deliver returns in excess of the Group's cost of capital.

Acquisition Consideration

Measures total acquisition consideration in respect of acquisitions completed during the current year, including deferred/contingent consideration.

Total Consideration

€25.4m

(2016: €76.8m)

Performance Trend

2017	€25.4m
2016	€76.8m
2015	
2014	€28.9m

2018 Focus

Our aim is to target acquisitions that complement our existing business in addition to adding to our revenue and profit base.

Strategic Priorities Key:

- Application Research and Innovation
- Operational Excellence
- People Excellence
- Corporate Development: Strategic Acquisitions and Business Expansion
- Delivering Long-Term Shareholder Value

Net Cash Flow from Operating Activities

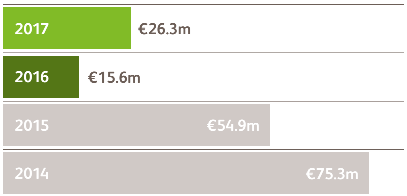
Measures net cash in-flows from operating activities after taking account of working capital movements.

Cash Flow

€26.3m

(2016: €15.6m)

Performance Trend



2018 Focus

Our aim is to continue our record of cash generation and conversion, while noting that inter year variances may arise, particularly as a result of working capital movements.

Dividend

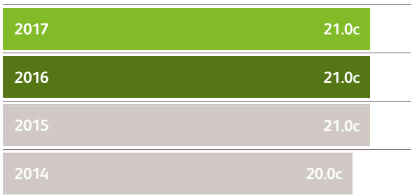
Measures the dividend per ordinary share proposed in the current financial year.

Performance

21.0c

(2016: 21.0 cent)

Performance Trend



2018 Focus

Our aim is to maintain dividends at an appropriate level taking account of the Group's financial performance.

Number of Agronomists and Sales Staff

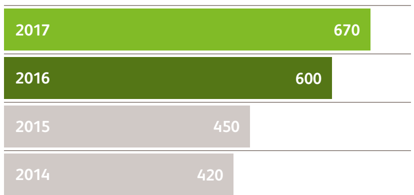
Measures the number of agronomists and sales representatives available to customers to ensure that the appropriate mix of experience and expertise is available.

Performance

670

+11.7%

Performance Trend



2018 Focus

Our target is to remain adequately resourced with skilled agronomists and sales representatives who can meet our customers' needs.

Number of Customers

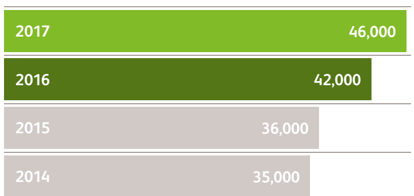
Measures the number of customers to which Origin provides services during the financial year.

Performance

46,000

+9.5%

Performance Trend



2018 Focus

We aim to increase market share in the coming year, and as a result increase the number of customers to whom we provide services.

Strategy in Action

As a leading provider of agronomy services, technology and strategic advice, Origin combines excellence and innovation with the latest research and development to ensure our customers can meet today's farming challenges with knowledge and confidence.

Throws Farm Technology Centre ('Throws') in the UK is Origin's industry leading research and development facility. Established in 1955, the activities undertaken at Throws create valuable knowledge and insights that allow us to develop a coordinated set of research and development activities across the Group. This research intelligence is used by our agronomists to deliver expertise and support for sustainable and profitable farming systems.

Transferring our Knowledge

Throws Farm Technology Centre

Origin's Industry Leading Research and Development Facility

Throws is one of five technology centres in operation across the UK, in addition to our network of 28 iFarms. Origin undertakes research and development activities at Throws to maintain and improve our position as a key supplier of agronomy solutions that are based on scientific evidence. This knowledge empowers our agronomists to provide integrated solutions that deliver greater return on investment for our farmer customers.

Origin maintains close links with academic and research institutions to ensure our agronomy advice benefits from the latest scientific thinking. Through the work carried out at Throws in tandem with our network of iFarms, we localise our findings to ensure that we enhance yield for all our customers wherever they are based.

The activities undertaken at Throws complement the dedication of our teams throughout the Group. Our aim is to appropriately replicate the research and development activities undertaken in the UK across our other geographies. In the UK, these activities include:

- >450 individual trials annually.
- >55,000 trial units annually.
- 130 separate demonstrations in 2017 to farmers.
- Demonstrations to 5,500 farmers annually.

"Throws Farm is an industry leading research and development facility, which delivers competitive advantage across the Group. The flow of information, genetics, knowledge and indeed enthusiasm from the Origin businesses across Europe excites us all, and we look forward to working closely with our colleagues to further develop this expertise."

Professor Jimmy Burke,
Head of Research and Knowledge Transfer

Crop Technology Application and Localisation Expertise

The activities undertaken at our Technology Centres, including Throws, allow us to build scalable research capabilities across all of Origin's geographies.

Poland

In 2017, varieties of wheat and oilseed rape have been exchanged between the teams in the UK and Poland to maximise the use of genetics between both countries. Blackgrass, a grass weed which for many years has extensively impacted yield across winter wheat in the UK, is now an emerging cause for concern in Poland. In this regard, research undertaken over the past 17 years in the UK provides our customers with a clear strategy of how to maximise their returns if blackgrass is present. This knowledge and experience is being transferred to Poland to enable our field staff provide leading advice in blackgrass control.

Romania

Through our Agricultura Plus programme, Origin Romania has demonstrated the transferability of our research capabilities. Over the last year, with the support of, and in consultation with, Throws research staff wheat and sunflower trials were undertaken in Romania in seven locations across the country. The purpose of these trials was to identify the best seed varieties tailored for specific regions of Romania. The trials focused on yield, tolerance, quality and winter resistance in wheat. These trials resulted in a tailored service offering previously not available in the local market.

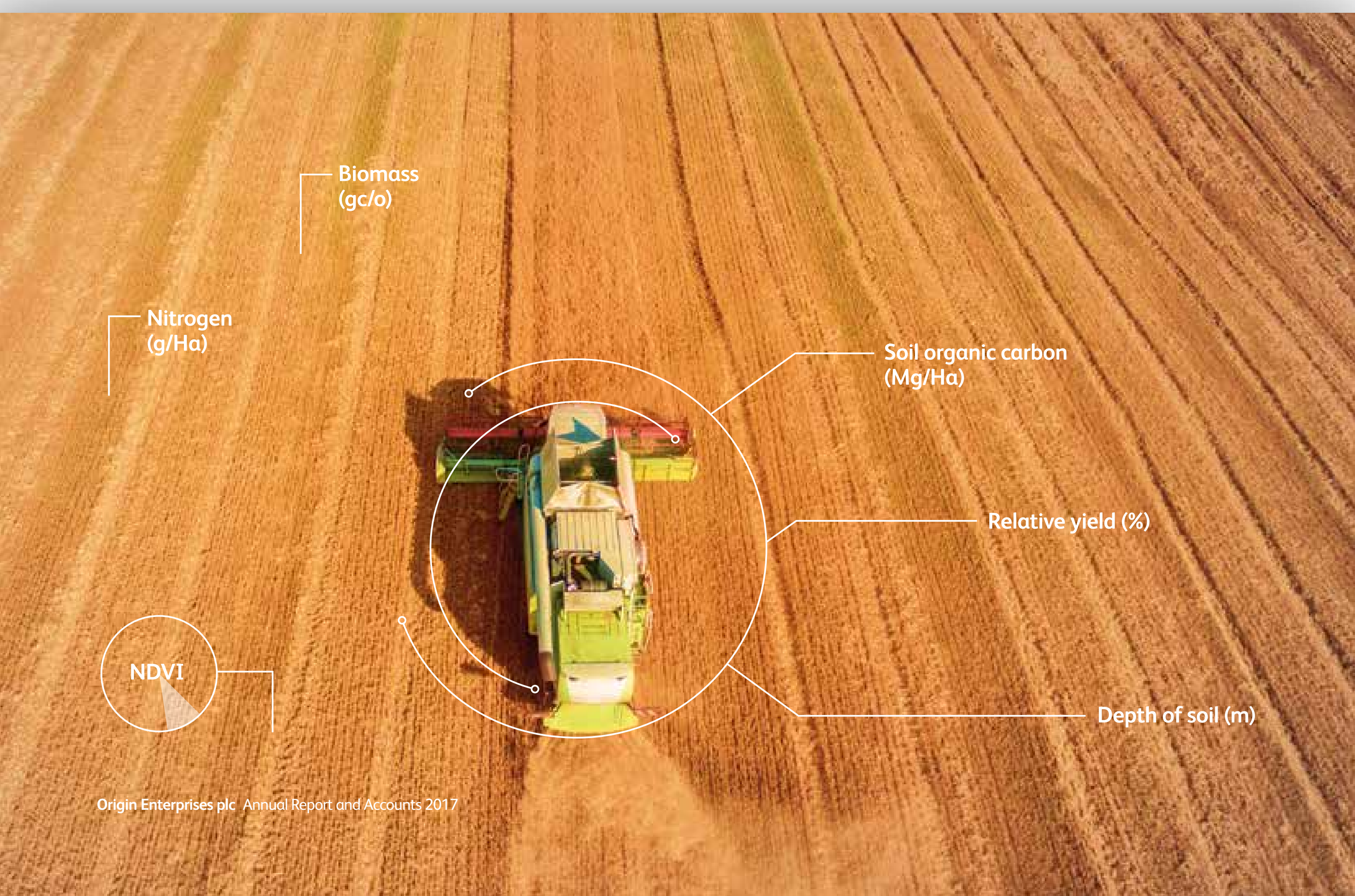
Ukraine

In 2015, UK-based Agrii advised Beal Farm on its wheat crop. This crop achieved a new world record for wheat yield (2015) at 16.52 tonnes per hectare. Our business in the Ukraine is working closely with the Throws team whose research supports the achievement of the above mentioned record. Their aim is to apply the relevant factors to the local Ukrainian conditions to maximise yields and ultimately assist a customer in achieving a new Ukrainian wheat record. Our experience in Ukraine also offers opportunities for new crop varieties to be transferred to the UK. The Throws team are currently evaluating Ukrainian soya varieties and the agronomic expertise that has been developed there.

Strategy in Action *continued*

Innovation is one of Origin's key differentiators and is a core component of the Group's strategy. Investment in innovation is driven through our application research and digital capability which allows us to influence positively the profitability, competitiveness and sustainability of the farmers we serve. During 2017, Origin furthered its long-term commitment to innovation through the acquisition of the Digital Agricultural Services group Resterra, and the announcement of a collaborative research agreement with University College Dublin, supported by Science Foundation Ireland.

Investing in Innovation



"The future of farming is not just what is happening on the land, it is growing and refining data to yield better results. Origin is continuing to focus on improving technology and providing data driven insights to our customers. To enhance crop yield and improved profitability, farmers need more support in making the right decisions. Origin's digital strategy will facilitate the bringing together of advanced research with digital channels, while continuing to support and enhance our sales and agronomy-led routes to market."

Tim Buckley, Head of Digital

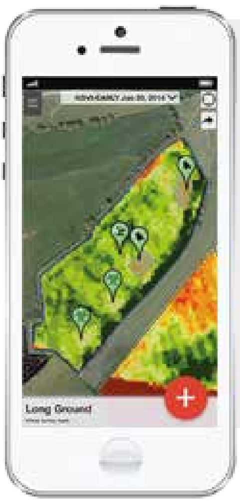
Investing in Resterra

Transforming Agri-Services and Farming Practices

Developments in Digital Agronomy Services are transforming the agriculture industry from field to fork, and Resterra is at the forefront of these developments. Resterra supports agri-businesses, agronomists and farmers to create, access and organise the information they need to make better farming decisions.

For over 25 years, Resterra group companies have exhibited an impressive track record in assisting producers, agronomists and farmers. Now, as part of Origin, its utilisation of technologies, such as optical and radar satellite imagery, together with fully integrated software platforms, will allow our customers and agronomists to take advantage of advanced adaptive agronomy services and solutions.

Resterra also maintains a direct channel to market through the IPF brand, which delivers a complete precision agronomy service to farmers. Resterra leads a number of world leading agri-tech research and development projects thereby maintaining an additional innovation pipeline.



Mobile Technology Solutions

Resterra utilises technology such as optical and radar satellite imagery, together with fully integrated software platforms, to allow customers to benefit from these advanced solutions on-farm.

Collaboration with University College Dublin

Crop Optimisation through Sensing, Understanding and Visualisation

During 2017, following the appointment of Professor Jimmy Burke as the Group's Head of Research and Knowledge Transfer, Origin and University College Dublin ('UCD') announced the establishment of a dedicated digital, precision agriculture and crop science collaborative research partnership. The five-year development programme underpinning this research partnership is supported by a joint €17.6 million investment which is co-funded by Origin and Science Foundation Ireland.

This collaboration encompasses a strong multi and inter-disciplinary approach, combining the leading expertise of UCD in data and agricultural science with Origin's integrated crop management research, digital systems capabilities and extensive on-farm knowledge exchange networks.

The objective of the programme is to build digitally-based and user-driven advisory tools that provide rapid and localised decision support for agronomists and farmers. A cornerstone of the development will be the creation of a scalable crop intelligence platform, which will incorporate consistent and real time data analysis to optimise sustainable crop performance.

Global developments in data science, decision support and prescriptive farming technologies are radically transforming the understanding, scope and breadth of crop technology transfer. Origin's commitment to investing in innovation will ensure that we remain a market leader in providing the specialist route to market for value added technologies, services and inputs.

Strengthening our Sustainability

As a leading Agri-Services Group, we are mindful of the challenges facing the natural ecosystems and recognise our ability to influence primary food producers in the many communities in which we operate.

Sustainability is central to our business model which combines research, innovation and practical farming expertise to enable growers to optimise the productivity of crops in the most efficient way, whilst caring for the consumer, soil and the wider environment.

Our Approach

We have always maintained a strong position on key sustainability matters such as regulatory compliance, health and safety, farming research and innovation and the environment. In order to have sustainability integrated into the heart of our thinking, we began a more strategic approach to defining our sustainability reporting, governance and key focus areas during the year.

This approach to sustainability aims to optimise long-term stakeholder value by generating economic, environmental and social value. As we are at the early stages of formally structuring our strategy, we focus on the Group's most material sustainability matters and build on the progress made by the individual Origin businesses to date.

Understanding our internal and external stakeholders' interests and issues helps us to form the structure of our strategy. While each of our stakeholder groups have different interests and issues, these engagements help us to recognise the risks and opportunities associated with our business. Among our key stakeholders are our customers, suppliers, employees, shareholders, local communities, universities and regulatory bodies.

In this, our first overview of sustainability, our focus is on research, cultivation techniques and technological developments in the advancement of sustainable farming solutions, central to our business model. In next year's annual report we will outline our key sustainability pillars, the most material matters and objectives under each pillar.

Our Governance

Our activities are governed by our Sustainability Steering Group led by the Executive Directors. Members include senior management from relevant business functions including operations, research, human resources, health and safety, digital and information technology. The Steering Group is responsible for defining and delivering our sustainability goals and ensure that our thinking on sustainability is embedded in our culture.

Examples of Sustainable Farming Developments

Our recent investment in Digital Agricultural Services and our collaboration with University College Dublin strengthens our capabilities to provide data driven insights to our customers and deliver effective farming solutions for the future. See case study 1.

Our ongoing research continues to focus on water efficiency, minimising pesticide usage and remedial programmes for soil and biodiversity solutions. See case studies 2 and 3.

Moving Forward

At Origin we recognise the challenges facing the food system, and our place within our industry brings many responsibilities extending across our operations and the wider communities in which we operate. We are committed to working with our stakeholders on sustainability matters and measuring the progress we make year-on-year.

Case Study 1

Precision farming Apps for sustainable farming

One of our recent developments is a range of Apps, available on mobile devices, which enable agronomists and growers to access real-time information to make immediate on-farm decisions.

Real-time information includes weather patterns, crop growth and development, pest and disease incidence and soil characteristics data. This information enables the grower to apply the appropriate dosage of nutrient and crop protection products at the required time.

These Apps not only help growers to optimise their costs and yields, but also reduce the carbon footprint per unit of production.

"Sustainability is an intrinsic part of a growing business. As the Origin sustainability journey evolves, we will continue to invest in our people, help our customers optimise their yield and reduce their environmental footprint through product research and innovation, and strive to reduce waste, and energy and water consumption. This is not just because it is good for our business but because it is the right thing to do."

Tom O'Mahony, Chief Executive Officer

Case Study 2

Influencing water use efficiency

Origin is well placed through its IrriQuest service to assist growers in the efficient use of water. IrriQuest, developed in 2012, uses a number of technologies such as capacitance probes to give a direct measurement of soil moisture state throughout the soil profile providing a near real-time view of soil moisture dynamics.

The information presented through a newly launched IrriQuest Dashboard provides growers with an empirical value of the soil moisture deficit based on the soil moisture probes, to enable them to determine where and how much water is needed. The IrriQuest service assists growers in increasing yields whilst using the optimum quantities of water.

Case Study 3

Leading the way on research and knowledge transfer

Our technology and research facilities and our extensive network of trial farms result in leading innovative solutions for Origin's customers.

As an example, we have since 2000 been researching blackgrass, a grass weed which grows predominantly in the UK and which significantly impacts winter wheat yields. Our research has focused on biological and cultural controls which include cultivation type, drilling date, catch/cover crop trials and rotation experiments with many new techniques being adopted and tested. The results of these methodologies and their outcomes have significantly reduced the prevalence of blackgrass and delivered improved crop yields and associated increased profitability of our farmer customers. While this weed is most prevalent in the UK, it has in recent years emerged in Poland. The knowledge and experience gained through our ongoing research allows Agrii (in the UK) to transfer knowledge and expertise to our Polish business which it can then employ in the delivery of innovative solutions to primary food producers in Continental Europe.

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 53. 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 mitigate 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.
> Report to the Board on how it has discharged its responsibilities.

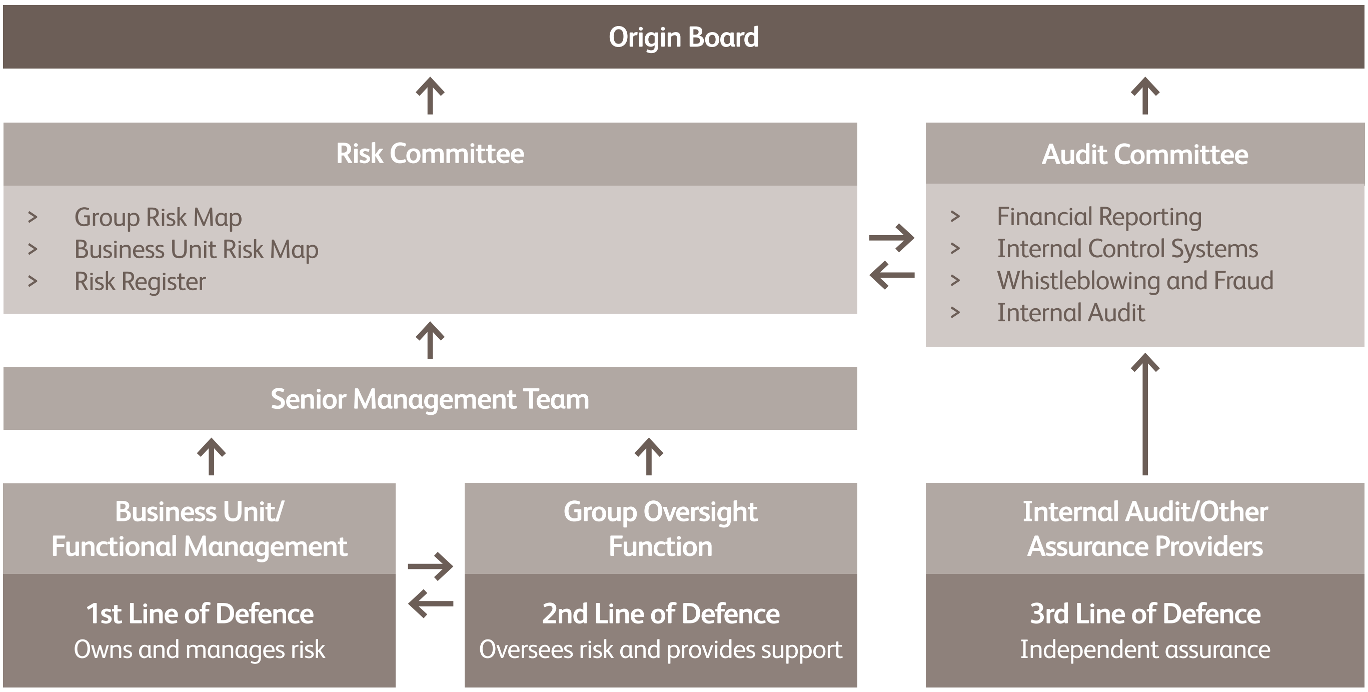
Risk Management Framework

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.
> The third line is Internal Audit and external professional advisers who provide a level of independent assurance.



Roles and Responsibilities

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

Board	> Set strategic objectives. > Set delegation of authority. > Continually review and monitor key risks of the Group. > Report on the effectiveness of the risk management and internal control systems.
Audit Committee	> Review and consider reports from Internal Audit. > Review and consider reports from External Auditors. > Review internal control systems. > Review whistleblowing arrangements. > Review concerns raised through the whistleblowing arrangements. > 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 and monitor the key risks of the Group and the mitigating actions in place. > 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 the risk management and control environment. > Review, assess and support the implementation of agreed risk mitigation and control programmes.
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 on risk matters to the Audit and Risk Committees.

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 2017 is set out below:

Length of tenure on Risk Committee	Years
Gary Britton	1.75
Hugh McCutcheon	1.75
Rose McHugh	1.75

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 half-yearly. 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.

Risk Report *continued*

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 risks 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.

Link to Strategic Priorities Key:

- Application Research and Innovation
- Operational Excellence
- People Excellence
- Corporate Development: Strategic Acquisitions and Business Expansion
- Delivering Long-Term Shareholder Value

Impact	Mitigation	Strategic Priority
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 application research and innovation 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. The business also 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 integrate acquisitions properly and to identify accurately 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.	

Impact	Mitigation	Strategic Priority
Strategic/Commercial		
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 many areas including Health and Safety, emissions and effluent controls. Failure to comply 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.	
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.	
Recruitment and retention of key personnel		
The ongoing success of the Group is dependent on attracting and retaining high quality senior management and front line employees who can effectively implement the Group's strategy.	The Group mitigates this risk through succession planning, strong recruitment processes, training programmes and offering competitive and attractive remuneration and benefits packages.	
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.	

Risk Report *continued*

Link to Strategic Priorities Key:

Application Research and Innovation | Operational Excellence | People Excellence | Corporate Development: Strategic Acquisitions and Business Expansion | Delivering Long-Term Shareholder Value

Impact	Mitigation	Strategic Priority
Financial		

Brexit uncertainty

Impact	Mitigation	Strategic Priority
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.	Delivering Long-Term Shareholder Value

Banking, credit, liquidity and market risk

Impact	Mitigation	Strategic Priority
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 mitigates 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.	Operational Excellence; Delivering Long-Term Shareholder Value

Fraud

Impact	Mitigation	Strategic Priority
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, where economically available, the Group has appropriate insurances in place to provide cover against such an event.	Operational Excellence; Corporate Development; Delivering Long-Term Shareholder Value; People Excellence

This Financial Review provides an overview of the Group's financial performance for the year ended 31 July 2017 and of Origin's financial position at that date.

Overview of Results

As outlined in the Chief Executive's Review on page 12, the Group delivered a solid financial result in 2017 in highly competitive market conditions.

Imelda Hurley
Chief Financial Officer

The key financial highlights include:

> Adjusted diluted EPS[3] of 46.62 cent.
> Operating profit[1] up 12.3 per cent on an underlying basis at constant currency.
> Group operating margin at 4.6 per cent, up from 4.4 per cent.
> Full year dividend maintained at 21.0 cent per share.

Results summary

	2017 €'m	2016 €'m
Revenue	**1,528.5**	1,521.3
Operating profit[1]	**70.0**	67.3
Associates and joint venture[2], net	**4.4**	5.6
Total Group operating profit[1]	**74.4**	72.9
Finance expense, net	**(6.9)**	(7.4)
Profit before tax[1]	**67.5**	65.5
Income tax[4]	**(8.7)**	(9.4)
Adjusted net profit	**58.8**	56.1
Adjusted diluted EPS (cent)[3]	**46.62**	44.51
Net (debt)/cash[5]	**(31.5)**	3.1

1 Operating profit and total Group operating profit are stated before amortisation of non-ERP intangible assets and exceptional items.
2 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.
3 Adjusted diluted earnings per share is stated before amortisation of non-ERP intangible assets, net of related deferred tax (2017: €3.9 million, 2016: €3.1 million) and exceptional items, net of tax (2017: €9.3 million, 2016: €4.7 million credit).
4 Income tax before tax impact of exceptional items and excluding tax on amortisation of non-ERP intangible assets.
5 Including restricted cash of €Nil (2016: €2.9 million).

Adjusted Net Profit Reconciliation

	2017 €'m	2016 €'m
Reported net profit	**45.6**	57.8
Amortisation of non-ERP intangible assets	**4.8**	4.3
Tax on amortisation of non-ERP related intangible assets	**(0.9)**	(1.2)
Exceptional items (net of tax)	**9.3**	(4.8)
Adjusted net profit	**58.8**	56.1

New Reporting Segments

In recognition of the increased size of the Group's operations in Continental Europe, a series of changes have been made to internal reporting structures to better reflect how performance is managed, and the Group now has two separate reporting segments as set out below.

Ireland and the UK

This segment includes the Group's wholly owned Irish and UK-based Business-to-Business Agri-Input operations, Integrated Agronomy and On-Farm Service operations and the Digital Agricultural Services business. In addition, this segment includes the Group's associates and joint venture undertakings.

Continental Europe

This segment includes the Group's operations in Poland, Romania and Ukraine.

An analysis of segmental revenues and operating profit for the Group before the Group's share of revenue/operating profit from associates and joint venture is set out below:

	2017		2016	
	Revenue €'m	Operating profit[1] €'m	Revenue €'m	Operating profit[1] €'m
Ireland and the UK	**955.0**	**53.4**	1,023.6	52.7
Continental Europe	**573.5**	**16.6**	497.7	14.6
	1,528.5	**70.0**	1,521.3	67.3

The result from the Group's associates and joint venture undertakings was €4.4 million (2016: €5.6 million).

Revenue

Revenue comprises the totality of revenue from the Group's operations (before the Group's share of revenue from associates and joint venture) in Ireland, the UK, Poland, Romania and Ukraine. These businesses provide Integrated Agronomy and On-Farm Services, Business-to-Business Agri-Inputs and Digital Agricultural Services.

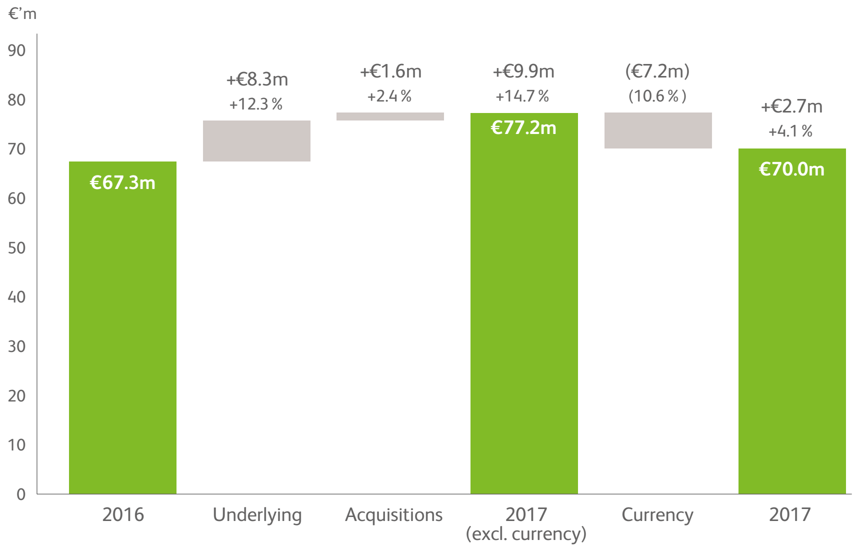
Revenue increased to €1,528.5 million from €1,521.3 million in the prior year, an increase of 0.5 per cent. On an underlying basis at constant currency, and excluding the impact of acquisitions, revenue increased by €51.6 million (3.4 per cent), with this movement principally reflecting increased service revenue and input volumes.

Operating Profit

Operating profit[1] amounted to €70.0 million compared to €67.3 million in the previous year, an increase of 4.1 per cent. On an underlying basis at constant currency, and excluding the impact of acquisitions, operating profit[1] increased by €8.3 million (12.3 per cent). This increase was primarily driven by higher volumes in agronomy services and inputs together with improved year-on-year margins. The Group operating margin has increased from 4.4 per cent to 4.6 per cent.

1 Before amortisation of non-ERP intangible assets and exceptional items, and before the Group's share of profits of associates and joint venture.
2 Including restricted cash of €Nil (2016: €2.9 million).

Operating Profit Bridge



Seasonality

The Group's operating profit[1] profile is significantly weighted towards the latter half of the financial year. An analysis of the quarterly revenue and operating profit[1] is set out in the following table:

	2017				
	Q1 €'m	Q2 €'m	Q3 €'m	Q4 €'m	Total €'m
Revenue	**333.6**	**230.9**	**548.7**	**415.3**	**1,528.5**
Operating profit[1]	**7.5**	**(5.5)**	**34.7**	**33.3**	**70.0**

	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[1]	3.8	(5.6)	24.6	44.5	67.3

€68.0 million of operating profit[1] was generated in the seasonally more important second half of the current year, a decrease of €1.1 million (1.6 per cent) on the second half of 2016.

Associates and Joint Venture

Origin's share of the profit after interest and taxation from associates and joint venture amounted to €4.4 million in the period.

Finance Expense and Net Debt

Net finance expense amounted to €6.9 million, a decrease of €0.5 million (6.1 per cent) on the prior year level. Average net debt amounted to €217.0 million compared to €190.0 million last year. Actual net debt at 31 July 2017 was €31.5 million[2] compared to actual net cash of €3.1 million[2] at the end of the previous year. The year-on-year movement in average net debt is driven largely by the timing of the 2016 acquisitions in Continental Europe. The year-on-year movement in year end net debt is driven primarily by the current year acquisition cash spend of €25.5 million and the timing of working capital movements.

Taxation

The effective tax rate for the year ended 31 July 2017 was 14.0 per cent (2016: 15.7 per cent), and reflects the mix of geographies where profits were earned in the year and the settlement of certain historical tax matters.

Financial Review *continued*

Exceptional Items

Exceptional items net of tax amounted to €9.3 million in the year. These principally relate to restructuring costs in the UK, along with acquisition and integration costs and are summarised in the table below:

Year ended 31 July	2017 €'m
Rationalisation costs, net	**8.3**
Net transaction and other related costs	**2.1**
Organisational design costs	**1.6**
Fair value adjustment on put option liability	**(2.7)**
Total exceptional items, net of tax	**9.3**

Adjusted Diluted Earnings per Share[1] ('EPS')

EPS[1] amounted to 46.62 cent per share, an increase of 4.7 per cent from 2016. The year-on-year increase of 2.11 cent per share can be summarised as follows:

Impact of	Cent per share	%
Underlying growth	6.55c	14.7%
Acquisitions	0.61c	1.4%
Currency	(5.05c)	(11.4%)
Total	2.11c	4.7%

Dividends

The Board recommends 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 (2016: 21.0 cent). Subject to shareholder approval at the Annual General Meeting, this final dividend will be paid on 15 December 2017 to shareholders on the register on 1 December 2017.

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.

Origin's financial position remains strong. At year end the Group had unsecured committed banking facilities of €400 million (2016: €400 million), with a syndicate of six banks. In May 2017, these facilities were extended for a further year and now expire in May 2022. In addition, the Group has a further €30 million of unsecured committed banking facilities which expire in September 2018.

Acquisitions

During the year, the Group completed the acquisitions of the Resterra Group and Linemark in the UK. In addition, the Group announced that it had reached an agreement to acquire the fertiliser activities and certain assets of Bunn Fertiliser Limited in the UK. In August 2017, Origin announced the completion of this transaction following the acceptance by the Competition and Markets Authority of Origin's proposed principle undertaking to address the sale of the Bunn site at Montrose in Scotland. Total acquisition cash expenditure during the year amounted to €25.5 million.

Cash Flow and Net Debt

Actual net debt at 31 July 2017 was €31.5 million compared with net cash of €3.1 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 2017 included:

	Covenant	2017 Full year times	2017 Half year times	2016 Full year times	2016 Half year times
Net debt[(a)]: EBITDA	Maximum 3.50	**0.49**	**1.95**	–	2.18
EBITDA: Net interest	Minimum 3.00	**11.45**	**11.51**	11.06	14.12

(a) The Group was in a net cash position at 31 July 2016.

1 Adjusted diluted earnings per share is stated before amortisation of non-ERP intangible assets, net of related deferred tax (2017: €3.9 million, 2016: €3.1 million) and exceptional items, net of tax (2017: €9.3 million, 2016: €4.7 million credit).
2 Including restricted cash of €Nil (2016: €2.9 million).

A summary cash flow is presented below:

	2017 €'m	2016 €'m
Cash flow from operating activities, before exceptional items	**78.5**	72.4
Change in working capital	**(26.0)**	(20.7)
Interest and taxation	**(14.5)**	(18.2)
Cash flow from ongoing operating activities	**38.0**	33.5
Exceptional items	**(11.7)**	(17.9)
Net cash flow from operating activities	**26.3**	15.6
Dividends received	**3.8**	2.9
Net capital expenditure – Routine	**(7.9)**	(4.3)
– Investment	**(6.9)**	(3.0)
Acquisition expenditure (including debt acquired)	**(25.5)**	(73.6)
Cash consideration on disposal of equity investment	**0.3**	1.1
Dividends paid	**(26.4)**	(30.3)
Other	**(0.6)**	(1.2)
Decrease in cash	**(36.9)**	(92.8)
Opening net cash	**3.1**	88.8
Translation	**2.3**	7.1
Closing net (debt)/cash[2]	**(31.5)**	3.1

Working Capital

For the year ended 31 July 2017, there was a working capital outflow of €26.0 million. Continued management of working capital remains a key area of focus for the Group given the associated funding costs and 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.

Return on Capital Employed

Return on capital employed is a key performance indicator for the Group, with Origin delivering 13.7 per cent in 2017 (2016: 13.6 per cent), as follows:

	2017 €'m	2016 €'m
Total assets	**1,083.0**	1,120.0
Total liabilities	**(796.3)**	(840.7)
Adjusted for:		
Net debt/(cash)[2]	**31.5**	(3.1)
Tax, put option and derivative financial instruments, net	**30.8**	38.1
Accumulated amortisation	**42.3**	39.4
Capital employed – 31 July	**391.3**	353.7
Average capital employed	**543.8**	534.6
Operating profit (excluding exceptional items)	**65.2**	63.0
Amortisation of non-ERP intangible assets	**4.8**	4.3
Share of profit of associates and joint venture	**4.4**	5.6
Return	**74.4**	72.9
Return on capital employed	**13.7%**	13.6%

For the purposes of this calculation, ROCE represents Group earnings before interest, tax and amortisation of non-ERP related intangible assets from continuing operations ('EBITA') taken as a percentage of Group net assets:

(i) EBITA includes the net profit contribution from associates and joint venture (after interest and tax) and excludes the impact of exceptional and non-recurring items.

(ii) Group Net Assets means total assets less total liabilities excluding net debt, derivative financial instruments, put option liabilities, accumulated amortisation of non-ERP related intangible assets and taxation related balances. Net Assets are also adjusted to reflect the average level of acquisition investment spend and the average level of working capital for the accounting period.

Financial Review *continued*

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 2017 are as follows:

	2017 €'m	2016 €'m
Non-current liabilities		
Deficit in defined benefit schemes	**3.6**	7.7

The movement during the year can be summarised as follows:

	€'m
Net liability at 1 August 2016	**7.7**
Current service costs	0.8
Past service costs	0.1
Other finance expense	0.2
Contributions paid	(1.5)
Remeasurements	(3.4)
Translation	(0.3)
Net liability at 31 July 2017	**3.6**

The remeasurements of €3.4 million principally relate to changes in demographic and financial assumptions together with remeasurement gains on scheme assets.

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.

Brexit

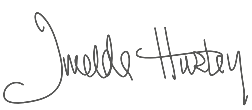
It is too early to assess the longer term implications of Brexit following the UK referendum vote in 2016 to leave the European Union. The Group recognises the period of uncertainty that currently exists until greater clarity on the final outcomes of the Brexit negotiations emerge, notably in relation to the implications for UK domestic agricultural policy, regulation and the future trading relationship between the UK and the European Union. The Group is planning a variety of scenarios which will be updated as Brexit outcomes become clearer. We continue to progress a number of strategic initiatives aimed at providing long-term sustainable benefits to the Group. We are confident that our business model is well placed to address the challenges and opportunities that may arise.

Share Price

The Group's ordinary shares traded in the range of €5.01 to €7.58 during the year from 1 August 2016 to 31 July 2017. The Group's share price at 31 July 2017 was €6.58 (31 July 2016: €5.40).

Investor Relations

The Group continues to focus on effective communications with shareholders. Contact with institutional shareholders is the responsibility of the Chief Executive Officer, Chief Financial Officer and Investor Relations Officer. During the year there were 165 meetings/conference calls with institutional investors across nine financial centres. A visit to Throws Farm Technology Centre in the UK took place, focusing on Origin's direct farm crop research and knowledge transfer capabilities, together with an overview of the Group's Business-to-Business Agri-Inputs business. This visit built on the Group's first Capital Markets Day in 2016.



Imelda Hurley
Chief Financial Officer
26 September 2017

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 9.0 per cent.

Cumulative cash flow over the period of €458.3 million reflects the strong cash-generative nature of the business and this cash flow has funded acquisition and development expenditure of €414.3 million.

Over the year the Group delivered a return on capital employed of 13.7 per cent, well in excess of the Group's cost of capital. With year end net debt of €31.5 million[3], 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	**2017 €'m**	**CAGR**
Year ended 31 July												
EBITA[1]	42.8	74.1	81.0	82.4	89.8	85.7	97.1	95.5	95.4	74.0	**75.3**	**5.8%**
Adjusted diluted EPS[2] (cent)	19.63	34.05	36.16	37.26	43.34	45.16	52.11	57.51	60.10	44.51	**46.62**	**9.0%**
Annual dividend (cent per share)	–	–	8.0	9.0	11.0	15.0	17.25	20.0	21.0	21.0	**21.0**	
Acquisition cash expenditure (cumulative)	–	157.4	193.9	195.1	274.4	288.2	301.8	315.2	315.2	388.8	**414.3**	
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	**458.3**	
Return of capital (cumulative)	–	–	–	–	–	–	–	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]	3.1[3]	**(31.5)**[3]	
Net debt/ EBITDA (times)	1.42	2.13	1.77	1.33	1.17	0.81	0.38	0.14	–[4]	–[4]	**0.49**	
ROCE %[5]	16.6%	19.4%	20.5%	18.8%	19.1%	17.4%	18.3%	19.7%	19.8%	13.6%	**13.7%**	

1 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.
2 Before amortisation of non-ERP intangible assets, net of related deferred tax (2017: €3.9 million, 2016: €3.1 million) and exceptional items, net of tax (2017: €9.3 million, 2016: €4.7 million credit). 2007 adjusted to reflect the current capital structure of the Group.
3 Including restricted cash of €nil (2016: €2.9 million, 2015: €29.4 million).
4 Group in a net cash position at 31 July 2016 and 31 July 2015.
5 ROCE of total Group including associates and joint venture, based on average working capital and adjusted for acquisitions.

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 (60)
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 and One Fifty One 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 (55)
Chief Executive Officer

NATIONALITY: Irish

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

Tom is Chief Executive Officer 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 (45)
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 (61)
Executive Director

NATIONALITY: Irish

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

Declan is Head of Corporate Development.

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

Non-Executive Directors

Kate Allum (52)
Non-Executive Director

NATIONALITY: British

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

Kate is Chief Executive Officer of CeDo Limited. She is also a Non-Executive Director of Cranswick plc where she is a member of the Audit, Remuneration and Nomination Committees.

Kate 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 (63)
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 and Cairn Homes plc. 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 (63)
Non-Executive Senior Independent Director

NATIONALITY: Irish

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

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

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

Rose McHugh (53)
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 the Crawford Art Gallery. She is 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 Chief Executive Officer 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 and a Certificate & Diploma in Company Direction from the Institute of Directors.

Christopher Richards (63)
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 Nanoco Group plc as well as Non-Executive Director of Volac International. 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 Chief Executive Officer 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 2017, 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, distribution and digital services 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 established a dedicated digital, precision agriculture and crop science collaborative research partnership with University College Dublin supported by Science Foundation Ireland, and acquired Resterra, a Digital Agricultural Services group, which further enhances our digital technology capabilities. In the UK the Group acquired Linemark, and announced the agreement to acquire the fertiliser activities and certain assets of Bunn Fertiliser, which was completed subsequent to the year end.

A comprehensive review of the performance and development of the Group is included in the Chief Executive's Review on pages 12 to 15 and the Financial Review on pages 33 to 38. 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 pages 20 and 21.

Results for the Year

The results for the year are set out in the Consolidated Income Statement on page 74. Revenue for the financial year was €1,528,468,000 (2016: €1,521,256,000). The profit after tax and exceptional items for the financial year was €45,620,000 (2016: €57,801,000).

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 (2016: 21.0 cent). Subject to shareholder approval, the final dividend is payable on 15 December 2017 to shareholders on the register on 1 December 2017.

Share Capital and Treasury Shares

At 31 July 2017, Origin's total authorised share capital comprised 250,000,000 ordinary shares of €0.01 each (2016: 250,000,000), and the Company's total issued share capital (including treasury shares) comprised 126,382,206 ordinary shares of €0.01 each (2016: 126,378,777). At 31 July 2017, 800,330 securities were held as treasury shares (2016: 800,330).

Details of the share capital of the Company are set out in Note 28 and are deemed to form part of this report.

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 28 to 32.

Financial Instruments and Financial Risk

The financial risks include market risks, liquidity risks and credit risks. Details of the financial instruments used along with the financial management 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 46 to 51 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 Company Secretary

The names of the persons who were Directors during the year are set out below. There were no changes to Directors and Company Secretary during the year or since the year end.

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)

Company Secretary:

Imelda Hurley

The biographical details of the Directors are set out on pages 40 and 41 of this Annual Report.

Directors' Interests in Share Capital at 31 July 2017

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 61 to 65.

Substantial Holdings

As at 31 July 2017, 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	16,808,558	13.3
Setanta Asset Management Limited	13,639,414	10.8
FMR LLC	11,378,695	9.0
F&C Management Limited	9,150,268	7.2
Invesco Limited	6,378,155	5.0
BlackRock Inc.	5,344,226	4.2
DNCA Finance	4,570,000	3.6

As at 21 September 2017, 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	16,808,215	13.3
Setanta Asset Management Limited	14,110,821	11.2
FMR LLC	11,378,695	9.0
F&C Management Limited	9,146,960	7.2
Invesco Limited	5,744,341	4.5
BlackRock Inc.	4,814,555	3.8
DNCA Finance	4,585,000	3.6

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.

Directors' Report *continued*

Audit Committee

Pursuant to the Company's Articles of Association, the Board has 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.

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.
> 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 requirements of Section 281 to 285 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. During the year the Group commenced a dedicated research partnership with University College Dublin supported by Science Foundation Ireland.

Political Donations

No political donations were made in the current year (2016: €Nil).

Events since the end of the Financial Year

The Group completed the acquisition of the fertiliser activities and certain assets of Bunn Fertiliser since the end of the financial year. There were no other material events since the end of the financial year to report.

Auditors

The auditors, PricewaterhouseCoopers, will continue in office in accordance with Section 383(2) of the Companies Act 2014.

On behalf of the Board

Rose Hynes
Director
26 September 2017

Tom O'Mahony
Director
26 September 2017

Chairman's Overview

In Origin, we view high standards of corporate governance as an essential element of how we conduct our business and achieve long-term success for 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.

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.

The Board currently comprises of six Non-Executive Directors and three Executive Directors. Biographies of the Directors are set out on pages 40 and 41.

Our Corporate Governance Statement on pages 46 to 51 discusses the key features of our governance structures, provides an insight into our Board and outlines our Committees, their memberships and activities. On pages 52 to 67 there are detailed reports from our respective Audit, Remuneration and Nomination Committees. A detailed Risk Report is outlined on pages 28 to 32.

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.

During the year, the Board received presentations on regulatory matters and industry updates and we will continue to invest time in the development of skills and knowledge relevant to the performance of our duties in the coming year.

This year, 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 50. We will continue to focus on Board effectiveness over the coming year, when the performance evaluation will be conducted with the assistance of an external facilitator.

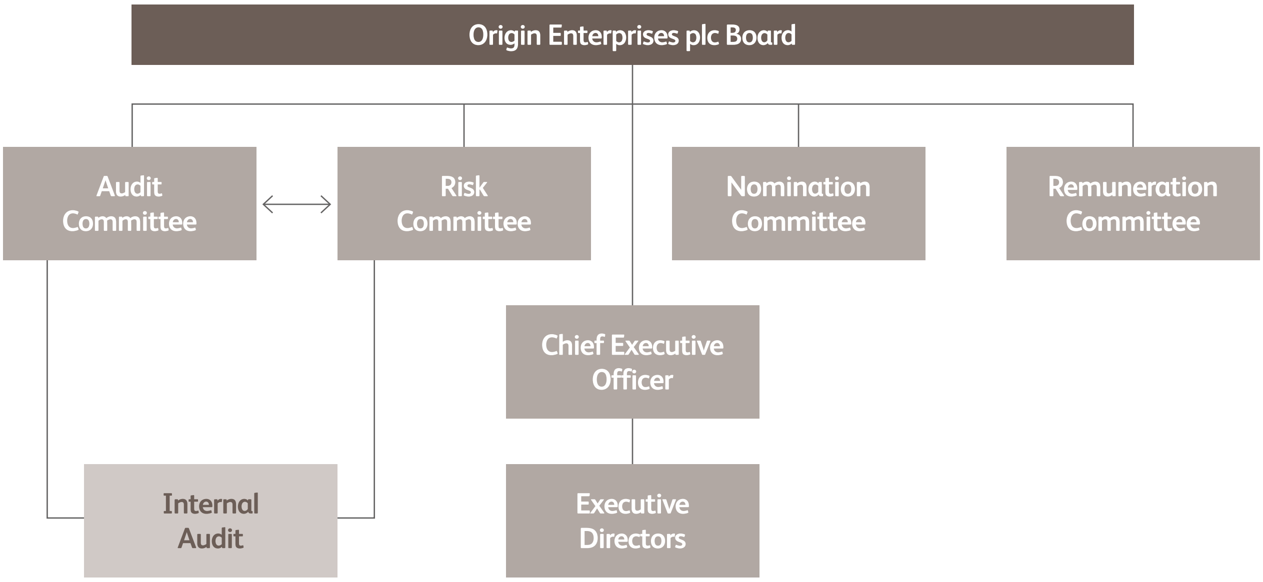
Rose Hynes

Rose Hynes
Chairman
26 September 2017

Corporate Governance Statement

Under the rules of ESM and AIM, 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 40 and 41.

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 52 to 67. A Risk Report is outlined on pages 28 to 32.

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, has been reviewed by the Board during the year 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 are responsible for ensuring that high quality information is provided to the Board on the Group's financial and strategic performance.

Senior Independent Director

The Senior Independent Director is responsible for providing advice to the Chairman as necessary, serving as an intermediary to the other Directors when necessary, supporting the Chairman with the annual Board evaluation if required, conducting an annual performance review of the Chairman, and being available to shareholders should they have any matters for discussion other than through the normal channels.

Company Secretary

All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring compliance with Board procedures. The Company Secretary 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 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 66 to 67.

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 15 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 subject to 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, 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.

Details of the length of tenure of each Director on the Board as at 31 July 2017 are set out in the Nomination Committee Report on page 67.

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.

The Chairman and Company Secretary review Directors' training needs.

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.

At least half of the Board comprises Non-Executive Directors in line with the highest standards of governance.

Corporate Governance Statement *continued*

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 2017, the Board held a total of nine meetings, eight scheduled meetings and one 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.

Board of Directors: Attendance at Meetings During the Year Ended 31 July 2017

		Committees			
	Board	Audit	Remuneration	Nomination	Risk
Directors					
Kate Allum	9/9	3/3	3/3	–	–
Gary Britton	9/9	3/3	–	–	3/3
Declan Giblin	9/9	–	–	–	–
Imelda Hurley	8/9	–	–	–	–
Rose Hynes	9/9	–	3/3	3/3	–
Hugh McCutcheon	9/9	3/3	–	3/3	3/3
Rose McHugh	8/9	–	–	–	3/3
Tom O'Mahony	9/9	–	–	3/3	–
Christopher Richards	9/9	–	3/3	–	–

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

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. The Terms of Reference for the Committees were reviewed 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 52 to 55.

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 56 to 65.

Nomination Committee

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, including with respect to diversity of background and gender and 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 66 to 67.

Risk Committee

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 28 to 32.

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 2017 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 56 to 65.

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 52 to 55. Details in relation to the Risk Committee's work in this regard are set out in the Risk Report on pages 28 to 32.

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 28 to 32.

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. The consolidated financial statements are reviewed by the Audit Committee and approved by the Board.

Corporate Governance Statement *continued*

Board Evaluation

The Board conducts an annual evaluation of its performance. This year, the Board undertook an internal evaluation, led by the Chairman. The 2017 review comprised a self-assessment questionnaire completed by each Director and a Board discussion on the outcome at the September 2017 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. Actions were agreed which will be implemented by the Chairman during the current year. The Chairman also met with each Director during the 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. The first externally facilitated evaluation will take place in 2018.

Relations with Shareholders

The Board has responsibility for ensuring that satisfactory engagement with the Company's 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 meetings 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 including:

Date	Activity
September 2016	2016 Preliminary Results
September 2016	Roadshows in Dublin, London, Chicago, Boston, Paris and Zurich
November 2016	Trading update and AGM
January 2017	Roadshows in New York and Boston
March 2017	Interim Results for 2017
March 2017	Roadshows in Dublin, London, Frankfurt, Paris and Edinburgh
May 2017	Quarter 3 Trading Update
June 2017	Site visit – Throws Farm Research and Technology Centre, United Kingdom

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, 24 November 2017. 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 by 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 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 Chief Executive's Review on pages 12 to 15. As noted in the financial statements, the Group has generated cash flow from operating activities of €26.3 million during the year and its net debt at 31 July 2017 is €31.5 million.

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

About this Committee

The Audit Committee comprises three independent Non-Executive Directors:

- Hugh McCutcheon (Senior Independent Director, Chairman of the Audit Committee).
- Kate Allum (Non-Executive Director, Chairman of the Remuneration Committee).
- Gary Britton (Non-Executive Director, Chairman of the Risk Committee).

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 40 and 41.

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 2017 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 ESM and AIM, 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 28 to 32. This report sets out further details of the duties and responsibilities of the Committee as well as an overview of its activities.

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

Hugh McCutcheon
Chairman of the Audit Committee
26 September 2017

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 reviewing the scope and results of the audit and the effectiveness of the process.
> 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 2017 is set out below:

Length of tenure on Audit Committee	Years
Kate Allum	1.75
Gary Britton	1.77
Hugh McCutcheon	5.63

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 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.
> 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 2017, and how these have been addressed, are listed on page 54. In concluding that the list 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.

Audit Committee Report *continued*

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

Area of Judgement	Discussion
Goodwill & intangible assets impairment	The Committee recognises that impairment reviews of goodwill and intangible assets involve a range of judgemental assumptions. These assumptions typically include business plans and projections, cash flow forecasts and associated discount rates. Management provided the Committee with an analysis of the impairment reviews undertaken by cash-generating unit including the forecasts and key assumptions used together with a summary of the resulting headroom. This analysis, together with the detail set out in Note 14 to the financial statements was reviewed and challenged by the Committee. Following these discussions, the Committee is satisfied that the approach to impairment reviews, the key assumptions made and conclusions reached are appropriate.
Settlement price adjustments payable	The Committee acknowledges the level of judgement required in estimating settlement price adjustments payable given the complexity of such arrangements in addition to the timing of payment. The Committee discussed the basis used for calculating settlement price adjustments, the historical accuracy of settlement price adjustment calculations, the level of judgement required and the expected settlement date of related payments with management. Following these discussions, the Committee is satisfied that the accounting treatment adopted is appropriate and that settlement price adjustments are accurately stated at year end.
Rebates receivable	The Committee considered the basis used for calculating rebates receivable, the historical accuracy of rebate calculations, the level of judgement required and the expected settlement date of rebate payments through a review of the calculation and discussion with management. In addition, the Committee considered the value of rebates received after the year end relating to the current financial year to support the judgements taken in the financial statements. The Committee is satisfied that the accounting treatment adopted is appropriate and that rebates receivable at the year end are recoverable.
Exceptional items	Exceptional items are items which have been disclosed separately due to their scale or nature, the purpose of which is to assist the user of the financial statements in understanding underlying performance. Management exercises judgement in assessing each exceptional item and analysing whether the treatment of exceptional items is consistent with the accounting policy. The Committee reviewed an analysis of the charge for exceptional items prepared by management, and is satisfied that while the classification of exceptional items required the exercise of judgement, the charge is in line with the Group's accounting policy on exceptional items which has been applied on a consistent basis with prior years.

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 has an established Risk Committee. 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 28 to 32.

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 Continental 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 the 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. PwC conducted the external audit in respect of the year ended 31 July 2017.

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 2016 AGM and has been our Auditor since 2010 during which time the audit has not been put out 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 four 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 re-appoint PwC as External Auditor.

Non-Audit Services

During the year, the Audit Committee undertook its annual review of the policy on engagement of the External Auditor to provide non-audit services. This policy is designed 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 2017. The Audit Committee reported that its performance, and that of the Chairman of the Audit Committee, were satisfactory and that no material 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 AGM 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

About this Committee

The Remuneration Committee comprises three Independent Non-Executive Directors:

> Kate Allum (Non-Executive Director, Chairman of the Remuneration Committee).
> Rose Hynes (Non-Executive Chairman).
> Christopher Richards (Non-Executive Director).

Further biographical details of the members of the Remuneration Committee are set out on pages 40 and 41.

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 2017. 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

As an Irish incorporated company, Origin is not obliged to adhere to UK legislation on the disclosure of Directors' remuneration. That said, 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.

We are ensuring that there is a demonstrable link between reward and long-term value creation. Origin's remuneration policy seeks to incentivise Executives to create shareholder value and consequently their remuneration is weighted towards performance-related elements with targets to incentivise the delivery of strategy over the short and long-term.

Activities in 2017

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 our stakeholders. In this regard, we appointed an independent adviser, New Bridge Street (part of Aon plc), to review our remuneration policy and conduct a benchmarking of remuneration packages of the Executive Directors. The findings of the review indicated that Origin's performance metrics as outlined on pages 61 and 62 are largely market aligned and provide a demonstrable link to the delivery of the strategy over the short and long-term.

Performance for the Year Ended 31 July 2017

Origin achieved a year of strong underlying performance. Total Group operating profit increased by 4.1 per cent in the year, an increase of 12.3 per cent on an underlying basis at constant currency. Adjusted diluted earnings per share was 46.62 cent, an increase of 4.7 per cent on a reported basis and 14.7 per cent on an underlying basis at constant currency. Return on invested capital, a key metric for Origin, was 13.7 per cent.

Long-Term Incentive Plan

At the 2015 AGM, shareholders approved the introduction of a new share-based LTIP ('the 2015 LTIP'). During the year, awards were granted to Executive Directors under the 2015 LTIP to ensure that variable pay based on long-term targets comprises an appropriate percentage of pay. Details of the awards granted are set out on page 64 and the performance conditions relating to these awards are set out on pages 61 and 62.

Pay Outcomes for 2017

Bonus

Annual bonus is based on a combination of financial and non-financial metrics. Details of the financial and non-financial metrics are set out on page 61. The financial performance for the year ended 31 July 2017, has been reflected in bonus outcomes of 66 per cent.

The Remuneration Committee believes that the current year pay outcomes are reflective of the current year performance. We hope that we will continue to receive your support at the forthcoming AGM.

Kate Allum
Chairman of the Remuneration Committee
26 September 2017

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 Executives 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.
> Review the design of all share incentive plans for approval by the Board and shareholders.
> Ensure that contractual terms on termination of any Director, 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.
> Ensure the Company maintains contact as required with its principal shareholders regarding remuneration matters.

Length of Tenure

The Remuneration Committee comprises three Independent Non-Executive Directors, Kate Allum (Non-Executive Director and Chairman of the Remuneration Committee), Rose Hynes (Non-Executive Chairman) and Chris Richards (Non-Executive Director). The quorum for Committee meetings is two and only members are entitled to attend. The Remuneration Committee may extend an invitation to other persons to attend meetings to be present for a particular agenda items as required.

The Company Secretary is secretary to the Remuneration Committee.

The length of tenure of the current Remuneration Committee members as at 31 July 2017 is set out below:

Length of tenure on Remuneration Committee	Years
Kate Allum	1.77
Rose Hynes	1.77
Christopher Richards	1.75

Meetings and Committee Governance

The Remuneration Committee met three times during the financial year. For full details on individual Remuneration Committee members' attendance at meetings, see page 48. The principal activities carried out included:

> Annual Review of the Terms of Reference for the Committee.
> Review of the remuneration policy.
> Consideration of Executive benchmarking.
> Consideration of the 2017 bonus scheme for Executives.
> Approval of the awards under the 2015 LTIP and SAYE scheme.
> Annual Review of the Committee effectiveness.

The Committee has access to independent advice and also consults with shareholders where it considers it appropriate to do so. During the current year New Bridge Street (part of Aon plc) advised the Company in respect of remuneration policy and the benchmarking of remuneration packages of the Executive Directors.

New Bridge Street 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 New Bridge Street in respect of Remuneration Committee matters over the financial year under review was £22,250.

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 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.

Remuneration Committee Report *continued*

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, is 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 proposed to the prevailing Remuneration Policy.

Details of votes cast for and against the resolution at last year's AGM to approve the Company's Remuneration Report are set out in the Annual Report on Remuneration on page 65.

Summary of the Remuneration Policy

The table below summarises the Remuneration Policy for 2017 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. > 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 61.
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 2017, 80 per cent of the maximum bonus potential is based on financial targets (namely adjusted diluted EPS and ROIC) and 20 per cent is based on other corporate and personal objectives such as the successful completion of a number of acquisitions, the development of certain corporate strategies and the review of organisation design across the Group. The measures, their weighting and the targets are reviewed on an annual basis. On the basis that the targets are commercially sensitive, they are not being disclosed prospectively. A clawback provision is in operation.	Maximum bonus of 100 per cent of basic salary in cash.

Note: The definition of Return on Invested Capital ('ROIC') is consistent with that of Return on Capital Employed ('ROCE') as set out in the Financial Review on page 37.

Element of remuneration	Approach	Maximum opportunity
Long-Term Incentive Plan (2015) ('LTIP') 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) of basic salary. 200 per cent (exceptional limit – e.g. recruitment) of basic salary.
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 Chief Executive Officer 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 subcommittee 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 62.

Notes:
A description of how the Company intends to implement the Remuneration Policy 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 certain employees generally comprise provision of healthcare 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 currently limited to the Executive Directors (other employees are eligible to participate in the Company's Sharesave Scheme).
- Participation in a cash-based long-term incentive is limited to certain selected senior managers.

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 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 Chief Executive Officer ('CEO')/Chief Financial Officer ('CFO') are terminable by either the Company giving 12 months' notice or the respective Executive Director giving six months' notice and, in the case of the Head of Corporate Development, 24 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	Six months' notice from the CEO/CFO and 12 months' notice from the Company. 24 months' notice from the Head of Corporate Development 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 (subject to Remuneration Committee discretion) 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 2018

A summary of how the Remuneration Policy will be applied during the financial year ending 31 July 2018 is set out below.

Basic Salary for Executive Directors

Taking account of the 2017 financial performance, the Remuneration Committee has maintained salaries at the 2017 level for the 2018 financial year, with no increases to be awarded.

Executive Director (€'000)	2018	2017	% increase
T O'Mahony	500	500	Nil
I Hurley	350	350	Nil
D Giblin[1]	434	434	Nil

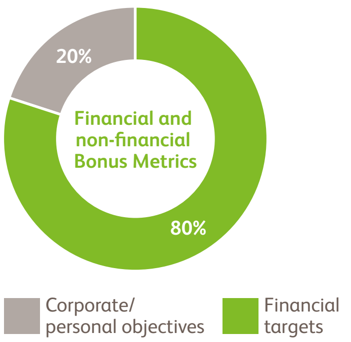
1 Remuneration in respect of D Giblin is set in sterling and has been translated to euro at an average exchange rate (0.86333) for 2017. For the purposes of the above table the average exchange rate for 2017 has also been used to translate the related salary for 2018. No increase to the underlying sterling salary has been awarded for 2018.

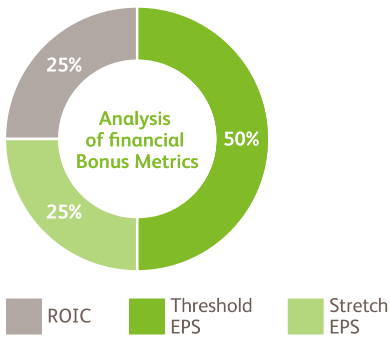
For the forthcoming financial year, the Group's employees are, in general, receiving pay rises ranging from zero per cent to 2 per cent depending on promotional increases and individual performance.

Annual Bonus

The maximum bonus achievable in 2018 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 2017 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 review of organisation design across the Group.

The measures, their weighting and the targets are reviewed on an annual basis. On the basis that the 2018 targets are commercially sensitive, they are not being disclosed prospectively.

Pension Arrangements

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

T O'Mahony and I Hurley 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

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.

Awards were made from the share-based 2015 LTIP during 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 awards made under the 2015 LTIP is set out on page 64.

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')[(i)]	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.

(i) For the purposes of these calculations, the definition of ROIC used is consistent with the definition of ROCE as set out in the Financial Review on page 37.

2012 LTIP

No further awards will be made under the 2012 LTIP. All outstanding awards under this plan, namely those awarded in 2014, were determined on final testing at the financial year ended 31 July 2017 with no awards vesting. For clarity, the Remuneration Committee outlines the performance conditions for these awards, made in 2014, below with each performance condition needing to be satisfied before any award could vest.

The number of shares that could 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[(i)]	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 Diluted EPS must be declared and paid to shareholders.

(i) For the purposes of these calculations, the definition of ROIC used is consistent with the definition of ROCE as set out in the Financial Review on page 37.

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 2017 and 2018 financial years are detailed below.

Position	2018	2017	% 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

Remuneration Received by Directors for the Year Ended 31 July 2017

Directors' remuneration (audited) for the year ended 31 July 2017 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						
2017	**500**	**26**	**175**	**330**	**–**	**1,031**
2016	500	26	175	–	–	701
I Hurley						
2017	**350**	**–**	**75**	**231**	**–**	**656**
2016	350	–	75	–	–	425
D Giblin						
2017	**434**	**14**	**26**	**287**	**–**	**761**
2016	493	16	28	–	–	537
R Hynes*						
2017	**130**	**11**	**–**	**–**	**–**	**141**
2016	108	7	–	–	–	115
H McCutcheon						
2017	**75**	**–**	**–**	**–**	**–**	**75**
2016	73	–	–	–	–	73
K Allum*						
2017	**70**	**–**	**–**	**–**	**–**	**70**
2016	58	2	–	–	–	60
G Britton*						
2017	**70**	**–**	**–**	**–**	**–**	**70**
2016	58	–	–	–	–	58
R McHugh						
2017	**62**	**6**	**–**	**–**	**–**	**68**
2016	58	6	–	–	–	64
C Richards*						
2017	**62**	**–**	**–**	**–**	**–**	**62**
2016	52	–	–	–	–	52
O Killian*						
2017	**–**	**–**	**–**	**–**	**–**	**–**
2016	12	–	–	–	–	12
P McEniff*						
2017	**–**	**–**	**–**	**–**	**–**	**–**
2016	12	–	–	–	–	12

* 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.

Notes:

1 Salary and Fees (audited)

In 2017, D Giblin received a salary of £375,000, converted at an average exchange rate of 0.86333 (2016: 0.76052). The amount charged and disclosed in the 2016 accounts was €493,000 based on a sterling salary of £375,000.

2 Taxable Benefits (audited)

Benefits include a company car or company car allowance (D Giblin and T O'Mahony) and private medical insurance (including immediate family members) (D Giblin). Benefits also include mileage claimed by Non-Executive Directors for travel to Board meetings, which has been grossed up for Irish tax purposes.

Annual Report on Remuneration *continued*

3 Pensions (audited)

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 2017	Number of Directors 2016
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 2017 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%	45.23	12.5%	46.62	13.7%	66%
I Hurley	100%	45.23	12.5%	46.62	13.7%	66%
D Giblin	100%	45.23	12.5%	46.62	13.7%	66%

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 financial bonus metrics and corporate and personal objectives. For 2017, objectives included the completion of a number of acquisitions, the development of certain corporate strategies and the review of organisation design across the Group.

Maximum bonus is only paid where the stretch EPS growth, ROIC target and personal performance are fully achieved. 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.

The Executive Directors achieved a strong performance in respect of the financial bonus metrics and met their corporate and personal objectives in 2017. Notwithstanding this performance, the Remuneration Committee exercised its discretion in relation to the bonus payment and determined that a bonus of 66 per cent of basic salary would be paid to reflect the overall performance in the year.

5 LTIP Awards (audited)

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

A summary of the awards made during the year under the 2015 LTIP is set out below.

Executive Director	Face value of award at grant	Number of shares awarded	End of performance period	Date from which exercisable
T O'Mahony	100% of salary	73,529	31/07/2019	10/03/2020
I Hurley	95% of salary	48,897	31/07/2019	10/03/2020
D Giblin	95% of salary	60,459	31/07/2019	10/03/2020

The number of shares awarded under the 2015 LTIP was calculated using the closing share price of €6.80 on 9 March 2017.

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 2016	Granted during the year	Vested/ Exercised during the year	Lapsed on 31 July 2017	No. of share awards at 31 July 2017	End of performance period	Date from which exercisable	Expiry date
T O'Mahony										
2015 LTIP	10/03/2017	0.01	–	73,529	–	–	73,529	31/07/2019	10/03/2020	9/03/2024
2012 LTIP	23/10/2014	7.80*	250,000	–	–	250,000	–	31/07/2017	31/07/2019	31/07/2024
	Total		**250,000**	**73,529**	**–**	**250,000**	**73,529**			

Plan	Grant date	Exercise/ Option price	No. of share awards at 1 August 2016	Granted during the year	Vested/ Exercised during the year	Lapsed on 31 July 2017	No. of share awards at 31 July 2017	End of performance period	Date from which exercisable	Expiry date
I Hurley										
2015 LTIP	10/03/2017	0.01	–	48,897	–	–	48,897	31/07/2019	10/03/2020	9/03/2024
2012 LTIP	23/10/2014	7.80*	100,000	–	–	100,000	–	31/07/2017	31/07/2019	31/07/2024
	Total		**100,000**	**48,897**	**–**	**100,000**	**48,897**			
D Giblin										
2015 LTIP	10/03/2017	0.01	–	60,459	–	–	60,459	31/07/2019	10/03/2020	9/03/2024
2012 LTIP	23/10/2014	7.80**	100,000	–	–	100,000	–	31/07/2017	31/07/2019	31/07/2024
	Total		**100,000**	**60,459**	**–**	**100,000**	**60,459**			

* 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.

2015 LTIP awards are, and 2012 LTIP awards were, subject to the performance conditions outlined in the Long-Term Incentives section of the Annual Report on Remuneration, set out on pages 61 and 62.

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 2016	Beneficially owned at 31 July 2017	Outstanding awards made under 2015 LTIP at 31 July 2017	Outstanding deferred share awards	Outstanding share awards under all employee share plans
T O'Mahony	1,646,373	1,646,373	73,529	–	–
I Hurley	25,000	25,000	48,897	–	–
D Giblin	302,735	302,735	60,459	–	–
R Hynes	3,875	3,875	–	–	–
H McCutcheon	45,000	45,000	–	–	–
K Allum	–	–	–	–	–
G Britton	5,000	5,000	–	–	–
R McHugh	–	–	–	–	–
C Richards	3,405	3,405	–	–	–

Statement of Voting at the AGM

At the Company's 2016 AGM, the following votes were received from shareholders:

	Remuneration Report	%
Votes cast in favour[1]	85,074,028	99.32%
Votes cast against	585,000	0.68%
Total votes cast	85,659,028	100.0%
Abstentions	253,842	0.20%

1 Does not include Chairman's discretionary votes.

Nomination Committee Report

About this Committee

The Nomination Committee comprises:

> Rose Hynes (Non-Executive Chairman).
> Hugh McCutcheon (Senior Independent Director).
> Tom O'Mahony (Executive Director, Chief Executive Officer).

Further biographical details of the members of the Nomination Committee are set out on pages 40 and 41.

Rose Hynes
Chairman of the Nomination Committee

Dear Shareholder

As Chairman of the Nomination Committee I am pleased to present the report of the Nomination Committee for the year ended 31 July 2017 which has been prepared by the Nomination Committee and approved by the Board.

The responsibilities of the Nomination Committee have been designed following consideration of 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 keeps under review the leadership needs of the organisation, both Executive Directors and Non-Executive Directors, with a view to ensuring the continued ability of the organisation to compete effectively in the market place, having regard to strategic and commercial changes affecting the Company and the market in which it operates.

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

Rose Hynes

Rose Hynes
Chairman of the Nomination Committee
26 September 2017

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.
- Consider 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 Directors and Non-Executive Directors, 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.
- 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 2017 is set out below.

Length of tenure on Board	Years
Kate Allum	1.83
Gary Britton	1.83
Declan Giblin	8.80
Imelda Hurley	3.00
Rose Hynes	1.83
Hugh McCutcheon	5.69
Rose McHugh	5.20
Tom O'Mahony	10.48
Christopher Richards	1.83

Length of tenure on Nomination Committee	Years
Rose Hynes	1.75
Hugh McCutcheon	1.75
Tom O'Mahony	1.75

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. Declan Giblin and Rose McHugh were last re-elected at the Company's AGM on 27 November 2015. Tom O'Mahony, Imelda Hurley and Hugh McCutcheon were last re-elected at the Company's AGM on 25 November 2016.

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.

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.

Annual Evaluation of Performance

The Nomination Committee carried out an evaluation of its own performance for the year ended 31 July 2017. The Nomination Committee reported that its performance, and that of the Chairman of the Nomination Committee, were satisfactory and that no material changes were required to be made to the Nomination Committee's Terms of Reference and composition.

Meetings

The Nomination Committee met three times during the year. The principal duties and responsibilities of the Nomination Committee include the following:

- Completing an annual review of the Terms of Reference of the Nomination Committee.
- Completing a review of the composition of the individual Committees and the Board having regard to skills, experience, diversity and the time required of each of the Non-Executive Directors in discharging their responsibilities.
- Giving detailed consideration to diversity including gender diversity at Board level.
- Completing a review of succession planning at the senior leadership level.
- 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 Act 2014 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's 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 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.
> 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 and financial position of the Group and Company and profit or loss of the Group to be determined with reasonable accuracy.
> 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 the Group 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
26 September 2017

Tom O'Mahony
Director
26 September 2017

Financial Statements

Independent Auditors' Report

to the members of Origin Enterprises plc

Report on the audit of the financial statements

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 2017 and of the Group's profit and 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, (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and promulgated by the Institute of Chartered Accountants in Ireland and Irish law); and
> the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

We have audited the financial statements, included within the Annual Report, which comprise:

> the Consolidated Statement of Financial Position as at 31 July 2017;
> the Company Balance Sheet as at 31 July 2017;
> the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the year then ended;
> the Consolidated 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 Group Accounting Policies and Company Accounting Policies; and
> the Notes to the financial statements.

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.

Basis for opinion

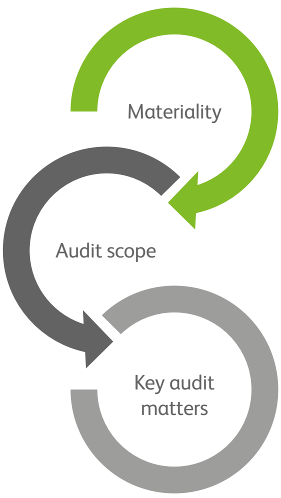
We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, which includes IAASA's Ethical Standard as applicable to listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview



Materiality

> €3 million (2016: €3 million) – Group financial statements.
  – Based on 5% of profit before tax and exceptional items.

> €1.5 million (2016: €0.8 million) – Company financial statements.
  – Based on 0.6% of net assets.

Audit scope

> We conducted audit work on 15 reporting components. We paid particular attention to these components due to their size or risk characteristics and to ensure appropriate audit coverage. An audit of the full financial information of these 15 components was performed.

> Taken together, the reporting components where an audit of the full financial information was performed accounts for in excess of 99% of Group revenues, 99% of Group profit before tax and exceptional items and 94% of total assets.

Key audit matters

> Goodwill and intangible assets.
> Settlement price adjustments payable.
> Rebates receivable.
> Exceptional items.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Independent Auditors' Report *continued*

to the members of Origin Enterprises plc

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Goodwill and intangible assets See accounting policy in relation to impairment and Note 14. See also Note 34 – Accounting estimates and judgements. The Group has goodwill and intangible assets (excluding computer and ERP related intangibles) of €193.2m at 31 July 2017 representing approximately 18% of the Group's total assets at year end (see Note 14). Identified cash generating units (CGUs) containing goodwill are subject to impairment testing on an annual basis or more frequently if there are indicators of impairment. The value in use calculations used in the impairment testing have been prepared using the Board approved budgets and forecasts for each CGU. The terminal value growth rates used for periods beyond year 3 is based on the long-term growth rate for each CGU, taking account of long-term economic indicators for that country. We focused on this area given the scale of the assets and because the determination of whether an impairment charge for goodwill and/or intangible assets was necessary involves significant judgement in estimating the future performance of the CGUs. In particular, we focused on the Ukraine CGU as management's calculations have determined that this CGU has limited headroom when comparing value in use with the carrying value of the CGU.	We evaluated the methodology used in the Group's impairment models. We tested the mathematical accuracy of the underlying calculations in the impairment models. We determined the key assumptions used in the value in use calculations as those assumptions that required the most judgement and those that had the most significant impact on the value in use. Year 1 budgets, year 2 and year 3 growth rates, terminal value growth rates and discount rates are considered key assumptions. We evaluated management's expected future cash flows for Year 1, and the process by which they were developed, including comparing them to the latest Board approved budgets. We also considered the Group's past record of achieving its forecasts and assessed the underlying key assumptions in the budget and considered these reasonable. We considered the appropriateness of the Group's growth rate assumptions for years 2 and 3 by assessing historical performance for each CGU. In challenging the Directors' assumptions we determined that the growth rates are reasonably in line with recent performance. We considered the appropriateness of the Group's long-term forecast growth rate assumptions used to calculate terminal values by comparing them to independent sources, including publicly available information and concluded that they fell within a reasonable range for each CGU. We used PwC Corporate Finance specialists in assessing management's calculation of discount rates and we recalculated the cost of capital used. Our PwC specialists developed a range of discount rates that in their view of various economic indicators would be appropriate in estimating the value in use of the CGUs. We are satisfied that the discount rate used by the Group for each CGU falls within those ranges. We also performed our own sensitivity analysis on the impact of changes in key assumptions on the impairment assessments for CGUs, for example year 1 budgets, year 2 and year 3 growth rates, terminal value growth rates and the discount rate assumed by management. We assessed the appropriateness of the related disclosures within the financial statements, in particular the disclosure of sensitivities in relation to the Ukraine CGU and we consider the disclosures included in Note 14 to be reasonable.
Settlement price adjustments See accounting policy in relation to revenue. See also Note 34 – Accounting estimates and judgements. The estimation of final settlement prices for some customers in the Group is subject to considerable management judgement due to an absence of contractual arrangements and the fact that negotiations with customers are not normally concluded for several months after year end. As set out in Note 34, the estimation of the final settlement price adjustment is impacted by commodity prices, competitor pricing pressures, prevailing market conditions and the timing of the Group's financial year end as it is non coterminous with the year end of its main customers. We focused on this area given the level of judgement involved and the level of fluctuation in final settlement prices historically.	We confirmed the consistency of the process year-on-year undertaken by management in compiling the settlement price adjustment to revenue and trade receivables. The key inputs to the calculation of the settlement price adjustment are invoice prices, estimated settlement prices and invoice quantities. For a sample of transactions we tested the accuracy of the calculation and agreed the invoice prices and quantities to underlying documentation. We obtained an understanding from management of the significant judgements exercised in estimating the final settlement price and we evaluated those judgements in the context of known market developments, including trends in commodity prices and competitor activity. We have determined that management have applied a reasonable approach taking into account the level of inherent estimation uncertainty given the nature of these adjustments. Based on our procedures we did not identify evidence of management bias in the judgements made. We also performed a look back test designed to assess the accuracy of the prior year estimate by comparing a sample of prior year settlement price adjustments to credit notes issued to the customer. We assessed the appropriateness of the related disclosures within the financial statements and discussed these with the Audit Committee.

Key audit matter	How our audit addressed the key audit matter
Rebates receivable See accounting policy in relation to rebates. See also Note 34 – Accounting estimates and judgements. The Group has entered into a number of rebate and incentive arrangements with some of its suppliers. The processes used to estimate rebates receivable requires an element of manual calculation. Although a significant portion of rebates receivable are contractual, for some rebate arrangements the amount of the rebate is dependent on the level of purchase volumes over periods that span the year end. We focused on this area as due to the number of arrangements in place, the range of contractual terms, the manual calculations and the estimation required for some rebate arrangements, there is an increased risk of error in the calculation of rebates receivable at the year end. The rebates receivable have been included within trade and other receivables in Note 18.	We obtained and read copies of certain supplier rebate agreements in order to understand the impact of these arrangements on the financial statements. We tested the inputs to the calculations by rerunning the system generated reports used as the basis for the calculation by the Company. We tested a sample of rebates receivable at the year end by agreeing the quantities and gross price to the original invoices and the net settlement prices to contractual agreements. We also obtained independent confirmation of net settlement prices from a sample of suppliers. For a sample of volume-related rebates receivable we confirmed rebate terms and rebates due with suppliers. We also performed a look back test designed to assess the accuracy of the prior year estimate by comparing a sample of prior year rebates receivable to credit notes received from the supplier. We independently confirmed these credit notes with relevant suppliers. Based on these procedures we determined that the amounts had been recognised in the correct period and calculated appropriately based on the contracted rates in the supplier agreements we obtained.
Exceptional items See accounting policy in relation to exceptional items and Note 3. See also Note 34 – Accounting estimates and judgements. Exceptional items are those which are separately disclosed in order to highlight significant items, by virtue of their scale and nature, within the Group results for the year that management believe assists the user's understanding of underlying performance of the Group (see Note 3). The main element of exceptional items in the year was rationalisation costs in the Agronomy business in the UK. We focused on this area given the impact on Adjusted Basic Earnings, the judgement involved in assessing each particular item as exceptional in nature and the level of disclosure accompanying these items.	We assessed the classification of transactions to ensure that recognition and disclosure principles are applied in a manner consistent with the accounting policy and the treatment of exceptional items in prior years. We considered the evidence supporting the classification of rationalisation costs as exceptional including communication with employees of the rationalisation program and signed termination agreements. No significant issues arose in our testing. In addition we assessed the appropriateness of disclosures made in relation to each item classified as exceptional and discussed these with the Audit Committee. We were satisfied with the disclosures in Note 3.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group is structured along two operating segments: Ireland and the United Kingdom and Continental Europe. The Group financial statements are a consolidation of 17 reporting units, comprising the Group's operating businesses and centralised functions.

Independent Auditors' Report *continued*

to the members of Origin Enterprises plc

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed at the reporting units by us, as the Group engagement team, or component auditors within PwC ROI, from other PwC network firms and from one non-PwC firm operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole.

As part of our Group audit scoping we identified 13 Origin Subsidiaries, 1 associate and 1 joint venture which in our view, required an audit of their full financial information due to their size or risk characteristics. These operations accounted for approximately 99% of Group turnover, 99% of Group profit before tax and exceptional items and 94% of total assets. Taken collectively these reporting units represent the principal business units of the Group.

The Group audit team follows a programme of planned site visits that is designed so that senior team members visit the full scope audit reporting units on a rotational basis. In addition to these visits at the planning stage, post audit conference calls or onsite visits were held to discuss component auditor's key audit findings.

This, together with additional procedures over central functions, IT systems, treasury and areas of judgement including the key audit matters noted above, taxation, business combinations and post-retirement benefits performed at the Group level, gave us the evidence we needed for our opinion on the Group financial statements as a whole.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall Materiality	€3 million (2016: €3 million)	€1.5 million (2016: €0.8 million)
How we determined it	5% of profit before tax and exceptional items	0.6% of net assets
Rationale for benchmark applied	We applied this benchmark because in our view this is a metric against which the recurring performance of the Group is commonly measured by its stakeholders.	We applied this benchmark as the Company is primarily an investment holding company.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €0.3 million (Group audit) (2016: €0.3 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was €0.05m to €2.6m. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

> the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
> the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's and Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (Ireland) and the Companies Act 2014 require us also to report certain opinions and matters as described over.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 July 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

Based on our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 68, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view.

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accounting Supervisory Authority website at: **www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf**.

This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2014 opinions on other matters

> 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.

Companies Act 2014 exception reporting

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.

John Dillon
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin
26 September 2017

Consolidated Income Statement

For the financial year ended 31 July 2017

	Notes	Pre-exceptional 2017 €'000	Exceptional 2017 €'000	Total 2017 €'000	Pre-exceptional 2016 €'000	Exceptional 2016 €'000	Total 2016 €'000
Revenue	1	1,528,468	–	1,528,468	1,521,256	–	1,521,256
Cost of sales		(1,297,009)	–	(1,297,009)	(1,300,712)	–	(1,300,712)
Gross profit		231,459	–	231,459	220,544	–	220,544
Operating costs	2, 3	(166,287)	(12,524)	(178,811)	(157,580)	4,955	(152,625)
Share of profit of associates and joint venture	7	4,366	–	4,366	5,621	–	5,621
Operating profit	5	69,538	(12,524)	57,014	68,585	4,955	73,540
Finance income	4	703	–	703	453	–	453
Finance expense	4	(7,617)	–	(7,617)	(7,820)	–	(7,820)
Profit before income tax		62,624	(12,524)	50,100	61,218	4,955	66,173
Income tax (expense)/credit	3,10	(7,702)	3,222	(4,480)	(8,151)	(221)	(8,372)
Profit for the year		54,922	(9,302)	45,620	53,067	4,734	57,801

	Notes	2017	2016
Basic earnings per share	11	36.33c	46.03c
Diluted earnings per share	11	36.15c	45.85c

Consolidated Statement of Comprehensive Income

For the financial year ended 31 July 2017

	2017 €'000	2016 €'000
Profit for the year	**45,620**	57,801
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	**3,407**	(4,881)
– deferred tax effect of remeasurements	**(519)**	926
– share of remeasurements on associate's defined benefit pension schemes	**(614)**	(356)
– share of deferred tax effect of remeasurements – associates	**135**	71
Items that may be reclassified subsequently to the Group income statement:		
Group foreign exchange translation details		
– exchange difference on translation of foreign operations	**(10,674)**	(29,008)
Group/Associate cash flow hedges		
– effective portion of changes in fair value of cash flow hedges	**(2,025)**	1,633
– fair value of cash flow hedges transferred to operating costs and other income	**1,754**	(473)
– deferred tax effect of cash flow hedges	**86**	(243)
– share of associates and joint venture cash flow hedges	**(4,289)**	2,405
– deferred tax effect of share of associates and joint venture cash flow hedges	**536**	(301)
Other comprehensive expense for the year, net of tax	**(12,203)**	(30,227)
Total comprehensive income for the year attributable to equity shareholders	**33,417**	27,574

Consolidated Statement of Financial Position

As at 31 July 2017

	Notes	2017 €'000	2016 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	105,271	102,796
Investment properties	13	9,675	9,675
Goodwill and intangible assets	14	205,961	192,696
Investments in associates and joint venture	15	34,206	39,008
Other financial assets	16	531	2,550
Derivative financial instruments	23	169	–
Deferred tax assets	24	3,475	7,376
Total non-current assets		359,288	354,101
Current assets			
Inventory	17	159,245	163,438
Trade and other receivables	18	401,303	430,026
Derivative financial instruments	23	560	1,337
Restricted cash	20	–	2,948
Cash and cash equivalents	21	162,631	168,199
Total current assets		723,739	765,948
TOTAL ASSETS		1,083,027	1,120,049
EQUITY			
Called up share capital presented as equity	28	1,264	1,264
Share premium		160,422	160,399
Retained earnings and other reserves		125,043	117,639
TOTAL EQUITY		286,729	279,302
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	22	177,854	159,124
Deferred tax liabilities	24	17,553	19,109
Put option liability	26	5,450	10,358
Provision for liabilities	25	8,072	4,010
Post employment benefit obligations	27	3,646	7,713
Derivative financial instruments	23	204	628
Total non-current liabilities		212,779	200,942
Current liabilities			
Interest-bearing borrowings	22	16,227	8,901
Trade and other payables	19	548,130	604,404
Corporation tax payable		11,090	16,140
Provision for liabilities	25	7,392	9,768
Derivative financial instruments	23	680	592
Total current liabilities		583,519	639,805
TOTAL LIABILITIES		796,298	840,747
TOTAL EQUITY AND LIABILITIES		1,083,027	1,120,049

On behalf of the Board

Rose Hynes
Director

Tom O'Mahony
Director

Financial Statements

Consolidated Statement of Changes in Equity

For the financial year ended 31 July 2017

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cashflow 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
2017											
At 1 August 2016	**1,264**	**160,399**	**(8)**	**134**	**1,273**	**12,843**	**–**	**(196,884)**	**(27,402)**	**327,683**	**279,302**
Profit for the year	–	–	–	–	–	–	–	–	–	45,620	45,620
Other comprehensive income/ (expense) for the year	–	–	–	–	(3,938)	–	–	–	(10,674)	2,409	(12,203)
Total comprehensive income/ (expense) for the year	–	–	–	–	(3,938)	–	–	–	(10,674)	48,029	33,417
Share-based payment charge	–	–	–	–	–	–	358	–	–	–	358
Issue of new shares	–	23	–	–	–	–	–	–	–	–	23
Dividend paid to shareholders	–	–	–	–	–	–	–	–	–	(26,371)	(26,371)
At 31 July 2017	**1,264**	**160,422**	**(8)**	**134**	**(2,665)**	**12,843**	**358**	**(196,884)**	**(38,076)**	**349,341**	**286,729**

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cashflow 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

Consolidated Statement of Cash Flows

For the financial year ended 31 July 2017

	Notes	2017 €'000	2016 €'000
Cash flows from operating activities			
Profit before tax		**50,100**	66,173
Exceptional items		**12,524**	(4,955)
Finance income		**(703)**	(453)
Finance expenses		**7,617**	7,820
Profit on disposal of property, plant and equipment		**(229)**	(143)
Share of profit of associates and joint venture	15	**(4,366)**	(5,621)
Depreciation of property, plant and equipment	12	**7,099**	7,073
Amortisation of intangible assets	14	**6,718**	6,800
Employee share-based payment charge/(credit)	8	**358**	(300)
Pension contributions in excess of service costs	27	**(576)**	(3,978)
Payment of exceptional rationalisation costs	25	**(10,145)**	(7,202)
Payment of employment related incentive costs		**–**	(9,312)
Payment of exceptional acquisition costs		**(1,532)**	(1,392)
Operating cash flow before changes in working capital		**66,865**	54,510
Movement in inventory		**(2,706)**	(3,610)
Movement in trade and other receivables		**13,765**	(60,368)
Movement in trade and other payables		**(37,115)**	43,328
Cash generated from operating activities		**40,809**	33,860
Interest paid		**(6,336)**	(6,575)
Income tax paid		**(8,166)**	(11,635)
Cash inflow from operating activities		**26,307**	15,650
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**409**	1,133
Proceeds from sale of equity investment		**306**	1,051
Purchase of property, plant and equipment		**(11,206)**	(6,811)
Additions to intangible assets		**(3,566)**	(1,640)
Arising on acquisitions		**(20,305)**	(62,461)
Payment of contingent acquisition consideration	25	**(3,408)**	(1,000)
Payment of put option liability		**(1,746)**	–
Restricted cash	20	**2,948**	26,410
Investment in associates and joint venture		**–**	(164)
Dividends received from associates		**3,822**	2,942
Cash outflow from investing activities		**(32,746)**	(40,540)
Cash flows from financing activities			
Drawdown of bank loans		**113,471**	166,129
Repayment of bank loans		**(89,440)**	(118,895)
Bank overdraft arising on acquisition		**–**	(10,108)
Payment of dividends to equity shareholders		**(26,371)**	(30,327)
Cash inflow from financing activities		**(2,340)**	6,799
Net decrease in cash and cash equivalents		**(8,779)**	(18,091)
Translation adjustment		**(3,963)**	(14,255)
Cash and cash equivalents at start of year		**159,457**	191,803
Cash and cash equivalents at end of year	20,21	**146,715**	159,457

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 2017 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 of the Company were authorised for issue by the directors on 26 September 2017.

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 2016.

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

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 16 'Leases'.
> Amendments to 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'.
> Amendments to IFRS 4: Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts'.
> Amendments to IAS 40 'Transfers of Investment Property'.
> Annual Improvements to IFRS's 2014-2016 Cycle.
> IFRIC Interpretation 22 'Foreign Currency Translations and Advance Consideration'.

The Group is currently assessing the impact in relation to the adoption of the above standards and interpretations for future periods. Excluding IFRS 16 'Leases' which is currently under review the Directors assess that at this point they do not believe the standards will have a significant impact on the financial statements of the Group in future periods.

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 9 'Financial Instruments'.
> IFRS 15 'Revenue from Contracts with Customers'.

The Group is currently assessing the impact in relation to the adoption of the above standards and interpretations for future periods. At this point the above standards are not expected to have a significant impact on the Group financial statements.

New IFRS Accounting Standards and Interpretations Adopted in 2016-2017

During the year ended 31 July 2017, 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:

> Annual Improvements to IFRS's 2012-2014 Cycle.
> Amendment to IFRS 11 'Joint Arrangements' on acquisitions of an interest in a joint operation.
> Amendment to IAS 16 'Property, Plant and Equipment' and IAS 41 'Agriculture' regarding bearer plant.
> Amendment to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Assets' on depreciation and amortisation.
> Amendment to IAS 27 'Separate Financial Statements' on the equity method.
> Amendment to IAS 1 'Presentation of Financial Statements' on the disclosure initiative.
> Amendment to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in associates and joint ventures' on investment entities applying the consolidation exception.

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 Republic of Ireland.

The financial statements have been prepared on the going concern basis of accounting 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.

Group Accounting Policies *continued*

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 and joint ventures, when joint control or significant influence is obtained or ceases.

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 Venture
Associates are those entities in which the Group has significant influence over, but not control of, the financial and operating policy decisions. 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 and joint ventures'.

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 and settlement price adjustments 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. Estimated settlement price adjustments and discounts granted to customers are classified as a reduction of revenue and netted off the related trade receivable balances in Note 18. Further details of the estimation involved in determining settlement price adjustments payable at year end is included in Note 34.

Rebates
Rebates are a feature of commercial arrangements with certain suppliers. Rebates received and receivable are deducted from cost of sales in the income statement. At the year end the Group is required to calculate rebates receivable due from suppliers for volume based rebates. The calculation takes into account current performance, historical data for prior years and a review of the terms contained within supplier contracts. Rebates receivable are included in Trade and other receivables in Note 18.

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.

Segmental Reporting *continued*
The Group has two operating segments: Ireland and the UK and Continental Europe (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.

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.

As explained further in Note 9, the Group has implemented a long-term incentive plan which operates in a similar way to a long-term cash bonus. At each balance sheet date, the related provision is calculated based on the estimated fair value of the obligation resulting from applying a straight-line charge approach to the estimated final cash obligation over the term of the award (three years). Remeasurements are recognised immediately through profit or loss.

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.

Group Accounting Policies *continued*

Foreign Currency *continued*
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.

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 the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. 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 in 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.

Internally generated intangible assets are recognised when the following can be demonstrated:

> The technical feasibility of completing the intangible asset so that it will be available for use or sale.
> Its intentions to complete the development.
> Its ability to use or sell the intangible asset.
> Its ability to generate future economic benefits.
> The availability of resources to complete the development.
> Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

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
Developed technology	up to 10 years
Internally generated	up to 10 years
Computer related	3 to 7 years

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

In line with IAS 38, Intangible assets, a review of the estimated useful lives of brands, customer, supplier 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 and with the benefit of the ownership and use of these assets for a number of years, the Group undertook a detailed reassessment of estimated useful lives in the prior year. The nature of the Origin business is that customer relationships with agronomists are highly valued and brands are long established. In carrying out this reassessment 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 reassessment in the prior year 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 Income Statement was a decrease in the amortisation charge of c.€3,500,000. The Group will continue to 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. 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.

Group Accounting Policies *continued*

Financial Assets and Liabilities *continued*

Trade and Other Receivables *continued*

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 cashflows 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.

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, organisation redesign 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, changes in fair value of put option liabilities, settlement gains or losses on defined benefit plans, 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.

Following the acquisition of three businesses in Continental Europe during 2016 and subsequent restructuring of the Group's business, the basis of segmentation was amended during the current financial year to reflect the new business model. The revised basis of segmentation is outlined in the paragraphs below but in all instances the changes were deemed necessary to better enable the CODM to evaluate the results of the business in the context of the economic environment in which the business operates, to make appropriate strategic decisions and to more accurately reflect the business model under which the Group now operates in each of these geographical regions. All comparative amounts have been restated to reflect the new basis of segmentation. The reclassification has no impact on revenue or operating profit reported by the Group.

Ireland and the UK

This segment includes the Group's wholly owned Irish and UK-based Business-to-Business Agri-Inputs operations, Integrated Agronomy and On-Farm Services operations and Digital Agricultural Services business. In addition, this segment includes the Group's associates and joint venture undertakings.

Continental Europe

This segment includes the Group's Business-to-Business Agri-Inputs operations, Integrated Agronomy and On-Farm Services operations in Poland, Romania and the Ukraine.

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.

	Ireland & the UK		Continental Europe		Total Group	
	2017 €'000	2016 €'000	**2017 €'000**	2016 €'000	**2017 €'000**	2016 €'000
(a) Analysis by segment						
(i) Segment revenue and results						
Total revenue	**1,266,159**	1,337,853	**573,483**	497,636	**1,839,642**	1,835,489
Less revenue from associates and joint venture	**(311,174)**	(314,233)	**–**	–	**(311,174)**	(314,233)
Revenue	**954,985**	1,023,620	**573,483**	497,636	**1,528,468**	1,521,256
Segment result	**53,431**	52,705	**16,578**	14,553	**70,009**	67,258
Profit from associates and joint venture	**4,366**	5,621	**–**	–	**4,366**	5,621
Amortisation of non-ERP intangible assets	**(3,071)**	(2,822)	**(1,766)**	(1,472)	**(4,837)**	(4,294)
Total operating profit before exceptional items	**54,726**	55,504	**14,812**	13,081	**69,538**	68,585
Exceptional items	**(12,145)**	(481)	**(379)**	5,436	**(12,524)**	4,955
Operating profit	**42,581**	55,023	**14,433**	18,517	**57,014**	73,540

	2017 €'000	2016 €'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	**57,014**	73,540
Finance income	**703**	453
Finance expense	**(7,617)**	(7,820)
Reported profit before tax	**50,100**	66,173
Income tax expense	**(4,480)**	(8,372)
Reported profit after tax	**45,620**	57,801

Notes to the Group Financial Statements *continued*

1 Segment Information *continued*

	Ireland & the UK		Continental Europe		Total Group	
	2017 €'000	2016 €'000	**2017 €'000**	2016 €'000	**2017 €'000**	2016 €'000
(iii) Segment assets						
Segment assets excluding investment in associates and joint venture	**536,519**	556,536	**344,936**	344,081	**881,455**	900,617
Investment in associates and joint venture (including other financial assets)	**34,737**	39,572	**–**	–	**34,737**	39,572
Segment assets	**571,256**	596,108	**344,936**	344,081	**916,192**	940,189
Reconciliation to total assets as reported in Consolidated Statement of Financial Position						
Cash and cash equivalents					**162,631**	168,199
Restricted cash					**–**	2,948
Derivative financial instruments					**729**	1,337
Deferred tax assets					**3,475**	7,376
Total assets as reported in Consolidated Statement of Financial Position					**1,083,027**	1,120,049

	Ireland & the UK		Continental Europe		Total Group	
	2017 €'000	2016 €'000	**2017 €'000**	2016 €'000	**2017 €'000**	2016 €'000
(iv) Segment liabilities						
Segment liabilities	**357,362**	400,482	**215,328**	235,771	**572,690**	636,253
Reconciliation to total liabilities as reported in Consolidated Statement of Financial Position						
Interest-bearing loans and liabilities					**194,081**	168,025
Derivative financial instruments					**884**	1,220
Current and deferred tax liabilities					**28,643**	35,249
Total liabilities as reported in Consolidated Statement of Financial Position					**796,298**	840,747

1 Segment Information *continued*

	Ireland & the UK		Continental Europe		Total Group	
	2017 €'000	2016 €'000	**2017 €'000**	2016 €'000	**2017 €'000**	2016 €'000
(v) Other segment information						
Depreciation	**5,059**	5,514	**2,040**	1,559	**7,099**	7,073
Intangible amortisation	**4,953**	5,328	**1,765**	1,472	**6,718**	6,800
Exceptional (loss)/ gain (Note 3)	**(12,145)**	(481)	**(379)**	5,436	**(12,524)**	4,955
Capital expenditure – property, plant and equipment	**6,982**	5,339	**4,834**	1,441	**11,816**	6,780
Capital expenditure – ERP and computer intangibles	**2,600**	4,132	**299**	170	**2,899**	4,302
Total capital expenditure	**9,582**	9,471	**5,133**	1,611	**14,715**	11,082

	Ireland & the UK		Continental Europe		Total Group	
	2017 €'000	2016 €'000	**2017 €'000**	2016 €'000	**2017 €'000**	2016 €'000
(b) Analysis by geography						
Revenue	**954,985**	1,023,620	**573,483**	497,636	**1,528,468**	1,521,256
Assets	**571,256**	596,108	**344,936**	344,081	**916,192**	940,189
IFRS 8 non-current assets*	**274,753**	263,846	**80,891**	82,879	**355,644**	346,725

* The total non-current assets in the UK is €213.1 million.

2 Operating Costs

	2017 €'000	2016 €'000
Distribution expenses	**90,231**	88,725
Administration expenses	**71,219**	64,561
Amortisation of non-ERP related intangible assets	**4,837**	4,294
	166,287	157,580
Exceptional items (Note 3)	**12,524**	(4,955)
	178,811	152,625

Notes to the Group Financial Statements *continued*

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:

	2017 €'000	2016 €'000
Rationalisation costs (i)	**(10,990)**	(2,846)
Gain on disposal of investment (ii)	**–**	1,341
Transaction and strategy related costs (iii)	**(2,460)**	(2,228)
Organisational design costs (iv)	**(1,740)**	–
Fair value adjustment on investment properties (Note 13)	**–**	2,100
Fair value adjustment on put option liability (v)	**2,666**	6,588
Total exceptional (charge)/credit before tax	**(12,524)**	4,955
Tax credit/(charge) on exceptional items	**3,222**	(221)
Total exceptional (charge)/credit after tax	**(9,302)**	4,734

(i) Rationalisation Costs

Rationalisation costs comprise the compensation and termination payments arising from the restructuring of our agronomy services businesses in the UK. The tax impact of this exceptional item in the current year is a tax credit of €2.1 million (2016: €0.6 million).

(ii) Gain on Disposal of Investment

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

(iii) Transaction and Strategy Related Costs

Transaction related costs principally comprise costs incurred in relation to acquisitions completed during the year and post year end. Strategy related costs relate to once off consultancy costs in the prior year associated with the Groups' Agri Services five-year strategy review. The tax impact of this exceptional item in the current year is a tax credit of €0.9 million (2016: €0.2 million).

(iv) Organisational Design Costs

During the year the Group incurred costs relating to the commencement of an organisation design project, the purpose of which is to enhance the Origin Group's central capabilities to enable it to continue to support the Group as it grows. The primary areas of focus include how the reporting and management structures, in addition to centralised functions, need to evolve as the Group continues to integrate existing businesses and expands its operational footprint. The project is expected to complete within the next year. The tax impact of this exceptional item in the current year is a tax credit of €0.2 million.

(v) 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. The tax impact of this exceptional item in the current year is nil.

4 Finance Income and Expense

	2017 €'000	2016 €'000
Recognised in the Consolidated Income Statement		
Finance income		
Interest income on bank deposits	**703**	453
Total finance income	**703**	453
Finance expenses		
Interest payable on bank loans and overdrafts	**(7,210)**	(7,244)
Unwinding of discount rate on put option liability (Note 26)	**(237)**	(485)
Defined benefit pension obligations: net interest cost (Note 27)	**(170)**	(91)
Total finance expenses	**(7,617)**	(7,820)
Finance costs, net	**(6,914)**	(7,367)
Recognised directly in Other Comprehensive Income		
Effective portion of changes in fair value of interest rate swaps	**784**	(405)

5 Statutory and Other Information

	2017 €'000	2016 €'000
Group operating profit before exceptional items is stated after charging:		
Raw materials and consumables used	**1,289,551**	1,300,877
Amortisation of intangible assets (Note 14)	**6,718**	6,800
Depreciation of property, plant and equipment (Note 12)	**7,099**	7,073
Operating lease rentals	**11,968**	12,539
Foreign exchange expense	**522**	340

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:

	2017 €'000	2016 €'000
Audit of the consolidated financial statements	**458**	431
Other assurance services	**90**	25
Other non-audit services	**1**	2

6 Directors' Emoluments

	2017 €'000	2016 €'000
Emoluments	**2,934**	2,109
Emoluments above include the following contributions to retirement benefit schemes:		
– Defined contribution	**250**	250
– Defined benefit	**26**	28
	276	278

Further details are shown in the Remuneration Committee Report on pages 56 to 65.

Retirement benefits are accruing to one Director (2016: one Director) under a defined benefit scheme and to two Directors (2016: two Directors) under a defined contribution scheme.

7 Share of Profit After Tax of Associates and Joint Venture

	2017 €'000	2016 €'000
Total Group share of:		
Revenue	**311,174**	314,233
Profit after tax	**4,366**	5,621

8 Employment

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

	2017 Number	2016 Number
Sales and distribution	**1,346**	1,306
Production	**336**	289
Management and administration	**653**	477
	2,335	2,072

	2017 Number	2016 Number
Average number of Non-Executive Directors	**6**	6
Average number of Executive Directors	**3**	3

	2017 €'000	2016 €'000
Aggregate employment costs of the Group are analysed as follows:		
Wages and salaries	**97,248**	92,213
Social insurance costs	**11,525**	10,330
Retirement benefit costs (Note 27) included in the Consolidated Income Statement:		
– defined benefit schemes – current service cost	**758**	589
– defined benefit schemes – past service cost	**131**	107
– defined benefit schemes – net interest cost	**170**	91
– defined contribution schemes	**2,780**	3,515
Share-based payment charge/(credit)	**358**	(300)
Cash based long-term incentive plan	**600**	–
Termination benefits (Note 3)	**10,990**	2,846
	124,560	109,391
Retirement benefit costs (Note 27) included in Other Comprehensive Income:		
– defined benefit schemes – remeasurements	**(3,407)**	4,881
	121,153	114,272

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:

2017 Awards

Award

On 10 March 2017, under the terms of the 2015 LTIP Plan, Mr T O'Mahony, Ms I Hurley and Mr D Giblin were granted 73,529, 48,897 and 60,459 share options respectively, which are subject to certain targets, thresholds and conditions being met, as set out below.

Targets & Thresholds

Vesting of share options and transfer of ownership of resulting shares 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 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

Additional Conditions

Additional conditions attaching to the vesting of the share options and transfer of ownership of resulting shares 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.
> 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.

9 Long-Term Incentive Plans *continued*

Movement in the number of share options outstanding are as follows:

	Number of share options 2017	Number of share options 2016
At 1 August	–	–
Granted[(i)]	182,885	–
At 31 July	**182,885**	–

Grant date	Expiry date	Exercise price	Number of share options 2017	Number of share options 2016
10 March 2017	9 March 2024	€0.01	182,885	–

(i) The fair value of the share options granted was €6.16 derived using the Black Scholes valuation model. The significant inputs into the model were weighted average share price of €6.80 at the grant date, exercise price of €0.01 and dividend yield of 3.1 per cent.

Cash Based Long-term Incentive Plan

During the year a new cash based Long-Term Incentive Plan ('LTIP') for key employees was implemented. The LTIP is intended to enable the retention and reward of key employees who are central to the achievement of the Group's growth strategy in the coming years. The implementation of the scheme commenced in 2017 when certain employees were granted awards which have the characteristics of a Long-Term cash bonus based on a maximum fixed amount with vesting of cash bonuses based on the achievement of non-market performance conditions (Adjusted earnings per share, Free cash flow ratio, Return on Investment and Earnings before interest and tax) over a three year period to 31 July 2019. The potential balance payable at the end of the three year period in 2020, based on awards outstanding at year end is €1.8 million of which €600,000 has been included within non-current provisions in the Balance Sheet and charged to the Income Statement within payroll costs in the year ended 31 July 2017 in line with the accounting policy on page 81. In order to calculate the fair value of the obligation at the end of the term of the Plan, the Group has used the actual results for 2017, the budget for 2018 and a forecast for 2019, resulting in a 45 per cent probability that the performance conditions over the three years will be achieved and have also assumed that no members of the scheme will leave the company before the end of the service period.

Save As You Earn ('SAYE') Scheme – the 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 vesting of the share options and transfer of ownership of resulting shares 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 preceding ten years exceeding 10 per cent of the Group's issued ordinary share capital at the date of grant. > 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 preceding 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.

9 Long-Term Incentive Plans *continued*

Save As You Earn ('SAYE') Scheme – the UK and Ireland *continued*

The value of the SAYE scheme at 31 July 2017 is as follows:

	2017 €'000	2016 €'000
At 1 August	–	–
Charge	330	–
At 31 July	330	–

Grant date	Expiry date	Option price	Exercise price	Number of share options 2017	Number of share options 2016
1 June 2016	1 June 2019	€1.78	€5.48	393,311*	495,000
1 June 2017	1 June 2020	€1.93	€5.64	138,016	–
				531,327	495,000

* The main drivers of the movement from year end 31 July 2016 are a number of good leavers in the period along with the impact of foreign currency on the number of shares to be exercised.

The main variable inputs used to calculate the SAYE schemes are as follows:

	Scheme 1	Scheme 2
Share price	€6.85	€7.05
Exercise price	€5.48	€5.64
Term	3 years	3 years
Share price volatility	27.3%	30.1%
Discount rate	3.0%	3.0%

2012 Ltip

	2017		2016	
	Number of equity entitlements	Number of share options	Number of equity entitlements	Number of share options
At 1 August	350,000	100,000	350,000	100,000
Granted	–	–	–	–
Vested	–	–	–	–
Lapsed	(350,000)	(100,000)	–	–
At 31 July	–	–	350,000	100,000

The 2012 LTIP Plan has been terminated and all equity entitlements previously awarded have lapsed.

Notes to the Group Financial Statements *continued*

10 Income Tax

	2017 €'000	2016 €'000
Current tax	**3,443**	8,800
Deferred tax	**1,037**	(428)
Income tax expense	**4,480**	8,372

	2017 €'000	2016 €'000
Reconciliation of average effective tax rate to Irish corporate tax rate:		
Profit before income tax	**50,100**	66,173
Share of profits of associates and joint venture	**(4,366)**	(5,621)
	45,734	60,552
Taxation based on Irish corporate rate of 12.5 per cent	**5,717**	7,569
Effect of deferred tax rate change	**(353)**	(676)
Expenses not deductible for tax purposes	**1,472**	1,316
Higher rates of tax on overseas earnings	**2,358**	2,657
Changes in estimate/adjustment in respect of previous periods:		
– Current tax	**(3,424)**	(376)
– Deferred tax	**234**	168
Non-taxable income	**(803)**	(790)
Utilisation of unprovided deferred tax assets	**(970)**	(1,256)
Recognition of previously unrecognised tax losses	**–**	(477)
Other	**249**	237
	4,480	8,372

	2017 €'000	2016 €'000
Movement on deferred tax (liability)/asset and current tax recognised directly in the Consolidated Statement of Comprehensive Income		
Relating to Group employee benefit schemes	**519**	(926)
Property, plant and equipment	**30**	27
Foreign exchange (Note 24)	**(271)**	(87)
Derivative financial instruments and other	**(86)**	243
Movement on Deferred tax liability	**192**	(743)
Foreign exchange	**–**	(983)
Movement on Current tax	**–**	(983)
Recognised in the Consolidated Statement of Comprehensive Income	**192**	(1,726)

As a multinational group operating in a number of jurisdictions, the group is subject to regular audits by tax authorities on an ongoing basis. Certain audits were closed out during the year and the majority of the move in the current tax, change in estimate figure, represents the relevant adjustment.

A deferred tax asset of €3.5 million (2016: €7.4 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.

The total deductible temporary differences which have not been recognised are €15 million (2016: €36 million). Unrecognised losses with a value of €6.7 million expire within five 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 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.

11 Earnings Per Share

Basic Earnings Per Share

	2017 €'000	2016 €'000
Profit for the financial year attributable to equity shareholders	45,620	57,801

	'000	'000
Weighted average number of ordinary shares for the year	125,582	125,579

	Cent	Cent
Basic earnings per share	36.33	46.03

Diluted Earnings Per Share

	2017 €'000	2016 €'000
Profit for the financial year attributable to equity shareholders	45,620	57,801

	'000	'000
Weighted average number of ordinary shares used in basic calculation	125,582	125,579
Impact of shares with a dilutive effect	77	–
Impact of the SAYE scheme (Note 9)	531	495
Weighted average number of ordinary shares (diluted) for the year	126,190	126,074

	Cent	Cent
Diluted earnings per share	36.15	45.85

Adjusted Basic Earnings Per Share

	2017 '000	2016 '000
Weighted average number of ordinary shares for the year	125,582	125,579

	2017 €'000	2016 €'000
Profit for the financial year	45,620	57,801
Adjustments:		
Amortisation of non-ERP related intangible assets (Note 14)	4,837	4,294
Tax on amortisation of non-ERP related intangible assets	(934)	(1,242)
Exceptional items, net of tax	9,302	(4,734)
Adjusted earnings	58,825	56,119

	Cent	Cent
Adjusted basic earnings per share	46.84	44.69

Notes to the Group Financial Statements *continued*

11 Earnings Per Share *continued*

Adjusted Diluted Earnings Per Share

	2017 '000	2016 '000
Weighted average number of ordinary shares used in basic calculation	**125,582**	125,579
Impact of shares with a dilutive effect	**77**	–
Impact of the SAYE scheme (Note 9)	**531**	495
Weighted average number of ordinary shares (diluted) for the year	**126,190**	126,074

	2017 €'000	2016 €'000
Adjusted earnings (as above)	**58,825**	56,119

	Cent	Cent
Adjusted diluted earnings per share	**46.62**	44.51

12 Property, Plant and Equipment

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total €'000
Cost				
At 1 August 2016	89,788	55,698	5,895	151,381
Additions	3,593	6,690	1,533	11,816
Arising on acquisition (Note 33)	60	328	–	388
Disposals	–	(340)	(1,125)	(1,465)
Translation adjustments	(1,162)	(1,526)	805	(1,883)
At 31 July 2017	**92,279**	**60,850**	**7,108**	**160,237**
Accumulated depreciation				
At 1 August 2016	10,940	34,735	2,910	48,585
Depreciation charge for year	1,389	4,760	950	7,099
Disposals	–	(306)	(979)	(1,285)
Translation adjustments	507	(414)	474	567
At 31 July 2017	**12,836**	**38,775**	**3,355**	**54,966**
Net book amounts				
At 31 July 2017	**79,443**	**22,075**	**3,753**	**105,271**
At 31 July 2016	78,848	20,963	2,985	102,796

12 Property, Plant and Equipment *continued*

	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	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

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 2017	**689**	**608**	**1,297**
At 31 July 2016	225	594	819

13 Investment Properties

	2017 €'000	2016 €'000
At 1 August	**9,675**	7,575
Fair value adjustment	**–**	2,100
At 31 July	**9,675**	9,675

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 and regarded as a Level 2 fair value.

During the prior year 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 in the prior year showed an increase of €2.1 million to the carrying value of the investment properties. This gain was shown as an exceptional item in the Consolidated Income Statement for the year ended 31 July 2016.

At 31 July 2017 the valuation of the Group's investment properties were determined by the Directors using a market approach with reference to local knowledge and judgement. The Directors are satisfied with the basis upon which these valuations in the prior year were prepared and are satisfied, based on current market activity, that there has been no change in the fair value of investment properties in the year ended 31 July 2017.

14 Goodwill and Intangible Assets

	Goodwill €'000	Intangible assets Brand €'000	Customer related €'000	Supplier agreements €'000	Developed technology €'000	Computer related €'000	ERP related[i] €'000	Total €'000
Cost								
At 1 August 2016	118,750	21,067	77,256	707	–	3,133	20,924	241,837
Additions	–	–	667	–	–	715	2,184	3,566
Arising on acquisition (Note 33)	15,732	2,000	3,243	–	4,557	70	–	25,602
Translation adjustment	(5,781)	(1,038)	(3,890)	(42)	(111)	(141)	(168)	(11,171)
At 31 July 2017	**128,701**	**22,029**	**77,276**	**665**	**4,446**	**3,777**	**22,940**	**259,834**
Accumulated amortisation								
At 1 August 2016	–	7,841	29,255	707	–	1,643	9,695	49,141
Amortisation	–	848	3,284	–	91	614	1,881	6,718
Translation adjustment	–	(456)	(1,566)	(42)	(2)	83	(3)	(1,986)
At 31 July 2017	**–**	**8,233**	**30,973**	**665**	**89**	**2,340**	**11,573**	**53,873**
Net book amounts								
At 31 July 2017	**128,701**	**13,796**	**46,303**	**–**	**4,357**	**1,437**	**11,367**	**205,961**
At 31 July 2016	118,750	13,226	48,001	–	–	1,490	11,229	192,696

(i) ERP related amortisation is charged to administration expenses within operating costs in the Income Statement.
(ii) Material individual intangible assets are as follows:
Customer Lists with a carrying value of €10.1 million and €6.4 million that have remaining residual lives of 15 and 11 years respectively.

	Goodwill €'000	Intangible assets 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	34,085	5,252	11,841	–	38	–	51,216
Translation adjustment	(14,193)	(1,631)	(9,935)	(178)	(417)	(256)	(26,610)
At 31 July 2016	**118,750**	**21,067**	**77,256**	**707**	**3,133**	**20,924**	**241,837**
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	**118,750**	**13,226**	**48,001**	**–**	**1,490**	**11,229**	**192,696**
At 31 July 2015	98,858	9,243	41,413	35	1,342	10,510	161,401

14 Goodwill and Intangible Assets *continued*

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 cash-generating units across the Group and the key assumptions used in the impairment calculations are summarised as follows:

	Pre-tax discount rate 2017	Pre-tax discount rate 2016	Projection period 2017/2016	EBIT Growth rate in Year 2 & 3 of projection period 2017/2016	Terminal value growth rate 2017/2016	2017 €'000	2016 €'000
Agronomy – UK Related	8.5%	10.6%	3 years	5%	2%	74,000	64,763
Amenity – UK Related	8.5%	10.6%	3 years	5%	2%	8,205	5,932
Fertiliser – UK Related	8.5%	10.6%	3 years	5%	2%	6,863	7,796
Ukraine	16.2%	14.7%	3 years	10%	2%	7,723	8,152
Poland	9.2%	10.1%	3 years	5%	2%	8,748	8,552
Romania	9.7%	10.9%	3 years	5%	2%	23,162	23,555
						128,701	118,750

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 2018 (Year 1) are extracted from the 2018 budget document formally approved by the Board of Directors. The cash flow projections are based on current operating results of the individual CGUs and management's view 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 consistent 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 10.8 per cent and post-tax is 8.6 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.

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 knowledge of the business. 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.

Given the limited headroom in Ukraine, the Group completed a number of sensitivities on the assumptions in the impairment models with the following results:

> Reduction of 4 per cent in growth rates in years 1, 2 and 3 eliminates all headroom.
> Increase of 1.5 per cent in pre-tax discount rates eliminates all headroom.

15 Investments in Associates and Joint Venture

	2017 €'000	2016 €'000
At 1 August	39,008	38,537
Share of profits after tax	4,366	5,621
Dividends received	(3,822)	(2,942)
Share of other comprehensive (expense)/income	(4,232)	1,819
Translation adjustment	(1,114)	(4,027)
At 31 July	34,206	39,008
Split as follows:		
Total associates	17,620	18,693
Total joint venture	16,586	20,315
	34,206	39,008

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 those applied by its associates and joint venture.

Notes to the Group Financial Statements *continued*

15 Investments in Associates and Joint Venture *continued*

	2017 €'000	2016 €'000
Associates and joint venture income statement (100 per cent):		
Revenue	622,348	628,466
Other comprehensive income	(8,464)	3,638
Dividends received by Group	(3,822)	(2,942)
Exchange differences arising on consolidation	(1,114)	(4,027)

The investment in associates and joint venture as at 31 July 2017 is analysed as follows:

	Associates €'000	Joint venture €'000	Total €'000
Non-current assets	5,679	8,163	13,842
Current assets	37,485	30,879	68,364
Non-current liabilities	(4,561)	(6,444)	(11,005)
Current liabilities	(20,983)	(16,012)	(36,995)
At 31 July 2017	**17,620**	**16,586**	**34,206**

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 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

	2017 €'000	2016 €'000
Non-current		
Other financial assets		
At 1 August	2,550	494
Loan to associate	–	164
Receivable from related party	–	1,684
Reclass to current receivables	(1,684)	–
Other equity investments	–	303
Disposal of equity investment	(303)	–
Translation adjustments	(32)	(95)
At 31 July	531	2,550

17 Inventory

	2017 €'000	2016 €'000
Raw materials	42,548	35,639
Finished goods	115,018	126,303
Consumable stores	1,679	1,496
	159,245	163,438

18 Trade and Other Receivables

	2017 €'000	2016 €'000
Trade receivables[i]	**371,048**	388,320
Amounts due from related parties	**10,838**	24,389
Value added tax	**2,564**	2,822
Other receivables	**2,372**	3,394
Prepayments and accrued income	**14,481**	11,101
	401,303	430,026

(i) Trade receivables includes rebates receivable.

19 Trade and Other Payables

	2017 €'000	2016 €'000
Trade payables[i]	**443,497**	501,897
Accruals and other payables	**74,528**	63,642
Amounts due to other related parties	**5,298**	11,819
Income tax and social insurance	**4,676**	4,412
Value added tax	**20,131**	22,634
	548,130	604,404

(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 2017 approximately €7.5 million (2016: €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 on 17 September 2016.

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.

	2017 €'000	2016 €'000
Cash at bank and in hand	**162,631**	168,199
Bank overdrafts (Note 22)	**(15,916)**	(8,742)
Included in the Consolidated Statement of Cash Flows	**146,715**	159,457

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.

	2017 €'000	2016 €'000
Included in non-current liabilities:		
Bank loans	**177,426**	158,925
Finance leases	**428**	199
Non-current interest-bearing loans and borrowings	**177,854**	159,124
Included in current liabilities:		
Bank overdrafts	**15,916**	8,742
Finance leases	**311**	159
Current interest-bearing loans and borrowings	**16,227**	8,901
Total interest-bearing loans and borrowings	**194,081**	168,025

Analysis of Net Debt

	2016 €'000	Cash flow €'000	Non-cash movements €'000	Translation adjustment €'000	2017 €'000
Cash	168,199	(1,349)	–	(4,219)	**162,631**
Overdraft	(8,742)	(7,430)	–	256	**(15,916)**
Cash and cash equivalents	159,457	(8,779)	–	(3,963)	**146,715**
Finance lease obligations	(358)	(417)	–	36	**(739)**
Loans	(158,925)	(24,031)	(695)	6,225	**(177,426)**
Net cash/(debt)	**174**	**(33,227)**	**(695)**	**2,298**	**(31,450)**
Restricted cash	2,948	(2,948)	–	–	**–**
Net cash/(debt) including restricted cash	**3,122**	**(36,175)**	**(695)**	**2,298**	**(31,450)**

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.

The details of outstanding loans are as follows:

	Currency	Nominal value €'000	Carrying amount €'000
2017			
Unsecured loan facility:			
– term facility maturing in May 2022	**EUR**	**37,894**	**37,363**
– term facility maturing in May 2022	**STG**	**78,204**	**77,105**
– term facility maturing in May 2022	**RON**	**27,092**	**26,711**
– term facility maturing in May 2022	**PLN**	**6,336**	**6,247**
– term facility maturing in September 2018	**EUR**	**30,000**	**30,000**
		179,526	**177,426**
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**

At 31 July 2017, the average interest rate being paid on the Group's unsecured loan facilities was 1.56 per cent (2016: 1.66 per cent).

22 Interest-bearing Loans and Borrowings *continued*
Analysis of Net Debt *continued*

	2017 €'000	2016 €'000
Repayment schedule – loans, overdrafts and finance leases		
Within one year	16,227	8,901
Between one and five years	177,854	159,124
Loans and overdrafts	194,081	168,025

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

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
2017						
Other financial assets		–	531	–	531	531
Trade and other receivables		–	384,258	–	384,258	384,258
Derivative financial assets	Level 2	729	–	–	729	729
Cash and cash equivalents		–	162,631	–	162,631	162,631
Total financial assets		729	547,420	–	548,149	548,149
Trade and other payables		–	–	(527,225)	(527,225)	(527,225)
Contingent consideration	Level 3	(9,289)	–	–	(9,289)	(9,289)
Bank overdrafts		–	–	(15,916)	(15,916)	(15,916)
Bank borrowings (greater than one year)	Level 2	–	–	(177,426)	(177,426)	(177,426)
Finance lease liabilities		–	–	(739)	(739)	(739)
Put option liability	Level 3	(5,450)	–	–	(5,450)	(5,450)
Derivative financial liabilities	Level 2	(884)	–	–	(884)	(884)
Total financial liabilities		(15,623)	–	(721,306)	(736,929)	(736,929)
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)
Contingent consideration	Level 3	(7,838)	–	–	(7,838)	(7,838)
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		(19,416)	–	(748,793)	(768,209)	(768,209)

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
The €531,000 loans and receivables included in financial assets are carried at amortised cost.

Notes to the Group Financial Statements *continued*

23 Financial Instruments and Financial Risk *continued*

Estimation of Fair Values *continued*

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.

Contingent consideration
The fair value of the contingent consideration has been determined based on an agreed earnings before interest and tax based formula which includes an expectation of future trading performance ('EBIT') discounted to present day value using a cost of debt rate of 3 per cent. A reconciliation from opening to closing balance has been included in Note 25.

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 2017 was €49,764,000 (2016: €47,204,000).

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 2017 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.

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 2017 were €74,688,000 (2016: €59,397,000).

At 31 July 2017, the average fixed interest rate on the swap portfolio was 0.49 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 2017 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 3 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 2017. 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
- Market risk

23 Financial Instruments and Financial Risk *continued*

Risk Exposures *continued*

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 and Continental Europe, the risk is mitigated due to the geographic spread throughout, 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.

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 2017 €'000	Carrying Amount 2016 €'000
Other financial assets	**531**	2,550
Trade and other receivables	**384,258**	416,103
Cash and cash equivalents	**162,631**	168,199
Derivative financial assets	**729**	1,337
	548,149	588,189

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 2017 €'000	Carrying amount 2016 €'000
Ireland and the UK	**163,255**	193,960
Continental Europe	**207,793**	194,360
	371,048	388,320

Notes to the Group Financial Statements *continued*

23 Financial Instruments and Financial Risk *continued*

Credit Risk *continued*

Trade receivables *continued*

At 31 July 2017 trade receivables of €42,705,000 (2016: €41,430,000) 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:

	2017		2016	
	Gross €'000	Impairment €'000	Gross €'000	Impairment €'000
Not past due	309,631	–	325,576	–
Past due 0-30 days	42,705	–	41,430	–
Past due 31-120 days	20,954	(2,242)	27,603	(6,289)
Past due +121 days	9,794	(9,794)	3,243	(3,243)
At 31 July	383,084	(12,036)	397,852	(9,532)

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

	Impairment 2017 €'000	Impairment 2016 €'000
1 August	(9,532)	(10,821)
(Charge)/Credit to the Consolidated Income Statement	(3,111)	131
Receivables written off as uncollectable	276	209
Translation adjustments	331	949
31 July	(12,036)	(9,532)

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 €10.1 million as at 31 July 2017 (2016: €8.4 million). The Group has continued to recognise an asset of €132,000 (2016: €115,000) 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 2017, 100 per cent of bank facilities mature after one year.

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
2017						
Variable rate bank loans	(177,426)	(188,892)	(1,382)	(1,382)	(32,360)	(153,768)
Trade and other payables	(527,225)	(527,225)	(527,225)	–	–	–
Contingent consideration	(9,289)	(10,131)	–	(1,817)	(804)	(7,510)
Put option liability	(5,450)	(5,450)	–	–	–	(5,450)
Derivative financial liabilities						
Interest rate swaps used for hedging	(204)	(204)	–	–	–	(204)
Currency forward contracts used for hedging						
– Inflows	28,356	28,356	24,502	3,854	–	–
– Outflows	(29,036)	(29,036)	(25,078)	(3,958)	–	–
	(884)	(884)	(576)	(104)	–	(204)

23 Financial Instruments and Financial Risk *continued*

Liquidity Risk *continued*

	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)	–	–	–
Contingent consideration	(7,838)	(8,334)	(2,940)	(769)	(2,486)	(2,139)
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)

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:

	2017		2016	
	Assets €'000	**Liabilities €'000**	Assets €'000	Liabilities €'000
Cash flow hedges				
Currency forward contracts	**560**	**(680)**	1,337	(402)
Interest rate swaps	**169**	**(204)**	–	(818)
At 31 July	**729**	**(884)**	1,337	(1,220)

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 UK and certain 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*

Market Risk *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:

	Ron €'000	Euro €'000	Sterling €'000	US Dollar €'000	Total €'000
2017					
Trade receivables	**–**	**1,460**	**–**	**8,002**	**9,462**
Cash and cash equivalents	**176**	**1,368**	**1,889**	**1,932**	**5,365**
Other payables	**–**	**(10,270)**	**(642)**	**(12,916)**	**(23,828)**
	176	**(7,442)**	**1,247**	**(2,982)**	**(9,001)**
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)
	72	(8,200)	30	2,731	(5,367)

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 2017 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 2016.

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
2017		
Dollar	**298**	**(298)**
Sterling	**125**	**(125)**
Romanian Leu	**18**	**(18)**
At 31 July 2017	**441**	**(441)**
2016		
Dollar	273	(273)
Sterling	3	(3)
Romanian Leu	7	(7)
At 31 July 2016	283	(283)

23 Financial Instruments and Financial Risk *continued*

Market Risk *continued*

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 2017 €'000	Carrying amount 2016 €'000
Fixed-rate instruments		
Finance lease liabilities	**(739)**	(358)
At 31 July	**(739)**	(358)
Variable rate instruments		
Interest-bearing borrowings	**(177,426)**	(158,925)
Bank overdraft	**(15,916)**	(8,742)
Cash and cash equivalents	**162,631**	168,199
At 31 July	**(30,711)**	532
Total interest-bearing financial instruments	**(31,450)**	174

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 2016.

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 50bp increase €'000
2017		
Unhedged variable rate instruments	**(102,738)**	**(514)**
Bank overdraft	**(15,916)**	**(80)**
Cash flow sensitivity (net)	**(118,654)**	**(594)**
2016		
Unhedged variable rate instruments	(99,528)	(498)
Bank overdraft	(8,742)	(44)
Cash flow sensitivity (net)	(108,270)	(542)

A 50 basis points decrease in interest rates at the reporting date would have had the equal but opposite effect on the above.

Notes to the Group Financial Statements *continued*

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:

	2017 €'000	2016 €'000
Deferred tax assets (deductible temporary differences)		
Pension related	1,454	2,975
Property, plant and equipment	28	25
Hedge related	17	–
Other deductible temporary differences	1,976	4,376
Total	3,475	7,376
Deferred tax liabilities (taxable temporary differences)		
Property, plant and equipment	(4,620)	(4,881)
Investment property	(1,620)	(1,620)
Pension related	–	(475)
Intangibles	(9,831)	(9,556)
Hedge related	–	(68)
Other	(1,482)	(2,509)
Total	(17,553)	(19,109)
Net deferred tax liability	(14,078)	(11,733)

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	Other €'000	Total €'000
2017							
At 1 August 2016	(4,856)	(1,620)	(68)	2,500	(9,556)	1,867	(11,733)
Recognised in the Consolidated Income Statement	130	–	–	(442)	934	(1,659)	(1,037)
Recognised in Other Comprehensive Income	(30)	–	86	(519)	–	271	(192)
Acquisitions related	–	–	–	–	(1,666)	–	(1,666)
Foreign exchange and other	164	–	(1)	(85)	457	15	550
At 31 July 2017	(4,592)	(1,620)	17	1,454	(9,831)	494	(14,078)
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)

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.

Other deferred tax assets relate mainly to losses forward.

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
2017				
At 1 August 2016	**7,838**	**3,410**	**2,530**	**13,778**
Arising on acquisition (Note 33)	**5,129**	**–**	**–**	**5,129**
Provided in year	**–**	**10,990**	**600**	**11,590**
Paid in year	**(3,408)**	**(10,145)**	**(7)**	**(13,560)**
Released in year	**–**	**(127)**	**(850)**	**(977)**
Currency translation adjustment	**(270)**	**(226)**	**–**	**(496)**
At 31 July 2017	**9,289**	**3,902**	**2,273**	**15,464**
Current	**1,817**	**3,902**	**1,673**	**7,392**
Non-current	**7,472**	**–**	**600**	**8,072**
2016				
At 1 August 2015	–	8,703	2,767	11,470
Arising on acquisition	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

(i) Contingent acquisition consideration relates to the acquisition of Comfert SRL ('Comfert') in December 2015, R&T Liming in March 2016, Headland Amenity Limited ('Headland') in July 2016 and Resterra Group ('Resterra') in March 2017. The amount attributable to Comfert is €2.9 million, Headland €0.5 million, R&T Liming €0.9 million and Resterra €4.9 million. In the prior year the split of the contingent consideration related €2.9 millon to Redoxim, €2.9 million to Comfert, €1.3 million to R&T Liming, €0.2 million to ReSo Seeds and the balance of €0.5 million to Headland.

(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

	2017 €'000	2016 €'000
At 1 August	**10,358**	16,461
Fair value adjustment (Note 3)	**(2,666)**	(6,588)
Interest payable (Note 4)	**237**	485
Payments	**(2,479)**	–
At 31 July	**5,450**	10,358

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 3 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 2020 albeit they have the right to exercise the Put Option during 2018. Should such an event arise approximately half of the value of the Put Option included in the Consolidated Statement of Financial Position as at 31 July 2017 would be payable within twelve months with the remaining amount being released to the Income Statement as an exceptional item in 2018.

An increase of 5 per cent or 10 per cent in the 2017 and 2018 profit assumption included in the Put Option calculation would increase the liability by €326,000 and €652,000 respectively. A decrease of 5 per cent or 10 per cent in the 2017 and 2018 profit assumption included in the Put Option calculation would decrease the liability by €326,000 and €652,000 respectively.

Notes to the Group Financial Statements *continued*

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 2017 was €3,646,000 (2016: €7,713,000).

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 €1,059,000 (2016: €787,000) and a charge of €2,780,000 (2016: €3,515,000) in respect of the Group's defined contribution schemes.

Employee benefits included in the Consolidated Statement of Financial Position comprises the following:

	2017 €'000	2016 €'000
Deficit in defined benefit schemes	**3,646**	7,713

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 2017 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.

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 2018 are €145,000 and €1,119,000 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 2017 and 31 July 2016 are as follows:

	2017	2016
Republic of Ireland schemes		
Rate of increase in salaries	**0.00%–2.35%**	0.00%–2.00%
Discount rate on scheme liabilities	**2.20%**	1.50%
Inflation rate	**1.60%**	1.25%
UK scheme		
Rate of increase in salaries	**0.00%–3.30%**	0.00%–2.70%
Rate of increases in pensions in payment and deferred benefits	**0.00%–3.30%**	0.00%–2.70%
Discount rate on scheme liabilities	**2.50%**	2.40%
Inflation rate	**2.30%**	1.90%

27 Post Employment Benefit Obligations *continued*

Financial Assumptions – Scheme Liabilities *continued*

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:

	2017 ROI	2017 UK	2016 ROI	2016 UK
Male	25.2	23.3	25.1	24.1
Female	27.3	25.5	27.2	26.5

The mortality assumptions imply the following life expectancies in years of an active member, aged 65, retiring now:

	2017 ROI	2017 UK	2016 ROI	2016 UK
Male	23.0	22.0	22.9	21.8
Female	25.0	24.0	24.9	24.2

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%	Decrease by 8.3%/increase by 9.4%
Price inflation	Increase/decrease 0.50%	Increase/decrease by 0.9%
Salary	Increase/decrease 0.50%	Increase/decrease by 0.0%
Mortality	Increase/decrease by one year	Decrease/increase by 2.1%

UK scheme

Assumption	Change in assumption	Impact on plan liabilities
Discount rate	Increase/decrease 0.50%	Decrease by 7.9%/increase by 8.9%
Price inflation	Increase/decrease 0.50%	Increase/decrease by 4.9%
Salary	Increase/decrease 0.50%	Increase/decrease by 0.5%
Mortality	Increase/decrease by one year	Decrease/increase by 3.5%

	2017 ROI €'000	2017 UK €'000	2017 Total €'000
Net pension liability			
Market value of scheme assets:			
Equities	2,422	14,823	17,245
Bonds	8,796	–	8,796
Property	4,612	503	5,115
Investment funds	–	58,647	58,647
Insurance policy and insurance annuity	–	6,923	6,923
Other	42	112	154
Total market value of assets	15,872	81,008	96,880
Present value of scheme obligations	(16,363)	(84,163)	(100,526)
Liability in the schemes	(491)	(3,155)	(3,646)

27 Post Employment Benefit Obligations *continued*

Financial Assumptions – Scheme Liabilities *continued*

Sensitivity analysis for principal assumptions used to measure 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)

The majority of equity securities and bonds have quoted prices in active markets.

The major categories of scheme assets are as follows:

	2017 ROI %	2017 UK %
Split of scheme assets:		
Equities		
– Developed	13.0%	17.0%
– Emerging	1.0%	1.0%
Bonds		
– Government	57.0%	7.0%
Property – Ireland and the UK	29.0%	1.0%
Investment funds	0.0%	66.0%
Insurance policy and insurance annuity	0.0%	8.0%
	100%	100%

	2016 ROI %	2016 UK %
Split of scheme assets:		
Equities		
– Developed	12.0%	14.0%
– Emerging	1.0%	1.0%
Bonds		
– Government	61.0%	7.0%
Property – Ireland and the UK	26.0%	1.0%
Investment funds	0.0%	68.0%
Insurance policy and insurance annuity	0.0%	8.0%
Other	0.0%	1.0%
	100%	100%

27 Post Employment Benefit Obligations *continued*

	2017 €'000	2016 €'000
Movement in the fair value of scheme assets		
Fair value of assets at 1 August	101,502	99,859
Interest income	2,185	3,429
Remeasurements:		
– Return on plan assets excluding amounts included in interest income	2,056	11,136
Employer contributions	1,465	4,674
Employee contributions	178	246
Settlement payments	(974)	–
Benefit payments	(4,448)	(2,863)
Translation adjustments	(5,084)	(14,979)
Fair value of assets at 31 July	96,880	101,502

As at 31 July 2017 and 2016 the pension schemes held no shares in Origin Enterprises plc.

	2017 €'000	2016 €'000
Movement in the present value of scheme obligations		
Value of scheme obligations at 1 August	(109,215)	(107,232)
Current service costs	(758)	(589)
Past service costs	(131)	(107)
Interest on scheme obligations	(2,355)	(3,520)
Employee contributions	(178)	(246)
Settlement payments	974	–
Benefit payments	4,448	2,863
Remeasurements:		
– Experience gain	77	2,150
– Effect of changes in demographic assumptions	1,345	(1,329)
– Effect of changes in financial assumptions	(71)	(16,838)
Translation adjustments	5,338	15,633
Value of scheme obligations at 31 July	(100,526)	(109,215)

	2017 €'000	2016 €'000
Movement in net liability recognised in the Consolidated Statement of Financial Position		
Net liability in schemes at 1 August	(7,713)	(7,373)
Current service cost	(758)	(589)
Past service cost	(131)	(107)
Employer contributions	1,465	4,674
Other finance expense	(170)	(91)
Remeasurements	3,407	(4,881)
Translation adjustments	254	654
Net liability in schemes at 31 July	(3,646)	(7,713)

	2017 €'000	2016 €'000
Analysis of defined benefit expense recognised in the Consolidated Income Statement		
Current service cost	(758)	(589)
Past service cost	(131)	(107)
Total recognised in operating profit	(889)	(696)
Net interest cost (included in financing costs Note 4)	(170)	(91)
Net charge to Consolidated Income Statement	(1,059)	(787)

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:

	2017 ROI €'000	2017 UK €'000	2017 Total €'000
Within one year	253	2,096	2,349
Between one and two years	267	2,221	2,488
Between two and three years	297	2,368	2,665
Between three and four years	353	2,590	2,943
Between four and five years	380	2,755	3,135
After five years	14,813	72,133	86,946
Total	**16,363**	**84,163**	**100,526**

	2016 ROI €'000	2016 UK €'000	2016 Total €'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**

Average duration and scheme composition

	ROI	UK
Average duration of defined benefit obligation (years)	18	17

	ROI €'000	UK €'000	Total €'000
Allocation of defined benefit obligation by participant:			
Active plan participants	3,736	16,259	19,995
Deferred plan participants	8,371	32,405	40,776
Retirees	4,256	35,499	39,755
	16,363	**84,163**	**100,526**

Defined Benefit Pension Expense Recognised in Other Comprehensive Income

	2017 €'000	2016 €'000
Remeasurement gain on scheme assets	2,056	11,136
Remeasurement gain on scheme liabilities:		
Effect of experience gains on scheme liabilities	77	2,150
Effect of changes in demographical and financial assumptions	1,274	(18,167)
Remeasurements	3,407	(4,881)
Deferred tax	(519)	926
Defined benefit pension expense recognised in the Consolidated Statement of Comprehensive Income	**2,888**	(3,955)

The cumulative loss recognised in the Consolidated Statement of Comprehensive Income is €29,779,000 (2016: €32,667,000). The actual return on the plan assets was €4,241,000 (2016: €14,565,000).

28 Share Capital

	2017 €'000	2016 €'000
Authorised		
250,000,000 ordinary shares of €0.01 each (i)	**2,500**	2,500
Allotted, called up and fully paid		
126,382,206 (2016: 126,378,777) ordinary shares of €0.01 each (i) (ii) (iii)	**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.

(iii) In July 2017, the issued ordinary share capital was increased by the issue of 3,429 ordinary shares of nominal value €0.01 each, at an issue price of €5.48 each pursuant to the terms of the Origin Save As You Earn Scheme (2016).

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 share (total dividend of €26.5 million) (2016: 21.0 cent per share). Subject to shareholders' approval at the Annual General Meeting, the dividend will be paid on 15 December 2017 to shareholders on the register on 1 December 2017. In accordance with IFRS, this dividend has not been provided for in the Consolidated Statement of Financial Position as at 31 July 2017.

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.

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 (EBITDA to net interest) 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.
> 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 0.49 times at 31 July 2017 (2016: 0.0).
> The Group's interest cover (EBITDA to interest) is above 3.00. The ratio is 11.45 times at 31 July 2017 (2016: 11.06).

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.

	2017 €'000	2016 €'000
Within one year	7,077	6,303
In two to five years	13,078	14,951
After more than five years	9,751	6,658
	29,906	27,912

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	Other €'000	Total 2017 €'000
At 31 July 2017				
Contracted for but not provided for	2,869	642	240	3,751

	Land and buildings €'000	Plant and machinery €'000	Other €'000	Total 2016 €'000
At 31 July 2016				
Contracted for but not provided for	4,579	–	–	4,579

Future Purchase Commitments: Software Development

	Total 2017 €'000	Total 2016 €'000
Contracted for but not provided for	502	458
Total	502	458

The Group has a commitment of €8.8 million attributable to a strategic partnership with University College Dublin ('UCD'). The commitment is over a five year period.

32 Related Party Transactions

In the normal course of business, the Group undertakes trading transactions with its associates, joint venture and other related parties. A summary of transactions with these related parties during the year is as follows:

	2017				
	Sale of goods €'000	Purchase of goods €'000	Receiving services from €'000	Rendering services to €'000	Total €'000
Transactions with joint venture	–	(103,730)	–	216	(103,514)
Transactions with associates	65,706	(2,196)	(781)	294	63,023
Transactions with other	138	(8)	–	–	130

	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	408	–	–	–	408

The trading balances owing to the Group from related parties were €10,838,000 (2016: €24,389,000) and the trading balances owing from the Group to these related parties were €5,298,000 (2016: €11,819,000). Other financial assets on the Consolidated Statement of Financial Position comprise €531,000 (2016: €564,000) in relation to a loan to West Twin Investments Limited. As at 31 July 2017 the Group owed the founder of Agroscope International LLC and registered owner of 30 per cent of Origin Holdings Ukraine BV an amount of €1,281,000 (2016: €653,000).

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.

	2017 €'000	2016 €'000
Salaries and other short-term employee benefits	3,042	2,114
Post employment benefits	278	262
Share-based payments	66	(300)
Other long-term employee benefits	34	–
Total	3,420	2,076

33 Acquisition of Subsidiary Undertakings

During the year the Group completed a number of acquisitions. These acquisitions improved the strategic position of the Group's integrated agronomy services business and further the Group's focus on building new capability, systems and process development. Details of the acquisitions are as follows:

1 On 11 November 2016 the Group completed the acquisition of 100 per cent of David Dumosch Limited. David Dumosch is an agricultural and horticultural merchant.
2 On 9 March 2017 the Group completed the acquisition of 100 per cent of the Resterra Group. Resterra is a digital agricultural services group that provides an important enhancement to Origin's growing digital technology capabilities with a particular emphasis on expanding the Group's data driven group management solutions framework for the benefit of existing and potential new customers and agronomists.
3 On 1 July 2017 the Group completed the acquisition of 100 per cent of Linemark UK Limited. Linemark is a sports and amenity paint manufacturer supplying line marking paint, grass marking machines and accessories.

Details of the net assets acquired and goodwill arising from the business combinations are as follows:

	Provisional Fair value
Assets	
Non-current	
Property, plant & equipment	388
Intangible assets	9,870
Total non-current assets	10,258
Current assets	
Inventory	864
Trade receivables (i)	1,118
Other receivables	159
Total current assets	2,141
Liabilities	
Trade payables	(588)
Other payables	(374)
Corporation tax	(111)
Deferred tax liability	(1,666)
Total liabilities	(2,739)
Total identifiable net assets at fair value	9,660
Goodwill arising on acquisition	15,732
Total net assets acquired (excluding debt acquired)	25,392
Consideration satisfied by:	
Cash consideration	22,249
Cash acquired	(2,378)
Net cash outflow	19,871
Final cash settlement due	392
Contingent consideration	5,129
Consideration	25,392

(i) Gross trade receivables acquired were €1.1 million. All amounts are deemed to be recoverable.

Notes to the Group Financial Statements *continued*

33 Acquisition of Subsidiary Undertakings *continued*

During the prior year the Group completed a number of acquisitions in Romania and Poland, with some additional bolt on acquisitions in the UK. 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 UK, 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 UK, Headland Amenity Limited is a technically advanced supplier of products and synergistic programmes to improve sports turf surfaces.

Subsequent to the finalisation of the consolidated financial statements that were issued on 27 September 2016, certain adjustments were identified to the initial fair value accounting of acquisitions that were completed during the 12 months ended 31 July 2016. In line with Group policy and accounting standards, any adjustments to the initial accounting for a business combination are recognised within 12 months of the acquisition date and are effected as if they were identified at the acquisition date.

These adjustments have been included in the comparative year end 31 July 2016 numbers presented in the Consolidated Statement of Financial Position and the related notes therein and represent adjustments to the goodwill and trade and other payables balances.

The goodwill recognised on acquisitions is attributable to the skills and technical talent of the acquired business' 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 a number of acquisitions. The expected amounts of all future payments that the Group could be required to make under these arrangement total €10.1 million (discounted to €9.3 million). The final amount payable in relation to current year acquisitions will be dependent upon annual earnings targets being achieved in the 3 years to 30 April 2020. The discounted fair value of the contingent consideration on current year acquisitions of €5.0 million (2016: €4.1 million) was estimated based on applying a discount rate of 3 per cent to the fair value of the expected amount payable of €5.4 million (2016: €4.5 million). This is a Level 3 fair value measurement.

The final amount payable in relation to prior year acquisitions will be dependent upon annual earnings targets being achieved in the 4 years to 2021. The discounted fair value of the contingent consideration on prior year acquisitions of €4.2 million (2016: €4.1 million) was estimated based on applying a discount rate of 3 per cent to the fair value of the expected amount payable of €4.7 million (2016: €4.5 million). This is a Level 3 fair value measurement.

Post acquisition revenues and operating profit relating to the current year acquisitions amounted to €4.4 million and €1.1 million (2016: €161.9 million and €10.9 million). If the acquisitions had occurred on 1 August 2016, management estimates that consolidated revenue would have been €11.1 million (2016: €217.1 million) and consolidated operating profit for the year would have been €2.2 million (2016: €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 2016 (2016: 1 August 2015).

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 18	Trade and other receivables
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

An element of judgement is required in estimating a portion of the rebates receivable from suppliers of certain agricultural chemicals and fertiliser products at year end given the number and complexity of rebate arrangements in addition to the timing of payments. There are numerous contractual terms and requirements that must be met in order to obtain certain rebates.

34 Accounting Estimates and Judgements *continued*

Impairment testing of assets, particularly of goodwill, involves estimating the future cash flows for a cash-generating unit 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.

Exceptional items are those which are separately disclosed in order to highlight significant items, by virtue of their scale and nature, within the Group results for the year in order to aid the user's understanding of underlying performance of the Group. Management exercises judgement in assessing which items are classified as exceptional in order to ensure that the treatment of exceptional items is consistent with the accounting policy.

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.

The Group acknowledges the level of judgement required in estimating settlement price adjustments payable to certain customers given the complexity of such arrangements in addition to the timing of payments. The estimation of the final settlements payable is impacted by commodity prices, competitor pricing pressures, prevailing market conditions and the timing of the Group's financial year end as it is non-coterminous with the year end of its main customers. The Group records the estimated settlement price adjustments when the related sales are made based on market conditions and historical experience.

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	70	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
Headland Amenity Limited	Turf management services	100	1-3 Freeman Court, Jarman Way, Orchard Road, Royston, Hertfordshire, SG8 FHW, England
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
Origin NI Limited	Agricultural and construction inputs	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

Notes to the Group Financial Statements *continued*

35 Principal Subsidiaries and Associated Undertakings *continued*

Name of undertaking	Nature of business	% of ordinary shares	Registered office
Resterra Group	Digital agricultural services group	100	Unit 5, Dorcan Business Village, Murdock Road, Swindon, SN3 5HY, England
Linemark UK Limited	Sports and amenity provider	100	Unit 1-3 Riverside Business Park, Rawtenstall, Lancashire, UK, BB4 6JB, 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.

36 Subsequent Events

On 10 August 2017 Origin announced it had completed the acquisition of the fertiliser activities and certain assets of Bunn Fertiliser Limited ('Bunn'). Based in the United Kingdom, Bunn is a leading producer of prescription fertiliser blends and nutrition management systems servicing the arable grassland and horticultural sector. Under the terms of the transaction, Origin acquired the business on a debt free and cash basis for a consideration of £9 million. Due to the short time frame between completion date and the date of issuance of this report, it was not possible to reliably estimate the fair values of assets and liabilities or the goodwill amount associated with this acquisition.

There have been no other material events subsequent to 31 July 2017 that would require adjustment to or disclosure in this report.

37 Approval of Financial Statements

The Group financial statements were approved by the Board on 26 September 2017.

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').

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 on 1 August 2014.

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
Computer hardware	4 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.

Retirement 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, 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 net interest cost on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate (both as determined at the start of the financial year, taking account of any changes in the net defined benefit liability during the financial year as a result of contribution and benefit payments). This net interest cost is recognised in profit or loss as 'finance expense' and presented within 'interest payable and similar charges'.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income. These amounts together with the return on plan assets less the interest income on plan assets included in the net interest cost, are presented as 'remeasurement of net defined benefit liability' in other comprehensive income.

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.

Cash Flow Statement

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12 (b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and published Group financial statements, in which the Company's results are consolidated, include a cash flow statement.

Company Accounting Policies *continued*

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 put element of 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. Details relating to the put option liability are set out in Note 26 to the Group Financial Statements.

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 2017

	Notes	2017 €'000	2016 €'000
Fixed assets			
Investment properties	1	**1,925**	1,925
Tangible assets	2	**12,265**	12,350
Intangible assets	3	**1,489**	1,707
Financial assets	4	**34,472**	34,472
		50,151	50,454
Current assets			
Debtors	5	**447,756**	497,325
Cash at bank and in hand		**38,901**	55,117
		486,657	552,442
Creditors (amounts falling due within one year)	6	**(279,043)**	(356,009)
Net current assets		**207,614**	196,433
Total assets less current liabilities		**257,765**	246,887
Put option liability		**(5,450)**	(10,358)
Post employment benefit obligations	8	**(822)**	(2,546)
Net assets		**251,493**	233,983
Capital and reserves			
Called up share capital – presented as equity	9	**1,264**	1,264
Share premium		**164,774**	165,287
Profit and loss account and other reserves		**85,455**	67,432
Shareholders' funds		**251,493**	233,983

On behalf of the Board

Rose Hynes
Director

Tom O'Mahony
Director

Company Statement of Changes In Equity

For the financial year ended 31 July 2017

	Share capital €'000	Treasury shares €'000	Share premium €'000	Capital redemption reserve €'000	LTIP reserve €'000	Profit and loss €'000	Total €'000
2017							
At 1 August 2016	**1,264**	**(8)**	**165,287**	**134**	**–**	**67,306**	**233,983**
Profit for the year	–	–	–	–	–	43,031	43,031
Actuarial profit on post employment liabilities	–	–	–	–	–	1,341	1,341
Deferred tax on actuarial loss	–	–	–	–	–	(168)	(168)
Total comprehensive income for the year	–	–	–	–	–	44,204	44,204
Redemption of shares	–	–	(536)	–	–	–	(536)
Issue of shares	–	–	23	–	–	–	23
Share-based payment	–	–	–	–	358	–	358
Dividend paid to shareholders	–	–	–	–	–	(26,539)	(26,539)
At 31 July 2017	**1,264**	**(8)**	**164,774**	**134**	**358**	**84,971**	**251,493**

The profit for the year attributable to shareholders dealt with in the financial statements of the holding company for the year ended 31 July 2017 was €43,031,000 (2016: loss €2,580,000). 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.

	Share capital €'000	Treasury shares €'000	Share premium €'000	Capital redemption reserve €'000	Share-based payment reserve €'000	Profit and loss €'000	Total €'000
2016							
At 1 August 2015	1,264	(12)	165,287	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 loss	–	–	–	–	–	(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**	**(8)**	**165,287**	**134**	**–**	**67,306**	**233,983**

Notes to the Company Financial Statements

1 Investment Properties

	2017 €'000	2016 €'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 2017 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 2016	11,215	1,716	12,931
Additions	–	29	29
At 31 July 2017	**11,215**	**1,745**	**12,960**
Accumulated depreciation			
At 1 August 2016	–	581	581
Depreciation charge for year	–	114	114
At 31 July 2017	**–**	**695**	**695**
Net book amounts			
At 31 July 2017	**11,215**	**1,050**	**12,265**
At 31 July 2016	11,215	1,135	12,350

	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

Notes to the Company Financial Statements *continued*

3 Intangible Assets

	Brand €'000	Intellectual property €'000	Software €'000	Total €'000
Cost or valuation				
At 1 August 2016	184	1,778	338	2,300
Additions	–	–	–	–
At 31 July 2017	**184**	**1,778**	**338**	**2,300**
Amortisation				
At 1 August 2016	20	548	25	593
Charge for year	9	161	48	218
At 31 July 2017	**29**	**709**	**73**	**811**
Net book amounts				
At 31 July 2017	**155**	**1,069**	**265**	**1,489**
At 31 July 2016	164	1,230	313	1,707

	Brand €'000	Intellectual property €'000	Software €'000	Total €'000
Cost or valuation				
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

4 Financial Assets

	2017 €'000	2016 €'000
At 31 July	**34,472**	34,472

The principal subsidiaries are set out on Note 35 to the Group financial statements.

5 Debtors

	2017 €'000	2016 €'000
Amounts owed by subsidiary undertakings	**445,304**	494,027
Corporation tax	**917**	1,181
Other debtors	**618**	614
Deferred tax – pension related	**917**	1,503
	447,756	497,325

Amounts owed by subsidiaries are unsecured and are repayable on demand.

6 Creditors (Amounts Falling Due Within One Year)

	2017 €'000	2016 €'000
Amounts owed to subsidiary undertakings[(i)]	**267,519**	346,150
Trade creditors[(ii)]	**1,017**	1,110
Accruals and other payables[(ii)]	**7,818**	5,229
Retirement benefit and related liabilities	**843**	1,692
Deferred tax – revaluation of properties	**1,846**	1,828
	279,043	356,009

(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

	2017 €'000	2016 €'000
At 1 August	**(325)**	2,080
Charge for the year	**(604)**	(2,405)
At 31 July	**(929)**	(325)

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 2017 was €491,000 (2016: €2,182,000). The pension charge in the profit and loss account for the period in respect of the Company's defined benefit scheme was €209,000 (2016: €225,000).

The expected contributions from the Company for the year ending 31 July 2018 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 2017 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:

	2017 €'000	2016 €'000
Deficit in defined benefit schemes (see analysis below)	**491**	2,182
Provision to meet unfunded pensions	**331**	364
Total	**822**	2,546

	2017 %	2016 %
The main assumptions used by the actuary were as follows:		
Rate of increase in salaries	**0.00%–2.35%**	0.00%–2.00%
Discount rate in scheme liabilities	**2.20%**	1.50%
Inflation rate	**1.60%**	1.25%
The expected long-term rate of return on the assets of the schemes were:		
Equities	**5.50%**	5.00%
Bonds	**1.00%**	0.90%
Property	**5.00%**	5.00%

Notes to the Company Financial Statements *continued*

8 Post Employment Benefit Obligation *continued*

	2017 €'000	2016 €'000
Net pension liability		
Market value of scheme assets:		
Equities	**2,422**	2,267
Bonds	**8,796**	10,466
Property	**4,612**	4,407
Other	**42**	65
Total market value of assets	**15,872**	17,205
Present value of scheme liabilities	**(16,363)**	(19,387)
Deficit in the scheme	**(491)**	(2,182)
Movement in value of scheme assets		
Value of assets at 1 August	**17,205**	11,592
Interest income	**246**	325
Settlement payment	**(957)**	–
Actuarial (loss)/gain	**(747)**	1,974
Employer contributions	**395**	3,601
Benefit payment	**(299)**	(324)
Employee contributions	**29**	37
Value of assets at 31 July	**15,872**	17,205
Movement in the present value of scheme obligations		
Value of scheme obligations at 1 August	**(19,387)**	(18,015)
Current service costs	**(163)**	(158)
Settlement gain	**164**	–
Settlement payment	**957**	–
Interest on scheme obligations	**(292)**	(392)
Actuarial gain/(loss)	**2,088**	(1,109)
Benefit payment	**299**	324
Employee contributions	**(29)**	(37)
Value of scheme obligations at 31 July	**(16,363)**	(19,387)

8 Post Employment Benefit Obligation *continued*

	2017 €'000	2016 €'000
Movement in net liability recognised in the Balance Sheet		
At 1 August	(2,182)	(6,423)
Current service cost	(163)	(158)
Settlement gain	164	–
Employer contributions	395	3,601
Other finance expense	(46)	(67)
Actuarial gain	1,341	865
Net liability in scheme at 31 July	(491)	(2,182)
Analysis of defined benefit expense recognised in the profit and loss account		
Current service cost	(163)	(158)
Total recognised in operating profit	(163)	(158)
Interest income on scheme assets	246	325
Interest cost on scheme liabilities	(292)	(392)
Included in financing costs	(46)	(67)
Net charge to Company's profit and loss account	(209)	(225)

	2017 €'000	2016 €'000
Historical information		
Present value of the scheme obligation	(16,363)	(19,387)
Fair value of plan assets	15,872	17,205
Deficit in schemes	(491)	(2,182)

	2017 €'000	2016 €'000
Actual return less expected return on scheme assets	(747)	1,974
Experience adjustment on scheme liabilities	(24)	589
Changes in demographical and financial assumptions	2,112	(1,699)
Actuarial gain	1,341	864
Deferred tax charge	(168)	(108)
Actuarial gain recognised in statement of comprehensive income	1,173	756
History of experience gains and losses		
Difference between expected and actual return on assets:		
– amount (€'000)	(747)	1,974
– % of scheme assets	(4.7%)	11.5%
Experience adjustment on scheme liabilities:		
– amount (€'000)	(24)	589
– % of scheme liabilities	(0.1%)	3.0%
Total actuarial gain recognised in statement of total recognised gains and losses:		
– amount (€'000)	1,341	864
–% of scheme liabilities	8.2%	4.4%

The cumulative loss recognised in the statement of comprehensive income is €17,921,000 (2016: €19,094,000).

Notes to the Company Financial Statements *continued*

9 Share Capital

	2017 €'000	2016 €'000
Authorised		
250,000,000 ordinary shares of €0.01 each (i)	**2,500**	2,500
Allotted, called up and fully paid		
126,382,206 (2016: 126,378,777) ordinary shares of €0.01 each (i) (ii) (iii)	**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 the 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. The remaining 800,330 ordinary shares continue to be held as treasury shares.

(iii) In July 2017, the issued ordinary share capital was increased by the issue of 3,429 ordinary shares of nominal value €0.01 each, at an issue price of €5.48 each pursuant to the terms of the Origin Save As You Earn Scheme (2016).

10 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.

11 Share-based Payment

All disclosures relating to the Long-Term Incentive Plan are set out in Note 9 to the Group financial statements.

12 Statutory and Other Information

	2017 €'000	2016 €'000
Auditors' remuneration:		
– statutory audit of entity financial statements	**22**	20
– other assurance services	**527**	436
– other non-audit services	**–**	2
Profit/(loss) for the financial year	**43,031**	(2,580)

All of the Group audit fee was recharged by the Company to its subsidiaries in the current year.

13 Employment

	2017 Number	2016 Number
The average number of persons employed by the Company during the year was as follows:		
Management and administration	**19**	17

	2017 €'000	2016 €'000
Aggregate employment costs of the company are analysed as follows:		
Wages and salaries	**6,076**	3,121
Social welfare costs	**337**	284
Cash based long-term incentive plan	**600**	–
Pension costs:		
– defined benefit schemes – statement of total recognised gains and losses	**(1,341)**	(864)
– defined benefit schemes – profit and loss account	**209**	225
Share-based payment charge/(credit)	**358**	(300)
	6,239	2,466

14 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:

	2017				
	Sale of goods €'000	Purchase of goods €'000	Rendering services to €'000	Receiving services from €'000	Total €'000
Transactions with joint venture	–	–	216	–	216
Transactions with associates	–	–	206	–	206

	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

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.

	2017 €'000	2016 €'000
Salaries and other short-term employee benefits	2,320	1,621
Post employment benefits	250	234
Share-based payments	44	(300)
Other long-term employee benefits	34	–
	2,648	1,555

15 Approval of Financial Statements

These financial statements were approved by the Board on 26 September 2017.

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

Advisers

Syndicate Bankers
Allied Irish Banks plc
Bank of Ireland plc
Barclays Bank Ireland plc
HSBC Bank plc
ING Bank NV
Rabobank Ireland plc

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
Ireland

Stockbroker
Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT
United Kingdom

Nominated Adviser
Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

Media Relations
Powerscourt
1 Tudor Street
London
EC4Y 0AH
United Kingdom

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4-6 Riverwalk, Citywest Business Campus, Dublin 24, Ireland
T: +353 1 563 4900 F: +353 1 563 4916