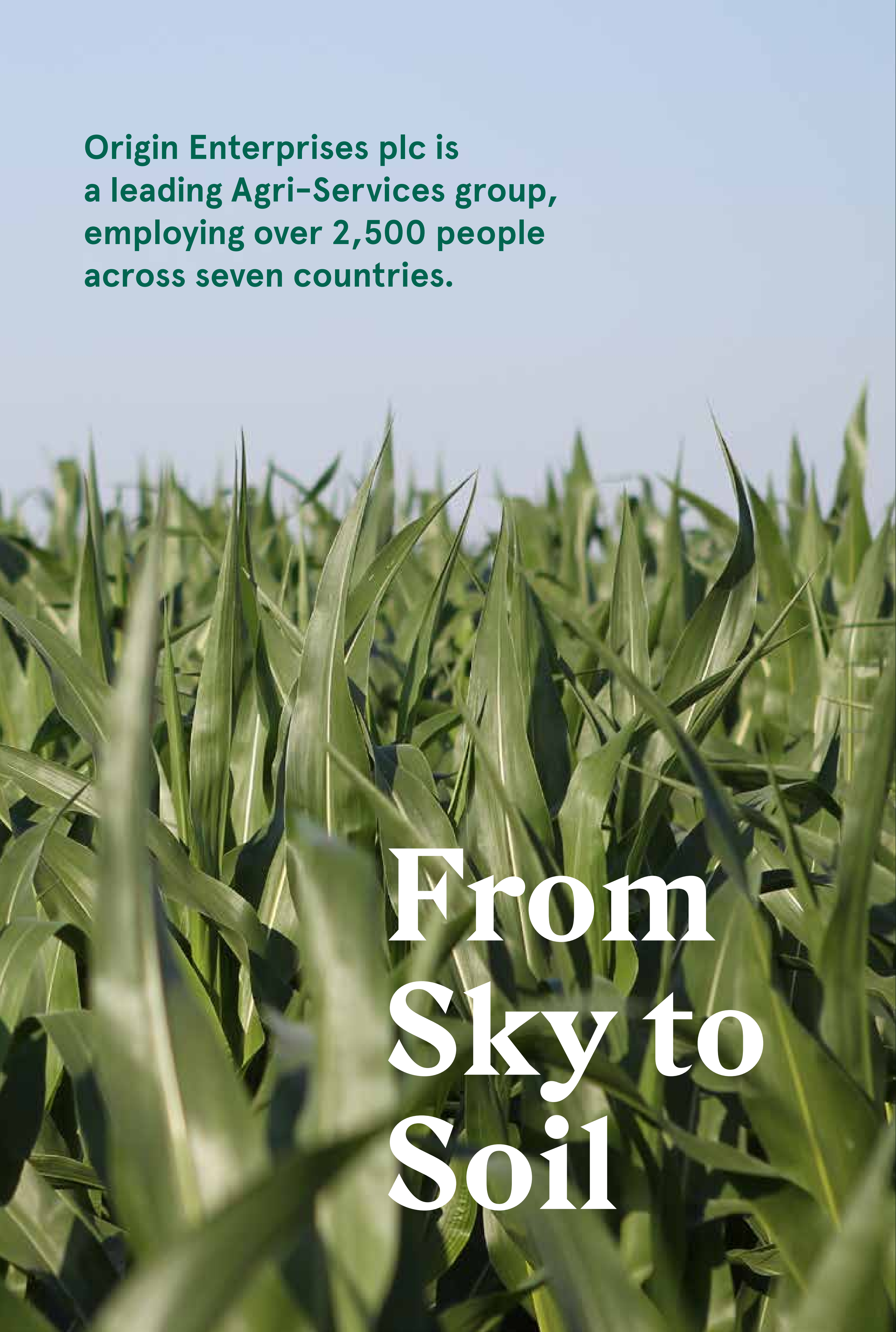
ENTERPRISES PLC

Perform Sustain Grow

Annual Report and Accounts 2019

Origin Enterprises plc is a leading Agri-Services group, employing over 2,500 people across seven countries.



From Sky to Soil

50,000

Trial Units

Perform

Origin delivered a strong performance in FY19 with a 15.6% growth in operating profit[1].
See more in the Chief Financial Officer's Review on page 14

Sustain

We aim to build a sustainable business and deliver long-term value to stakeholders in a responsible and ethical manner.
See more in the Sustainability Report on page 50

Grow

Origin's strategic ambition is to deliver a mix of organic growth and growth by acquisition.
See more in the Strategy section on page 24

1 *Operating profit is stated before amortisation of non-ERP intangible assets and exceptional items and before the Group's share of profits of associates and joint venture.*

>2,500
Employees

800
Sales Force

73
Demonstration Farms

12m ha
Direct Farm Customer Footprint

112
Distribution Points

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Strategic Report

Governance

Financial Statements

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

See Strategy on page 24
See Business Model on page 28

The Group operates in seven countries across Ireland, the UK, Continental Europe and Latin America.

See Ireland and the UK on page 32
See Continental Europe on page 38
See Latin America on page 44

Highlights

Origin delivered a strong performance in 2019 with 15.6% growth in operating profit[1].

- Group revenue increase of 10.5% to €1,798.2 million, and up 7.2% on an underlying basis.
- Operating profit[1] of €82.3 million, an increase of 15.6% and up 3.5% on an underlying basis.
- Group operating margin[1] of 4.6%, an increase of 20 basis points.
- Adjusted diluted earnings per share[2] up 7.9% to 52.65 cent.
- Acquisitions contributed 3.2% to sales growth and 12.0% to operating profit growth in the year.
- Strong cash conversion with free cash flow generation of €54.0 million (2018: €56.6 million).
- Increase in net debt to €75.6 million (2018: €38.4 million).
- Proposed 1.5% increase in total dividend to 21.32 cent (2018: 21.0 cent).
- Good first-time contribution from Fortgreen acquisition in Latin America.
- Exceptional charge of €7.0 million, principally due to a non-cash impairment relating to our Ukrainian business.

Revenue

€1,798.2m

+10.5%

+ 10.4% at constant currency [3]

Operating Profit[1]

€82.3m

+15.6%

+15.5% at constant currency [3]

Adjusted Diluted EPS[2]

52.65cent

+7.9%

+7.8% at constant currency [3]

Free Cash Flow

€54.0m

(2018: €56.6m)

ROCE

13.2%

(2018: 13.5%)

Dividend per Share

21.32cent

(2018: 21.00cent)

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 (2019: €7.1m, 2018: €4.9m) and exceptional items, net of tax (2019: €7.0m, 2018: €Nil)*
3. *Excluding currency movements.*

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.

North Berwick, United Kingdom

Andreea Ailenei, on-farm with the Agrii team
assessing the progress of this season's wheat crop

Find out more

Case Study: Transferring Knowledge on page 35
Case Study: RHIZA on page 36

Strategic Report

A focused Agri-Services group providing services and technology.

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 on a sustainable basis.

>2,500
Employees

34
Input Formulation and Processing Facilities

112
Distribution Points

73
Demonstration Farms

Business-to-Business Agri-Inputs

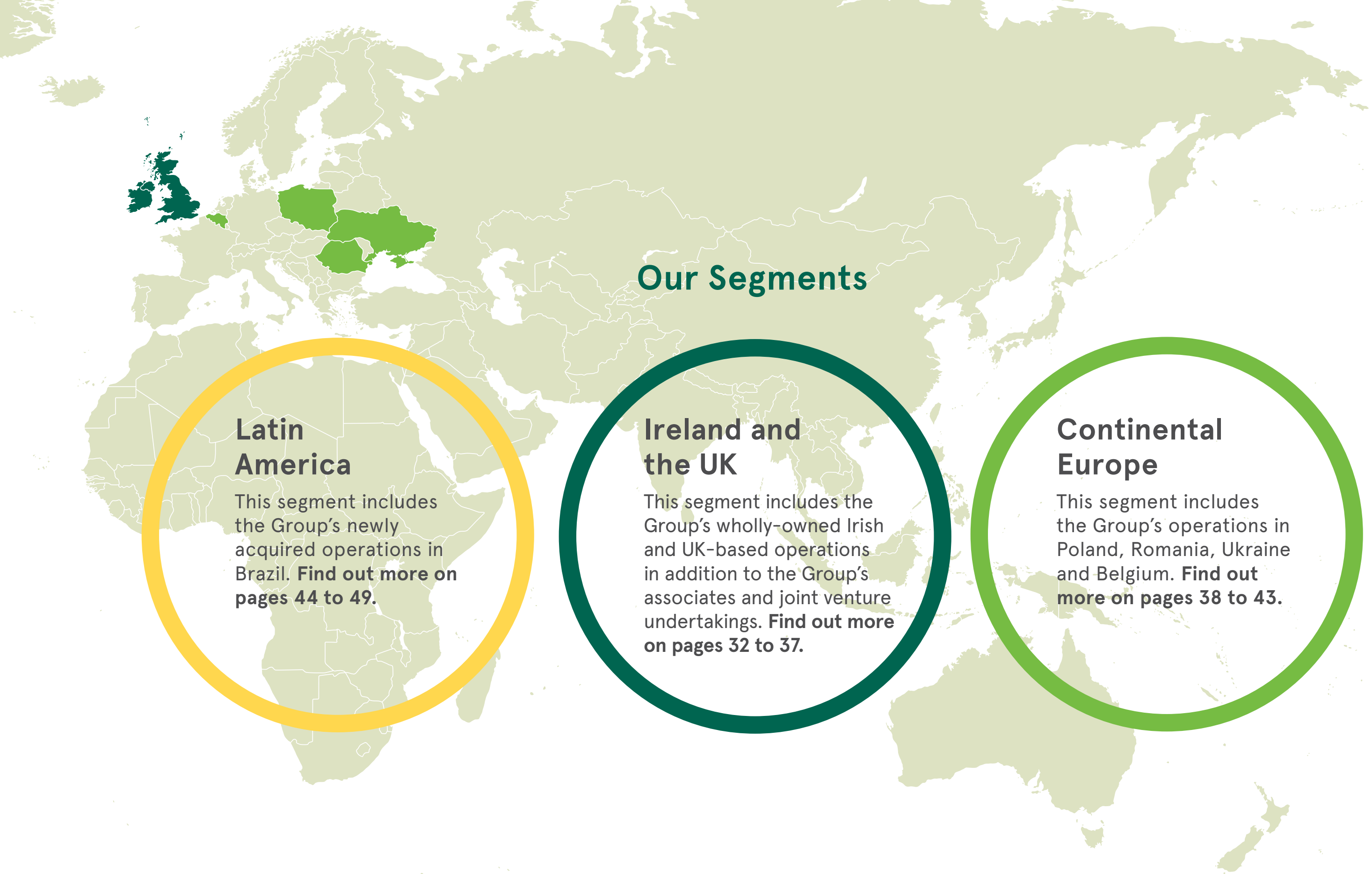
Provides procurement and supply chain solutions to the Irish, UK, Belgian and Brazilian primary food production sectors covering the macro inputs that drive on-farm efficiency, i.e. prescription blended fertilisers and animal feed ingredients. In addition, Origin is a market leader in advisory, service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

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 manufacturers and agri-service companies.



Our Segments

Latin America

This segment includes the Group's newly acquired operations in Brazil. **Find out more on pages 44 to 49.**

Ireland and the UK

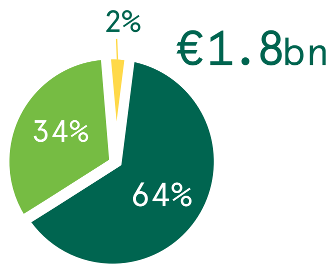
This segment includes the Group's wholly-owned Irish and UK-based operations in addition to the Group's associates and joint venture undertakings. **Find out more on pages 32 to 37.**

Continental Europe

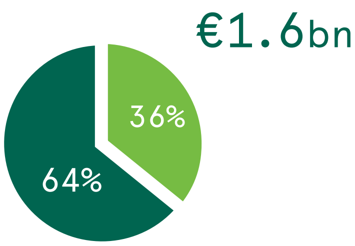
This segment includes the Group's operations in Poland, Romania, Ukraine and Belgium. **Find out more on pages 38 to 43.**

Revenue

2019



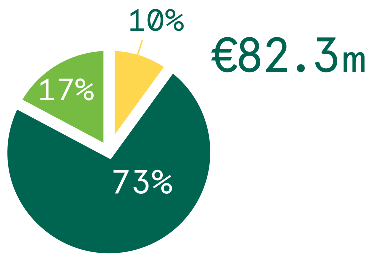
2018



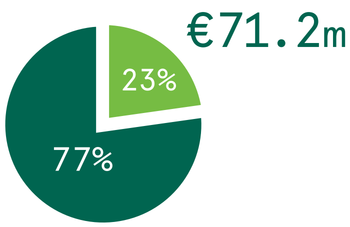
Ireland & the UK Continental Europe Latin America

Operating Profit[1]

2019



2018



Ireland & the UK Continental Europe Latin America

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

Rose Hynes
Non-Executive Chairman

Chairman's Statement

One of the key strategic developments in the current year has been our first-time entry into Latin America.

Dear Shareholder

Group Performance

I am pleased to report that Origin delivered another strong performance in 2019 as Group operating profit increased 15.6% to €82.3 million and adjusted diluted earnings per share increased 7.9% to 52.65 cent.

Our trading performance supports the strategic decision last year to add regional diversity to the Group's portfolio, as an excellent first-time contribution from our Latin American division combined with strong underlying growth in Ireland and the UK, more than offset a challenging operating environment in Continental Europe. Details of our financial performance are set out in the Chief Financial Officer's Review on pages 14 to 21.

Strategic Development

The Group's strategy remains a fundamental focus for the Board, particularly in the context of a rapidly evolving technical and competitive landscape. In April, we held a two-day strategic planning event, resulting in a collective ambition to 2023 and a roadmap to achieve these goals. In May, the Group hosted a Capital Markets Day in London, providing greater insights into Origin's leading market positions, integrated supply chains and multiple routes to market across strategic geographic locations. At this event we published medium-term financial targets to 2023 for the first time as follows:

> EBIT CAGR: 5 – 9%.

> Group ROIC: 12 – 15%.

> Free Cash Flow Ratio: 70 – 100%.

> Digital Hectares: 4.0 million.

Further illustrations on the implementation of our strategic priorities during the year are outlined on pages 32 to 49 within the Business Review sections of the Annual Report.

One of the key strategic developments in the current year has been our first-time entry into Latin America. Our acquisition of Fortgreen, a Brazilian value-added crop nutrition and speciality inputs business has delivered in line with expectation and presents an exciting vehicle for future growth. In Q4, we also completed the previously announced acquisition of a 20% stake in the agronomy services and crop inputs business Ferrari Zagatto.

Find out more
Strategy on page 24
Sustainability on page 50

€82.3m
Operating profit amounted to €82.3m, an increase of 15.6%

21.32cent
1.5% increase in proposed dividend to 21.32 cent

In July, we announced a conditional agreement for the disposal of 31 acres of land in Cork, Ireland, owned by the Group for a cash consideration of up to €47.5 million. The transaction remains subject to the satisfaction of a number of conditions and will require the relocation of our Cork fertiliser facility.

Sustainability
As a Group, we recognise the valuable role Origin plays in promoting sustainable food production systems and balancing economic growth with environmental and social wellbeing.

Sustainability is central to our business model however, our sustainability programme is on a journey of continuous improvement. In 2019, we undertook a materiality assessment, using an independent external adviser, which included consultations with internal and external stakeholders. The analysis of this materiality assessment has helped us to prioritise key material sustainability issues for Origin, focus on critical areas of impact and align our priorities with our stakeholders' expectations. We also calculated our Scope 1 and Scope 2 greenhouse gas emissions for the three financial years 2017, 2018 and 2019. Further details are set out in the Sustainability Report on pages 50 to 61.

Dividend
The Board recommends a final dividend of 18.17 cent per ordinary share payable on 13 December 2019 to shareholders registered on the record date 29 November 2019. Subject to approval at the Annual General Meeting, this will bring the total dividend per ordinary share for the year ended 31 July 2019 to 21.32 cent (an increase of 1.5% on the 2018 total dividend). This represents a distribution of 40.5% of adjusted diluted earnings per share.

Board and Governance
The Board is committed to maintaining the highest standard of governance practices to ensure the effective stewardship and long-term success of the Group. The Board continues its commitment to applying the principles of the Quoted Companies Alliance Corporate Governance Code ('QCA Code') as the basis for its corporate governance framework. Full details of our approach to governance are set out in the Corporate Governance Statement on pages 78 to 83.

I am delighted to welcome Barbara Keane who joined as Group General Counsel and Company Secretary in May 2019.

I would also like to thank all members of the Board for their continued support for the business and their consistent hard work and ongoing contribution to the success of Origin.

Management and Employees
Our accomplishments are primarily attributed to the hard work, dedication and innovation of our people, which allows us to focus relentlessly on serving our customers and to continually improve our performance.

In recognition of this commitment, we progressed our employee engagement programme 'Let's Talk', to help us gain a greater understanding of our employees' experience working for Origin and identify areas where we can enhance this experience. As part of the programme, the Board took the opportunity in February to visit the Group's operations in Poland and the UK where we met with employees to listen to their views first hand.

On behalf of the Board, I would like to thank our CEO, our management team and employees for their ongoing commitment to the success of the Group during the year.

Outlook
The Group enters FY20 in a position of strength, with a strong cashflow and balance sheet position. While market sentiment remains broadly positive across our respective geographies, the political and economic uncertainty of Brexit and other regulatory developments may present some near-term challenges for agronomy services and crop inputs in FY20.

Factoring in these immediate challenges and the medium-term outlook for agriculture and food production, we look forward with optimism and are well-positioned to capitalise on the Group's scalable and diversified market positions, integrated crop services business model and strong balance sheet to deliver strong growth, cash generation and returns in line with our 2023 targets.

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

Rose Hynes
Non-Executive Chairman
24 September 2019

Tom O'Mahony
Chief Executive Officer

Chief Executive's Review

Over the past decade, our strategy has led us to market leading positions, with crop science and expert research at the heart of our business.

Dear Shareholder

FY19 was a significant year of progress for Origin, with the Group achieving a strong financial performance in addition to delivering upon a number of important strategic goals. The results reflect the successful execution of our vision which is to be the leading and trusted partner of choice to the farmers, growers and amenity professionals we serve.

Sustainability is central to this vision. Origin is committed to making a positive contribution through our products, services and operations, to promoting sustainable food production systems and helping to meet growing food demand.

Over the past decade, our strategy has led us to market leading positions, with crop science and expert research at the heart of our business. In collaboration with our technology and supply partners, we have developed an integrated business model focused on delivering customised crop production systems which optimise profitability and competitiveness, environmental sustainability and yield enhancement to over 50,000 farmers, growers and amenity professionals.

FY19 Progress

There has been a strong performance in FY19, with the Group benefiting from favourable organic and acquisition growth.

The principal highlights are as follows:

Financial

- 15.6% growth in operating profit.
- Strong contribution from associates & JV.
- 7.9% increase in adjusted diluted EPS to 52.65 cent.
- Year-end leverage at 0.87x.
- Proposed 1.5% increase in total dividend to 21.32 cent per share.

Operational

- Strong business and operational execution in Ireland / UK and LATAM.
- Highly challenging market dynamics in Ukraine drives lower performance in Continental Europe.
- Digital services enablement and coverage progressing to plan with over 1 million hectares on-boarded.

Strategic

- Successful LATAM expansion providing geographic and portfolio diversification.
- Enhanced product-based capabilities driving differentiation and momentum in value-added agronomy portfolios.
- Continued strengthening of organisation and leadership team.

Our FY19 results reflect a commitment to maintaining a diversified business portfolio with an excellent first-time contribution from our Latin America division together with the benefit of strong demand levels in Ireland and the UK more than offsetting the impact of a more challenging operating environment in Continental Europe, where highly competitive trading conditions within the Ukrainian market impacted profitability.

Divisional Review – Sustain, Perform, Grow

Ireland and the UK – Sustain

Ireland and the UK achieved a very good performance in the period, recording an 8.6% growth in underlying operating profit at constant currency. The performance reflects favourable demand for agronomy services and crop inputs together with the benefit of strong operational execution throughout the year.

A full business review of performance in Ireland and the UK is set out on page 32.

The key priority for growth is to capitalise on our market leadership through leveraging the Group's strong technical and application focus to accelerate product and service extension. We remain focused on optimising farm level gross margin and delivering enhanced return on investment to customers through establishing leading digitally enabled crop technology and advice models and decision support tools that complement our existing agronomist-farmer service offers.

Over the medium-term, we anticipate changes to existing farm structures, in part accelerated by Brexit. Origin is well placed to meet the evolving needs of the industry.

Continental Europe – Perform

Continental Europe encountered a challenging operating environment during the year which resulted in lower margins and operating profits, primarily driven by the under-performance of our Ukrainian business.

A full business review of performance in Continental Europe is set out on page 38.

Our key focus is to drive and implement performance through the delivery of volume growth and increased market share in the value-added segments of agronomy services and crop input distribution. This strategy leverages Origin's central capabilities to build value through the Group's input portfolios, research and development capabilities and digital agronomy platforms.

Latin America ('LATAM') – Grow

Origin made its first-time entry into the Latin American market in the current year following the acquisition of Fortgreen in Brazil. Fortgreen is a product-based business with strong farm linkages and is focused on the growing value-added segments of speciality crop inputs and bespoke nutrition.

A full business review of performance in LATAM is set out on page 44.

Business integration is progressing to plan, reflected in an excellent first-time contribution in line with pre-acquisition expectations.

The acquisition of a 20% shareholding in the Brazilian business Ferrari Zagatto E Cia. Ltda., ('Ferrari') announced in the prior financial year, completed on 10 June 2019. Ferrari is a leading provider of agronomy services, inputs, crop handling and marketing services. Ferrari provides an important route-to-market for Fortgreen's speciality inputs and nutrition offering.

There has been a strong Origin performance in FY2019 driven by good organic and acquisition led growth.

>50,000

Delivering customised crop production systems to over 50,000 farmers, growers and amenity professionals

Digital Agricultural Services

The development and roll out of Origin's digital services offering continued at pace this year, with over 1 million hectares on-boarded on our digital agronomy platform. To meet the growing demand for data-driven decision making at farm level, Origin has developed a suite of proprietary agronomist-farmer enabled digital applications designed to optimise crop performance and input utilisation.

To further improve our customer offering, the Group's digital agronomy and precision farming capabilities were merged under a new digital services brand called RHIZA. RHIZA facilitates the delivery of advanced adaptive agronomy to build micro knowledge at field level. This data driven and digitally enabled approach utilises predictive diagnostic capabilities to produce more comprehensive agronomy advice to sustainably maximise available soil and crop genetic potential, delivering enhanced long-term returns to primary producers.

FY23 Ambition

In May this year at the Origin Capital Markets Day in London, we set out our five-year financial and operational ambition for FY19 to FY23.

A summary of our ambition to FY23 is set out below:

Key Performance Indicator	Metric
> Group operating profit CAGR	5% - 9%
> % of operating profit derived from markets outside of Ireland/UK	+40%
> Organic operating profit CAGR	3% - 4%
> Acquisition enabled operating profit CAGR	2% - 5%
> Group Return on Invested Capital	12% - 15%
> Free Cash Flow ratio	70% - 100%
> Digital hectares on-boarded	4 million

Summary and Outlook

FY19 was a progressive year for Origin, reflecting our commitment to maintaining a diversified business portfolio. An excellent first-time contribution from Latin America together with the benefit of strong demand levels in Ireland and the UK more than offset the impact of a challenging operating environment in Continental Europe, where highly competitive trading conditions with the Ukrainian market impacted profitability.

Demand for agronomy services and crop inputs for Ireland and the UK are expected to normalise in FY20 and to be lower than the above average market demand levels experienced in FY19. Fertiliser and feed demand are not expected to match the demand created by the fodder crisis in the first half of FY19.

Our Continental European and Latin American segments are expected to grow in FY20 in line with our long-term guidance. Against the backdrop of the uncertain nature of Brexit, and its timing and implementation, we continue to prioritise a prudent approach to risk management and capital allocation.

Origin is well positioned to capitalise on the Group's scalable and diversified market positions, integrated crop services business model and strong balance sheet to deliver on our 2023 financial and strategic objectives.

Tom O'Mahony
Chief Executive Officer
24 September 2019

Find out more

Strategy on page 24
Sustainability on page 50

Research trials being undertaken at Fortgreen's technical facility

Sean Coyle
Chief Financial Officer

Chief Financial Officer's Review

This Financial Review provides an overview of the Group's financial performance for the year ended 31 July 2019 and of Origin's financial position at that date.

Overview of Results

- Group revenue increase of 10.5% to €1,798.2 million, and 7.2% on an underlying basis.
- Operating profit[1] of €82.3 million, an increase of 15.6% and up 3.5% on an underlying basis.
- Group operating margin[1] of 4.6%, an increase of 20 basis points.
- Adjusted diluted earnings per share[3] up 7.9% to 52.65 cent.
- Acquisitions contributed 3.2% to sales growth and 12.0% to operating profit growth in the year.
- Strong cash conversion with free cash flow generation of €54.0 million (2018: €56.6 million).
- Increase in net debt to €75.6 million (2018: €38.4 million).
- Proposed 1.5% increase in total dividend to 21.32 cent (2018: 21.0 cent).
- Good first-time contribution from Fortgreen acquisition in Latin America.
- Exceptional charge of €7.0 million, principally due to a non-cash impairment relating to our Ukrainian business.

Results Summary	2019 €'m	2018 €'m
Revenue	**1,798.2**	1,627.5
Operating profit [1]	**82.3**	71.2
Associates and joint venture [2], net	**6.7**	7.2
Total Group operating profit [1]	**89.0**	78.4
Finance expense, net	**(11.8)**	(8.1)
Profit before tax [1]	**77.2**	70.3
Income tax [4]	**(10.4)**	(8.6)
Adjusted net profit	**66.8**	61.7
Adjusted diluted EPS (cent) [3]	**52.65**	48.80
Net debt[5]	**(75.6)**	(38.4)

Adjusted Net Profit Reconciliation	2019 €'m	2018 €'m
Reported net profit	**52.7**	56.8
Amortisation of non-ERP intangible assets	**8.8**	5.7
Tax on amortisation of non-ERP related intangible assets	**(1.7)**	(0.8)
Exceptional items (net of tax)	**7.0**	-
Adjusted net profit	**66.8**	61.7

Reporting Segments

The Group has three 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, Ukraine and Belgium.

Latin America

This segment includes the Group's operations in Brazil.

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:

	2019		2018	
	Revenue €'m	Operating profit [1] €'m	Revenue €'m	Operating profit [1] €'m
Ireland and the UK	**1,159.4**	**60.0**	1,038.1	54.8
Continental Europe	**605.2**	**14.2**	589.4	16.4
Latin America	**33.6**	**8.1**	-	-
	1,798.2	**82.3**	1,627.5	71.2

The result from the Group's associates and joint venture undertakings was €6.7 million (2018: €7.2 million).

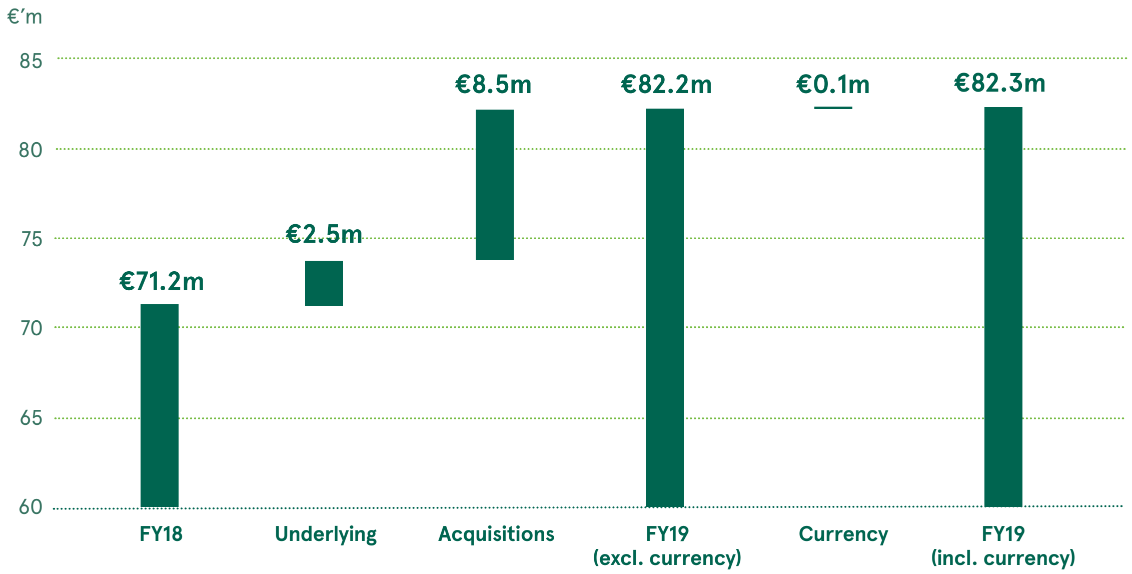
Revenue

Group revenue increased by 10.5% to €1,798.2 million from €1,627.5 million in the prior year. On an underlying basis, at constant currency, revenue increased by €117.3 million driven by strong growth in crop protection, seeds and fertiliser volumes, and an increase in fertiliser prices.

Operating Profit[1]

Operating profit[1] increased by 15.6% to €82.3 million compared to €71.2 million in the previous year. Acquisitions contributed €8.5 million to operating profit in the year, with our new Latin American segment delivering €8.1 million. On an underlying basis, operating profit[1] increased by €2.5 million (3.5%) primarily driven by increased volumes and margins in Ireland and the UK.

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:

			FY19		
	Q1 €'m	**Q2 €'m**	**Q3 €'m**	**Q4 €'m**	**Total €'m**
Revenue	**430.0**	**271.6**	**595.4**	**501.2**	**1,798.2**
Operating profit[1]	**13.7**	**(4.7)**	**32.6**	**40.7**	**82.3**

			FY18		
	Q1 €'m	Q2 €'m	Q3 €'m	Q4 €'m	Total €'m
Revenue	346.7	240.2	526.7	513.9	1,627.5
Operating profit[1]	6.7	(4.4)	24.4	44.5	71.2

€73.3 million of operating profit[1] was generated in the seasonally more important second half of the current year, an increase of €4.4 million (6.4%) on the second half of 2018. The extended season experienced in 2018 resulted in increased contributions in Q4 2018 and Q1 2019.

Associates and Joint Venture
Origin's share of the profit after interest and taxation from associates and joint venture amounted to €6.7 million in the period (2018: €7.2 million).

Finance Expense and Net Debt
Net debt at 31 July 2019 was €75.6 million[5] compared to net debt of €38.4 million[5] at the end of the previous year, reflecting a €62.4m spend on acquisitions and investment capital expenditure. Average net debt amounted to €270.6 million compared to €226.0 million last year.

Net finance costs amounted to €11.8 million, an increase of €3.7 million on the prior year level. The higher finance costs were driven by the first time cost of financing the acquisition of the Brazil-based Fortgreen business, additional cost of working capital financing due to an increase in the level of sales, combined with increased financing rates in Continental Europe. The average and year end net debt increase is principally attributable to the acquisition cost and working capital investment relating to Fortgreen and an increased investment in Group working capital.

Taxation
The effective tax rate for the year ended 31 July 2019 was 15.0% (2018: 14.0%), and reflects the mix of geographies where profits were earned in the year.

Disposal of Cork Dockland Properties
Origin announced during the year that it had reached conditional agreement for the disposal of up to 31 acres of land owned by the Group in Ireland at South Docklands in Cork ('Docklands') for a cash consideration of up to €47.5 million.

The transaction is subject to the satisfaction of a number of conditions necessary to realise the full disposal proceeds including the granting of various permissions and approvals and the relocation of the Group's existing operating business in Docklands at an economically viable cost to an alternative location in Cork.

Exceptional Items
Exceptional items net of tax amounted to a charge of €7.0 million in the year. These principally relate to the impairment of goodwill and intangibles in Ukraine, acquisition and restructuring costs and a fair value adjustment on the Group's investment properties and property, plant and equipment associated with the proposed sale of the Group's Cork properties. Exceptional items are summarised in the table below:

Year ended 31 July	2019 €'m
Impairment of investment in Ukraine, net of put option gain	7.3
Fair value adjustment and related costs on investment properties	(5.4)
Impairment of property, plant and equipment	4.1
Arising on associates and joint venture	0.4
Pension and rationalisation related costs	0.3
Transaction, other related costs and movements in contingent consideration, net	0.3
Total exceptional items, net of tax	**7.0**

Adjusted Diluted Earnings per Share[3] ('EPS')
EPS amounted to 52.65 cent per share, an increase of 7.9% from 2018. The year-on-year increase of 3.85 cent per share can be summarised as follows:

Impact of	Cent per share	%
Underlying growth	0.04	0.1%
Acquisitions	3.74	7.7%
Currency	0.07	0.1%
Total	**3.85**	**7.9%**

Dividends

In line with the progressive dividend policy announced at the 2019 Capital Markets Day, the Board recommends an increased final dividend of 18.17 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 21.32 cent per ordinary share (2018: 21.0 cent), an increase of 1.5%. Subject to shareholder approval at the Annual General Meeting, this final dividend will be paid on 13 December 2019 to shareholders on the register on 29 November 2019.

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.

During the year the Group extended €300.0 million of its core syndicated facilities for a further two years. At year end the Group had unsecured committed banking facilities of €430.0 million (2018: €430.0 million), of which €30.0 million will expire in August 2021, €100.0 million will expire in May 2022 and €300.0 million will expire in June 2024.

Acquisitions

During the year, Origin acquired a 65% interest in Fortgreen and a 20% interest in Ferrari Zagatto in Brazil. In addition, the Group made investments in the UK with the acquisition of Symbio and VCS. Integration is progressing to plan and performance is at pre-acquisition expectation.

Total acquisition expenditure during the year amounted to €54.6 million.

Cash Flow and Net Debt

Actual net debt at 31 July 2019 was €75.6 million[5] compared to €38.4 million[5] 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 2019 included:

	Covenant	2019 Full year times	2019 Half year times	2018 Full year times	2018 Half year times
Net debt: EBITDA	Maximum 3.50	**0.87**	**2.57**	0.54	2.17
EBITDA: Net interest	Minimum 3.00	**8.06**	**9.25**	9.81	11.24

A summary cash flow is presented below:

	2019 €'m	2018 €'m
Cash flow from operating activities, before exceptional items	**92.8**	80.0
Change in working capital	**(12.7)**	0.7
Interest and taxation	**(23.9)**	(17.4)
Cash flow from ongoing operating activities	**56.2**	63.3
Exceptional items	**(3.1)**	(7.0)
Net cash flow from operating activities	**53.1**	56.3
Dividends received	**7.0**	2.5
Net capital expenditure – Routine	**(6.9)**	(7.9)
– Investment	**(7.8)**	(7.9)
Acquisition expenditure (including debt acquired)	**(54.6)**	(26.0)
Cash consideration on disposal of equity investment	**–**	5.3
Dividends paid	**(26.4)**	(26.4)
Other	**(0.6)**	(0.3)
Decrease in cash	**(36.2)**	(4.4)
Opening net debt	**(38.4)**	(31.5)
Translation	**(1.0)**	(2.5)
Closing net debt[5]	**(75.6)**	**(38.4)**

Working Capital

For the year ended 31 July 2019, there was a working capital outflow of €12.7 million primarily due to an investment in working capital in Fortgreen in Brazil and increased year-on-year sales across the Group. Working capital allocation remains a key priority for the Group given the associated funding costs. 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 13.2% in 2019 (2018: 13.5%), as follows:

	2019 €'m	2018 €'m
Total assets	1,305.5	1,204.1
Total liabilities	(959.7)	(873.8)
Adjusted for:		
Net debt[5]	75.6	38.4
Tax, put option and derivative financial instruments, net	60.0	30.5
Accumulated amortisation	54.9	48.0
Capital employed – 31 July	536.3	447.2
Average capital employed (Group Net Assets as defined below)	675.3	581.6
Operating profit (excluding exceptional items)	73.5	65.5
Amortisation of non-ERP intangible assets	8.8	5.7
Share of profit of associates and joint venture	6.7	7.2
EBITA (as defined below)	89.0	78.4
Return on capital employed	13.2%	13.5%

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. Group 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.

Free Cash Flow

The Group generated free cash flow in the year of €54.0 million (2018: €56.6 million). Free cash flow is an important metric as it indicates the amount of internally generated capital that is available for re-investment in the business or for distribution to the shareholders.

	2019 €'m	2018 €'m
EBITDA (excluding associates and joint venture)	**90.6**	78.6
Interest paid	**(11.4)**	(6.9)
Tax paid	**(12.6)**	(10.4)
Routine capital expenditure	**(6.9)**	(7.9)
Working capital (outflow) / inflow	**(12.7)**	0.7
Dividends received	**7.0**	2.5
Free cash flow	**54.0**	56.6

Free cash flow means the total of earnings before interest, tax, depreciation, amortisation of non-ERP related intangible assets and exceptional items of wholly-owned businesses ('EBITDA') adjusted to take account of interest, tax, routine capital expenditure, working capital cash-flows and dividends received.

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 2019 are as follows:

	2019 €'m	2018 €'m
Non-current liabilities		
(Liability) / asset in defined benefit schemes	**(1.5)**	0.7

The movement during the year can be summarised as follows:

	€'m
Net asset at 1 August 2018	0.7
Current and past service costs	(0.5)
Gain on settlement	0.5
Other finance expense, net	-
Contributions paid	1.3
Remeasurements	(3.6)
Translation	0.1
Net liability at 31 July 2019	**(1.5)**

The remeasurements of €3.6 million principally relate to changes in 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 22 to the financial statements.

Share Price

The Group's ordinary shares traded in the range of €6.12 to €4.80 during the year from 1 August 2018 to 31 July 2019. The Group's share price at 31 July 2019 was €4.95 (31 July 2018: €6.04).

Investor Relations

Our corporate strategy aims to create long-term value. We support this strategy through regular and open communication with all capital market participants. We engage with institutional investors in numerous one-on-one meetings, as well as at roadshows and conferences worldwide.

Contact with institutional shareholders is the responsibility of the executive management team including the Chief Executive Officer, Chief Financial Officer, Group Finance Director and Head of Investor Relations.

During the year there were 150 meetings / conference calls with institutional investors across nine financial centres. In addition, in May 2019 the Group held a Capital Markets Day in London with presentations from the Chief Executive Officer and key divisional management, and a detailed overview of our 2023 strategic ambition.

Sean Coyle
Chief Financial Officer
24 September 2019

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 exceptional items.*
3 *Adjusted diluted earnings per share is stated before amortisation of non-ERP intangible assets, net of related deferred tax (2019: €7.1m, 2018: €4.9m) and exceptional items, net of tax (2019: €7.0m, 2018: €Nil).*
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 (2018: €0.5m).*

A market leader through acquisition, integration and organic growth.

Origin is a recognised leader in the European Agri-Services market with operations in six countries and during the year entered the Latin American market with acquisitions in Brazil. The Group supports primary producers across all our markets.

What is Agronomy?

Agronomy combines crop science and applied farming expertise to enable growers to optimise the productivity of crops, whilst caring for the consumer, the soil and the environment.

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, on a sustainable basis.

What do Agronomists do?

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; and
> nutrition products.

Our Brands

Ireland and the UK

Agrii
Goulding
Origin Fertilisers
PB Kent
Rigby Taylor
Linemark UK Limited
AgSpace
Rhiza
Headland Amenity Products
R&H Hall

Continental Europe

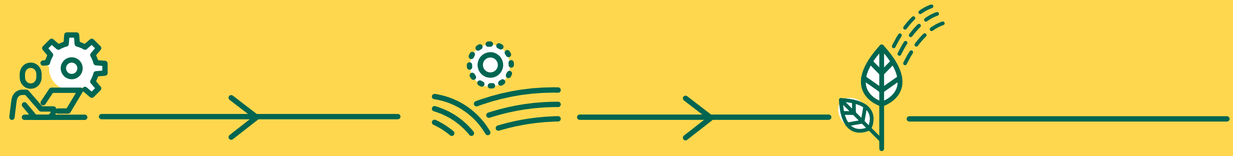
Agrii
Agroscope
Redoxim
Comfert
Pillaert

Latin America

Fortgreen
Ferrari Zagatto

What sets us apart

Our Approach to Integrated Agronomy:



Application Research and Analysis

> Investment in research and development to optimise crop productivity.
> 50,000 trial units managed across the UK, Continental Europe and Latin America.
> Collaboration with key industry partners and universities.
> Analysis of the needs of primary producers.

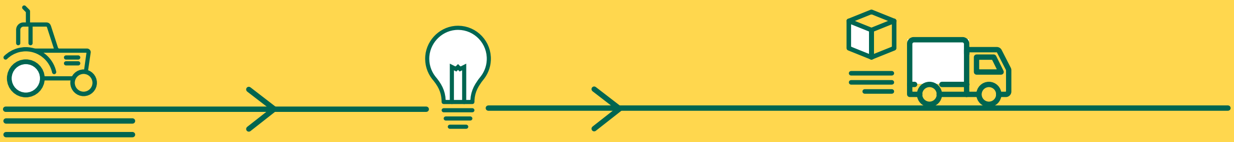
Prescription Development

> Advise primary producers on all components of crop and field management.
> Recommendation of customised solutions to optimise crop yields and quality.
> Ensuring environmental and regulatory 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.
> Use of technology to optimise service delivery to primary producers.

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.
> 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.
> Focus on health and safety.

Our Vision

To be the leading and trusted partner of choice to the farmers, growers and amenity professionals we serve.

Our Purpose

Optimising sustainable agriculture and food production through innovation, research & development and agronomic expertise.

Our Values

Investment Case

Long-term relationships as trusted adviser and input provider to farmers, growers and amenity professionals.

Leading market positions, integrated supply chains and multiple routes to market across strategic geographic locations.

Pioneering agricultural R&D and technical innovation delivering customised agronomic solutions which accelerate productivity and maximise efficiency for customers.

Digital technology optimised by expert agronomist-led stewardship, providing localised and prescriptive solutions to farmers, growers and amenity professionals.

Positioned to capitalise on evolving structural market trends of increasing farm commercialisation, professionalisation and specialisation.

Strong cash generation and conversion capabilities.

Balance sheet strength to drive organic growth, international expansion and future M&A opportunities.

Progressive dividend policy delivering consistent shareholder returns.

Our Ambition 2023

Perform, Sustain, Grow

Origin is pursuing a clear long-term strategy which is based on our purpose, vision and values. The Group's strategy seeks to retain the culture and successful value-add approach that differentiates Origin, while strengthening our routes to market.

Origin's strategic ambition to 2023 emphasises the need for evolving agronomic led solutions, that meet the advancing needs of all stakeholders, collectively growing profitability in a sustainable and socially responsible manner.

To achieve this, ambitious financial and non-financial targets have been set, which will be delivered through a combination of organic and acquisition driven growth.

A mix of organic growth and acquisition driven by growth

EBIT CAGR 5-9%

Organic 3-4% EBIT

Acquired 2-5% EBIT

Ireland / UK	Continental Europe	Latin America
1-2%	3-5%	5-10%

Focus on

Return on Investment Group ROCE
12-15%

Free Cash Flow Ratio
70-100%

Opportunity to use existing Routes to Market

- **Digital Platform** 4m Ha
- **Product Based Capabilities**

Sourcing Opportunities / Product Mix Change

Strategic Priorities

Strategic Priority	Scale	Market Focus
	> Concentrate on target geographies with long-term growth potential. > Build complementary product based and distribution capabilities.	> Customisation and localisation. > Investments in digital and agronomic capabilities to promote sustainable food production systems.
2019 Progress	> Origin delivered revenue growth of 10.5% and operating profit growth of 15.6% in FY19. > First-time entry into Latin America following the acquisition of Brazilian speciality inputs business Fortgreen and the purchase of a 20% interest in the agronomy services and crop inputs business Ferrari Zagatto. > Increased digital agronomy footprint to 1 million ha.	> During the year, the Group's digital agronomy and precision farming capabilities were merged under a new identity called RHIZA. > The Group also launched the UK's first precision soil map and added additional capabilities to our digital platform Contour. > Opened six new Digital Technology Farms in the UK, providing farmers and growers with an opportunity to attend open days and observe digital best practice on a commercial scale.
2020 Focus	> The Group will continue to focus on strategic opportunities to complement our existing market positions and enhance our product capability through a combination of organic and acquisition driven growth. > We will continue to invest in strategic capital expenditure opportunities to maximise value-add opportunities within our existing markets across both our fertiliser blending and product formulation plants in addition to our digital platform.	> Near market product research, development and innovation via our technology centres and demonstration farms remains central to the Group's strategy. Our continued ability to provide our customers with the most effective and proven technologies will enable us to strengthen our position as market leaders.

Portfolio Positioning

> Maintain differentiated position as specialist route-to-market for crop technologies.

> Optimise Group position through balanced business portfolio and geographical diversification.

> Continued expansion of Origin's enhanced efficiency fertiliser range across Ireland, the UK and Belgium.

> Acquisition of UK biological crop input business Symbio, strengthening the Group's own product-based capabilities.

> Geographic diversification progressed, following entry into Latin America. Operating profit contribution from geographies outside of Ireland and the UK increased by 4% to 27% of Group operating profit.

> Maintain focus on the development of operations across our core geographies and product areas which are value enhancing, present future growth opportunities and deliver on the Group's capital return targets.

> Expand operating profit contribution from geographies outside of Ireland and the UK in line with 2023 target of >40%.

People & Organisations

> Ongoing people and talent development.

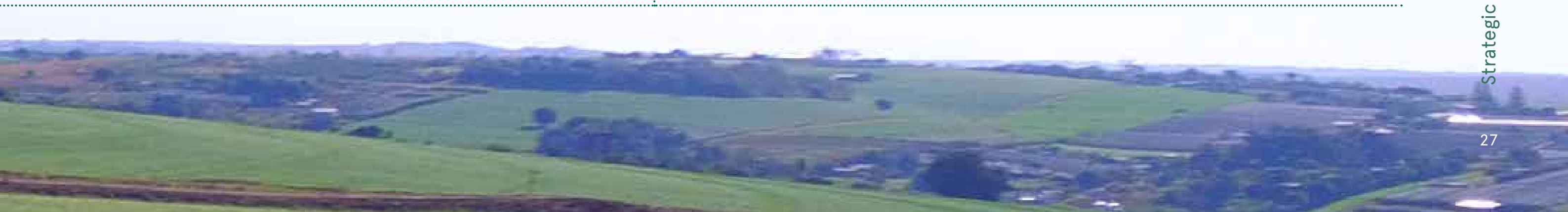
> Devolved accountability and autonomy to execute growth agenda.

> The Group has over 2,500 employees, 800 of whom are customer facing agronomists and sales staff.

> Launched an employee engagement strategy 'Let's Talk'.

> Origin is a people-focused business, recognising that the quality of our people differentiates us within the market place and is a key competitive advantage for the Group. We focused on the wellbeing of our people and invested in their ongoing development. We listened to their opinions and implemented changes when necessary to maintain their full engagement.

> The Group will continue to invest in our people, providing the necessary support, development, infrastructure and environment to deliver our strategic agenda, drive performance and grow our reputation as an employer of choice for the very best talent within the Agri and Amenity services sectors. Focus will remain on our employee engagement programme, through ongoing Group wide focus groups and business unit visits.



Inputs

People

Partnerships

Financial & Strategic Planning

Knowledge & IP

Supply Chain & Logistics

Sustainability

What we do and how we add value

Our Offer:

- Nutrition
- Crop Protection
- Seed
- Digital
- Expertise / Advice / Prescription

Our Brands:

- Agrii
- Goulding
- Fortgreen
- RHIZA
- Rigby Taylor
- Origin Fertilisers
- Linemark

Our Channels:

- Business-to-Business
- Agronomist

Our End-User:

- Farmers & Growers
- Amenity Professionals

Outputs

Yield Enhancement

Find out more
Case Study in Continental Europe on page 42

Profitability & Competitiveness

Find out more
Chief Financial Officer's Review on page 14

Environmental Stewardship

Find out more
Sustainability Report on page 50

Maximise Shareholder Return

Find out more
KPI's on page 30

Key Performance Indicators

Measuring Our Strategic Progress

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 reflect better the Group's key performance measures when required.

KPI	Adjusted Diluted Earnings per Share ('EPS')	Return on Capital Employed ('ROCE')	Geographic Diversity
Description	Measures adjusted diluted EPS in the current year compared to the prior year.	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.	Measures operating profit contribution from geographies outside Ireland and the UK as a percentage of total operating profit.
Link to Strategy			
Current Year	52.65c +7.9%	13.2% (2018: 13.5%)	27% (2018: 23%)
Historic Result	2016: 44.5c 2017: 46.6c 2018: 48.8c 2019: 52.65c	2016: 13.6% 2017: 13.7% 2018: 13.5% 2019: 13.2%	2016: 22% 2017: 24% 2018: 23% 2019: 27%
Strategic ambition	The Group's aim is to target growth in adjusted diluted EPS, while recognising that factors outside our control may cause inter-year variances.	A key element of the Group's strategic ambition to 2023 is to deliver ROCE of 12 – 15%.	The Group's aim is to grow the operating profit contibution from geographies outside of Ireland and the UK to in excess of 40% of total operating profit by 2023.

Strategic Priorities Key:

Scale | People & Organisations | Portfolio Positioning | Market Focus

Find out more
Chief Financial Officer's Review on page 14
Sustainability on page 50

Free Cash Flow Ratio

Measures free cash flow as a percentage of profit after tax of wholly-owned businesses, excluding exceptional items and amortisation on non-ERP related intangible assets.

90.0%
(2018: 106.0%)

2016	2017	2018	2019
67.5%	59.7%	106.0%	90.0%

A key element of the Group's strategic ambition to 2023 is to deliver a Free Cash Flow Ratio of 70 – 100%.

Dividend

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

21.32c
+1.5%

2016	2017	2018	2019
21.0c	21.0c	21.0c	21.32c

The Group's strategic ambition to 2023 is to deliver a progressive dividend policy with a payout ratio > 35%.

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.

800
2018: 700

2016	2017	2018	2019
600	670	700	800

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

Digital Hectares

Measures the number of farm hectares uploaded to the Group's digital platforms.

1m ha
(2018: 0.7m ha)

2016	2017	2018	2019
Nil	0.2m	0.7m	1.0m

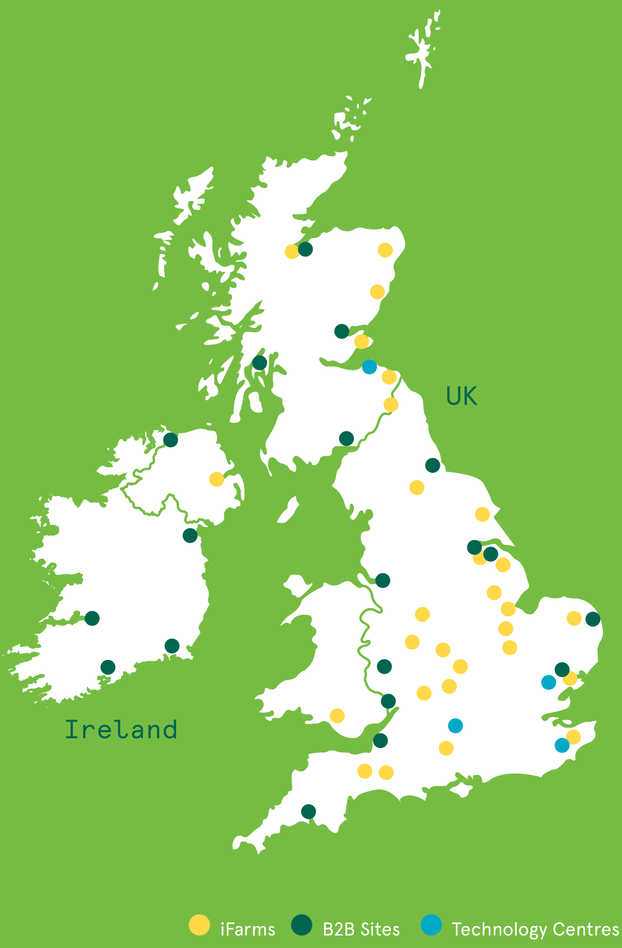
The Group's aim is to grow the number of farm hectares on our digital platforms to in excess of 4.0 million hectares by 2023.

Find out more about Origin's digital capabilities on page 36

Business Review

Ireland and the UK

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



Operational Review

	2019	2018	Change	Change on prior year	
				Underlying[3]	Constant Currency[4]
	€m	€m	%	%	%
Revenue	**1,159.4**	1,038.1	11.7%	11.0%	11.2%
Operating profit[1]	**60.0**	54.8	9.5%	8.6%	9.1%
Operating margin[1]	**5.2%**	5.3%	(10bps)	(10bps)	(10bps)
Associates and joint venture[2]	**6.7**	7.2	(7.0%)	(7.2%)	(7.2%)

1 *Before amortisation of non-ERP intangible assets and exceptional items*
2 *Profit after interest and tax before exceptional items*
3 *Excluding currency movements and the impact of acquisitions*
4 *Excluding currency movements*

Ireland and the UK in Numbers:

€1.2bn
Revenue

1,300+
Employees

€60m
Operating Profit

30,000+
Customers

Overview

Ireland and the UK delivered a very strong performance, recording an 11.0% increase in underlying revenue and an 8.6% increase in underlying operating profit.

Underlying volume growth for agronomy services and crop inputs was 6.8% in the period. Volume development was supported by strong demand for crop inputs reflecting a combination of robust activity in-field, early procurement planning by primary producers for crop protection products for application in 2020 and higher feed and fertiliser volumes in the period following the impact of poor grass growing conditions in 2018. Market volumes are expected to normalise in 2020 compared with the above average demand levels experienced in 2019.

Operating margin decreased by 10 basis points to 5.2% primarily due to the impact of increased fertiliser volumes and prices, offsetting the favourable margin development achieved across our agronomy services and inputs portfolio.

Integrated Agronomy and On-Farm Services

Integrated Agronomy and On-Farm Services delivered a good performance during the year, recording higher volumes, revenues and margins across its service and input portfolios.

Demand for agronomy services and inputs was driven by favourable operating conditions and was supported by the beneficial impact of sterling weakness on growers' crop margins.

Performance in the period also benefited, in part, from early procurement planning by farmers and growers to secure supply of specific crop technologies for in-field application in 2020 whose product registrations are scheduled to expire after 2019.

Good progress was achieved in the further development of the Group's agronomy portfolio across high value and speciality crop sectors.

Digital Agricultural Services

Origin has developed a suite of agronomist-farmer enabled digital applications designed to optimise crop performance and input utilisation.

During the year, the Group's digital agronomy and precision farming capabilities were merged under a new identity called RHIZA. RHIZA facilitates novel and enhanced engagement with farmers through offering real-time and prescriptive digital agronomy solutions which address complex requirements relating to environmental stewardship, compliance, risk management and field level crop performance.

The development and roll-out of Origin's digital offering continued at pace during the year, with over

Business Review
Ireland and the UK

Find out more
See RHIZA case study on page 36
See Linemark case study on page 37

1.0 million hectares on-boarded to date and firmly on track to deliver our target of 4.0 million hectares by 2023.

Business-to-Business Agri-Inputs
Business-to-Business Agri-Inputs performed strongly in the period, delivering good growth in operating profits, supported by favourable volume development.

Fertiliser
Fertiliser recorded higher volumes and profits in the period. Performance reflected the benefit of favourable weather conditions and a stable pricing environment which positively influenced purchasing decisions on-farm.

The successful integration of the UK based Bunn Fertiliser, acquired in 2018, was a key enabler of an enhanced supply chain and customer service capability to meet higher demand in the period and to address farmers' increasingly sophisticated requirements relating to soil fertility and crop nutrition.

Margins continue to be positively supported by growth in volumes of enhanced efficiency fertiliser and bespoke nutrition applications.

Amenity
Amenity recorded lower revenues and profits in the period.

The residual impact of unseasonal weather conditions in 2018 was reflected in elevated carryover stockholdings at customer level which led to lower demand in the period.

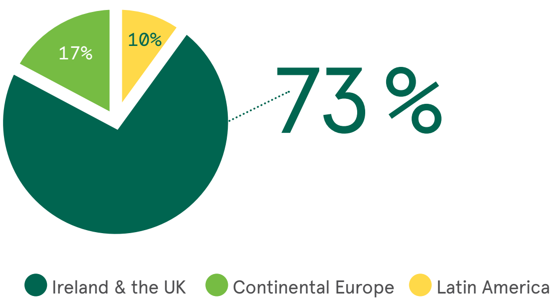
Performance was favourably supported through new customer gains in Home & Garden and by the first-time contribution from Symbio, the speciality biological crop technology business acquired in November 2018.

Feed Ingredients
Feed Ingredients delivered a very satisfactory result in the year reflecting the benefit of strong operational execution and a robust volume performance following the exceptional demand experienced in 2018.

Volume development in the period was positively supported by higher livestock numbers and generally stable returns for primary dairy producers.

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

Profit by Geography[1]



1. Operating profit before amortisation of non-ERP intangible items and exceptional items

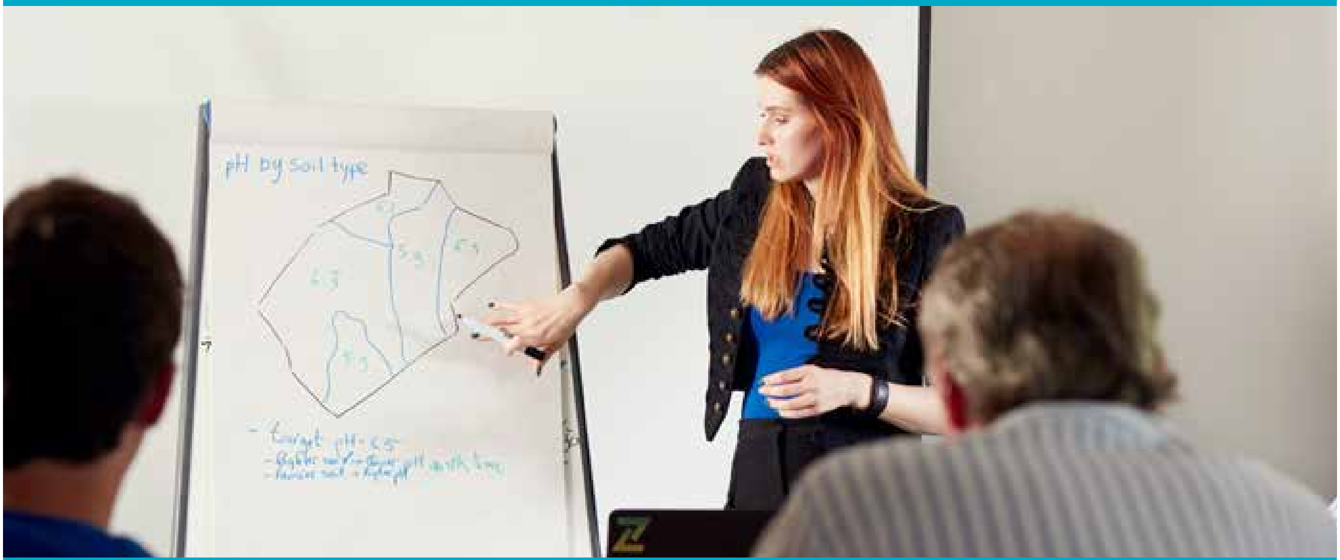
Origin is a leading international agri-services group providing crop inputs, specialist agronomy advice and digital agricultural solutions to farmers, growers and amenity professionals.

Case Study

Read more on our Strategic Priorities on page 26

Andreea Ailenei

Transferring Knowledge



Andreea is the Digital Programme Manager for RHIZA UK. Based in Berwickshire, in the Scottish Borders, Andreea works with Agrii UK's regional directors and Origin's digital team to develop and promote differentiated product offerings to support the adoption of Origin's digital technologies on-farm.

Andreea, a qualified electronics, telecommunication and IT engineer, joined Origin's Romanian Digital division in 2017, where she applied her expertise to the discovery, promotion and development of digital technologies in agriculture.

As part of Origin's team in Romania, Andreea supported the creation of the Group's digital and precision offering adapted for the Romanian market and the adoption of Contour, the Digital platform developed by Origin.

After 18 months working with the team in Romania, Andreea availed of the opportunity to join Agrii UK where she has played a key role in the launch of the RHIZA brand.

On a daily basis, Andreea's role highlights how the agricultural industry benefits from digital and technology innovations and how Origin as a Group can benefit from transfer of knowledge and people across the geographies in which we operate.

100-2,000ha

Customer Profile

385

Sales Force

Case Study

RHIZA

The Future of Farming in Your Hands

During the year, the Group's digital agronomy and precision farming capabilities were merged under a new identity called RHIZA. RHIZA delivers solutions to farmers and growers addressing environmental stewardship, compliance and risk management together with field level data driven decision support tools to manage crop performance. RHIZA is built on a deep understanding of both farming and the new opportunities of digital agriculture and agronomy.

The range of services offered by RHIZA include field level imaging, nutrient planning applications, pest and disease models, yield prediction models and soil sampling.

The application of RHIZA technologies improves profitability and productivity in every field and is already in use on over 500,000 hectares in the UK alone, and over 1,000,000 hectares across Europe and Africa. RHIZA is designed for all farms providing unique satellite data, crop growth models, hyper local weather data and pest and disease models and soil sampling capabilities allowing the creation of management zones and improved in-field decision making. Within the RHIZA portfolio, the Contour web app and interface allows farmers to create nutrient plans, seed rate maps and identify areas requiring cultivation management – RHIZA helps farmers make more informed and accurate decisions and has put the future of farming in their hands.

See non-financial KPI's on page 30

RHIZA

RHIZA is in use on over

500,000ha

in the UK

Linemark exports to

34

Countries worldwide

Case Study

Linemark

The Choice of Champions

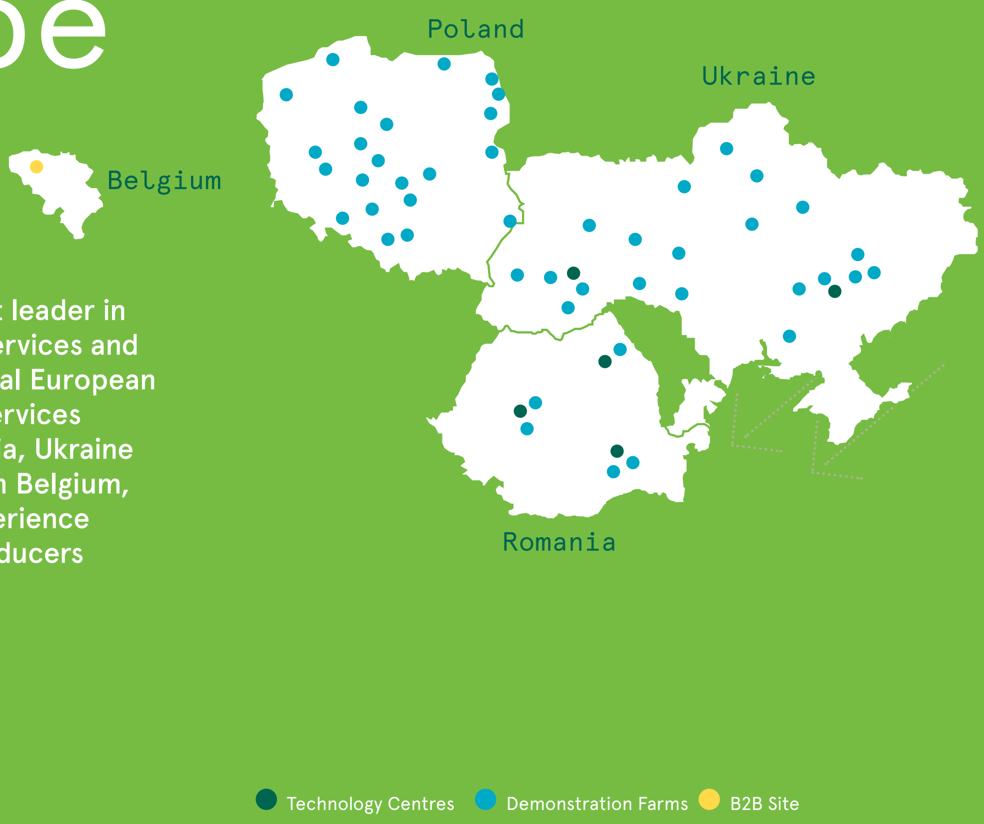
Over the past 20 years, Linemark has become a world leader in providing line-marking products and sports advertising solutions to the professional sports and amenity sector in the UK and beyond, currently exporting to 34 countries worldwide. Linemark uses innovative grass-marking technology, promoting sustainability by reducing paint consumption by up to 75%, cutting energy and water consumption, and using recycled packaging. Linemark also supplies paint for use in sports advertising, including on-field branding at televised sporting events such as football and rugby matches.

Linemark's products have been used at some of the most prestigious stadiums in the world, including Old Trafford (Manchester), Wembley Stadium (London), Anfield Stadium (Liverpool), Etihad Stadium (Manchester), Borrusia Dortmund (Germany) and Barcelona (Spain).

See our Sustainability Report on page 50

Find out more
See case study
on page 42

Continental Europe



Origin is a recognised market leader in the provision of Agronomy Services and Crop Inputs in our Continental European markets. Through our agri-services businesses in Poland, Romania, Ukraine and our fertiliser operation in Belgium, the Group has extensive experience supporting primary food producers throughout these markets.

Operational Review[1]

	2019 €m	2018 €m	Change on prior year Change %	Underlying[3] %	Constant Currency[4] %
Revenue	**440.1**	431.0	2.1%	(1.3%)	2.3%
Operating profit[2]	**13.9**	16.2	(14.5%)	(14.1%)	(12.7%)
Operating margin[2]	**3.2%**	3.8%	(60bps)	(50bps)	(50bps)

1 *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 2019 crop marketing revenues and profits attributable to Continental Europe amounted to €165.1 million and €0.3 million respectively (2018: €158.4 million and €0.2m respectively). An analysis of revenues, profits and margins attributable to agronomy services and inputs more accurately reflects the underlying drivers of business performance.*
2 *Before amortisation of non-ERP intangible assets and exceptional items*
3 *Excluding currency movements and the impact of acquisitions*
4 *Excluding currency movements*

Continental Europe in Numbers[1]:

€440.1m
Revenue

1,100+
Employees

€13.9m
Operating Profit

19,000+
Customers

1. Revenue and Operating profit excluding crop marketing.

Overview
Continental Europe encountered a challenging operating environment during the year which resulted in lower margins and operating profits primarily driven by the under-performance of our Ukrainian business.

Underlying business volumes declined by 2.9% in the period and operating margins reduced by 60 basis points to 3.2%.

Belgium
Belgium delivered a strong performance in the year, recording solid volume and margin development. Margins were favourably supported by growth in sales of speciality and bespoke nutrition applications.

Poland
Poland performed in line with the prior period.

While volume development in the period was impacted by lower demand due to a reduction in early autumn crop plantings, performance benefited from the ongoing enhancement of Origin's seed and speciality nutrition portfolios through the further development of the Group's product based capabilities.

Romania

Romania achieved higher revenues and profits in challenging operating conditions.

Good volume momentum was achieved across all market channels against lower demand due to the impact of extended dry conditions on winter oilseed rape plantings.

Performance benefited from improved commercial effectiveness together with good progress achieved in the period relating to customer channel integration and business portfolio alignment.

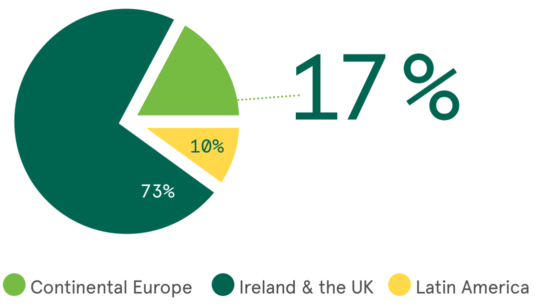
Ukraine

Ukraine recorded a significant reduction in profitability in the period. Business performance reflected a market characterised by lower liquidity and excess inventories which drove highly competitive trading conditions.

In the context of this challenging market backdrop, the Group continues to prioritise operational and working capital efficiencies along with the further development of high service agronomy channels and precision digital offerings.

Origin is a recognised leader in the provision of Agronomy Services and Crop Inputs across our Continental European markets in Poland, Romania, Ukraine and Belgium.

Profit by Geography[1]



1. Operating profit before amortisation of non-ERP intangible items and exceptional items

Find out more

See Agricultura Plus case study on page 42
See FoliQ case study on page 43

Case Study

Valerian Istoc

Business Development Director

Valerian reviewing maize trials with Mihnea Pojoga of Agriculture Plus

A qualified agronomist and MBA graduate, Valerian holds a MSc in Sustainable Agriculture from the Faculty of Agriculture in Bucharest and a PhD in plant physiology from Uni Hohenheim, Stuttgart, Germany.

Valerian joined Origin in December 2014 to support the Group's entry into the Romanian market. Following the acquisitions of Comfert and Redoxim, Valerian was the ideal candidate to assume responsibility for the creation of Agricultura Plus, Origin's R&D and Digital structure tailored for the Romanian market.

Under Valerian's stewardship Agricultura Plus is emulating the successes of Origin's UK research facilities, demonstrating value to farmers via the adoption of classical and digital crop technologies.

See more on our Digital offering on page 36

100-50,000ha

Customer Profile

335

Sales Force

Case Study

Agricultura Plus

Leading by example

Agricultura Plus was established in 2017 to facilitate the knowledge transfer and rapid deployment of crop technologies and field management strategies into the Romanian market.

Building on the success of our UK based R&D programmes, Agricultura Plus uses an integrated approach to investigate all components of successful crop production systems in localised conditions. As a result, our local agronomists are equipped with the latest information to deliver bespoke recommendations, inputs and intelligent agricultural solutions to maximise farmers' production returns.

See more on our Digital offering on page 36

"Based on the size of my farm, I thought it was too small for a precision advice service. I first engaged the service across several fields that I considered of 'low potential' yielding 1,700-1,800 kg of sunflower / ha. A soil analysis identified a low pH level in addition to Phosphorus and Zinc deficiency. Based on the findings, my agronomist Alin prescribed a customised soil nutrition programme, prompting a change to the range of fertilisers used in order to match the crops' nutritional requirements. As a result the fields delivered a 1.2 tonnes increase in yield, one of the highest sunflower yields in my area. The trial convinced me to engage the services across the whole farm".

– Miclescu Radu, Botosani, Romania, Farm Area 350 ha

Building on the success of our UK based R&D programmes, Agricultura Plus uses an integrated approach to investigate all components of successful crop production systems in localised conditions.

FoliQ developed over the past

25yrs

Case Study

FoliQ

Own Product Based Capability

FoliQ is a range of liquid foliar fertilisers containing the optimum composition of macro and micronutrients to promote plant nutrition and health. Its primary innovation lies in fragmentation of incorporated nutrients to the size of nanoparticles.

Developed over the past 25 years, FoliQ is one of the strongest brands of foliar fertiliser within the Polish market, maximizing crop performance and therefore yield through the delivery of:

> efficient nutrient uptake;
> quick and efficient plant nutrition;
> more intensive growth of plants;
> increased tolerance of plants to stress conditions; and
> enhancement of plant resistance to diseases.

Having successfully proven the product efficacy through localised trials, Origin exports FoliQ to nine countries to meet a growing demand for foliar nutrition products.

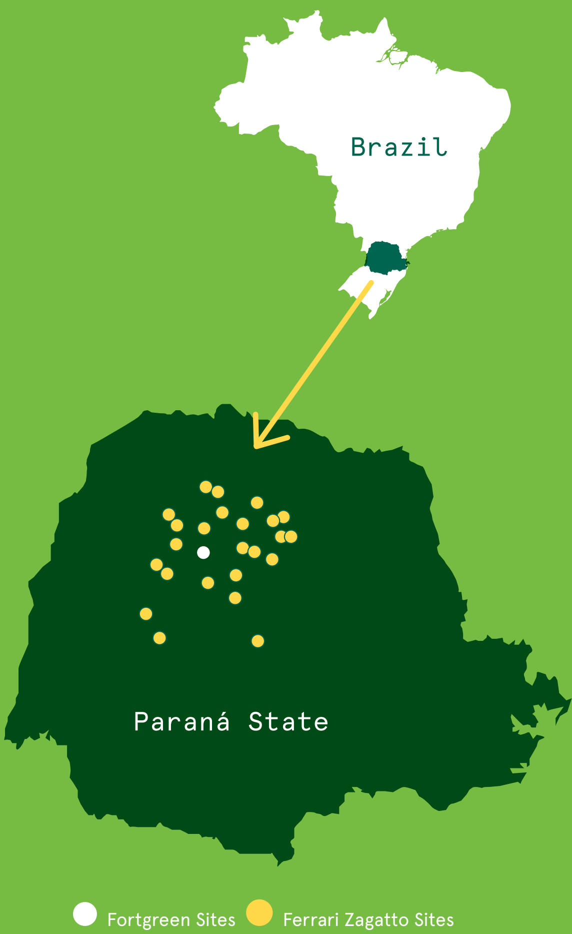
Read more on our Strategic Priorities on page 26

Find out more
Case study
page 49

Business Review

Latin America

In June 2018, Origin announced it had reached agreement to acquire a 65% controlling interest in Fortgreen and a 20% shareholding in Ferrari Zagatto. Both entities are based in Paraná State in Brazil and represent the Group's first entry into the Latin American market. The 65% controlling interest in Fortgreen was completed in August 2018, with the 20% shareholding in Ferrari Zagatto completed in June 2019.



Operational Review

			Change on prior period		
	2019 €m	2018 €m	Change %	Underlying[2] %	Constant Currency[3] %
Revenue	**33.6**	–	100.0%	–	–
Operating profit[1]	**8.1**	–	100.0%	–	–
Operating margin[1]	**24.1%**	–	–	–	–

1 Before amortisation of non-ERP intangible assets and exceptional items
2 Excluding currency movements and the impact of acquisitions
3 Excluding currency movements

Latin America in Numbers:

€33.6m

Revenue

80

Sales Force

€8.1m

Operating Profit

118

Resellers

Overview

Origin made its first-time entry into the Brazilian agri-services market following the completion of the acquisition of Fortgreen in August 2018. Fortgreen, headquartered in Paraná State in southern Brazil, is focused on the development and marketing of speciality inputs and value-added crop nutrition.

Latin America has delivered an excellent first-time contribution in the period, with performance in line with pre-acquisition expectations. Integration is progressing to plan, including the development of partnerships with other Origin entities to enhance the Group's own product based capabilities.

Brazil

Performance in the year was supported by good growth in soluble nutrition technologies for grain and speciality crop applications and aided by a strong harvest for Brazil's principal spring crop, soya. The Group has invested in additional production and storage capability to support this growth.

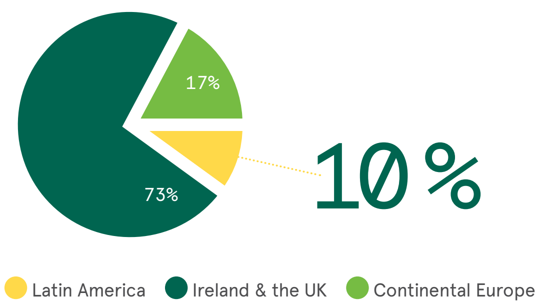
The acquisition of a 20% shareholding in the Brazilian business Ferrari Zagatto E Cia. Ltda., ('Ferrari') announced in the prior financial year, completed on 10 June 2019. Also headquartered in Paraná State, Ferrari is a leading provider of agronomy services, inputs, crop handling and marketing services. Ferrari provides an important route-to-market for Fortgreen's speciality inputs and nutrition offering. As Ferrari was acquired close to the end, its contribution to the overall result was immaterial.

Find out more
Origin at a glance on page 6
Our Business on page 22

Business Review
Latin America

Latin America has delivered an excellent first-time contribution in the period. Integration is progressing to plan, with performance in line with pre-acquisition expectations.

Profit by Geography[1]



1. Operating profit before amortisation of non-ERP intangible items and exceptional items

Research trials being undertaken at Fortgreen's technical facility

Case Study

Read more on our Strategic Priorities on page 26

Leonardo Pereira

In Profile

Leonardo on-farm in Paraná state

A qualified agronomic engineer and MBA graduate, Leonardo holds a MSc in Plant Nutrition where he specialised in production management.

Leonardo joined Origin through the acquisition of Fortgreen in 2018. As Head of Technical and Operations in Fortgreen he holds strategic responsibility for new product development within local and international markets. Leonardo and his team are an integral part of the Group's plans to transfer formulation expertise into existing European markets, bringing extensive formulation and production knowledge across both fertiliser and speciality inputs.

50-5,000ha

Customer Profile

2,000

Crop Field Trials

Case Study

ZC Full Patriot

Own Product Based Capability

Extensive trials across Brazil have demonstrated yield increases versus the market standard products, averaging between 5-8 additional bags of soya bean per hectare.

Zinc is one of the most widespread micronutrient deficiencies in crops, resulting in stunted plant growth, an elongated crop maturity period and inferior harvest quality. ZC Full Patriot is a seed treatment formulation developed in-house by Fortgreen using Zinc Complex technology.

ZC Full Patriot works to physiologically stimulate plants delivering:

> greater germination and emergence;
> higher germination and emergence speed in stressful situations; and
> better crop establishment.

Extensive on-farm trials across Brazil have demonstrated yield increases versus the market standard products, delivering 4 – 6% additional yield in soya crops. ZC Full Patriot is one of a range of in-house product formulations developed by Fortgreen, with broader application use across Origin Group markets, to address localised agronomic challenges.

Fortgreen services approximately

1,200

customers through an established Business-to-Business and retail distribution network

Case Study

Fortgreen

In Profile

During the year, the Group completed the acquisition of Fortgreen in Brazil which was the Group's first-time entry into the Brazilian agri-services market. Fortgreen, headquartered in Paraná State in southern Brazil, is focused on the development and marketing of speciality inputs and value-added crop nutrition.

Fortgreen was founded in 2004 and is an established leader in the manufacture and marketing of a complete portfolio of related crop technologies covering foliar fertilisers, bio stimulants, adjuvants and control release and slow release fertilisers. Fortgreen operates a comprehensive research and new product development capability and services approximately 1,200 customers through an established business-to-business and retail distribution network.

See Origin at a glance on page 6
See Our Business on page 22

Sustainability Report

At Origin, our strategic objective is to build a sustainable business and deliver long term value to shareholders in a responsible and ethical manner, in line with evolving societal expectations.

Introduction

In a world facing global challenges of unprecedented levels, such as food insecurity, resource scarcity and climate change, Origin as a leading Agri-Services Group knows that the current food production system needs to adapt and change, and we have a role to play in that transformation.

With sustainability at the centre of our business model, we are focused on making a positive contribution, through our products, services and operations, to promoting sustainable food production systems and helping to meet the growing food demand.

During the year, we formalised our vision and purpose as we seek to embed sustainability in everything we do. Our vision is to be the leading and trusted partner of choice to the farmers, growers and amenity professionals we serve. Our purpose is to sustain land and lives through our expertise, innovation and research and development.

Activities we engaged in during the year included; concluding our first stakeholder driven materiality assessment, mapping our strategic priorities to the UN Sustainable Development Goals, calculating our Scope 1 and Scope 2 greenhouse gas emissions and developing a diversity, inclusion and equal opportunities strategy. We also continued to develop our reporting in line with the EU Non-Financial Reporting Directive (2014/95/EU). Details of these activities are outlined later in this report.

Materiality

Origin's sustainability journey is one of continuous development. In 2018, we identified, prioritised and validated 23 distinct sustainability factors which we considered to be relevant to our organisation. In 2019, we undertook a materiality validation assessment, using an independent external adviser, to further understand the expectations of our key stakeholders and refine our own priorities. Details of the materiality process are outlined as follows:

Materiality Process

Defining the sustainability factors
Definitions for each of the 23 sustainability factors were set out for the stakeholders.

Engaging with stakeholders
Stakeholder groups were engaged through the following means:

> Interviews were held with Customers, Suppliers, Regulators, Industry Associations, Academics, Research Professionals, Shareholders and Lenders.
> Surveys were completed by employees.

Prioritising results
Ratings of high, medium or low were assigned against each sustainability factor based on the results from the internal and external stakeholder engagement. A sustainability factor register was developed.

Validating the results
Results were validated by our Sustainability Steering Group.

Outcomes
Informed the Sustainability Report content and structure. Provided a structure and valuable insight to continuously improve the Group's sustainability programme and the stakeholder engagement processes.

Find out more
IQ case study on page 53
Gender Diversity on page 54

The outcome of this assessment has confirmed good alignment among internal and external stakeholders, with certain sustainability factors being more relevant to different stakeholder groups. The assessment has identified key themes which will be central to the development of the Group's Sustainability Programme as we seek to ensure continued alignment with the business and stakeholders needs. It has also enabled us to identify the UN Sustainable Development Goals most closely aligned to Origin's business. The topics covered in this report are designed to reflect the outputs of this materiality assessment.

Materiality Matrix

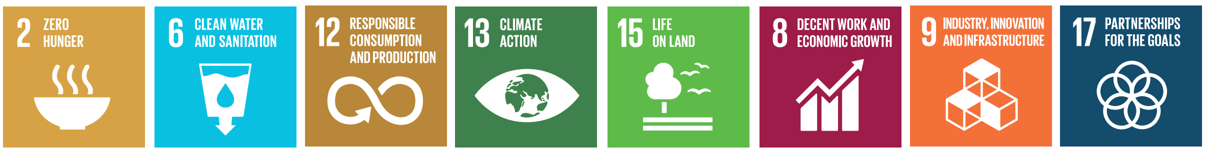
Importance to Industry Stakeholders	Low	Medium	High
High		> Health, nutrition and food safety. > Wildlife and biodiversity. > Water stewardship.	> Business integrity. > Climate-smart agriculture. > Long-lasting relationships and quality of service. > Product research and innovation. > People's health and safety. > Soil and crop health. > Promoting sustainable food production systems.
Medium		> Community education and support. > Genetic enhancement. > Industry leadership and collaboration. > Local socio-economic impact.	> Cyber-security and data protection. > Diversity, Inclusion and Equality. > Digital transformation (local solutions). > Employee attraction, development and engagement. > Geopolitical and regulatory developments. > Financial stability and sustainable growth. > Supplier relationships. > Respecting human rights in the value chain.
Low	> Organic farming.		

Importance to Origin Enterprises

UN Sustainable Development Goals ('SDGs')

The UN Sustainable Development Goals provide a globally accepted roadmap for addressing many of the most urgent global, economic, environmental and social challenges. The success of SDGs will be determined by business action and we believe that Origin as a leading Agri-Services Group has an important part to play. Using the findings of the materiality validation exercise, we mapped our sustainable priorities and strategic goals to the UN SDGs. We believe Origin's products and services contribute to transformation towards sustainable food production as underpinned by SDGs 2, 6, 12, 13 and 15. These interconnected goals provide us with significant business opportunities but we also recognise that a lack of progress on delivering these goals will challenge the sustainability of agriculture. Further details of our product and service offerings are outlined in the Business Review on pages 32 to 49.

Through our operations and supply chain we can actively support the delivery of SDGs 8, 9, 17 as these goals are closely aligned with our strategic priorities and will enable us to develop and deliver more sustainable products and services to customers, and society at large.



People

Origin is a business centred around people, where strong working relationships form the basis of our success. We believe that by attracting motivated, highly skilled employees, and nurturing their talent and individuality, we can create opportunities to fulfil their potential and provide our business with a strong competitive advantage.

Our core values describe the culture Origin aspires to, the beliefs we hold and the behaviours expected of all employees.

Attracting and developing our people

Origin recognises the importance of attracting the best talent into our business, particularly in the highly competitive agri-food sector, where superb global leadership opportunities lie. To attract the most talented candidates in the industry, we invest in cultivating long-term partnerships with potential candidates, forming relationships with industry and leading universities and demonstrating the potential for career growth in the Group. Attracting young, enthusiastic, talented professionals, and growing our talent through continuous learning and development is a key part of our succession planning and preparing our business for the future.

We provide in-country IQ programmes which enhance employees' current performance and prepare them for future roles. Through the Personal Development Plans we also develop personal, academic, technical and digital skillsets of our employees.

The IQ programmes include classroom and online training solutions from industry-leading educational institutions and internal industry experts, together with mentoring from senior agronomists and management within the business.

During the year, employees participated in 1,475 training courses across the Group.

There are four elements to the IQ programme as follows:

IQ Programme Elements

Establish
> BASIS / FACTS certification.
> Mentoring from senior agronomists and management.

Personal Effectiveness / Complementary Courses
> Training in project management, consultative sales, communication and presentation skills.
> Technical training.

Educate
> BASIS advanced certification.

Management Development Training
> Leadership training.
> Team Management.
> Strategy and financial management.

Case Study

Kathryn Styan

Agronomist at Agrii UK

Kathryn's passion and appreciation for farming and food production goes back to her family roots where she was born and raised on a fruit and vegetable farm in the Vale of Evesham. After completing a BSc in Geography from the University of Leicester and an MSc in Agronomy and Crop Production from the University of Warwick, Kathryn joined Agrii UK in August 2015 where she has worked with the agronomy, sales and technical teams.

In January 2016, she commenced the IQ Establish and Educate programmes, where she received FACTS certification through the internal training programme in March 2016, and completed the BASIS training with Harper Adams University in July 2016. In April 2016, she commenced the IQ personal effectiveness / complementary training which includes modules on sales and communication, time management, environmental legislation, seed genetics, soil management and farm business management. As part of the IQ programme she also completed several sessions with representatives of the main crop protection manufacturers which has provided her with greater insight into the active ingredient development processes.

The IQ programme has benefitted Kathryn and Agrii UK by increasing her confidence and skills to take on new customers from both competitors and retiring Agrii agronomists. To date Kathryn has achieved a 100% customer retention rate. The IQ training programme has also given Kathryn skills to increase her profile in the industry, where she presents courses to farmers and sprayer operators on behalf of the National Register of Sprayer Operators. Finally, it has provided her with the knowledge and tools to advise on agronomic matters such as soil management and environmental legislation ensuring the highest standards of services are provided to Agrii UK customers, and help future proof the role of an agronomist in a rapidly changing industry.

"The IQ programme has provided me with the knowledge and tools to develop my agronomic and management skills for the benefit of Agrii and its customers."

See more on Our Business on page 22

Origin believes that by attracting motivated, highly skilled employees, and nurturing their talent and individuality, we can create opportunities to fulfil their potential and provide our business with a strong competitive advantage.

Engaging our people

At Origin we recognise the value of sharing our ideas and information with each other and our stakeholders, and aim to create a workplace where our people have an opportunity to make a meaningful contribution to the success of the business.

To develop our culture of open communication we launched our Employee Engagement Strategy 'Let's Talk' during 2018. The purpose of the strategy is to allow us to enhance our existing feedback mechanisms, better understand the employee experience across the Group, bring greater awareness and alignment to our vision and values and provide our Board and Executive Management with the insights necessary to make informed decisions. During 2019, our Chairman, Chief Executive Officer, Chief Financial Officer and designated Non-Executive Directors visited sites in Poland and the UK. During these visits, they received guided tours of the sites and held focus groups and Q&A sessions with the employees.

As outlined in last year's Annual Report, we undertook an employee engagement survey in two of our business units in 2018. In 2019, as part of our 'Let's Talk' strategy, we conducted the inaugural Group-wide employee engagement survey to provide us with a better understanding of how our employees view the organisation. Employees across the Group were given the opportunity to participate in the survey, where a 68% response rate was achieved. The overall employee engagement score was 86%.
The results from the employee engagement survey and the site visits have provided confirmation of areas where we are doing well and insights into areas where there is an opportunity to improve, with action plans being developed by our Human Resources Teams across the Group. In 2020, we will conduct a Group-wide survey to help assess the outcomes of action plans, in our effort to continue to improve engagement with our people and their experience at Origin. Our Chairman, Chief Executive Officer, Chief Financial Officer and designated Non-Executive Directors will continue to visit sites throughout the Group as part of the 'Let's Talk' strategy.

Building a culture of Health and Safety

Health and Safety of our employees is a primary responsibility of Origin, where we demand the highest safety standards in everything we do. The importance of Health and Safety aligns with the views of our internal and external stakeholders, as determined from our materiality assessment. Led by our local Health and Safety Officers, each business unit has a health and safety management system reflecting the specific risks from their operations. We continuously invest in and refine our processes and procedures to ensure high safety standards in each business unit. We also share best practice among our business units to ensure consistent performance across the Group.

We measure performance on an ongoing basis and reports are presented to business unit management at every meeting. Reports are also presented at regular intervals to the Origin Board.

One of our key measures is Lost Time Injuries ('LTIs'), defined as an accident resulting in at least one day lost after the date of the accident. A total of 20 LTIs were recorded in the Group during the financial year ended 31 July 2019.

Nurturing Diversity and Inclusion

Origin is committed to the principles of diversity, inclusion and equal opportunities as we understand these principles are essential elements to our success. We aim to foster a diverse and inclusive culture, that attracts and develops diverse talent and creates a workforce that mirrors society and understands its diverse needs.

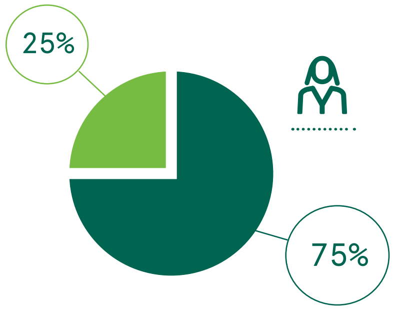
In 2019, we continue to develop and implement diversity, inclusion and equal opportunities programmes as part of our strategy. These programmes will focus on areas such as developing new communication channels to embed the diversity and inclusion principles, launching on-line training modules, engaging with external groups and advisory bodies, and improving internal reporting to measure and monitor the diversity profile of our workforce.

We welcome a greater representation of female talent across all functions in our business particularly at management level and we are committed to extending equal opportunities to all individuals in line with our policies. Details of female representation at Origin Board, management level and in the wider employee population are outlined below.

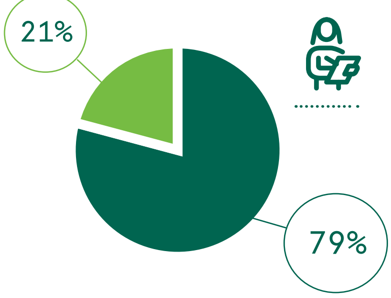
We are a member of the 30% Club, and support our Chairman, R Hynes as a Member of the Advisory Group of the Balance for Better Business; both of which are committed to achieving better gender balance at all levels of organisations.

Further details of the Board Diversity Policy are outlined in the Nomination and Corporate Governance Report on page 84.

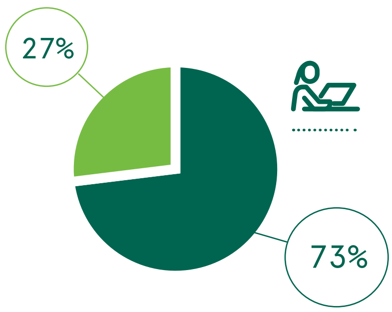
Gender diversity



25% female representation at Origin Board



21% female representation at management level



27% female representation of Origin employees

Business Ethics and Integrity

At Origin, doing business with integrity is a core value of the Group and a foundation for our long-term success. Business results must always be achieved ethically and in a responsible manner.

Anti-Bribery and Corruption

Origin operates an Anti-Bribery and Corruption policy which states that no employees or representatives of any Group business is to offer or accept any bribe, including small facilitation payments, or engage in any form of corrupt practice. The policy is designed to ensure that each business unit within the Group, applies appropriate steps to comply with Origin's ethical standards so that the Company and its employees are protected from any penalties, fines and / or reputational damage.

Origin launched an e-learning training programme in 2018 which has been rolled out to employees across the Group to help them understand their obligations.

Respect for Human Rights

We conduct our business in a manner that respects the rights and dignity of all people. Origin has suitable Human Resources policies and procedures which apply to each business in the Group.

Origin is also committed to upholding human and labour rights in its supply chain and welcomed the introduction of the UK Modern Slavery Act. Origin published its statement in response to the Act in 2017 which can be found on the Company's website **www.originenterprises.com**. The Group has procedures including the issuing of supplier questionnaires to assess the risk of human rights abuses taking place within its supply chain. A copy of the UK Modern Slavery Act is issued to all new starters as part of their induction programme to increase awareness of the Act.

Environment

As one of the leading providers of agri-inputs and agronomic services, we have a responsibility to manage the activities within our own operating businesses to support long-term environmental sustainability through the adoption of environmental stewardship practices amongst our customer base.

Origin is focused on the energy efficiency of our own operating businesses, where we undertake energy audits to identify opportunities to reduce consumption. Origin also adheres to strict principles of environmental stewardship in all our activities ensuring appropriate care is taken throughout the product life cycle, through the use of appropriate management systems and processes and continuous investment in infrastructure. These management systems encompass environmental matters including control of major accident hazards and product traceability.

Greenhouse Gas Emissions

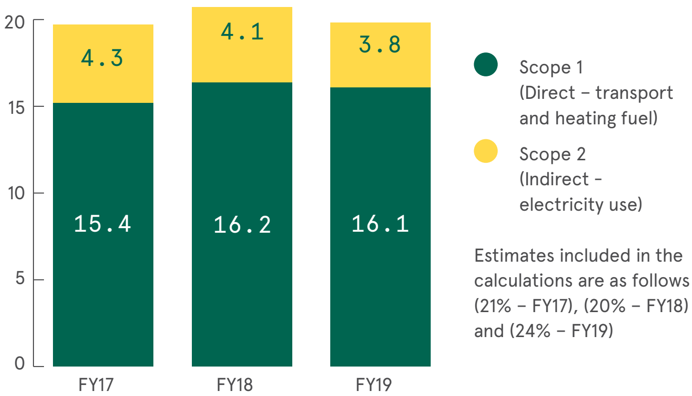
This is the first year in which consolidated data for our Group Scope 1 (transport and heating fuel) and Scope 2 (electricity use) greenhouse gas ('GHG') emissions has been collated. Origin's absolute Scope 1 and Scope 2 GHG emissions increased by approximately 3% and 1% in 2018 and 2019 compared to the base year 2017, driven by the addition of new businesses in the UK, Belgium and Brazil. We are actively seeking to reduce our energy consumption through the introduction of various initiatives.

Waste

Minimising waste is an important part of reducing our direct impact on the environment. We aim to reduce all waste being generated across the Group and divert waste away from landfill.

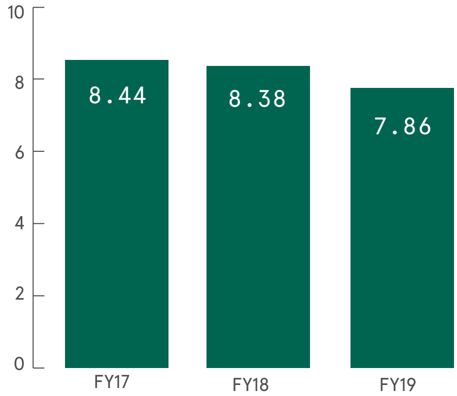
We place specific emphasis on the type of packaging used for our crop nutrition and protection products, with all packaging made from 100% recyclable material. We continue to work closely with the respective authorities in the countries we operate in to assist our customers in recycling this packaging.

Absolute CO_2 emissions (000's tonnes)



Estimates included in the calculations are as follows (21% – FY17), (20% – FY18) and (24% – FY19)

Carbon Intensity (tonnes CO_2E / Average no. of employees)



Promoting Sustainable Food Production Systems

Evolution of Agronomy

SUSTAINABLE DEVELOPMENT GOALS

2 ZERO HUNGER

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

6 1 ha fed 6 people

Crop yields relatively static since 1900's

11 1 ha fed 11 people

Modernisation

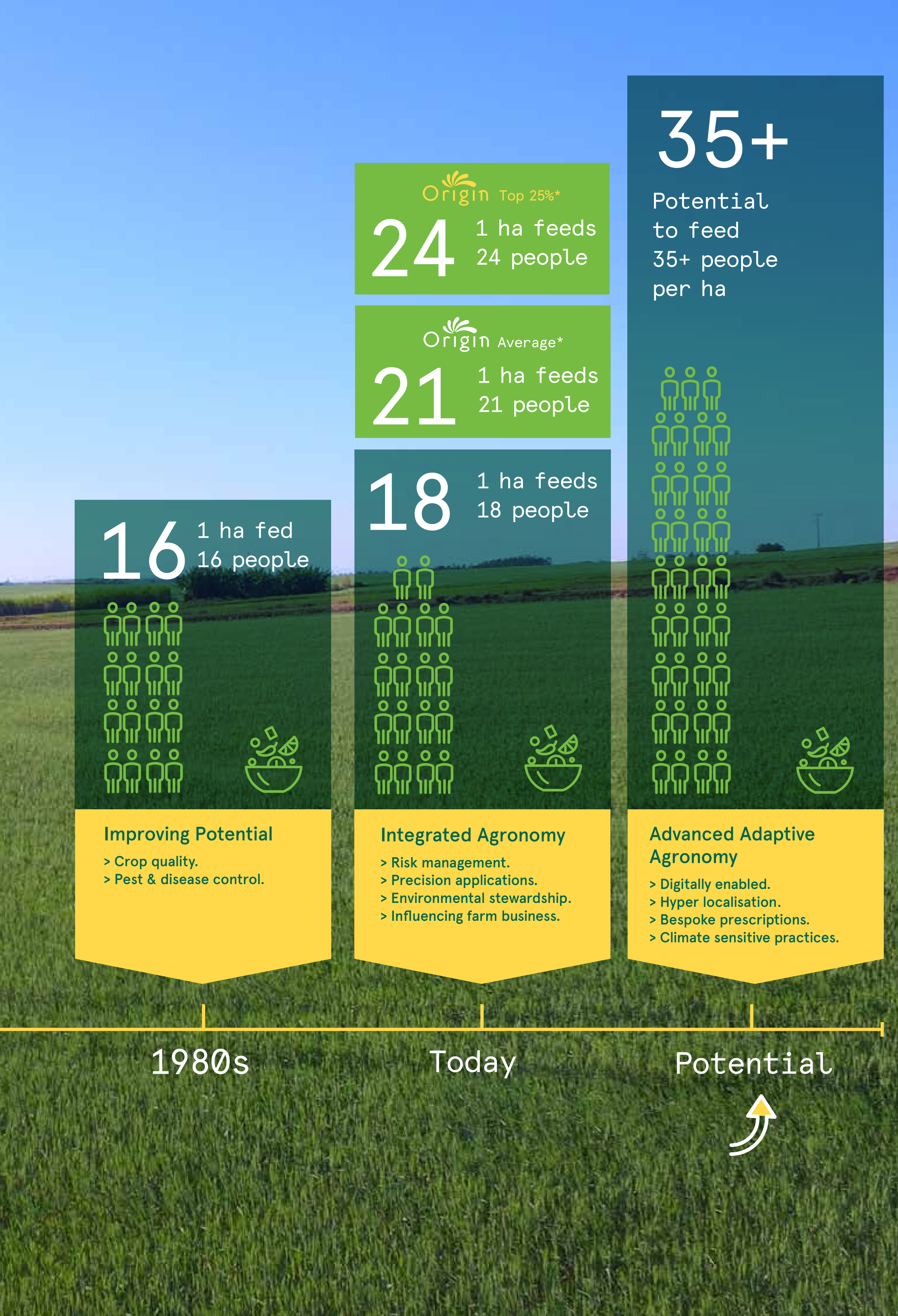
> Seed genetics.
> Fertiliser application.

1940s

1960s

*Comparative figures based on MAP Yields 2014 – 2018 compared to DEFRA average for England and DEFRA South West.

Graphical illustration is management's estimate of average adult daily calorie intake provided through wheat consumption. Yield data sourced from Department for Environment Food and Rural Affairs (DEFRA) using United Kingdom cereal yields from 1885 onwards.


16
1 ha fed
16 people
Improving Potential
> Crop quality.
> Pest & disease control.
Origin Top 25%*
24
1 ha feeds
24 people
Origin Average*
21
1 ha feeds
21 people
18
1 ha feeds
18 people
Integrated Agronomy
> Risk management.
> Precision applications.
> Environmental stewardship.
> Influencing farm business.
35+
Potential
to feed
35+ people
per ha
Advanced Adaptive
Agronomy
> Digitally enabled.
> Hyper localisation.
> Bespoke prescriptions.
> Climate sensitive practices.
1980s
Today
Potential

Water

Our water consumption is low compared to manufacturing industries due to the nature of our formulation and distribution model. The potential impact associated with a product spillage represents a risk for our business. Due care is exercised to ensure that all waste water complies with relevant legislation and the Group continues to invest in infrastructure and management systems to minimise potential spillages or other forms of water contamination. In addition the Group invests significant effort in the education of our customers on best practice.

Promoting sustainable food production systems

We recognise the unique contribution Origin can make in strengthening the sustainable agricultural community. We are mindful not only of the decisions taken within our own organisation, but equally our ability to promote best practice through the responsible use of crop inputs and the adoption of sustainable food production systems.

Our agronomists constantly challenge the status quo and create a platform through a knowledge-led approach, that delivers increased yields, resilience to climate instability and higher health and vitality for farming. It is widely recognised that agriculture has a unique role to play in climatic change and equally, we witness opportunities where agricultural practices play a significant role in helping to mitigate the effects of climate change. In our bid to promote sustainable food production and an enhanced environment, Origin employs the skills and local knowledge of its highly skilled agronomist workforce to bridge the gap between formal scientific research and the experience of farmers, growers and amenity professionals to adopt the most appropriate practices tailored for individual field, crop and landscape requirements.

Case Study

Nutri-Match®

Origin has developed a range of prescription blended compound fertilisers in which the analysis is formulated to match specific soil and crop nutrition requirements.

Nutri-Match® offers:

- unlimited choice of fertiliser analyses;
- up to 14 essential nutrients; and
- targeted nutrition to match individual soil types and crops.

A broad-spectrum soil analysis provides the essential information to build a nutrient programme. Data from the Professional Agricultural Analysis Group identified that 90% of UK soils have sub-optimal fertility, highlighting a clear need for more targeted nutrition.

Based on the soil results, a qualified crop nutrition adviser interprets the results and an Origin NUTRI-MATCH® prescription fertiliser is formulated to optimise soil fertility, crop yield and crop quality.

NUTRI-MATCH® delivers:

- increased Nutrient Use Efficiency;
- optimum environmental protection; and
- increased return on investment.

Read more on our Business Model on page 28

NUTRI-MATCH®
prescription fertiliser

Developing Solutions for climate-smart agriculture

Through ongoing near market research and product formulation programmes, Origin places significant emphasis on soil regeneration, biodiversity and crop health. In doing so we also acknowledge the immense role nutritional products play in strengthening soil health and vitality.

Responsible Approach to Stewardship

Origin's agronomist led advisory model is based on the premise of increasing yields on the existing agricultural land base whilst protecting biodiversity and the environment.

To support this practice, our agronomists adopt an integrated approach to land and crop stewardship through the practice of Integrated Pest Management ('IPM'). IPM is a holistic approach to sustainable crop protection that focuses on managing insects, weeds and diseases through a combination of cultural, physical, biological and chemical methods that are cost-effective, environmentally sound and socially acceptable.

IPM comprises three main activities:

> management of pests, weeds and diseases through the use of biological, physical and cultivation means as well as crop protection chemistry;
> monitoring of crops to observe levels of both pests and beneficial species that can provide natural control mechanisms; and
> using pest prediction models and economic thresholds, to better judge the requirement and timing of interventions.

These techniques include crop rotations, variety choice management, appropriate cultivation method, target product dose rates and environmental biotechnology where benefits have been verified through in-house R&D trials.

Our agronomists constantly challenge the status quo and create a platform through a knowledge-led approach, that delivers increased yields, resilience to climate instability and higher health and vitality for farming.

Case Study

Black-grass Control

Black-grass control is one of the biggest agronomic challenges to face arable farmers across much of Europe. The weed, which is entirely spread by seed, can spread ten-fold in a single year and severely limit a crop's yield potential.

The application of herbicides alone is not sufficient to control the spread of black-grass. To address the challenge, we have conducted extensive trials for over two decades to find an effective solution for black-grass using an integrated approach now known as the Stow Longa model. This management model, delivers up to 98% control of black-grass within a field achieving yield benefits of greater than 5.5 tonnes per ha through a combination of management decisions based on cultivation methods, crop rotation, seed rates, nutrition, variety and modifying drilling date.

Read more on the Evolution of Agronomy on page 56

Case Study

Symbio

The environmental biotechnology company

Symbio, acquired during the current year, is an environmental biotechnology company that specialises in the identification, selection and use of soil bacteria, fungi and the organisms found in healthy soil to maximise plant growth and strength whilst optimising chemical use within cost effective Integrated Pest Management Programmes ('IPM').

Through collaborative partnerships with global researchers, biotech laboratories and agronomists, Symbio has successfully developed innovative sustainable technologies addressing the needs of:

> sports pitches and fine turf;
> arboriculture & forestry;
> horticulture;
> vegetable and arable crops; and
> the bio-organic garden.

Using a balanced combination of biology, chemistry and physics, Symbio's product range consists of natural biotechnical products such as mycorrhizae, compost teas, soil bacteria and fungi, which complement and in certain instances replace conventional plant management techniques as part of an effective IPM programme.

Case Study

Project Pollin-8

Rigby Taylor has undertaken a major initiative to help reverse the national decline in pollinating insects by introducing an urban flower seed mixture named Euroflor Banquet to the landscape industry that contains the best species for pollinators, whilst delivering high performance flower displays.

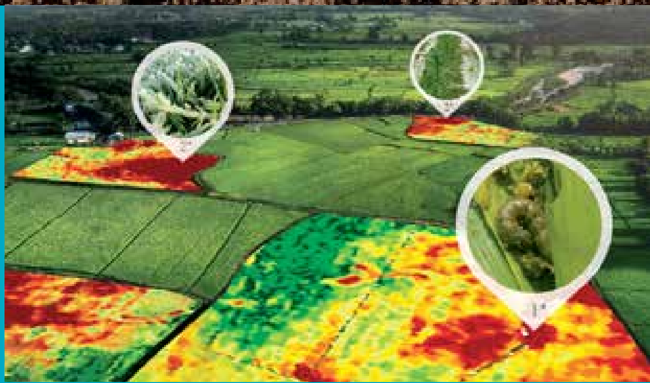
Banquet mixture is the result of information obtained from independent research by the Urban Pollinators Group, a national research programme run by Bristol, Edinburgh, Leeds and Reading Universities (2010-2013).

The research revealed that no one mix would meet the complex ecological demands of the diverse pollinator groups throughout the different stages in their life cycles – from early to late flowering, native and horticultural species, plants for egg laying, nectar for energy and pollen for protein.

Ten Euroflor Pollin-8 mixtures are now available that ensures a longer seasonal supply of nectar and pollen and a more diverse range of habitats whilst at the same time providing attractive flower displays.

Case Study

GRID digital solution to support access to finance in developing countries



In Africa, farmers and finance providers partner through RHIZA's GRID and Contour services, helping farmers grow successful crops and building trust between them.

Contour's satellite imagery allowed Derek Nicolle, General Manager of Mkushi Estates, Zambia to increase water efficiency through early detection. "The irrigation error we experienced was invisible to the naked eye," says Mr Nicolle. "With cutting-edge digital agronomy tools, we were able to pick up on the error early enough in the growing cycle to fix the problem". "The Contour app is a great tool both for the bank and the farmers. It helps the farmers save money through improved decision making that makes them more efficient. It also helps us monitor the farmers' progress and gives us great insight into the season the farmers are experiencing," said Leon Kotze, Stanbic Bank Head of Agriculture.

Together with crop performance monitoring, yield forecasts and nutrition recommendations, farmers illustrate their output potential, while financial institutions mitigate risk in lending, support their customers with agronomic information, and reduce the cost of monitoring and lending to farmers.

See more on our Digital offering on page 36

Identifying, evaluating and managing risks

The Board, supported by the Audit and Risk Committee, has overall responsibility to ensure the principal risks faced by the Group are identified, evaluated and adequately managed.

Risk Management

The Board has overall responsibility for risk management and internal control systems throughout the Group. The Audit and Risk Committee assists 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.

In 2015, the Board established a Risk Committee to ensure focus on risk management. During the past four years, the Risk Committee strengthened risk management systems and promoted a strong risk management culture throughout the Group. In September 2018, the Board approved the amalgamation of the Audit and Risk Committees.

The detailed Terms of Reference of the Audit and Risk Committee are available on the Company's website: **www.originenterprises.com**. The principal duties and responsibilities of the Audit and Risk Committee related to risk management for the year ended 31 July 2019 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 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.
> work and liaise as necessary with all other Board committees;
> annually review the Audit and Risk Committee's Terms of Reference and carry out its performance evaluation review; and
> report to the Board on how it has discharged its responsibilities.

Risk Management Framework

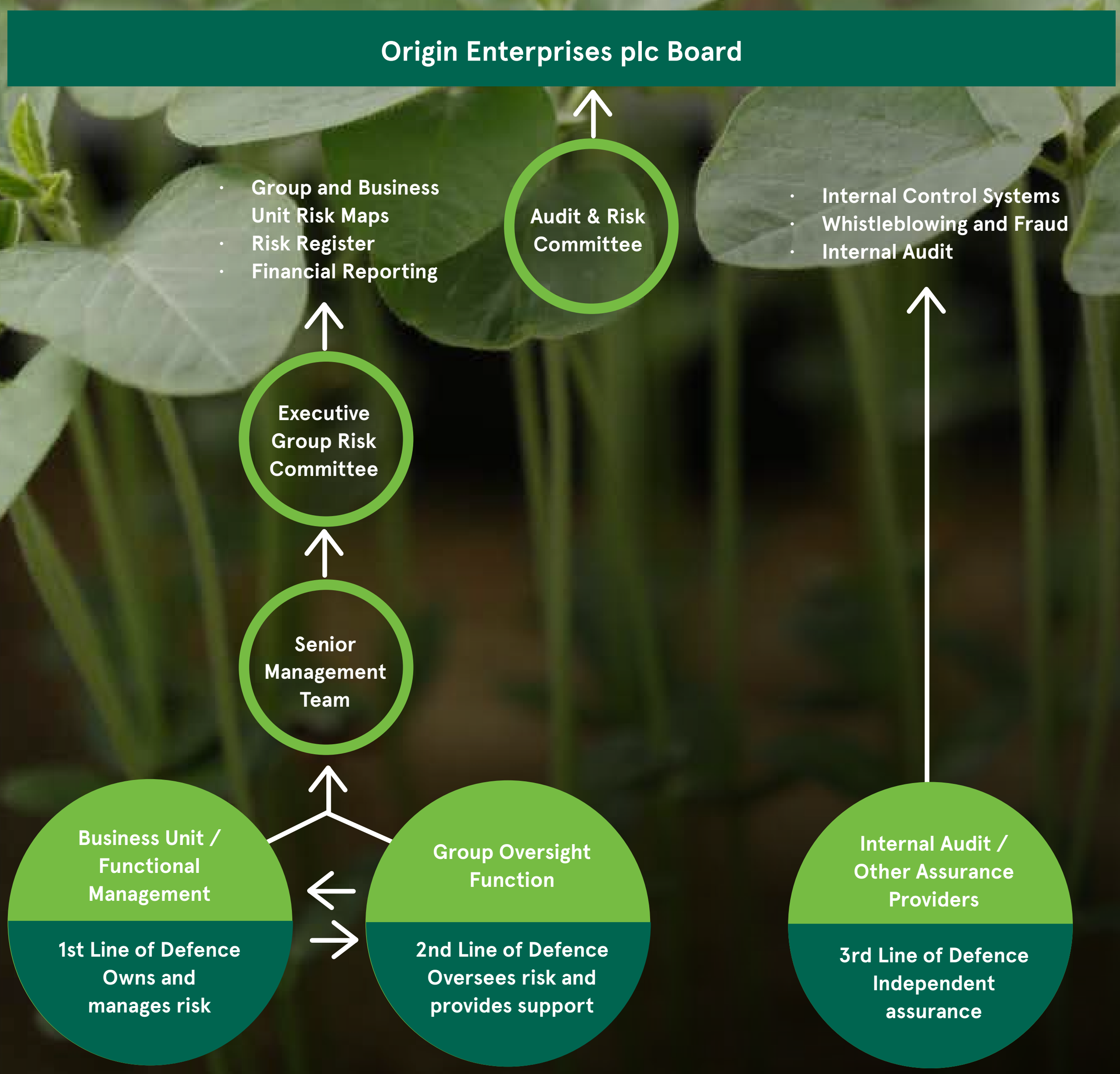
The Group has an enterprise-wide Risk Management Framework and a formal risk assessment process in place through which risks are identified and mitigating controls are evaluated. The Risk Management Framework and the formal risk assessment process helps to reduce the possibility of the Group failing to achieve its strategic objectives.

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 operational / financial audit programmes.

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

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

Risk Management Framework



Roles and Responsibilities

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

Origin Enterprises plc 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 and 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. > Review and consider reports from Internal and External Audit. > Review internal control systems. > Review whistleblowing arrangements and concerns raised through this channel. > Review procedures for identifying and preventing fraud and bribery. > Liaise with other Board Committees. > Report to the Board on how it has discharged its responsibilities.
Executive Group Risk Committee	> Meets, directs and supports the business units on risk management. > Develop the risk management and control environment. > Perform risk deep dives for Group functions and units. > Identify and share best practices for managing risk. > Review, assess and support the implementation of agreed risk mitigation and control programmes.
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 risk management. > Promote the importance of a strong control environment. > Additional focus in respect of Group finance, risk management, tax, treasury, legal, information technology and security.
Group Internal Audit	> Monitor the effectiveness of the Group Risk Management Framework. > Develop risk based internal audit plans. > Identify areas for improvement and assess status of mitigating controls. > Provide independent and objective assurance on risk matters to the Audit and Risk Committee.

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

The length of tenure of the Directors on the Audit and Risk Committee as at 31 July 2019 is set out below:

Length of tenure on Audit and Risk Committee*	Years
Kate Allum	**3.75**
Gary Britton	**3.77**
Hugh McCutcheon	**7.63**

* *Following the amalgamation of the Audit and Risk Committees, the length of tenure for a Director represents the longest tenure of that Director on either Committee.*

Risk Register and Risk Mapping Process

The Group's risk management process requires risk registers and risk maps that reflect the current risk profile of the Group and its units and functions.

Each business unit is required to maintain a risk register, which is reviewed and updated for submission to the Head of Risk and Internal Audit on a quarterly basis. 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.

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

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

The Group and business unit risk maps are reviewed quarterly by the Executive Group Risk Committee before principal risks are reported to the Board's Audit and Risk Committee during the financial year. Deep dives of key risks and feedback to business leaders are performed by both the Executive Group Risk Committee and the Audit and Risk Committee during the financial year.

2019 Highlights

In order to continuously improve the risk management framework and integrate it into day-to-day operations, a number of activities were carried out during the year ended 31 July 2019:

> Creation of the Executive Group Risk Committee (members include senior management who meet on a quarterly basis).

> Appointment of Risk Champions at Group and business unit level to ensure adequate risk ownership and actions.

> Appointment of key leaders to the Group to support the risk management process (Head of Risk and Internal Audit and Group General Counsel).

> Presentation of key risks and challenges for each business unit at the 2019 Strategy Day.

Viability Statement

Going concern and the viability statement

Details on the Directors' assessment of the Group's viability and ability to continue as a going concern are set out below.

Going concern

The Group's business activities and financial performance are set out in the Strategic Report on pages 6 to 69. As set out in the financial statements, the Group has generated cash flows from operating activities of €53.1 million during the year and its net debt at 31 July 2019 is €75.6 million. Having assessed the relevant business risks, the Directors believe the Group is well placed to manage its business risks successfully.

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.

Viability statement

The Directors have assessed the Group's viability over a three year period as part of the Group's strategic planning activities. The Directors concluded that a three year period was the most appropriate period to undertake this assessment, and the Directors have no reason to believe the Group will not be viable over a longer period. As part of the exercise to assess viability, a review of the principal risks and uncertainties facing the Group was undertaken and the potential impact on the Group's strategic plan, financial performance and liquidity was considered. Based on the results of the analysis the Board has a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period.

Principal Risks and Uncertainties

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 on pages 66 to 69.

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.

The principal risks and uncertainties

Link to Strategic Priorities Key: Scale · People & Organisations · Portfolio Positioning · Market Focus

Impact	Mitigation	Risk Movement	Strategic Priority
Strategic / Commercial			
Competitor activity, product innovation, pricing and margin erosion			
The Group operates in a competitive environment where the pace of innovation, changes in regulatory requirements including chemical product revocations 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 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.	↑	Scale Portfolio Positioning Market Focus
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, legal, 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.	↔	Scale Portfolio Positioning Market Focus
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.	↔	Scale Portfolio Positioning

Risk Movement Key: Increased risk · No Change

Impact	Mitigation	Risk Movement	Strategic Priority
Strategic/Commercial continued			
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.	↔	
Operational			
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 new products, 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.	↔	
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, along with the monitoring of weather and climate change by divisional and Group managers.	↔	
Procurement and supply chain			
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's profitability and the ability to meet customer requirements.	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. The Group through its research and development capabilities, in collaboration with suppliers, customers and research bodies, is well positioned to develop innovative solutions to meet its customer needs.	↔	

Link to Strategic Priorities Key: Scale | People & Organisations | Portfolio Positioning | Market Focus

Impact	Mitigation	Risk Movement	Strategic Priority
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.	↑	
Financial			
Brexit uncertainty			
The Group has operations within and outside the European Union. The UK's referendum decision to leave the EU ('Brexit') has increased uncertainty, particularly in relation to foreign exchange rates, interest rates 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 continually 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. This includes contingency planning to ensure security of supply chain and the obtaining of required certifications in the case of a limited transition period and / or the imposition of tariffs.	↔	

Risk Movement Key: Increased risk No Change

Impact	Mitigation	Risk Movement	Strategic Priority
Financial continued			
Banking, credit, liquidity and market risk			
The Group is a multinational organisation with interests both within and outside the Eurozone. As a result, Origin is subject to the risk of adverse movements in foreign exchange rates, fluctuations in interest rates and other market risks (including movements in the market value of investments which impact the funding levels of our defined benefit pension schemes). The Group is also exposed to credit risk arising on customer receivables and financial assets.	The Group Treasury Department 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 22 to the financial statements. The Group closely monitors the ongoing costs of its defined benefit schemes and has closed all such schemes to new members.		
Fraud			
The Group, like all businesses, is at risk of fraudulent activities from both internal and external sources.	The Group places a high importance on the design and ongoing effectiveness of its internal control process. Physical and IT-based security measures are in place across the Group's subsidiaries to mitigate such risk. There are whistleblowing arrangements in place throughout the Group. In addition, where economically available, the Group has appropriate insurances in place to provide cover against such an event.		
EU Farm Subsidy Payments			
The Group has operations within and outside the European Union. The uncertainty in relation to EU farm subsidy payments in the UK and in other EU countries, in the medium-term, could reduce demand in the Group's European markets which could adversely impact the financial performance of the Group.	Management and the Board are monitoring the potential impact of changes in EU farm subsidy payments with a view to taking the appropriate actions targeted at managing and where possible mitigating the risk in the event it occurs.		

Senoiu, Calarasi County, Romania

Members of the Agricultura Plus team on site in Calarasi County, Romania reviewing the progress of maize trials

Find out more

Case study on page 42
Origin at a glance on page 6

Governance

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

Non-Executive Chairman

Rose Hynes (62)
Non-Executive Director

Nationality: Irish

Date of appointment:
1 October 2015

Committee membership:
Chairman of the Nomination and Corporate Governance Committee and a member of the Remuneration Committee.

Skills and experience:
Rose 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. Rose is an Associate of the Irish Institute of Taxation and of the Chartered Institute of Arbitrators. She is a law graduate of University College Dublin and a lawyer.

Principal current directorships:
Chairman of Shannon Group plc and Non-Executive Director of Total Produce plc, IPL Plastic Inc. and Eircom Holdings (Ireland) Limited.

Executive Directors

Tom O'Mahony (57)
Chief Executive Officer

Nationality: Irish

Date of appointment:
9 February 2007

Skills and experience:
Tom has been 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.

Sean Coyle (46)
Chief Financial Officer

Nationality: Irish

Date of appointment:
1 October 2018

Skills and experience:
Sean joined the Group as Chief Financial Officer in September 2018. Sean was previously at UDG Healthcare plc where he held a number of roles, including Group Finance Director and Managing Director of its Healthcare Supply Chain Division. Prior to UDG Healthcare, Sean was Chief Financial Officer and an Executive Director of Aer Lingus plc. He also spent over 10 years at Ryanair Holdings plc where he held a number of senior management positions.

Sean is a fellow of Chartered Accountants Ireland having trained with KPMG in Dublin.

Declan Giblin (63)
Executive Director

Nationality: Irish

Date of appointment:
15 October 2008

Skills and experience:
Declan is Chief Executive Officer, Latin America, having previously held the role of Head of Corporate Development of Origin. He was formerly Chief Executive of Masstock and has been the driving force behind the development of Agrii over a 25-year period.

Declan is a fellow of the Chartered Institute of Management Accountants having previously worked with PwC.

Non-Executive Directors

Kate Allum (54)
Non-Executive Director

Nationality: British

Date of appointment:
1 October 2015

Committee membership:
Chairman of the Remuneration Committee and a Member of the Audit and Risk Committee.

Skills and experience:
Kate previously held a number of senior management positions in the food and agricultural sector, including Chief Executive of CeDo Limited and First Milk Limited and Head of European Supply Chain for McDonald's Restaurants.

Principal current directorships:
Non-Executive Director of Cranswick plc, Stock Spirits plc and SIG plc.

Gary Britton (65)
Non-Executive Director

Nationality: Irish

Date of appointment:
1 October 2015

Committee membership:
Chairman of the Audit and Risk Committee and a Member of the Nomination and Corporate Governance Committee.

Skills and experience:
Gary 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 was formerly a Non-Executive Director of The Irish Stock Exchange plc and KBC Bank Ireland plc.

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

Principal current directorships:
Non-Executive Director of Cairn Homes plc.

Hugh McCutcheon (65)
Non-Executive Senior Independent Director

Nationality: Irish

Date of appointment:
21 November 2011

Committee membership:
Member of the Audit and Risk and Nomination and Corporate Governance Committees.

Skills and experience:
Hugh spent over 20 years with Davy and was for more than 10 years the Head of Corporate Finance and a member of the firm's Board. Hugh has worked with a whole range of corporate clients and with the Department of Finance. Hugh is a fellow of Chartered Accountants Ireland having trained with PwC.

Principal current directorships:
Non-Executive Director of IPL Plastics Inc. and an Alternate Director at the Irish Takeover Panel.

Christopher Richards (65)
Non-Executive Director

Nationality: British

Date of appointment:
1 October 2015

Committee membership:
Member of the Remuneration Committee.

Skills and experience:
Christopher is Executive Chairman and Interim Chief Executive Officer of Plant Health Care plc. He has more than 30 years international experience in the agriculture industry and currently farms in the West of England. Christopher 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 Life Science.

Principal current directorships:
Non-Executive Chairman of Nanoco Group plc and Non-Executive Director of Volac International Limited.

Directors' Report

The Directors present their Annual Report together with the audited consolidated financial statements of the Group for the year ended 31 July 2019, 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, Belgium, Brazil, Poland, Romania and Ukraine.

During the year under review, the Group completed the acquisition of a 65% interest in Fortgreen and a 20% interest in Ferrari Zagatto in Brazil.

A comprehensive review of the performance and development of the Group is included in the Chief Executive's Review on pages 10 to 13 and the Chief Financial Officer's Review on pages 14 to 21. 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 34 to the Group financial statements.

The key performance indicators relevant to the Group are set out in the Strategic Report on pages 30 and 31.

Results for the Year

The results for the year are set out in the Consolidated Income Statement on page 120. Revenue for the financial year was €1,798.2 million (2018: €1,627.5 million). The profit after tax and exceptional items for the financial year was €52.7 million (2018: €56.8 million).

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 18.17 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 21.32 cent per ordinary share (2018: 21.0 cent). Subject to shareholder approval, the final dividend is payable on 13 December 2019 to shareholders on the register on 29 November 2019.

Share Capital and Treasury Shares

At 31 July 2019, the Company's total authorised share capital comprised 250,000,000 ordinary shares of €0.01 each (2018: 250,000,000), and the Company's total issued share capital (including treasury shares) comprised 126,396,184 ordinary shares of €0.01 each (2018: 126,382,206). At 31 July 2019, 800,330 securities were held as treasury shares (2018: 800,330). Details of the share capital of the Company are set out in Note 27 to the Group financial statements 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 of 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), the Directors are required to give a description of the principal risks and uncertainties facing the business. These are set out in the Risk Report on pages 62 to 69.

Financial Instruments and Financial Risk

The financial risks of the Group 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 22 to the Group financial statements.

Corporate Governance

The Corporate Governance Statement on pages 78 to 83 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

Changes to the Board of Directors during the year:

> Sean Coyle was appointed to the Board as an Executive Director on 1 October 2018.
> Peter Dunne resigned as Company Secretary on 28 May 2019.
> Barbara Keane was appointed as Company Secretary on 28 May 2019.

The names of the persons who are Directors are set out below.

Directors:

Rose Hynes
(Non-Executive Chairman)

Tom O'Mahony
(Chief Executive Officer)

Sean Coyle
(Chief Financial Officer)

Declan Giblin
(Executive Director)

Kate Allum
(Non-Executive Director)

Gary Britton
(Non-Executive Director)

Hugh McCutcheon
(Non-Executive Senior Independent Director)

Christopher Richards
(Non-Executive Director)

Company Secretary:
Barbara Keane

The biographical details of the Directors are set out on pages 72 and 73 of this Annual Report.

Directors' Interests in Share Capital at 31 July 2019

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 99 to 106.

Substantial Holdings

As at 24 September 2019, the Directors have been notified of the following shareholdings which amount to 3% or more of the Company's issued ordinary share capital:

	Number of shares	%
Artemis Investment Management LLP	17,135,975	13.6%
Setanta Asset Management Limited	16,868,628	13.4%
FMR LLC	11,378,695	9.1%
Invesco Limited	9,990,594	7.9%
DNCA Finance	5,627,688	4.5%
Bank of Montreal	4,221,360	3.4%
Prudential plc	3,929,351	3.1%

Directors' Compliance Statement

The Directors acknowledge that they are responsible for securing compliance by the Company with its relevant obligations as defined in the Companies Act 2014 (hereinafter called the Relevant Obligations). The Directors confirm that they have drawn up and adopted a compliance policy statement setting out the Company's policies that, in the Directors' opinion, are appropriate to the Company in respect of its compliance with its Relevant Obligations.

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

Audit and Risk Committee

Pursuant to the Company's Articles of Association, the Board has established an Audit and Risk Committee that in all material respects meets the requirements of Section 167 of the Companies Act 2014. The Audit and Risk Committee was fully constituted and active during the current financial period under review in this Annual Report. Separate Audit and Risk Committees were active during the Company's prior financial year.

Disclosure of Information to Auditors
The Directors in office at the date of this report have each confirmed that:

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

Accounting Records
The Directors believe that they have complied with the 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 workplace is given high priority across the Group and is driven internally by health and safety reviews and procedures.

Non-Financial Statement
For the purposes of Statutory Instrument S.I.360 / 2017 European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017, the areas of environmental matters, social and employee matters, respect for human rights, and bribery and corruption are discussed in the following sections of the Strategic Report: Strategy on pages 24 to 27, Business Model on pages 28 and 29, Key Performance Indicators on pages 30 and 31, Sustainability Report on pages 50 to 61, and Risk Report on pages 62 to 69, and are deemed to be incorporated in this part of the Directors' Report.

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

Political Donations
No political donations were made in the current year (2018: €Nil).

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

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

On behalf of the Board

Rose Hynes
Director
24 September 2019

Tom O'Mahony
Director
24 September 2019

Chairman's Overview

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

Dear Shareholder

We, as a Board of Directors, regard strong governance as one of the foundations of a sustainable corporate growth strategy. The Board applies the principles of the Quoted Companies Alliance Corporate Governance Code ('QCA Code') as the basis for its corporate governance framework. In doing so, the Board is committed to continue to apply the highest standards of corporate governance consistent with the size and complexity of the business.

Details of our compliance with the QCA Code are outlined in our Corporate Governance Statement on pages 78 to 83. There are detailed reports from our respective Audit and Risk, Remuneration, and Nomination and Corporate Governance Committees, on pages 84 to 106. Developments on our Committee structures during the year included an amalgamation of the Audit Committee and Risk Committee, a replacement of the Chief Executive Officer, Tom O'Mahony, on the Nomination and Corporate Governance Committee, so that it now solely comprises Non-Executive Directors, and the formalisation of the ad-hoc Acquisitions and Disposals Committee to a standard Board Committee. A detailed Risk Report is outlined on pages 62 to 69.

The Board recognises the importance of maintaining a culture across the Group that promotes ethical behaviour and values and supports excellence in our business. We also have a strong boardroom culture, with constructive challenge flowing freely from the Non-Executive Directors, underpinned by a mutual respect between all Directors.

On an ongoing basis, I seek to ensure that we have the right balance of skills, experience, diversity and independence on the Board. The Board recently set a target of achieving a minimum of 33% female representation on the Board by the end of 2020.

We are pleased to welcome a new Executive Director to the Board this year. Sean Coyle commenced as Chief Financial Officer in September 2018 and was appointed to the Board on 1 October 2018. We also welcome Barbara Keane who joined as Group General Counsel and was appointed by the Board as Company Secretary on 28 May 2019.

Following the completion of a three-year term on the Board in 2018, Kate Allum, Gary Britton and Christopher Richards were each considered for a second term as Non-Executive Directors and re-appointed on 1 October 2018. The Board also undertook a similar process in respect of the Chair, following which I was re-appointed as Chairman on 1 October 2018.

The Board currently comprises five Non-Executive Directors and three Executive Directors. Biographies of the Directors are set out on pages 72 and 73. In accordance with the new re-election policy adopted by the Board in 2018, all Directors will retire at the 2019 AGM and offer themselves for re-election.

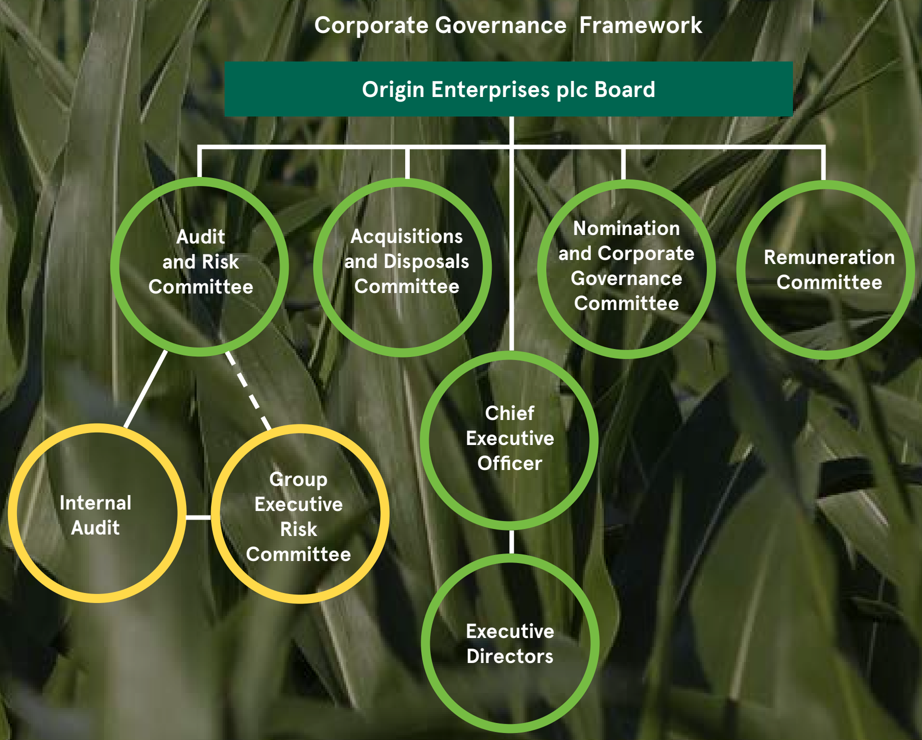
During the year, the annual performance evaluation of the Board and its Committees was conducted internally. I am pleased to report that the findings of this review were positive. More information on this process is outlined on page 82 of this report.

The Board continues to invest time in the development of skills and knowledge relevant to the performance of our duties. During the year we received presentations from professional advisers on developments in corporate governance, anti-bribery and corruption, and executive remuneration.

Rose Hynes
Chairman
24 September 2019

Corporate Governance Statement

The Board of Origin is committed to applying the principles of the QCA Code. This statement details the Company's key governance principles and practices, how it has complied with the principles of the QCA Code and how the application of the QCA Code supports the Company's medium to long-term success. A copy of the QCA Code can be obtained from the Quoted Companies Alliance website, www.theqca.com.



The Board of Directors

The Board of Origin currently comprises a Non-Executive Chairman, four Non-Executive Directors and three Executive Directors, namely the Chief Executive Officer ('CEO'), the Chief Financial Officer ('CFO') and the Chief Executive Officer, Latin America. 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 an agreed strategy and implementing specific Board decisions. Detailed biographies of current Directors are set out on pages 72 and 73.

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 84 to 106. A Risk Report is outlined on pages 62 to 69.

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 the Annual Report, annual and interim results, 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 instils 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 Chief Executive Officer, Latin America, who together are responsible for ensuring that high quality, timely information is provided to the Board on the Group's financial and strategic performance.

Non-Executive Directors

The Non-Executive Directors' main responsibilities are to review the performance of senior management and the Group's financial information, assist in strategy development, and ensure appropriate and effective systems of internal control and risk management are in place. The Non-Executive Directors review the relationship with external auditors and monitor the risk management framework through the Audit and Risk Committee, monitor the remuneration structures and policy through the Remuneration Committee and consider the Board composition, succession planning and best corporate governance practices through the Nomination and Corporate Governance Committee. The Non-Executive Directors provide a valuable breadth of experience and independent judgement to Board discussions. Details of the Non-Executive Directors are set out on pages 72 and 73.

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, leading 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 and Corporate Governance 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 and Corporate Governance Committee is set out on pages 84 to 86.

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 appointed to serve an initial three-year term of office which may be extended, subject to Board approval.

Re-election of Directors

The Company's Articles of Association provide that one third of the Directors shall retire by rotation each year. New Directors are subject to election by shareholders at the next AGM following their appointment. Following a change to the Directors' re-election policy last year, all Directors now retire annually and offer themselves for re-election at the AGM.

Details of the length of tenure of each Director on the Board as at 31 July 2019 are set out in the Nomination and Corporate Governance Committee Report on page 85.

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 annual Board evaluation process.

During the year professional advisers advised the Board on developments in corporate governance, anti-bribery and corruption, and executive remuneration.

The Chairman and Company Secretary review Directors' training and development needs on an ongoing basis, as appropriate.

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 IPL Plastics Inc. The Board remains 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.

More than half of the Board comprises Non-Executive Directors, in line with the highest standards of governance.

Commitment

Under the terms of their appointment, all Directors agreed to the time commitment schedule which requires them to allocate sufficient time to discharge their responsibilities effectively. This matter is considered by the Nomination and Corporate Governance Committee on an ongoing basis in accordance with its terms of reference.

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 2019 the Board held a total of ten scheduled meetings. 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 table below.

Committees

The Board has delegated certain responsibilities to Board Committees, namely:

> Audit and Risk Committee.
> Remuneration Committee.
> Nomination and Corporate Governance Committee.
> Acquisitions and Disposals Committee.

These Committees operate under clearly defined, formal 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 continue to 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 and Risk Committee

The Audit Committee and the Risk Committee were amalgamated in September 2018. The primary function of the amalgamated Audit and Risk Committee is to assist the Board in fulfilling its financial and risk oversight responsibilities. Further details of the activities of the Audit and Risk Committee are set out in the report on pages 87 to 90.

Board of Directors:
Attendance at Meetings During the Year Ended 31 July 2019

	Board	Audit and Risk	Remuneration	Nomination and Corporate Governance	Audit	Risk
Directors						
Kate Allum	10/10	4/4	5/5	–	1/1	1/1
Gary Britton	10/10	4/4	–	2/2	1/1	1/1
Sean Coyle	9/9	–	–	–	–	–
Declan Giblin	10/10	–	–	–	–	–
Rose Hynes	10/10	–	5/5	3/3	–	–
Hugh McCutcheon	10/10	4/4	–	3/3	1/1	1/1
Tom O'Mahony	10/10	–	–	1/1	–	–
Christopher Richards	10/10	–	5/5	–	–	–

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.
The Audit and Risk Committees each held a meeting in September, after which the two Committees were amalgamated.

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 91 to 106.

Nomination and Corporate Governance Committee

The role of the Nomination and Corporate Governance Committee was expanded during the year to include corporate governance matters. The 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, and for considering any corporate governance developments that may affect the Company. Tom O'Mahony, Executive Director and Chief Executive Officer, stepped down from the Nomination and Corporate Governance Committee on 26 September 2018 and was replaced by Gary Britton. The Nomination and Corporate Governance Committee is now comprised solely of Non-Executive Directors. Further details of the activities of the Nomination and Corporate Governance Committee are set out in the report on pages 84 to 86.

Acquisitions and Disposals Committee

The pre-existing ad-hoc Acquisitions and Disposals Committee was formalised to a standard Board Committee in September 2019 in recognition of the continuing importance and value of the Committee. The Committee is responsible for providing guidance when sought by management on the search for acquisitions and acquisition related matters, and for considering any recommendations from management in regard to specific divestments.

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 2019 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 91 to 106.

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 Committee. Details in relation to the Audit and Risk Committee's work in this regard are set out in the Audit and Risk Committee Report on pages 87 to 90.

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, led by a newly appointed Head of Risk and Internal Audit, undertakes examinations of business processes on a risk basis and reports to the Audit and Risk Committee 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 and Risk Committee is responsible for the review of the Company's whistleblowing arrangements and for ensuring that these arrangements are suitable for the Group's employees. The Audit and Risk 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. The Group established an Executive Group Risk Committee to further strengthen the Group's focus on risk management and internal control systems. Details of the operation of the Risk Management Framework are outlined in the Risk Report on pages 62 to 69.

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 and Risk Committee and approved by the Board.

Board Evaluation

The Board conducts an annual evaluation of its performance and that of each of its principal committees, the Audit and Risk, Remuneration, and Nomination and Corporate Governance Committees, with the evaluation being externally facilitated every three years. In the year ended 31 July 2019, this process was conducted internally following last year's external facilitation. The internal review led by the Chairman, comprised of a self-assessment questionnaire completed by each Director and a Board discussion on the outcome at the June 2019 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 met with the other Non-Executive Directors without the Executive Directors present on a number of occasions 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 Committees of the Board followed a similar process in assessing their effectiveness during the year.

Culture

Origin operates a decentralised business model, where each country and business have unique elements in their culture. These businesses, centred on employees and customers, operate within a group culture, that strives for innovation and operational and people excellence. The close involvement of the Executive Directors and senior executives with the businesses continues to foster a culture of excellence across the Group.

Through the Group's principles and policies, the Directors are committed to ethical behaviours and values. The Board receive regular contributions from senior executives, including updates on culture, principles and policies, at meetings of the Board and Committees to assess that ethical values and behaviours are recognised and respected through the Group.

Employee Engagement

During the year, the Board launched an employee engagement programme 'Let's Talk' to enable regular two-way dialogue between the Board and the Group's employees. This programme allows Non-Executive Directors to meet management and employees on site visits, where the Chairman, CEO, CFO and designated Non-Executive Directors are informed of local market conditions and operations as well as relevant local matters. During the year, the Non-Executive Directors visited sites in Poland and the UK. Further details of the site visits are outlined in the Sustainability Report on pages 50 to 61.

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. Origin issues an interim management statement twice yearly. 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 Officer, Chief Financial Officer and Head of Investor Relations' attendance at investor meetings, capital market days and results presentations. Furthermore, relevant feedback from such meetings, investor relations reports and broker 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 Company Secretary engages annually with proxy advisers in advance of the AGM.

The Executive Directors have held over 150 separate meetings and conference calls with existing and prospective shareholders during the financial year, including:

Date	Activity
September 2018	Preliminary Results Announcement for 2018
September 2018	Roadshows in Dublin, London, Paris, Edinburgh, New York and Boston
November 2018	Quarter 1 Trading Update and AGM
January 2019	Roadshows in New York and Boston

Date	Activity
March 2019	Interim Results Announcement for 2019
March 2019	Roadshows in Dublin, London, Edinburgh, Frankfurt, Amsterdam and Copenhagen
May 2019	Capital Markets Day 2019
June 2019	Quarter 3 Trading Update

All shareholders are given the opportunity to ask questions at the AGM, which this year will take place at The Merrion Hotel, Upper Merrion Street, Dublin 2 at 11.00am on Wednesday, 20 November 2019. The Group Chairman along with the Chairs of the Audit and Risk, Remuneration, and Nomination and Corporate Governance 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 the 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% of the votes cast. To be passed, a special resolution requires a majority of at least 75% 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.

Nomination and Corporate Governance Committee Report

Further biographical details of the members of the Nomination and Corporate Governance Committee are set out on pages 72 and 73.

About this Committee

The Nomination and Corporate Governance Committee comprises three independent Non-Executive Directors:

- Rose Hynes (Non-Executive Chairman).
- Hugh McCutcheon (Non-Executive Senior Independent Director).
- Gary Britton (Non-Executive Director, Chairman of the Audit and Risk Committee).

Dear Shareholder

As Chairman of the Nomination and Corporate Governance Committee I am pleased to present the report of the Nomination and Corporate Governance Committee for the year ended 31 July 2019. This report has been prepared by the Nomination and Corporate Governance Committee and approved by the Board.

The role of the Committee was expanded during the year to include corporate governance matters. The Terms of Reference were accordingly reviewed and updated to include governance related matters in line with best practice. The responsibilities of the Committee are summarised in the following report and are set out in full in the Terms of Reference for the Nomination and Governance Committee which are available on the Company's website: **www.originenterprises.com**.

The Board of Origin continues to be committed to apply the principles of the Quoted Companies Alliance Corporate Governance Code ('QCA Code'). Details of the Company's compliance with the QCA Code are outlined in the Governance Section of the Annual Report on pages 78 to 83. The Committee also keeps under review corporate governance developments with the aim of ensuring that the Company's corporate governance policies and practices continue to be in line with best practice.

The 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.

The Committee also 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 environment in which it operates.

Further to announcements in 2018, Sean Coyle assumed the role of Chief Financial Officer on 1 September 2018 and was appointed to the Board on 1 October 2018 as Executive Director. During the year, the Board appointed Barbara Keane to the role of Group General Counsel and Company Secretary, further underpinning the Company's focus on corporate governance.

The Committee, excluding the Chairman, undertook a process which led to the recommendation to the Board that Rose Hynes be re-appointed as Non-Executive Chairman of the Board for an additional three-year term commencing on 1 October 2018.

The Committee also undertook a process which led to the recommendations to the Board that Kate Allum, Gary Britton and Christopher Richards each be re-appointed as Non-Executive Director for an additional three-year term commencing on 1 October 2018.

Tom O'Mahony, Executive Director and Chief Executive Officer, stepped down from the Nomination and Corporate Governance Committee on 26 September 2018 and was replaced by Gary Britton. The Nomination and Corporate Governance Committee is now solely comprised of Non-Executive Directors.

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
Chairman of the Nomination and Corporate Governance Committee
24 September 2019

Duties and Responsibilities

The principal duties and responsibilities of the Nomination and Corporate Governance 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;
> review annually the time required of each of the Non-Executive Directors in discharging their responsibilities;
> 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 each of the Audit and Risk Committee, the Remuneration Committee, the Acquisitions and Disposals Committee 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;
> keep under review corporate governance developments that might affect the Company, with the aim of ensuring that the Company's corporate governance policies and practices continue to be in line with best practice;
> ensure that the principles set out in the QCA Code are observed; and
> review the disclosures and statements made in the report to shareholders on corporate governance contained in the Annual Report.

Length of Tenure

The length of tenure of the Directors on the Board and on the Nomination and Corporate Governance Committee as at 31 July 2019 is set out below.

Length of tenure on Board	Years
Kate Allum	3.83
Gary Britton	3.83
Sean Coyle	0.83
Declan Giblin	10.80
Rose Hynes	3.83
Hugh McCutcheon	7.69
Tom O'Mahony	12.48
Christopher Richards	3.83
Average tenure	**5.89**

Length of tenure on Nomination and Corporate Governance Committee	Years
Rose Hynes	3.75
Hugh McCutcheon	3.75
Gary Britton	0.84

Meetings

The Nomination and Corporate Governance Committee met three times during the year.

Board Composition

Appointment of Chief Financial Officer

Sean Coyle assumed the role of Chief Financial Officer on 1 September 2018 and was appointed to the Board on 1 October 2018.

Appointment of Group General Counsel and Company Secretary

Barbara Keane assumed the role of Group General Counsel on 13 May 2019 and was appointed as Company Secretary on 28 May 2019.

Elections and Re-elections at AGM

Sean Coyle was elected by the shareholders as a Director at the Company's AGM on 23 November 2018.

In accordance with the Company's Directors' re-election policy and best practice corporate governance, all Directors now offer themselves for re-election on an annual basis. Kate Allum, Gary Britton, Declan Giblin, Rose Hynes, Hugh McCutcheon, Tom O'Mahony and Christopher Richards were elected by the shareholders as Directors at the Company's AGM on 23 November 2018. All Directors will retire at the 2019 AGM and offer themselves for re-election.

Re-appointment of Chairman

During the year, Rose Hynes completed her first three-year term as Non-Executive Chairman. Following a comprehensive review of her skills, experience, independence and knowledge, the Committee, excluding the Chairman, recommended to the Board and the Board concluded, that Rose Hynes continues to be effective and independent and make a valuable contribution to the Board, and in order to maintain continuity on the Board and its Committees, she be re-appointed to serve an additional term of Chairman.

Re-appointment of Non-Executive Directors

During the year, Kate Allum, Gary Britton and Christopher Richards each completed their first three-year term as Non-Executive Directors. Following a comprehensive review of their respective skills, experience, independence and knowledge, the Committee recommended to the Board and the Board concluded, that as each of Kate Allum, Gary Britton and Christopher Richards individually continue to be effective and independent and make a valuable contribution to the Board, and in order to maintain continuity on the Board and its Committees, they be re-appointed to serve an additional term.

Boardroom Diversity

The Board is keen to ensure the Group benefits from the existence of a high quality and diverse Board comprising of individuals with an appropriate balance of skills and experience. In accordance with our Board Diversity Policy, diversity in background, skills, experience, race, gender and other attributes are considered in determining the optimum composition of the Board with an aim to balance it appropriately. All Board appointments are made on merit with due regard to diversity.

In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to maintain an appropriate range and balance of skills, experience and background on the Board.

The Board currently comprises eight members in total, of which three are Executive and five are Non-Executive (including the Chairman). Female Directors constitute 25% of the Board. The Board has set a target of achieving a minimum of 33% female representation on the Board by the end of 2020.

Succession Planning

The Board, through the Nomination and Corporate Governance Committee, is committed to effectively managing leadership succession and assessing the senior executives' talent pool in the Group. The Board proactively engages with senior executives, through regular contributions from the senior management teams at Board and Committees meetings and by their own attendance at staff conferences. Ongoing updates on succession planning are also provided to the Board by the Chief Executive Officer.

Annual Evaluation of Performance

The Board conducts an annual evaluation of its own performance and that of its Committees and Committee Chairmen. In the year ended 31 July 2019, the Nomination and Corporate Governance Committee carried out an evaluation of its own performance. The conclusion from this process was that the performance of the Nomination and Corporate Governance Committee and of the Chairman of the Committee were satisfactory.

Audit and Risk Committee Report

About this Committee

The Audit and Risk Committee comprises three independent Non-Executive Directors:

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

The members of the Committee have significant financial and business experience.

Dear Shareholder

I am pleased to present the report of the Audit and Risk Committee for the year ended 31 July 2019 which has been prepared by the Audit and Risk Committee and approved by the Board. The principal duties and responsibilities of the Audit and Risk Committee as well as an overview of its activities for the year ended 31 July 2019 are summarised in the following report.

The Audit and Risk Committees were amalgamated in September 2018 and the Terms of Reference of the amalgamated Committee are available on the Company's website: **www.originenterprises.com**. I would like to thank Hugh McCutcheon for his dedication and professionalism in conducting his role as Chairman of the Audit Committee prior to the amalgamation.

During the year, the Committee appointed a new Head of Risk and Internal Audit and established an Executive Group Risk Committee to further strengthen the Group's focus on risk management and internal control systems. A key responsibility of the Audit and Risk Committee for the year ended 31 July 2019 is to review the Company's risk management and internal control systems. Details in regard to these matters are set out in the Risk Report on pages 62 to 69.

Also this year, the Committee conducted a competitive tender process for the appointment of an External Auditor. Pursuant to this tender, PricewaterhouseCoopers ('PwC'), the current External Auditor to the Group, was appointed for the year ending 31 July 2020.

Gary Britton
Chairman of the Audit and Risk Committee
24 September 2019

Duties and Responsibilities

The principal duties and responsibilities of the Audit and Risk 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 Company's whistleblowing arrangements;
> review the Company's procedures for detecting and preventing fraud;
> review the Company's systems and controls for the prevention of bribery;
> 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; and
> annually review the Audit and Risk 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 and Risk Committee as at 31 July 2019 is set out below:

Length of tenure on Audit and Risk Committee*	Years
Kate Allum	3.75
Gary Britton	3.77
Hugh McCutcheon	7.63

* *Following the amalgamation of the Audit and Risk Committees, the length of tenure for a Director represents the longest tenure of that Director on either Committee.*

Meetings

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

Financial Reporting

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

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

As part of this review, the Audit and Risk Committee considers reports from the Chief Financial Officer and the reports from the External Auditor on the outcomes of its annual audit. The Audit and Risk 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 and Risk Committee reviews and considers the Company's draft Annual Report and the Group's financial statements in advance of final approval.

Ahead of final approval of the Annual Report and the financial statements, the Audit and Risk Committee discussed with management the key sources of estimation and critical accounting judgements outlined in Note 33 to the Group's financial statements. The significant areas of focus considered by the Audit and Risk Committee in relation to the Group's financial statements for the year ended 31 July 2019, and how these have been addressed, are listed on page 89. In concluding that the list represents the primary areas of judgement, the Audit and Risk 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 and Risk Committee on these judgements which were then duly considered by the Audit and Risk Committee.

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

Key Audit Judgements

Area of Judgement	Discussion
Goodwill	The Committee recognises that impairment reviews of goodwill involves 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 units, including the forecasts and key assumptions used together with a summary of the results. Following the results of these impairment reviews, an impairment of €7.9 million was recognised in relation to the goodwill in respect of the Group's Ukrainian business. 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 settlement date of rebate payments. This was achieved 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.

Risk Management, Internal Control and Internal Audit

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

During the year, the Committee appointed a new Head of Risk and Internal Audit and established an Executive Group Risk Committee to further strengthen the Group's focus on risk management and internal control systems.

Risk Management

The Committee's main duties from a risk management perspective 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 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 62 to 69.

Internal Control and Internal Audit

The Audit and Risk Committee considers the results of internal control reviews and reviews the effectiveness of the Internal Audit function, ensuring it is adequately resourced and has conducted an annual review of its effectiveness, 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 and Risk 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 Risk and Internal Audit has responsibility for all Internal Audit matters and ensuring the effective operation of the Internal Audit function. The transition of the internal audit activities from the third party outsourced service provider EY to the Head of Risk and Internal Audit is ongoing and expected to be completed in FY20. The new Head of Risk and Internal Audit independently reports to the Audit and Risk Committee in relation to the work and findings of the Internal Audit function.

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, Continental Europe and Latin America. 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 and Risk Committee receives this annual audit plan in advance, 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 and Risk 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 and Risk Committee on processes and improvements made, where appropriate, at each location since its previous Internal Audit review.

External Auditor

The Audit and Risk 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 2019.

Appointment, Independence and Effectiveness

The Audit and Risk Committee considers the re-appointment of the External Auditor each year, whilst assessing its independence on an ongoing basis. The External Auditor is required to rotate the Audit Partner every five years. The current Audit Partner has completed one year as Auditor for the Company.

In addition, the Audit and Risk 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 and the results are considered by members of the Audit and Risk Committee.

External Audit Services Tender

PwC has been the Group's External Auditor since 2010. Pursuant to the Committee's Terms of Reference, which require an external audit tendering process to be conducted at least once every ten years, a competitive tender process was conducted during the year for the External Audit service commencing in the year ending 31 July 2020. The process involved a Request for Proposal, extensive submissions by a number of leading audit firms, and presentations to the Audit and Risk Committee and senior management, and concluded in May 2019. Following evaluation of the bids, the Audit and Risk Committee provided the Board with its recommendation to appoint PwC as External Auditors for FY20 onwards.

Non-Audit Services

During the year, the Audit and Risk 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 and Risk Committee is responsible for the review of the Company's whistleblowing arrangements and for ensuring that these are suitable for the Group's employees. The Audit and Risk 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 Board conducts an annual evaluation of its own performance and that of its Committees and Committee Chairmen. In the year ended 31 July 2019, the Audit and Risk Committee carried out an evaluation of its own performance. The conclusion from this process was that the performance of the Audit and Risk Committee and of the Chairman of the Committee were satisfactory.

Reporting

The Chairman of the Audit and Risk Committee reports to the Board at each meeting on the activities and key discussion areas of the Audit and Risk Committee. The Chairman of the Audit and Risk Committee attends the Company's AGM to answer questions on the report on the Audit and Risk Committee's activities and matters within the remit of the Audit and Risk 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).

Dear Shareholder

On behalf of the Board, I am pleased to present the Remuneration Committee Report for the year ended 31 July 2019. The objective of the report is to provide shareholders with information on the Company's remuneration policy to enable them to understand the link between remuneration structures and the Group's financial performance.

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

Governance Structure

As an Irish incorporated company, Origin is not subject 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.

Performance for the Year Ended 31 July 2019

Origin achieved a year of strong underlying performance. Operating profit increased by 15.6% in the year, an increase of 15.5% on an underlying basis at constant currency. Adjusted diluted earnings per share were 52.65 cent, an increase of 7.9% on a reported basis and 7.8% on an underlying basis at constant currency. Return on invested capital, a key metric for Origin, was 13.2%.

Pay Outcomes for 2019

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 pages 103 and 104. The performance for the year ended 31 July 2019 has been reflected in bonus outcomes of 78% to 78.5% of the maximum.

The long-term incentives granted in March 2017 had a performance period for the three years ended 31 July 2019, with 52.5% expected to vest. During the year a further share award was made to Executive Directors under the Company's 2015 Long-Term Incentive Plan ('2015 LTIP'). Details of the individual awards made under the 2015 LTIP and the relevant performance conditions for these awards are set out later in this report. The Committee is satisfied that the incentive outcomes are a fair reflection of performance over the relevant performance periods.

Activities in 2019

As well as overseeing the matters detailed as the Committee's principal duties and responsibilities in the year, the Committee also reviewed and proposed changes to the 2015 LTIP for shareholder approval at the Company's Annual General Meeting on 20 November 2019. The changes include the inclusion of a clause to reduce formulaic vesting outcomes, broadening of clawback and malus provisions, greater flexibility to tailor metrics in line with the Company's evolving strategy and formalising the policy on leavers. Further details are available on page 100.

The Remuneration Committee believes that all of the actions which it has taken on remuneration matters in the last year are in the best interest of shareholders. Remuneration at Origin remains appropriate, with incentive arrangements which are well designed and support the Company's overall strategy, and which are subject to rigorous oversight by the Committee.

We hope that we will continue to receive your support at the forthcomming AGM.

Kate Allum
Chairman of the Remuneration Committee
24 September 2019

Duties and Responsibilities

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

- set an appropriate remuneration policy for 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; and
- 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 Christopher 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 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 2019 is set out below:

Length of tenure on Remuneration Committee	Years
Kate Allum	3.77
Rose Hynes	3.77
Christopher Richards	3.75

Meetings and Committee Governance

The Remuneration Committee met five times during the financial year. For full details on individual Remuneration Committee members' attendance at meetings, see page 80. The principal activities carried out included:

- annual review of the Terms of Reference for the Committee;
- review of the remuneration policy;
- consideration of the 2019 bonus scheme for Executives;
- approval of the awards under the 2015 LTIP and SAYE scheme;
- consideration of proposed changes to 2015 LTIP; and
- annual review of the Committee effectiveness.

The Committee has access to independent advice and consults with shareholders where it considers it appropriate to do so. During the current year, FIT Remuneration Consultants advised the Company on the impact of legislative and corporate governance changes on remuneration policy and reporting, and in respect of the proposed changes to the 2015 LTIP.

FIT Remuneration Consultants are members of the Remuneration Consultants Group and abide by the Remuneration Consultants Group Code of Conduct, which requires its members' advice to be objective and impartial. The fees paid to FIT Remuneration Consultants in respect of Remuneration Committee matters over the financial year under review was £20,536.

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.

Annual Evaluation of Performance

The Board conducts an annual evaluation of its own performance and that of its Committees and Committee Chairmen. In the year ended 31 July 2019, the Remuneration Committee carried out an evaluation of its own performance. The conclusion from this process was that the performance of the Remuneration Committee and of the Chairman of the Committee were satisfactory.

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 good 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, is competitive in the marketplace, and 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.

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 106.

Summary of the Remuneration Policy

The table below summarises the Remuneration Policy for 2019 onwards:

Element of Remuneration	Approach	Maximum opportunity
Salary		
To provide competitive fixed remuneration and to motivate Executive Directors of superior calibre in order to deliver for the business. **To attract and retain skilled and experienced Executives.**	The basic salary for each Executive Director is reviewed annually by the Remuneration Committee. Individual salary adjustments take into account: > each Executive Director's performance against agreed challenging objectives; > the Group's financial circumstances; and > competitive market practice.	There is no prescribed maximum annual increase. The Remuneration Committee is guided by general increases in the market for the functional roles held by the respective Executive Directors along with general increases for the broader employee population of the Group. On occasion, the Remuneration Committee may need to recognise, for example, an increase in the scale, scope or responsibility of a role. Salary will be benchmarked against market rates at least every three years. Current salary levels are set out on page 99.
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. Specifically, these may include payments related to relocation, accommodation and travel allowances.	Not applicable.
Assignment Allowance		
To provide benefits to reflect additional responsibilities and personal disruption.	As disclosed in last year's report, this additional element of fixed pay will be paid for three years from financial year 2019 to the Chief Executive Officer, Latin America. It does not form part of the base salary for the purposes of pension, annual bonus, LTIP or other benefits.	£225,000 p.a. for 3 years commencing on 1 October 2018.

Element of Remuneration	Approach	Maximum opportunity
Bonus		
Incentivises annual achievement of performance targets.	Bonus payments to the Chief Executive Officer and the Chief Financial Officer are based on the meeting of pre-determined targets against financial measures, in addition to the attainment of corporate and personal objectives. These are approved by the Remuneration Committee annually.	Maximum bonus of 100% of basic salary in cash.
	Bonus payments to the Chief Executive Officer, Latin America are based on the meeting of pre-determined targets for financial measures of the Group and performance in Latin America in addition to the attainment of corporate and personal objectives. This arrangement is expected to apply for three years from financial year 2019. Measures and targets are approved by the Remuneration Committee annually. Any pay-outs under the bonus scheme during the three-year period will be deferred in their entirety and will remain subject to the Chief Executive Officer, Latin America serving the full three-year assignment term. 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 the CEO's and CFO's 2019 bonus, 80% of the maximum Group bonus potential is based on financial targets (namely adjusted diluted earnings per share ('EPS') and Group Operating Cash Flow) and 20% is based on other corporate and personal objectives. 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. The targets and outcomes for 2019's bonuses are disclosed on page 103 and 104. A clawback provision is in operation.	Maximum bonus of 150% of basic salary, deferred in cash, as follows: > 100% of basic salary relates to a mix of both Group and Latin America financial measures and corporate / personal objectives. > 50% of basic salary relates solely to Latin America financial measures. These are assessed annually and any payment will be made after the completion of 2021 financial year.

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 is measured over three years and is currently based on a combination of adjusted diluted EPS growth, return on invested capital ('ROIC') performance and free cash flow ratio ('FCFR') performance. The Committee has discretion to use different or additional performance measures to ensure that LTIP awards remain appropriately aligned to the business strategy and objectives. The Committee will consider the Group's overall performance before determining the final vesting level. Shareholder approval is being sought for amendments to the 2015 LTIP and further details of the changes are provided on page 100. Further detail of the 2019 grant and long-term incentive schemes are operated is included in Note 9 to the Group's financial statements.	Plan limits: > 100% (normal limit) of basic salary. > 200% (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 / Irish 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%. 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% 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% of salary.

Element of Remuneration	Approach	Maximum opportunity
Pension		
To provide retirement benefits.	The Group operates 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 15% of basic salary, including for the most recent Executive Director appointment (35% 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 101.

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 the 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 26 to the financial statements);
> participation in the LTIP is currently limited to the Executive Directors and selected Senior Executives (other employees are eligible to participate in the Company's Sharesave Scheme); and
> participation in a cash-based long-term incentive is limited to certain selected Senior Executives.

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, other financial KPIs 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 Euronext Growth companies, the Rules for AIM companies and the rules of Irish 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.

Details of remuneration received by the Directors including salary and fees, taxable benefits, assignment allowances, 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 reviews 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 Chief Executive Officer, Latin America, 24 months' notice by either party (arising as a result of his historical contract arrangements). The notice periods for all future appointments will be no longer than 12 months.

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 Chief Executive Officer, Latin America and from the Company.
Payments in lieu of notice	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 Chief Executive Officer, Latin America.
Incentive schemes	In certain good leaver situations, annual bonus may be payable with respect to performance in the financial year of cessation (pro-rated for time, unless the Committee determines otherwise). In the case of the LTIP, the default treatment is that any unvested awards lapse on cessation of employment. In certain good leaver situations, participants' awards would normally vest at their original vesting date and be subject to performance testing and a pro-rata reduction.
Change of control	No Executive Director's contract contains additional provisions in respect of change of control.

Non-Executive Directors

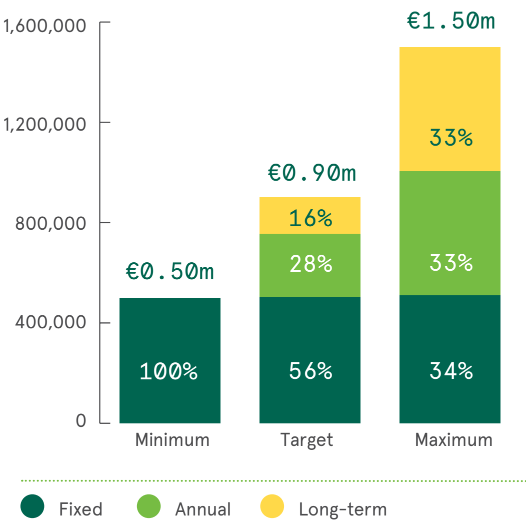
Each of the Non-Executive Directors are appointed under a letter of appointment, detailing arrangements that may generally be terminated at will, by either party, without compensation. Their appointment is reviewed on a three-year basis. All Directors retire annually and offer themselves for re-election at the AGM.

Remuneration Outcomes in Different Performance Scenarios

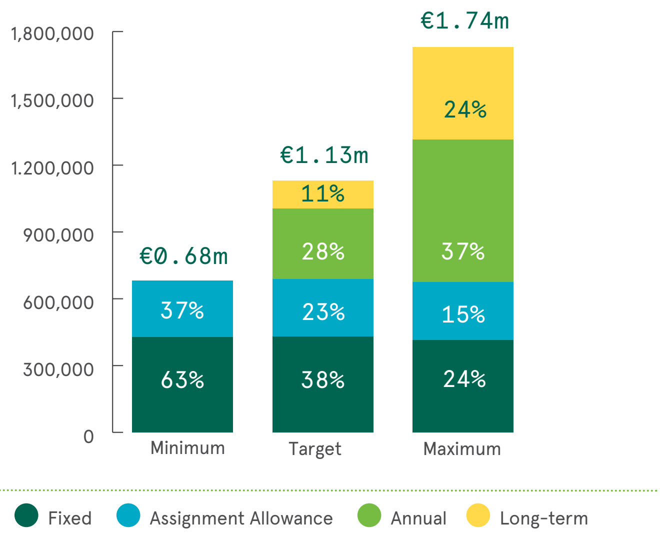
Remuneration consists of fixed pay (salary, pension and benefits), short-term variable pay and long-term variable pay. A significant portion of Executive Directors' remuneration is linked to the delivery of key business goals over the short and long-term and the creation of shareholder value.

The chart below illustrates the composition of the Executive Directors' remuneration packages for 2020 at different levels of performance, both as a percentage of total remuneration opportunity and as total value.

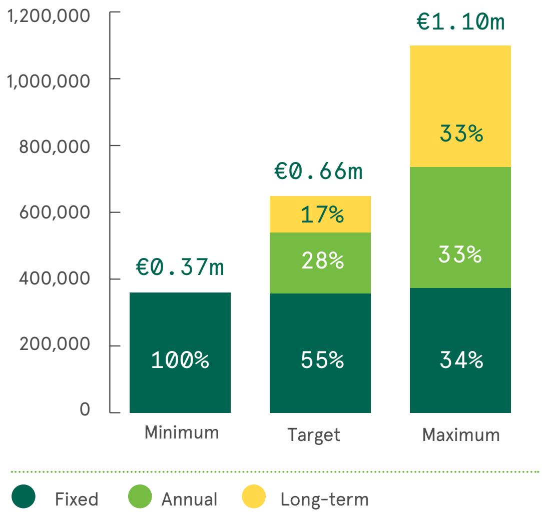
T O'Mahony



D Giblin



S Coyle



Notes:

'Minimum' includes the value of fixed pay and assignment allowance.

'Target' includes fixed pay and 'target' annual bonus (50% of the maximum) and threshold vesting of the maximum LTIP (30% of the maximum).

'Maximum' includes fixed pay and maximum annual bonus (100% of salary for CEO and CFO and 150% of salary for Chief Executive, Latin America) and full vesting of LTIP awards (100% of salary).

Annual Report on Remuneration

Implementation of the Remuneration Policy for the Year Ending 31 July 2020

A summary of how the Remuneration Policy will be applied during the financial year ending 31 July 2020 is set out below.

Basic Salary for Executive Directors

The Remuneration Committee has maintained salary at 2019 levels for the 2020 financial year with no increases to be awarded.

Executive Director (€'000)	2020	2019	% increase
T O'Mahony	500	500	Nil
S Coyle[1]	366	366	Nil
D Giblin[2]	425	425	Nil

1 *The salary included for S Coyle represents his annual salary.*
2 *Remuneration in respect of D Giblin is set in Sterling and has been translated to Euro at an average exchange rate (0.88272) for 2019. For the purposes of the above table, the average exchange rate for 2019 has also been used to translate the related salary for 2020. In Sterling, Declan Giblin's salary amounts to £375,000.*

Assignment Allowance

The Assignment Allowance will remain at the same level for the three financial years 2019 to 2021.

Executive Director (€'000)	2020	2019
D Giblin [1]	255	255

1 *Remuneration in respect of D Giblin is set in Sterling and has been translated to Euro at an average exchange rate (0.88272) for 2019. The assignment allowance applied from 1 October 2018. For the purposes of the above table the average exchange rate for 2019 has also been used to translate the related assignment allowance for 2020. In Sterling, Declan Giblin's assignment allowance amounts to £225,000.*

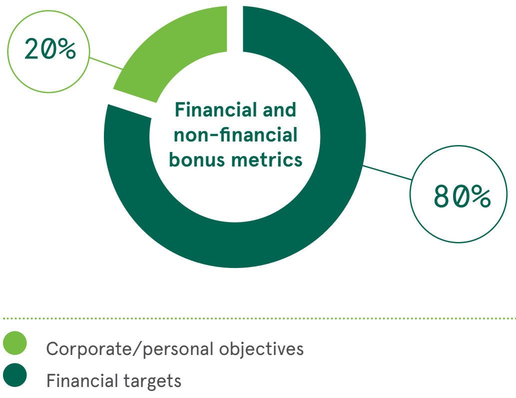
Annual Bonus

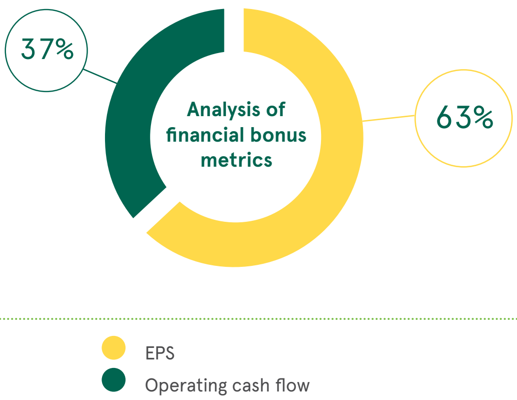
The maximum bonus achievable in 2020 for T O'Mahony will remain at 100% of basic salary, and for S Coyle will be 100% of basic salary. The maximum bonus achievable in 2020 for Declan Giblin will remain at 150% of basic salary. The performance measures have been chosen to provide alignment with the Group's strategy. The targets are appropriately stretching and tied to the delivery of earnings targets, other financial KPIs and specific corporate and individual objectives.

ROIC is an important key performance measure for the Group, however, given that it is included as a long-term incentive measure it is no longer included as part of the annual bonus performance measures.

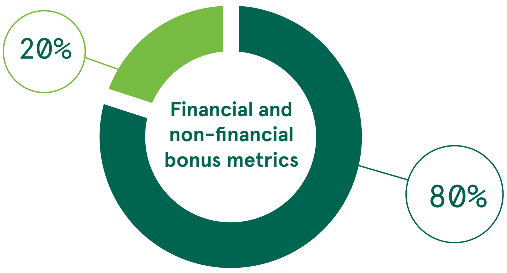
The key metrics underlying the 2019 bonus plan were as follows:

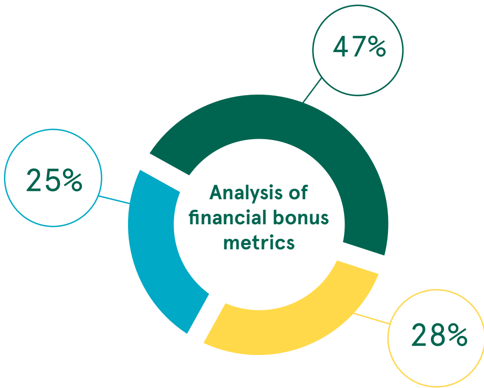
Key metrics underlying the 2019 bonus plan – T O'Mahony and S Coyle (100% of salary)





Key metrics underlying the 2019 bonus plan – D Giblin (100% of salary)





Corporate objectives include the successful completion of a number of acquisitions, the rollout of an employee engagement strategy and the development of a Group-wide five-year strategic plan and for the CEO, Latin America include Latin America strategic objectives.

The above charts exclude the additional 50% of salary bonus opportunity which applies for 2019-2021 and was disclosed last year. Any bonus under this arrangment is paid after financial year 2021.

The measures, their weighting and the targets are reviewed on an annual basis. On the basis that the 2020 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 S Coyle each participate in the defined contribution section of the Group's Irish pension scheme. Whilst the Company contributes 35% of salary to T O'Mahony's pension, this is in connection with historic arrangements. For the most recent Executive Director appointment, S Coyle, the Company contributes 15% of salary to his pension.

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

The Committee is proposing certain changes to the current 2015 Long-Term Incentive Plan which will require shareholder approval at the AGM on 20 November 2019. The changes take into account good and typical market practice and are summarised below:

> inclusion of the ability for the Committee to reduce the formulaic vesting outcomes if it is not reflective of a participants contribution or Origin's performance;
> alignment of the treatment of good leavers' vested and unvested awards so that a 2 year holding period applies in both cases; and to give the Committee discretion to accelerate vesting;
> broadening of clawback and malus triggers to include material misstatement, error, gross misconduct, insolvency and reputational damage; and
> removal of the hard wired performance criteria to enable the Committee to set different conditions if appropriate including divisional measures for senior executive participants.

In addition to the three-year performance period under the LTIP, all awards are subject to an additional two-year holding period ensuring that the LTIP has a five-year time horizon in line with best practice.

A summary of the awards made under the 2015 LTIP is set out on page 104.

A summary of the performance conditions applicable to awards that have been granted to date under the LTIP is set out below.

Metric	Weighting	Vesting at threshold	Condition
Adjusted Diluted Earnings per Share ('EPS')	30%	30%	Adjusted Diluted EPS growth over the three-year period in excess of 5% on a pro-rata basis (straight-line) to 10% (maximum stretch) for full pay-out.
Return on Invested Capital ('ROIC') (i)	40%	30%	An average annual ROIC of at least 12.5% (threshold) on a pro-rata basis to 17.5% (maximum stretch) for full pay-out.
Free Cash Flow Ratio) (ii)	30%	30%	An average annual free cash flow ratio of at least 50% (threshold) on a pro-rata basis to 100% (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 Chief Financial Officer's Review on page 19.
(ii) The definition of Free Cash Flow Ratio is set out in the Chief Financial Officer's Review on page 20.

The Remuneration Committee will consider further LTIP awards during the financial year 2020, but before doing so will, as is normal, review the continued appropriateness of the performance metrics and the related targets for awards. Details of any LTIP awards made in the financial year 2020, including performance measurements and targets, will be disclosed in the Remuneration Report for the financial year 2020.

Non-Executive Director Fees

Fees for the Non-Executive Directors for the 2019 and 2020 financial years are detailed below.

Position	2020 €	2019 €	% increase
Chairman	**130,000**	130,000	Nil
Base fee	**62,000**	62,000	Nil
Additional fees:			
Audit and Risk Committee Chair	**13,000**	13,000	Nil
Remuneration Committee Chair	**8,000**	8,000	Nil
Senior Independent Director	**8,000**	8,000	Nil

Remuneration Outcomes for the Year Ended 31 July 2019

Directors' remuneration (audited) for the year ended 31 July 2019 was as follows:

	Salary and fees[1] €'000	Taxable benefits[2] €'000	Assignment Allowance[3] €'000	Pension[4] €'000	Annual bonus[5] €'000	Long-term incentives[6] €'000	Total €'000
T O'Mahony							
2019	**500**	**26**	**–**	**175**	**391**	**204**	**1,296**
2018	500	26	–	175	435	–	1,136
S Coyle*							
2019	**305**	**22**	**–**	**46**	**238**	**–**	**611**
2018	–	–	–	–	–	–	–
D Giblin							
2019	**425**	**73**	**212**	**26**	**334**	**168**	**1,238**
2018	423	24	–	26	368	–	841
R Hynes							
2019	**130**	**7**	**–**	**–**	**–**	**–**	**137**
2018	130	2	–	–	–	–	132
H McCutcheon							
2019	**71**	**–**	**–**	**–**	**–**	**–**	**71**
2018	75	–	–	–	–	–	75
K Allum							
2019	**70**	**–**	**–**	**–**	**–**	**–**	**70**
2018	70	–	–	–	–	–	70
G Britton							
2019	**74**	**–**	**–**	**–**	**–**	**–**	**74**
2018	70	–	–	–	–	–	70
C Richards							
2019	**62**	**–**	**–**	**–**	**–**	**–**	**62**
2018	62	–	–	–	–	–	62
Former Directors							
I Hurley**							
2019	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2018	204	–	–	44	135	–	383
R McHugh***							
2019	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2018	52	4	–	–	–	–	56

* *S Coyle was appointed to the Board on 1 October 2018. The amounts included in the table above represents emoluments for the period 1 October 2018 to 31 July 2019.*

** *I Hurley resigned from the Board on 28 February 2018. The amounts included in the table above represents emoluments for the period 1 August 2017 to 28 February 2018.*

*** *R McHugh retired from the Board on 17 May 2018. The amounts included in the table above represents emoluments for the period 1 August 2017 to 17 May 2018.*

Notes:

1 Salary and Fees (audited)

In 2019, D Giblin received a salary of £375,000, converted at an average exchange rate of 0.88272 (2018: 0.88677). The amount charged and disclosed in the 2018 accounts was €423,000, based on a sterling salary of £375,000.

2 Taxable Benefits (audited)

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

3 Assignment Allowance (audited)

In 2019, D Giblin received an assignment allowance of £187,500, converted at an average exchange rate of 0.88272. This allowance applied from 1 October 2018.

4 Pensions (audited)

The Company contributes 35% of salary to T O'Mahony's pension and 15% of salary to S Coyle's pension.

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	
	2019	2018
Retirement benefits are accruing to the following number of Directors under:		
Defined contribution scheme	**2**	1
Defined benefit scheme	**1**	1

5 Annual Bonus

The financial measures applying to the CEO's and CFO's 2019 bonus were EPS (50% of salary) and Operating Cash Flow ('OCF') (30% of salary), along with the achievement of specified corporate and personal objectives measures over the course of the 2019 financial year.

Financial measures – CEO / CFO

Executive Director	Financial Measures Weighting (% of salary)	EPS required for threshold bonus[1]	Actual Diluted adjusted EPS	Outcome (% of salary)	OCF required for threshold bonus[1] €'000	Actual OCF €'000	Outcome (% of salary)
Tom O'Mahony	80%	48.55	52.65	49.2%	70,785	70,924	13.4%
Sean Coyle	80%	48.55	52.65	49.2%	70,785	70,924	13.4%

1. 30% of salary is payable for achieving threshold EPS and 15% of salary is payable for achieving threshold Operating Cash Flow.

For the CEO, Latin America, 60% of 2019 bonus was based on EPS (37.5% of salary), OCF (22.5% of salary) and 20% was based on Latin America financial measures.

Financial measures – CEO, Latin America

Executive Director	Financial Measures Weighting (% of salary)	EPS required for threshold bonus[1]	Actual Diluted adjusted EPS	Outcome (% of salary)	OCF required for threshold bonus[1] €'000	Actual OCF €'000	Outcome (% of salary)
Declan Giblin	60%	48.55	52.65	37.0%	70,785	70,924	10.2%

1. 23% of salary is payable for achieving threshold EPS and 11% of salary is payable for achieving threshold Operating Cash Flow.

The CEO, Latin America, earned a bonus of 17.1% out of a possible 20% of salary based on the Latin America EBIT and Latin America OCF financial measures.

In addition, and as disclosed in last year's report, the CEO, Latin America can earn an additional 50% of salary per annum based on Latin America related financial objectives for three years commencing 1 October 2018. Latin America performance for the first year has been strong and bonus has accrued as a result. However, a full, rounded assessment of performance over the full three year period will be undertaken after the end of the three year performance period (i.e. in October 2021) to determine the total bonus payable.

Corporate and personal objectives

For 2019, non-financial objectives included the successful completion and integration of a number of acquisitions, the rollout of an employee engagement strategy and the development of a Group-wide five-year strategic plan. In relation to the above objectives, the CEO and CFO earned 15.5% and 15.4% respectively out of maximum of 20% of salary.

In relation to Latin America objectives, the CEO, Latin America earned 14.2% out of a maximum of 20% of salary.

In total the CEO, CFO and the CEO, Latin America earned bonuses to the value of 78.1%, 78% and 78.5% respectively out of a possible 100% of salary.

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.

6 Long-Term Incentives

LTIP awards vesting based on performance to 31 July 2019.

The Directors were granted LTIP awards in March 2017 which are due to vest in March 2020. These awards are based on performance over the three-year period ending 31 July 2019.

The performance criteria applying to these awards and achievement is set out in the table below:

T O'Mahony / D Giblin

Metric	Weighting	Threshold	Maximum	Actual performance	Outcome (% vesting)
Adjusted Diluted EPS	30%	5%	10%	5.8%	40.6%
Return on Invested Capital	40%	12.5%	17.5%	13.5%	43.8%
Free Cash Flow ratio	30%	50%	100%	82.9%	76.0%

Overall 52.50% of the 2017 LTIP is expected to vest in March 2020.

A summary of the awards made during the year, on 2 October 2018, under the 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	88,496	31/07/2021	2/10/2021
S Coyle	95% of salary	61,540	31/07/2021	2/10/2021
D Giblin	95% of salary	70,784	31/07/2021	2/10/2021

The number of shares awarded under the 2015 LTIP was calculated using the closing share price of €5.65 on 1 October 2018. The performance measures applying to these awards is set out on page 101.

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 2018	Granted during the year	Vested/ Exercised during the year	Lapsed during the year	No. of share awards at 31 July 2019	End of performance period	Date from which exercisable	Expiry date
T O'Mahony										
2015 LTIP	10/03/2017	0.01	73,529	–	–	34,914	38,615	31/07/2019	10/03/2020	9/03/2024
2015 LTIP	28/09/2017	0.01	77,519	–	–	–	77,519	31/07/2020	28/09/2020	27/09/2024
2015 LTIP	2/10/2018	0.01	–	88,496	–	–	88,496	31/07/2021	2/10/2021	1/10/2025
	Total		**151,048**	**88,496**	**–**	**34,914**	**204,630**			
S Coyle										
2015 LTIP	2/10/2018	0.01	–	61,540	–	–	61,540	31/07/2021	2/10/2021	1/10/2025
	Total		**–**	**61,540**	**–**	**–**	**61,540**			
D Giblin										
2015 LTIP	10/03/2017	0.01	60,459	–	–	28,708	31,751	31/07/2019	10/03/2020	9/03/2024
2015 LTIP	28/09/2017	0.01	63,076	-	–	–	63,076	31/07/2020	28/09/2020	27/09/2024
2015 LTIP	2/10/2018	0.01	–	70,784	–	–	70,784	31/07/2021	2/10/2021	1/10/2025
	Total		**123,535**	**70,784**	**–**	**28,708**	**165,611**			

LTIP awards are subject to the performance conditions outlined in the Long-Term Incentives section of the Annual Report on Remuneration, set out on pages 100 and 101.

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

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

	Beneficially owned at 1 August 2018	Beneficially owned at 31 July 2019	Unvested LTIP awards at 31 July 2019	Outstanding share awards under all employee share plans
T O'Mahony	1,646,373	1,646,373	204,630	–
S Coyle	7,000	14,000	61,540	4,166
D Giblin	302,735	302,735	165,611	–
R Hynes	3,875	3,875	–	–
H McCutcheon	45,000	45,000	–	–
K Allum	–	–	–	–
G Britton	5,000	5,000	–	–
C Richards	3,405	3,405	–	–
B Keane	–	–	–	–

The shareholdings held by T O'Mahony and D Giblin are substantially in excess of the share ownership guidelines in place.

S Coyle, having joined the Company in September 2018, holds 19% of his salary.

The value of shareholdings held by the Executive Directors is based on their shares held at the share price of €4.95 at 31 July 2019. Details of share ownership guidelines are set out on page 95 of this report.

Statement of Voting at the AGM

At the Company's 2018 AGM, the following votes were received from shareholders:

	Remuneration Report	%
Votes cast in favour [1]	88,648,129	99.998
Votes cast against	1,546	0.002
Total votes cast	88,649,675	100.00
Abstentions	2,690,390	3.03

1 Does not include Chairman's discretionary votes.

Our Purpose

Optimising sustainable agriculture and food production through innovation, research & development and agronomic expertise.

Find out more
Sustainability on page 50

Paraná State, Brazil

Fortgreen operates a comprehensive research and new product development facility, enhancing the Origin Group's own product capability

Find out more

Business Review Latin America on page 44
Fortgreen case study on page 49

Financial Statements

Company Information

Board of Directors

R Hynes	(Non-Executive Chairman)
T O'Mahony	(Chief Executive Officer)
S Coyle	(Executive Director)
D Giblin	(Executive Director)
K Allum	(Non-Executive Director)
G Britton	(Non-Executive Director)
H McCutcheon	(Non-Executive Director)
C Richards	(Non-Executive Director)

Secretary and Registered Office

B Keane
4-6 Riverwalk
Citywest Business Campus
Dublin 24
Ireland

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

Link Registrars Limited
2 Grand Canal Square
Dublin 2
Ireland

Euronext Growth (Dublin) Adviser and Stockbroker

Goodbody
Ballsbridge Park
Ballsbridge
Dublin 4
Ireland

Nominated Adviser

Davy
Davy House
49 Dawson Street
Dublin 2
Ireland

Stockbroker

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

Media Relations

FTI Consulting
The Academy Building
Pearse Street
Dublin 2
Ireland

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, giving a true and fair view of the assets, liabilities and financial position of the Group and the Company and the profit or loss of the Group for the period. Under that law and in accordance with the Rules of the AIM and ESM exchanges issued by the London and Euronext Growth 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 prepared the Company financial statements in accordance with Irish Generally Accepted Accounting Practice (accounting standards issued by the UK Financial Reporting Council, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and Irish law).

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 the Group and Company financial statements, the Directors are required to:

> select suitable accounting policies and then apply them consistently;

> make judgements and estimates that are reasonable and prudent;

> state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question and ensure that they contain the additional information required by the Companies Act 2014; and

> prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

> correctly record and explain the transactions of the Group and Company;

> enable, at any time, the assets, liabilities and financial position of the Group and Company and profit or loss of the Group to be determined with reasonable accuracy; and

> enable the Directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The Directors are also responsible for safeguarding the assets of the Company and 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
24 September 2019

Tom O'Mahony
Director
24 September 2019

Independent Auditors' Report to the Members of Origin Enterprises plc

Report on 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 2019 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 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 and Accounts (the "Annual Report"), which comprise:

> the Consolidated Statement of Financial Position as at 31 July 2019;

> the Company Balance Sheet as at 31 July 2019;

> 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 Group Financial Statements and the Notes to the Company 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.

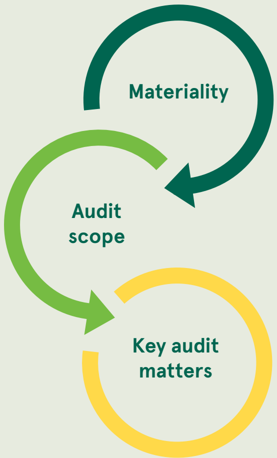
Independence

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.

Independent Auditors' Report to the Members of Origin Enterprises plc - continued

Our audit approach

Overview



Materiality
- €3.4 million (2018: €3.2 million) - Group financial statements
- Based on 5% of profit before tax and exceptional items.
- €2 million (2018: €2.5 million) - Company financial statements
- Based on 0.75% of net assets (2018: 1% of net assets).

Audit scope
- We conducted audit work on 14 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 14 components was performed.
- Taken together, the reporting components where an audit of the full financial information was performed accounts for in excess of 95% of Group revenues, 95% of Group profit before tax and exceptional items and 90% of total assets.

Key audit matters
- Goodwill.
- Settlement price adjustments.
- Rebates receivable.

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.

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.

Independent Auditors' Report to the Members of Origin Enterprises plc - continued

Key audit matter	How our audit addressed the key audit matter
Goodwill *See accounting policy in relation to impairment, Note 14 – Goodwill and intangible assets and Note 33 – Accounting estimates and judgements.* The Group has goodwill of €176.29m at 31 July 2019 representing approximately 13.5% of the Group's total assets at year end. 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 Group recognised an impairment in the current year of €7.9m in respect of the full amount of the Ukraine CGU. The value in use calculations used in the impairment testing have been prepared using the board approved budgets and forecasts for each CGU. The impairment models are based on a cash flow forecast for Year 1 extracted from the 2019 budgets approved by the board. Growth rates are then applied to the Year 1 forecasted cash flows to forecast Years 2 & 3. The terminal value growth rates used for periods beyond Year 3 are based on the long term growth for the country of operation of each CGU. We focused on this area given the scale of the assets and because the determination of whether an impairment charge for goodwill was necessary involves significant judgement in estimating the future performance of the CGUs. We determined the key assumptions used in the value in use calculations as sales growth & product mix in Year 1 budgets, Year 2 and Year 3 growth rates, terminal value growth rates and discount rates. In particular, we focused on the Ukraine CGU which had the lowest headroom in the prior period, and where second half trading and forecasts led to a potential impairment indicator being identified by management.	We obtained the Group's impairment models and evaluated the methodology used. We tested the mathematical accuracy of the underlying calculations in the models and found them to be correct. 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 assessed the underlying key assumptions in the Year 1 budget, and the growth rates applied for Years 2 & 3 by considering the Group's past record of achieving its forecasts over time, taking into account the impact of factors such as changes in weather, crop conditions, product mix and competitor activity and found the key assumptions to be reasonable. We used PwC specialists in assessing management's calculation of discount rates. Our specialists developed a range of discount rates for each CGU 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 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 performed sensitivity analysis on the impact of changes in key assumptions on the impairment assessments for CGUs. For the UK CGUs we considered more adverse scenarios to take account of potential impacts of Brexit on future cash flows. Across our sensitivities, no impairment was identified. We assessed the appropriateness of the related disclosures within the financial statements, in particular the disclosure of the reduction in the actual and projected cash flows which resulted in the impairment in relation to the Ukraine CGU and we consider the disclosures included in Note 14 to be reasonable.

Independent Auditors' Report to the Members of Origin Enterprises plc - continued

Key audit matter	How our audit addressed the key audit matter
Settlement price adjustments *See accounting policy in relation to revenue and Note 33 – 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 until several months after year end. As set out in Note 33, 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 compared the process undertaken by management in compiling the settlement price adjustment to revenue and trade receivables to that applied in the prior period and found it to be consistent. The key inputs to the calculation of the settlement price adjustment include 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. We determined that management applied a reasonable approach, taking into account the level of inherent estimation uncertainty given the nature of these settlement priceadjustments. Based on our procedures, we concluded the price settlement adjustments were reasonable. 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 reviewed the related disclosures within the financial statements and concluded that they were appropriate.
Rebates receivable *See accounting policy in relation to rebates. See also Note 18 – Trade and other receivables and Note 33 – Accounting estimates and judgements.* The Group has entered into a number of rebate and incentive arrangements with some of its suppliers. Although a significant portion of rebates receivable are contractual and are based on net settlement prices, for some rebate arrangements the amount of the rebate is dependent on the level of purchase volumes. The processes used to estimate rebates receivable also require an element of manual calculation. We focused on this area as due to the number of arrangements in place, the range of contractual terms and the manual calculations, there is an increased risk of error in the calculation of rebates receivable at the year end. The rebate receivable have been included within trade and other receivables in Note 18.	We obtained and read copies of relevant supplier rebate agreements and met with relevant members of management in order to understand the impact of these arrangements on the financial statements. For rebates related to net settlement prices, 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, which were independently confirmed by suppliers. For a sample of volume related rebates receivable, we confirmed rebate terms with suppliers and tested the inputs to the calculation to source documentation. For rebates earned and received during the year, we tested a sample of these against credit notes received. We independently confirmed these credit notes with relevant suppliers. We 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 for net settlement and volume based rebates. 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, calculated appropriately based on the contracted rates in the supplier agreements we obtained and the estimates were reasonable.

Independent Auditors' Report to the Members of Origin Enterprises plc - continued

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 three operating segments: Ireland and the United Kingdom, Continental Europe and Latin America. The Group financial statements are a consolidation of 19 reporting units, comprising the Group's operating businesses and centralised functions.

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 14 Origin reporting units, which in our view, required an audit of their full financial information due to their size or risk characteristics. These operations accounted for in excess of 95% of Group turnover, 95% of Group profit before tax and exceptional items and 90% 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 reporting components 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	€3.4 million (2018: €3.2 million).	€2 million (2018: €2.5 million).
How we determined it	5% of profit before tax and exceptional items.	0.75% of net assets (2018: 1% of net assets).
Rationale for benchmark applied	We have 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 & Risk Committee that we would report to them misstatements identified during our audit above €0.17 million (Group audit) (2018: €0.3 million) and €0.1 million (Company audit) (2018: €0.3 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent Auditors' Report to the Members of Origin Enterprises plc - continued

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 or the 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 or the 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 (excluding the information included in the "Non-Financial Statement" as defined by that Act on which we are not required to report) 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 to also report certain opinions and matters as described below:

> In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report (excluding the information included in the "Non-Financial Statement" as defined by that Act on which we are not required to report) for the year ended 31 July 2019 is consistent with the financial statements and has been prepared in accordance with the 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 (excluding the information included in the "Non-Financial Statement" as defined by that Act on which we are not required to report).

Independent Auditors' Report to the Members of Origin Enterprises plc - continued

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 111, 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA website at: https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_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.

Independent Auditors' Report to the Members of Origin Enterprises plc - continued

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.

Other 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.

Prior financial year Non-Financial Statement

We are required to report if the company has not provided the information required by Regulation 5(2) to 5(7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 in respect of the prior financial year. We have nothing to report arising from this responsibility.

Paul O'Connor
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
24 September 2019

Consolidated Income Statement
For the financial year ended 31 July 2019

	Notes	Pre- exceptional 2019 €'000	Exceptional 2019 €'000	Total 2019 €'000	Pre- exceptional 2018 €'000	Exceptional 2018 €'000	Total 2018 €'000
Revenue	*1*	**1,798,197**	**–**	**1,798,197**	1,627,533	–	1,627,533
Cost of sales		**(1,527,363)**	**–**	**(1,527,363)**	(1,389,926)	–	(1,389,926)
Gross profit		**270,834**	**–**	**270,834**	237,607	–	237,607
Operating costs	*2, 3*	**(197,340)**	**(6,574)**	**(203,914)**	(172,072)	663	(171,409)
Share of profit of associates and joint venture	*7*	**6,717**	**(423)**	**6,294**	7,221	–	7,221
Operating profit	*5*	**80,211**	**(6,997)**	**73,214**	72,756	663	73,419
Finance income	*4*	**1,519**	**–**	**1,519**	1,432	–	1,432
Finance expense	*4*	**(13,327)**	**–**	**(13,327)**	(9,514)	–	(9,514)
Profit before income tax		**68,403**	**(6,997)**	**61,406**	64,674	663	65,337
Income tax (expense)/credit	*3,10*	**(8,730)**	**44**	**(8,686)**	(7,900)	(652)	(8,552)
Profit for the year		**59,673**	**(6,953)**	**52,720**	56,774	11	56,785

	Notes	2019	2018
Basic earnings per share	*11*	**41.98c**	45.22c
Diluted earnings per share	*11*	**41.60c**	44.94c

Consolidated Statement of Comprehensive Income
For the financial year ended 31 July 2019

	2019 €'000	2018 €'000
Profit for the year	**52,720**	56,785
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	**(3,599)**	3,628
– deferred tax effect of remeasurements	**450**	(504)
– share of remeasurements on associate's defined benefit pension schemes	**(1,668)**	5,865
– share of deferred tax effect of remeasurements – associates	**284**	(997)
Items that may be reclassified subsequently to the Group income statement:		
Group foreign exchange translation details		
– exchange difference on translation of foreign operations	**(3,507)**	(1,243)
Group/Associate cash flow hedges		
– effective portion of changes in fair value of cash flow hedges	**100**	1,396
– fair value of cash flow hedges transferred to operating costs and other income	**(2,783)**	888
– deferred tax effect of cash flow hedges	**369**	(333)
– share of associates and joint venture cash flow hedges	**727**	4,827
– deferred tax effect of share of associates and joint venture cash flow hedges	**(91)**	(603)
Other comprehensive (expense) / income for the year, net of tax	**(9,718)**	12,924
Total comprehensive income for the year attributable to equity shareholders	**43,002**	69,709

Consolidated Statement of Financial Position
As at 31 July 2019

	Notes	2019 €'000	2018 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**108,411**	117,929
Investment properties	13	**4,221**	11,825
Goodwill and intangible assets	14	**271,085**	216,334
Investments in associates and joint venture	15	**47,140**	48,171
Other financial assets	16	**607**	450
Derivative financial instruments	22	**–**	835
Post employment benefit surplus	26	**–**	725
Deferred tax assets	23	**3,620**	3,280
Total non-current assets		**435,084**	399,549
Current assets			
Properties held for sale	13	**24,135**	–
Inventory	17	**202,806**	194,192
Trade and other receivables	18	**529,328**	461,199
Derivative financial instruments	22	**2,345**	1,399
Restricted cash		**–**	500
Cash and cash equivalents	20	**111,830**	147,212
Total current assets		**870,444**	804,502
TOTAL ASSETS		**1,305,528**	1,204,051

Consolidated Statement of Financial Position - continued
As at 31 July 2019

	Notes	2019 €'000	2018 €'000
EQUITY			
Called up share capital presented as equity	27	**1,264**	1,264
Share premium		**160,498**	160,422
Retained earnings and other reserves		**184,077**	168,561
TOTAL EQUITY		**345,839**	330,247
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	21	**163,236**	165,232
Deferred tax liabilities	23	**23,143**	22,171
Put option liability	25	**29,607**	5,531
Provision for liabilities	24	**4,166**	8,045
Post employment benefit obligations	26	**1,476**	-
Derivative financial instruments	22	**912**	46
Total non-current liabilities		**222,540**	201,025
Current liabilities			
Interest-bearing borrowings	21	**24,190**	20,836
Trade and other payables	19	**686,175**	638,161
Corporation tax payable		**11,845**	8,143
Provision for liabilities	24	**14,452**	5,467
Derivative financial instruments	22	**487**	172
Total current liabilities		**737,149**	672,779
TOTAL LIABILITIES		**959,689**	873,804
TOTAL EQUITY AND LIABILITIES		**1,305,528**	1,204,051

On behalf of the Board

Rose Hynes
Director
24 September 2019

Tom O'Mahony
Director
24 September 2019

Consolidated Statement of Changes in Equity
For the financial year ended 31 July 2019

	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
2019											
At 1 August 2018	1,264	160,422	(8)	134	3,510	12,843	538	(196,884)	(39,319)	387,747	330,247
Profit for the year	–	–	–	–	–	–	–	–	–	52,720	52,720
Other comprehensive expense for the year	–	–	–	–	(1,678)	–	–	–	(3,507)	(4,533)	(9,718)
Total comprehensive expense for the year	**–**	**–**	**–**	**–**	**(1,678)**	**–**	**–**	**–**	**(3,507)**	**48,187**	**43,002**
Share based payment charge	–	–	–	–	–	–	999	–	–	–	999
Shares issued	–	76	–	–	–	–	–	–	–	–	76
Change in fair value of put option (Note 25)	–	–	–	–	–	–	–	–	–	(2,114)	(2,114)
Dividend paid to shareholders	–	–	–	–	–	–	–	–	–	(26,371)	(26,371)
At 31 July 2019	**1,264**	**160,498**	**(8)**	**134**	**1,832**	**12,843**	**1,537**	**(196,884)**	**(42,826)**	**407,449**	**345,839**

	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
2018											
At 1 August 2017	1,264	160,422	(8)	134	(2,665)	12,843	358	(196,884)	(38,076)	349,341	286,729
Profit for the year	–	–	–	–	–	–	–	–	–	56,785	56,785
Other comprehensive income/ (expense) for the year	–	–	–	–	6,175	–	–	–	(1,243)	7,992	12,924
Total comprehensive income/ (expense) for the year	–	–	–	–	6,175	–	–	–	(1,243)	64,777	69,709
Share based payment charge	–	–	–	–	–	–	180	–	–	–	180
Dividend paid to shareholders	–	–	–	–	–	–	–	–	–	(26,371)	(26,371)
At 31 July 2018	**1,264**	**160,422**	**(8)**	**134**	**3,510**	**12,843**	**538**	**(196,884)**	**(39,319)**	**387,747**	**330,247**

Consolidated Statement of Cash Flows
For the financial year ended 31 July 2019

	Notes	2019 €'000	2018 €'000
Cash flows from operating activities			
Profit before tax		**61,406**	65,337
Exceptional items		**6,997**	(663)
Finance income		**(1,519)**	(1,432)
Finance expenses		**13,327**	9,514
Profit on disposal of property, plant and equipment		**(292)**	(285)
Share of profit of associates and joint venture	15	**(6,717)**	(7,221)
Depreciation of property, plant and equipment	12	**8,300**	7,451
Amortisation of intangible assets	14	**11,059**	7,946
Employee share-based payment charge	8	**999**	180
Pension contributions in excess of service costs	26	**(741)**	(852)
Payment of exceptional rationalisation costs		**(1,342)**	(3,334)
Payment of exceptional acquisition costs		**(1,775)**	(3,688)
Operating cash flow before changes in working capital		**89,702**	72,953
Movement in inventory		**(2,408)**	(28,505)
Movement in trade and other receivables		**(50,450)**	(58,469)
Movement in trade and other payables		**40,118**	87,713
Cash generated from operating activities		**76,962**	73,692
Interest paid		**(11,349)**	(6,927)
Income tax paid		**(12,572)**	(10,428)
Cash inflow from operating activities		**53,041**	56,337
Cash flows from investing activities			
Proceeds from sale of investment property		**750**	-
Proceeds from sale of property, plant and equipment		**1,005**	1,410
Purchase of property, plant and equipment		**(12,049)**	(11,602)
Additions to intangible assets	14	**(4,346)**	(5,645)
Arising on acquisitions		**(36,554)**	(23,857)
Payment of contingent acquisition consideration	24	**(1,705)**	(1,627)
Proceeds from sale of Chemicals division		**-**	5,250
Payment of put option liability	25	**(3,594)**	-
Restricted cash		**500**	(500)
Acquisition / loan to associate		**(4,671)**	85
Dividends received from associates		**7,037**	2,483
Cash outflow from investing activities		**(53,627)**	(34,003)
Cash flows from financing activities			
Drawdown of bank loans		**228,996**	141,775
Repayment of bank loans		**(238,491)**	(158,155)
Shares issued		**76**	-
Payment of dividends to equity shareholders		**(26,371)**	(26,371)
Cash outflow from financing activities		**(35,790)**	(42,751)
Net decrease in cash and cash equivalents		**(36,376)**	(20,417)
Translation adjustment	21	**(2,298)**	261
Cash and cash equivalents at start of year		**126,559**	146,715
Cash and cash equivalents at end of year	20,21	**87,885**	126,559

Group Accounting Policies

Origin Enterprises plc (the `Company') is a company domiciled and incorporated in Ireland. The Company registration number is 426261 and the Company address is 4-6 Riverwalk, Citywest Business Campus, Dublin 24, Ireland. The Group's financial statements for the year ended 31 July 2019 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 24 September 2019.

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 2018.

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.

- Amendments to IAS 19 `Employee benefits'.
- Amendments to IAS 28 `Investments in associates'.
- Annual Improvements to IFRS's 2015-2017 Cycle.

The Group is currently assessing the impact in relation to the adoption of the above standards and interpretations for future periods. 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 16 `Leases'.
- IFRIC 23 `Uncertainty over Income Tax Treatments'.
- Annual Improvements 2015-2017 Cycle.
- Amendments to IAS 19 `Plan Amendment, Curtailment or Settlement'.
- Amendments to IAS 28 `Long-term Interests in Associates and Joint Ventures'.
- Amendments to IFRS 9: Applying IFRS 9 `Prepayment Features with Negative Compensation'.

None of these will have a significant effect on the financial statements of the Group or parent company, except for the following:

IFRS 16 `Leases'

IFRS 16 `Leases' replaces the existing guidance in IAS 17 `Leases'. IFRS 16 eliminates the classification of leases as either operating leases or finance leases. It introduces a single lessee accounting model, which requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months and to recognise depreciation of lease assets separately from interest on lease liabilities in the income statement. The Group will apply the standard from its mandatory adoption date of 1 August 2019.

As a result of the transition to IFRS 16, the fair value of these leases representing the present value of the lease payments over the expected lease contract period will be recognised as a Right of Use Asset with a corresponding value recognised as a lease liability. The Group is currently assessing the impact of IFRS 16 and estimates that the value of right-of-use assets and the corresponding lease liability will be approximately €39.0 million to €43.0 million at transition date on 1 August 2019.

Group Accounting Policies - continued

New IFRS accounting standards and interpretations not yet effective – continued

IFRS 16 'Leases' – continued

The Group has decided to reduce the complexity of implementation by availing of a number of practical expedients, including expedients for low value and short term leases, on transition on 1 August 2019. The Group will apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Information on the Group's leases currently classified as operating leases is provided in Note 30.

New IFRS accounting standards and interpretations adopted in 2018/19

During the year ended 31 July 2019, 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 have a material impact on the consolidated results or financial position of the Group:
- IFRS 9 'Financial Instruments'.
- IFRS 15 ' Revenue from Contracts with Customers'.
- IFRIC Interpretation 22 'Foreign Currency Translations and Advance Consideration'.
- Annual Improvements to IFRS's 2014-2016 Cycle– Amendments to IFRS 1 and IAS 28.
- 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'.

None of these have had a significant effect on the financial statements of the Group, except for the following:

IFRS 9 'Financial Instruments'

From 1 August 2018, the Group has adopted IFRS 9 'Financial Instruments' ('IFRS 9'), which replaces the existing guidance in IAS 39 'Financial Instruments: Recognition and Measurement', from 1 August 2018. This standard replaces IAS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, de-recognition of financial instruments, impairment of financial assets and hedge accounting.

IFRS 9 eliminates the previous IAS 39 categories for financial assets of held-to-maturity, loans and receivables and available-for-sale. Under IFRS 9, on initial recognition, a financial asset is classified as measured at amortised cost or fair value through other comprehensive income ("FVTOCI"), or fair value through profit or loss ("FVTPL"). This classification is dependent on the business model for managing the financial assets and on whether the cash flows represent solely the payment of principal and interest. The Group has quantified the impact on its consolidated financial statements resulting from the application of IFRS 9. The vast majority of financial assets held by the Group are trade receivables and cash.

On adoption of IFRS 9 'Financial Instruments' at 1 August 2018, the Group's management assessed the impact to the financial assets held by the Group and classified its financial instruments into the appropriate IFRS 9 categories as follows:

	Previous classification as per IAS 39	Updated classification as per IFRS 9	Value at 1 Aug 2018 €'000
Trade and other receivables	Loans and receivables	Amortised cost	440,703
Cash and cash equivalents	Loans and receivables	Amortised cost	147,212
Other financial assets	Loans and receivables	Amortised cost	450

Trade receivables and cash will be accounted for at amortised cost as the Group's business model is to hold the financial asset to collect contractual cash flows. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. Given historic loss rates and normal receivable ageing, the move from an incurred loss model to an expected loss model has not had a material impact.

The adoption of IFRS 9 'Financial Instruments' has not had a significant impact on the Group's accounting policies related to financial liabilities and derivative financial instruments. IFRS 9 – 'Financial Instruments' requires that when a financial liability measured at amortised cost is modified without being derecognised, a gain or loss should be recognised in the income statement. This change in accounting policy did not have a material impact on the Group's financial results.

Group Accounting Policies - continued

New IFRS accounting standards and interpretations adopted in 2018/19 – continued

IFRS 9 'Financial Instruments' – continued

The Group has elected to adopt the new general hedge accounting model in IFRS 9. The new hedge accounting does not have an impact on the Group's accounting for hedging instruments. On this basis, the classification and measurement changes do not have a material impact on the Group's consolidated financial statements.

The impact of adopting IFRS 9 on the consolidated financial statements was not material for the Group and there was no adjustment to retained earnings on application at 1 August 2018. In line with the transition guidance in IFRS 9 the Group has not restated the 2018 prior year results on adoption.

IFRS 15 'Revenue from Contracts with Customers'

The Group has adopted IFRS 15 'Revenue from Contracts with Customers' ("IFRS 15"), which replaces the existing guidance in IAS 18 'Revenue', from 1 August 2018. The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer.

Legal title of goods sold is transferred on agreed contracted terms between parties, and generally, there is one performance obligation in each of the Group's sale contracts resulting in the recognition of revenue at a point in time. Based on the Group's contractual and trading relationships, the impact of adopting IFRS 15 on the consolidated financial statements was not material for the Group and there was no adjustment to retained earnings on application at 1 August 2018.

The Group adopted IFRS 15 using the modified retrospective approach on 1 August 2018. The Group carried out a review of existing contractual arrangements and determined that there was no material impact for the Group's revenue streams. The adoption of IFRS 15, 'Revenue from contracts with customers' resulted in a change to the Group's accounting policy for revenue recognition which is outlined below.

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. 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 33.

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.

Group Accounting Policies - continued

Basis of consolidation – continued

Subsidiary undertakings

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

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

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

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

Associates and joint ventures

Associates are those entities in which the Group has significant influence over, but not control of, the financial and operating 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.

Group Accounting Policies - continued

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 and 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 within trade and other receivables in Note 18.

Revenue recognition applicable after 1 August 2018

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 control of the products has transferred, which is usually upon shipment, or in line with terms agreed with individual customers. In general, revenue is recognised to the extent that the Group has satisfied its performance obligations to the buyer and the buyer has obtained control of the goods. Revenues are recorded when there is no unfulfilled obligation on the part of the Group.

Revenues are recorded based on the price specified in the sales invoices/ contracts net of actual and estimated returns, settlement price adjustments, rebates and any discounts granted and in accordance with the terms of sale. Accumulated experience is used to estimate returns, rebates and discounts using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Estimated settlement price adjustments and discounts granted to customers are classified as a reduction of revenues and netted off the related trade receivable balances in Note 18. Further details of the estimation involved in determining settlement price adjustments at year end is included in Note 33.

Revenue recognition applicable before 1 August 2018

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 revenues and netted off the related trade receivable balances in Note 18. Further details of the estimation involved in determining settlement price adjustments at year end is included in Note 33.

Segmental reporting

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

The Group has three operating segments: Ireland and UK, Continental Europe and Latin America (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 / surplus

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.

Group Accounting Policies - continued

Employee benefits – continued

Pension obligations / surplus – continued

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 `2015 Origin Long Term Incentive Plan' (`the 2015 LTIP Plan').

All equity instruments issued under 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 market related 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 (3 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.

Group Accounting Policies - continued

Taxation – continued

If a temporary difference arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss, no deferred tax is recognised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates and joint venture, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Foreign currency

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

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

Dividends

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

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure including repairs and maintenance costs is recognised in the income statement as an expense as incurred. 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	20 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.

Group Accounting Policies - continued

Investment properties – continued
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 if one or more of the significant inputs is not based on observable market data and as a Level 2 fair value where all significant inputs required to fair value the investment properties are observable.

Properties held for sale
Non-current assets that are expected to be recovered principally through sale rather than continuing use and meet the IFRS 5 criteria are classified as held for sale. These assets are shown in the balance sheet at the lower of their carrying amount and fair value less any costs to sell. Impairment losses on initial classification as non-current assets held for sale and subsequent gains or losses on re-measurement are recognised in the income statement.

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 IFRS 9 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.

Group Accounting Policies - continued

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; and
- 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
Computer and ERP related	3 to 10 years

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

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.

Group Accounting Policies - continued

Cash and cash equivalents – continued

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 (before 1 August 2018)

Trade and other receivables are initially measured at fair value and are, thereafter, measured at amortised cost using the effective interest method, less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material. A provision is established for irrecoverable amounts when there is objective evidence (including a customer going into liquidation or receivership, the commencement of legal proceedings or poor payment history) that amounts due under the original payment terms will not be collected.

Financial assets are derecognised when the rights to receive 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.

Trade and other receivables (after 1 August 2018)

From 1 August 2018 trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on payment profiles of sales and the corresponding historical credit loss experience.

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. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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, as the purpose is to hedge a particular risk associated with a highly probable forecast transaction. 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 IFRS 9 and is stated at fair value. Such liabilities are shown as current or non-current financial liabilities in the Consolidated Statement of Financial Position.

Group Accounting Policies - continued

Financial assets and liabilities – continued

Put option liability – continued

At the time of acquisitions, and where the group has issued a put option over shares held by a non-controlling interest, the group derecognises the non-controlling interests and instead recognises a contingent deferred consideration liability for the estimated amount likely to be paid to the non-controlling interest on the exercise of those options. Movements in the estimated liability in respect of put options are recognised in other comprehensive income.

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.

Hedge accounting is discontinued when a hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. The cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the income statement in the period.

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.

The Group has three operating segments as follows:

Ireland and the United Kingdom

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 associate 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, Belgium and the Ukraine.

Latin America

Origin entered the Latin American market in August 2018 through the acquisition of Fortgreen, a business which is focused on the development and marketing of value added crop nutrition and speciality inputs and which is headquartered in Paraná State in southern Brazil.

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.

Notes to the Group Financial Statements

1 Segment information – continued

(a) Analysis by segment

(i) Segment revenue and result

	Ireland and the UK		Continental Europe		Latin America		Total Group	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Total revenue	**1,563,259**	1,395,377	**605,204**	589,480	**33,556**	–	**2,202,019**	1,984,857
Less revenue from associates and joint venture	**(403,822)**	(357,324)	**–**	–	**–**	–	**(403,822)**	(357,324)
Revenue	**1,159,437**	1,038,053	**605,204**	589,480	**33,556**	–	**1,798,197**	1,627,533
Segment result	**59,976**	54,752	**14,212**	16,438	**8,075**	–	**82,263**	71,190
Profit from associates and joint venture	**6,717**	7,221	**–**	–	**–**	–	**6,717**	7,221
Amortisation of non-ERP intangible assets	**(4,328)**	(3,863)	**(1,884)**	(1,792)	**(2,557)**	–	**(8,769)**	(5,655)
Operating profit before exceptional items	**62,365**	58,110	**12,328**	14,646	**5,518**	–	**80,211**	72,756
Exceptional items	**1,509**	(17)	**(7,604)**	680	**(902)**	–	**(6,997)**	663
Operating profit	**63,874**	58,093	**4,724**	15,326	**4,616**	–	**73,214**	73,419

(ii) Segment earnings before financing costs and tax is reconciled to reported profit before tax and profit after tax as follows:

Operating profit	**73,214**	73,419
Finance income	**1,519**	1,432
Finance expense	**(13,327)**	(9,514)
Reported profit before tax	**61,406**	65,337
Income tax	**(8,686)**	(8,552)
Reported profit after tax	**52,720**	56,785

Notes to the Group Financial Statements

1 Segment information – continued

(a) Analysis by segment – continued

(iii) Segment assets

	Ireland and the UK		Continental Europe		Latin America		Total Group	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Assets excluding investment in associates and joint venture	**604,267**	582,718	**430,743**	419,486	**104,976**	–	**1,139,986**	1,002,204
Investment in associates and joint venture (including other financial assets)	**46,588**	48,621	**–**	–	**1,159**	–	**47,747**	48,621
Segment assets	**650,855**	631,339	**430,743**	419,486	**106,135**	–	**1,187,733**	1,050,825

Reconciliation to total assets as reported in Consolidated Statement of Financial Position

Cash and cash equivalents	**111,830**	147,212
Restricted cash	**–**	500
Derivative financial instruments	**2,345**	2,234
Deferred tax assets	**3,620**	3,280
Total assets as reported in Consolidated Statement of Financial Position	**1,305,528**	1,204,051

(iv) Segment liabilities

	Ireland and the UK		Continental Europe		Latin America		Total Group	
	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000	2019 €'000	2018 €'000
Segment liabilities	**405,557**	405,631	**279,675**	251,573	**50,644**	–	**735,876**	657,204

Reconciliation of total liabilities as reported in Consolidated Statement of Financial Position

Interest-bearing loans and liabilities	**187,426**	186,068
Derivative financial instruments	**1,399**	218
Current and deferred tax liabilities	**34,988**	30,314
Total liabilities as reported in Consolidated Statement of Financial Position	**959,689**	873,804

Notes to the Group Financial Statements

1 Segment information – continued

(a) Analysis by segment – continued

(v) Other segment information

	Ireland and the UK		Continental Europe		Latin America		Total Group	
	2019	2018	2019	2018	2019	2018	2019	2018
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Depreciation	**5,251**	5,225	**2,778**	2,226	**271**	–	**8,300**	7,451
Intangible amortisation	**6,607**	6,155	**1,884**	1,791	**2,568**	–	**11,059**	7,946
Exceptional items (Note 3)	**1,509**	(17)	**(7,604)**	680	**(902)**	–	**(6,997)**	663
Capital expenditure – property, plant and equipment	**8,905**	5,314	**2,472**	6,314	**561**	–	**11,938**	11,628
Capital expenditure – ERP and computer intangibles	**2,796**	2,689	**551**	519	**5**	–	**3,352**	3,208
Total capital expenditure	**11,701**	8,003	**3,023**	6,833	**566**	–	**15,290**	14,836

(b) Analysis by geography

	Ireland and the UK		Continental Europe		Latin America		Total Group	
	2019	2018	2019	2018	2019	2018	2019	2018
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	**1,159,437**	1,038,053	**605,204**	589,480	**33,556**	–	**1,798,197**	1,627,533
Assets	**651,693**	631,339	**430,743**	419,486	**105,297**	–	**1,187,733**	1,050,825
IFRS 8 non-current assets*	**277,841**	303,160	**79,849**	91,549	**73,774**	–	**431,464**	394,709

*The total non-current assets in the UK are €236.2 million (2018: €239.6 million).

2 Operating costs

	2019 €'000	2018 €'000
Distribution expenses	**103,523**	89,923
Administration expenses	**85,048**	76,494
Amortisation of non-ERP related intangible assets	**8,769**	5,655
	197,340	172,072
Exceptional items (Note 3)	**6,574**	(663)
	203,914	171,409

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:

	2019 €'000	2018 €'000
Pension and rationalisation related costs (i)	**(426)**	(876)
Transaction related costs (ii)	**(273)**	(2,560)
Impairment in Ukraine investment, net of put option settlement (iii)	**(7,455)**	79
Write down on property, plant and equipment (iv)	**(4,100)**	-
Fair value adjustment of investment properties and properties held for sale (iv)	**5,680**	2,150
Gain on disposal of business (vi)	**-**	1,870
Total exceptional (charge)/credit before tax before associates and joint venture	**(6,574)**	663
Arising in associates and joint venture (v)	**(423)**	-
Total exceptional (charge)/credit before tax including associates and joint venture	**(6,997)**	663
Tax credit /(charge) on exceptional items	**44**	(652)
Total exceptional (charge)/credit after tax	**(6,953)**	11

(i) Pension and rationalisation related costs

Rationalisation costs include the compensation and termination payments from restructuring programmes across the Group. This exceptional charge also includes past service costs in respect of the defined benefit pension scheme. The tax impact of this exceptional item in the current year is a tax credit of €0.1 million (2018: €0.2 million).

(ii) Transaction related costs

Transaction related costs principally comprise costs incurred in relation to the acquisitions completed during the year, net of a credit relating to a movement in contingent consideration of €1.1 million. The tax impact of this item in the current year was a tax credit of €nil (2018: €0.2 million).

(iii) Impairment in Ukraine investment, net of put option settlement

At 31 July 2019 the Directors re-assessed the valuation of goodwill and intangible assets based on the trading results for the financial year and the forecast trading environment for the Ukrainian business. Following the re-assessment, an impairment of €7.9 million was booked against the carrying value of the Ukraine investment (Note 14) and a write down of €1.5 million of part of the Agroscope brand was recorded (Note 14). Also included is a credit arising on the settlement of the Agroscope put option liability of €1.9 million (Note 25). This resulted in a total charge of €7.5 million being recorded. The net tax impact of this exceptional item in the current year is a tax credit of €0.2 million (2018: nil).

3 Exceptional items – continued

(iv) Write down of properties and fair value of investment properties and properties held for sale
At 31 July 2019 the valuation of the Group's Cork properties and investment properties was determined by the Directors using a market approach with reference to local knowledge and judgement supported by the consideration agreed with a third party for the Cork property transaction announced to the market on 9 July 2019.

The Directors also commissioned an independent valuations expert to conduct a valuation of the Group's non-Cork docklands investment properties. 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 requirement of the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards 2017 (the "RICS Red Book") published in June 2017.

Following these assessments, an uplift of €5.5 million was reflected in the value of the Group's properties held for sale and investment properties (Note 13) and a write-down of €4.1 million was reflected in the value of the Group's property, plant and equipment (Note 12) as at 31 July 2019. This also includes an exceptional gain of €0.5 million arising from the disposal of six acres of an investment property during 2019, partially offset by property re-organisation costs. The tax impact of this exceptional item in the current year is a charge of €0.4 million (2018: €0.6 million).

(v) Arising in associates and joint venture
This exceptional charge relates to past service costs in respect of the defined benefit pension scheme of associates and joint venture. The net tax impact of this exceptional item in the current year is a tax credit of €0.1 million.

(vi) Gain on disposal of business
Following the disposal of the Group's Chemicals business operated through Goulding Chemicals Limited and the closure of a seed plant in the UK in 2018, a gain of €2.6 million and a loss of €0.7 million respectively were recorded in the prior year. The tax impact of this exceptional item in the prior year was a tax charge of €0.4 million.

4 Finance income and expense

	2019 €'000	2018 €'000
Recognised in the Consolidated Income Statement		
Finance income		
Interest income on bank deposits	**1,495**	1,432
Defined benefit pension obligations: net interest income (Note 26)	**24**	–
Total finance income	**1,519**	1,432
Finance expenses		
Interest payable on bank loans and overdrafts	**(13,327)**	(9,274)
Unwinding of discount rate on put option liability (Note 25)	**–**	(160)
Defined benefit pension obligations: net interest cost (Note 26)	**–**	(80)
Total finance expenses	**(13,327)**	(9,514)
Finance costs, net	**(11,808)**	(8,082)
Recognised directly in Other Comprehensive Income		
Effective portion of changes in fair value of interest rate swaps	**(1,701)**	825

5 Statutory and other information

	2019 €'000	2018 €'000
Group operating profit before exceptional items is stated after charging:		
Raw materials and consumables used	**1,517,230**	1,381,227
Amortisation of intangible assets (Note 14)	**11,059**	7,946
Depreciation of property, plant and equipment (Note 12)	**8,300**	7,451
Operating lease rentals	**14,297**	13,110
Foreign exchange expense	**248**	685

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:

	2019 €'000	2018 €'000
Audit of the consolidated financial statements	**555**	511
Other assurance services	**51**	70
Other non-audit services	**5**	-

6 Directors' emoluments

	2019 €'000	2018 €'000
Emoluments	**3,187**	2,825
Emoluments above include the following contributions to retirement benefit schemes:		
- Defined contribution	**221**	219
- Defined benefit	**26**	26
	247	245

Details of LTIP awards to Directors are disclosed in Note 9. Further details are shown in the Remuneration Committee Report on pages 91 to 106.

Retirement benefits are accruing to one director (2018: one director) under a defined benefit scheme and to two directors (2018: two directors) under a defined contribution scheme.

7 Share of profit after tax of associates and joint venture

	2019 €'000	2018 €'000
Total		
Group share of:		
Revenue	**403,822**	357,324
Profit after tax, before exceptional items (Note 15)	**6,717**	7,221
Share of exceptional items, net of tax (Note 15)	**(423)**	-

8 Employment

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

	2019 Number	2018 Number
Sales and distribution	**1,471**	1,383
Production	**371**	376
Management and administration	**693**	671
	2,535	2,430

	2019 Number	2018 Number
Average number of Non-Executive Directors	**5**	6
Average number of Executive Directors	**3**	3

Aggregate employment costs of the Group are analysed as follows:

	2019 €'000	2018 €'000
Wages and salaries	**113,386**	103,502
Social insurance costs	**10,695**	11,069
Retirement benefit costs (Note 26) included in Consolidated Income Statement:		
- defined benefit schemes – current service cost	**527**	552
- defined benefit schemes – past service cost	**30**	-
- defined benefit schemes – net interest (income)/cost	**(24)**	80
-defined contribution schemes	**3,521**	2,957
Share based payment charge	**999**	180
Cash based long term incentive plan	**1,120**	1,016
Termination benefits (Note 3)	**426**	876
	130,680	120,232
Retirement benefit costs (Note 26) included in Other Comprehensive Income:		
- defined benefit schemes – remeasurements	**3,599**	(3,628)
	134,279	116,604

Notes to the Group Financial Statements

9 Long Term Incentive Plans

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:

	Awards
2017 Awards	On 10 March 2017, under the terms of the 2015 LTIP Plan, T O'Mahony, I Hurley and D Giblin were granted 73,529, 48,897 and 60,459 share options respectively. On the departure of I Hurley in 2018, options granted to her lapsed with immediate effect.
2018 Awards	On 28 September 2017, under the terms of the 2015 LTIP Plan, T O'Mahony, I Hurley and D Giblin were granted 77,519, 51,550 and 63,076 share options respectively. On the departure of I Hurley in 2018 options granted to her lapsed with immediate effect.
2019 Awards – Directors	On 2 October 2018, under the terms of the 2015 LTIP Plan, T O'Mahony, S Coyle and D Giblin were granted 88,496, 61,540 and 70,784 share options respectively.
2019 Awards – Senior management	On 2 October 2018, and 17 July 2019 under the terms of the 2015 LTIP Plan, senior management were granted 279,401 and 313,335 share options respectively.
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

9 Long Term Incentive Plans – continued

	Awards
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; and – where a participant whose primary management responsibility is in respect of a business division of the Company is granted an award, the Remuneration Committee at its discretion may determine that a maximum of 40 per cent of an award will be subject to divisional financial or other performance conditions related to the business division.
Transfer of Ownership / Vesting	Under the terms of the 2015 LTIP Plan, awards will vest no earlier than the third anniversary of the award date and in the case of options cannot be exercised later than the seventh anniversary of the award date. An award will not vest unless the Committee is satisfied that the Company's underlying financial performance has shown a sustained improvement in the period since the award date. If this condition is met, the extent of vesting for awards granted to employees of the Company following the adoption of the Plan will be determined by the performance conditions set out above.

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

	Number of share options 2019	Number of share options 2018
At 1 August	**274,583**	182,885
Forfeiture	**–**	(100,447)
Granted	**813,556**	192,145
At 31 July	**1,088,139**	274,583

Grant date	Expiry date	Exercise price	Number of share options 2019	Number of share options 2018
10 March 2017 (i)	9 March 2024	€0.01	133,988	133,988
28 September 2017 (ii)	27 September 2024	€0.01	140,595	140,595
2 October 2018 (iii)	1 October 2025	€0.01	500,221	–
17 July 2019 (iv)	1 October 2025	€0.01	313,335	–

(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.

(ii) The fair value of the share options granted was €5.81 derived using the Black Scholes valuation model. The significant inputs into the model were weighted average share price of €6.45 at the grant date, exercise price of €0.01 and dividend yield of 3.3 per cent.

(iii) The fair value of the share options granted was €5.01 derived using the Black Scholes valuation model. The significant inputs into the model were weighted average share price of €5.65 at the grant date, exercise price of €0.01 and dividend yield of 3.7 per cent.

(iv) The fair value of the share options granted was €4.49 derived using the Black Scholes valuation model. The significant inputs into the model were weighted average share price of €5.13 at the grant date, exercise price of €0.01 and dividend yield of 4.1 per cent.

9 Long Term Incentive Plans – continued

Cash based long term incentive plan

During the 2017 financial year a 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 balance payable at the end of the three year period in 2020, based on awards outstanding at year end is €1.4 million which has been booked within current provisions in the balance sheet and charged to the income statement within payroll costs in the years ended 31 July 2017, 31 July 2018 and 31 July 2019 in line with the accounting policy on page 131. 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, 2018 and 2019.

During the prior year a second cash based Long Term Incentive Plan for key employees was implemented with similar terms to the 2017 LTIP. The performance conditions for this new scheme are evaluated over a three year period to 31 July 2020. The potential balance payable at the end of the three years is €1.3 million, of which €0.9 million has been booked within non-current provisions in the balance sheet and charged to the income statement within payroll costs in the years ended 31 July 2018 and 31 July 2019. 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 2018 and 2019 and the budget for 2020, resulting in a 41 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

During the current year a new cash based Long Term Incentive Plan for key employees was implemented with similar terms to the 2017 LTIP. The performance conditions for this new scheme are evaluated over a three year period to 31 July 2021. The potential balance payable at the end of the three years is €0.8 million of which €0.1 million has been booked in non-current provisions in the balance sheet and charged to the income statement within payroll costs in the year ended 31 July 2019. 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 2019, the budget for 2020 and a forecast for 2021, resulting in a 50 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.

9 Long Term Incentive Plans – continued

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

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

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

The value of the SAYE scheme at 31 July 2019 is as follows:

	2019 €'000	**2018 €'000**
At 1 August	**383**	330
Charge	**212**	53
At 31 July	**595**	383

Grant date	**Expiry date**	**Option price**	**Exercise Price**	**Share options No of shares 2019**	**Share options No of shares 2018**
1 June 2016	1 June 2019	€1.78	€5.48	**65,951**	234,584
1 June 2017	1 June 2020	€1.93	€5.64	**48,298**	65,818
1 June 2018	1 June 2021	€1.40	€4.20	**378,146**	364,358
1 June 2019	1 June 2022	€1.42	€4.32	**184,697**	–
				677,092	664,760

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

	Scheme 1	**Scheme 2**	**Scheme 3**	**Scheme 4**
Share price	€6.85	€7.05	€5.25	€5.40
Exercise price	€5.48	€5.64	€4.20	€4.32
Term	3 years	3 years	3 years	3 years
Share price volatility	27.3%	30.1%	28.9%	27.9%
Discount rate	3.0%	3.0%	3.0%	3.0%

10 Income tax

	2019 €'000	2018 €'000
Current tax	**15,335**	7,077
Deferred tax	**(6,649)**	1,475
Income tax expense	**8,686**	8,552

	2019 €'000	2018 €'000
Reconciliation of average effective tax rate to Irish corporate tax rate:		
Profit before income tax	**61,406**	65,337
Share of profits of associates and joint venture	**(6,294)**	(7,221)
	55,112	58,116
Taxation based on Irish corporate rate of 12.5 per cent	**6,889**	7,265
Effect of deferred tax rate change	**(46)**	98
Expenses not deductible for tax purposes	**1,645**	1,377
Higher rates of tax on overseas earnings	**2,143**	2,208
Changes in estimate/adjustment in respect of previous periods:		
- Current tax	**(2,633)**	(3,321)
- Deferred tax	**132**	805
Non-taxable income	**-**	(690)
Other	**556**	810
	8,686	8,552

	2019 €'000	2018 €'000
Movement on deferred tax (liability)/asset recognised directly in the Consolidated Statement of Comprehensive Income (Note 23):		
Relating to Group employee benefit schemes	**(450)**	504
Property, plant and equipment	**262**	375
Foreign exchange	**150**	(55)
Hedge related	**(369)**	333
Recognised in the Consolidated Statement of Comprehensive Income	**(407)**	1,157

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.

The applicable tax rate is 15% compared to 14% in the prior year. The increase is primarily driven by movements in profits and changes in estimates in respect of prior periods.

A deferred tax asset of €3.6 million (2018: €3.3 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 €16.1 million (2018: €13.7 million).

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

Notes to the Group Financial Statements

11 Earnings per share

	2019 €'000	2018 €'000
Basic earnings per share		
Profit for the financial year attributable to equity shareholders	**52,720**	56,785

	'000	'000
Weighted average number of ordinary shares for the year	**125,583**	125,582

	Cent	Cent
Basic earnings per share	**41.98**	45.22

Diluted earnings per share

	2019 €'000	2018 €'000
Profit for the financial year attributable to equity shareholders	**52,720**	56,785

	'000	'000
Weighted average number of ordinary shares used in basic calculation	**125,583**	125,582
Impact of shares with a dilutive effect	**478**	120
Impact of the SAYE scheme (Note 9)	**677**	665
Weighted average number of ordinary shares (diluted) for the year	**126,738**	126,367

	Cent	Cent
Diluted earnings per share	**41.60**	44.94

11 Earnings per share – continued

Adjusted basic earnings per share

	2019 '000	2018 '000
Weighted average number of ordinary shares for the year	**125,583**	125,582

	2019 €'000	2018 €'000
Profit for the financial year	**52,720**	56,785
Adjustments:		
Amortisation of non-ERP related intangible assets (Note 14)	**8,769**	5,655
Tax on amortisation of non-ERP related intangible assets	**(1,709)**	(768)
Exceptional items, net of tax	**6,953**	(11)
Adjusted earnings	**66,733**	61,661

	Cent	Cent
Adjusted basic earnings per share	**53.14**	49.10

Adjusted diluted earnings per share

	2019 '000	2018 '000
Weighted average number of ordinary shares used in basic calculation	**125,583**	125,582
Impact of shares with a dilutive effect	**478**	120
Impact of the SAYE scheme (Note 9)	**677**	665
Weighted average number of ordinary shares (diluted) for the year	**126,738**	126,367

	2019 €'000	2018 €'000
Adjusted earnings (as above)	**66,733**	61,661

	Cent	Cent
Adjusted diluted earnings per share	**52.65**	48.80

12 Property, plant and equipment

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total €'000
Cost				
At 1 August 2018	104,777	65,403	7,436	177,616
Additions	3,037	7,838	1,063	11,938
Arising on acquisition (Note 32)	3,585	560	326	4,471
Transfers to properties held for sale (Note 13)	(11,215)	–	–	(11,215)
Write down of properties (Note 3)	(4,100)	–	–	(4,100)
Disposals	(481)	(1,147)	(1,255)	(2,883)
Translation adjustments	(1,451)	(1,391)	151	(2,691)
At 31 July 2019	**94,152**	**71,263**	**7,721**	**173,136**
Accumulated depreciation				
At 1 August 2018	14,354	41,703	3,630	59,687
Depreciation charge for year	1,979	4,972	1,349	8,300
Disposals	(153)	(1,019)	(999)	(2,171)
Translation adjustments	(300)	(797)	6	(1,091)
At 31 July 2019	**15,880**	**44,859**	**3,986**	**64,725**
Net book amounts				
At 31 July 2019	**78,272**	**26,404**	**3,735**	**108,411**
At 31 July 2018	90,423	23,700	3,806	117,929

12 Property, plant and equipment – continued

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total €'000
Cost				
At 1 August 2017	92,279	60,850	7,108	160,237
Additions	4,816	5,796	1,016	11,628
Arising on acquisition	8,837	1,020	230	10,087
Disposals	(1,087)	(2,492)	(819)	(4,398)
Translation adjustments	(68)	229	(99)	62
At 31 July 2018	**104,777**	**65,403**	**7,436**	**177,616**
Accumulated depreciation				
At 1 August 2017	12,836	38,775	3,355	54,966
Depreciation charge for year	1,708	4,804	939	7,451
Disposals	(218)	(1,974)	(635)	(2,827)
Translation adjustments	28	98	(29)	97
At 31 July 2018	**14,354**	**41,703**	**3,630**	**59,687**
Net book amounts				
At 31 July 2018	**90,423**	**23,700**	**3,806**	**117,929**
At 31 July 2017	79,443	22,075	3,753	105,271

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:

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total €'000
At 31 July 2019	**18**	**729**	**483**	**1,230**
At 31 July 2018	–	327	1,079	1,406

13 Investment properties and properties held for sale

	2019 Properties held for sale €'000	2019 Investment properties €'000	2019 Total €'000	2018 Total €'000
At 1 August	–	11,825	11,825	9,675
Held for sale reclassification (i)	8,250	(8,250)	–	–
Transfer from property, plant and equipment (i) (ii) (Note 12)	11,215	–	11,215	–
Disposal of investment properties (iii)	–	(211)	(211)	–
Fair value adjustment (iv)	4,670	857	5,527	2,150
At 31 July	24,135	4,221	28,356	11,825

(i) Following the Cork property transaction announced on 9 July 2019, a number of properties were reclassified as held for sale as it is expected these properties will be sold within 12 months.

(ii) During the year, the Group conducted a review of the property portfolio (Note 12) and transferred sites with a carrying value of €11,215,000 to properties held for sale. The group determined that these properties have significant development potential and are located in areas designated for future development and regeneration.

(iii) During the year, six acres of an investment property were disposed of and resulted in an exceptional gain of €0.5 million

(iv) Measurement of fair value

Properties held for sale

Properties held for sale are carried at fair value and regarded as a Level 3 fair value.

At 31 July 2019 the valuation of the Group's Cork properties and investment properties was determined by the Directors using a market approach with reference to local knowledge and judgement supported by the consideration agreed with a third party for the Cork property transaction announced to the market on 9 July 2019. The conditional agreement is subject to the satisfaction of a number of conditions necessary to realise the full disposal proceeds including the granting of various permissions and approvals and the relocation of the Group's existing operating business at an economically viable cost to an alternative location.

The fair value adjustment consists of a write down of the sites transferred from property, plant and equipment to properties held for sale, offset by an uplift in investment properties transferred to held for sale, resulting in a net gain of €4.7 million

Investment properties

Investment property is carried at fair value and regarded as a Level 2 fair value.

The Directors also commissioned an independent valuations expert to conduct a valuation of the Group's non-Cork docklands investment properties. 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 requirement of the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards 2017 (the "RICS Red Book") published in June 2017.

Following these assessments, an uplift of €857,000 was reflected in the value of the Group's investment properties.

14 Goodwill and intangible assets

		Intangible assets						
	Goodwill €'000	Brand (ii) €'000	Customer related €'000	Supplier agreements €'000	Developed technology €'000	Computer related €'000	ERP (i) related €'000	Total €'000
Cost								
At 1 August 2018	138,112	22,851	80,571	670	6,256	5,877	23,907	278,244
Additions	–	50	40	–	904	2,668	684	4,346
Arising on acquisition (Note 32)	47,873	5,071	4,191	–	15,821	327	–	73,283
Disposals	–	–	–	(649)	–	(150)	–	(799)
Impairment	(7,949)	(1,480)	–	–	–	–	–	(9,429)
Translation adjustment	(1,744)	(216)	(1,636)	(21)	516	(231)	(79)	(3,411)
At 31 July 2019	**176,292**	**26,276**	**83,166**	**–**	**23,497**	**8,491**	**24,512**	**342,234**
Accumulated Amortisation								
At 1 August 2018	–	9,197	34,661	670	643	2,875	13,864	61,910
Amortisation	–	1,191	3,775	–	2,840	963	2,290	11,059
Disposals	–	–	–	(649)	–	(150)	–	(799)
Translation adjustment	–	(208)	(750)	(21)	7	(99)	50	(1,021)
At 31 July 2019	**–**	**10,180**	**37,686**	**–**	**3,490**	**3,589**	**16,204**	**71,149**
Net book value								
At 31 July 2019	**176,292**	**16,096**	**45,480**	**–**	**20,007**	**4,902**	**8,308**	**271,085**
At 31 July 2018	138,112	13,654	45,910	–	5,613	3,002	10,043	216,334

(i) ERP related amortisation is charged to administration expenses within operating costs in the income statement.
(ii) A rebranding of the Group's Ukrainian business commenced during the year resulting in a write down of the carrying value of the Agroscope brand.

Material individual intangible assets are as follows;

Customer Lists with a carrying value of €8.6 million and €5.5 million respectively that have remaining residual lives of 13 and 9 years. Developed technologies with a carrying value of €11.6 million that have remaining residual lives of 7 years.

14 Goodwill and intangible assets – continued

	Goodwill €'000	Intangible assets: Brand €'000	Customer related €'000	Supplier agreements €'000	Developed technology €'000	Computer related €'000	ERP (i) related €'000	Total €'000
Cost								
At 1 August 2017	128,701	22,029	77,276	665	4,446	3,777	22,940	259,834
Additions	–	212	449	–	1,776	2,263	945	5,645
Arising on acquisition	8,933	546	2,518	–	–	–	–	11,997
Disposals	–	–	–	–	–	(167)	–	(167)
Translation adjustment	478	64	328	5	34	4	22	935
At 31 July 2018	**138,112**	**22,851**	**80,571**	**670**	**6,256**	**5,877**	**23,907**	**278,244**
Accumulated Amortisation								
At 1 August 2017	–	8,233	30,973	665	89	2,340	11,573	53,873
Amortisation	–	905	3,505	–	554	691	2,291	7,946
Disposals	–	–	–	–	–	(167)	–	(167)
Translation adjustment	–	59	183	5	–	11	–	258
At 31 July 2018	**–**	**9,197**	**34,661**	**670**	**643**	**2,875**	**13,864**	**61,910**
Net book value								
At 31 July 2018	**138,112**	**13,654**	**45,910**	**–**	**5,613**	**3,002**	**10,043**	**216,334**
At 31 July 2017	128,701	13,796	46,303	–	4,357	1,437	11,367	205,961

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 2019	Pre-tax discount rate 2018	Projection Period 2020/2019	EBIT Growth rate in Year 2 & 3 of Projection Period 2020/2019	Terminal Value Growth Rate 2020/2019	2019 €'000	2018 €'000
Agronomy – UK	**10.2%**	10.5%	**3 years**	**2%**	**2%**	**74,842**	74,566
Amenity	**10.2%**	10.5%	**3 years**	**2%**	**2%**	**8,331**	8,257
Fertiliser	**10.2%**	10.5%	**3 years**	**2%**	**2%**	**13,500**	13,936
Latin America	**14.3%**	–	**3 years**	**5%**	**2%**	**46,399**	–
Ukraine	**17.5%**	15.4%	**3 years**	**7%**	**2%**	**–**	7,763
Poland	**10.8%**	10.9%	**3 years**	**4%**	**2%**	**8,677**	8,686
Belgium	**11.7%**	11.6%	**3 years**	**4%**	**2%**	**2,017**	2,013
Romania	**11.1%**	11.4%	**3 years**	**4%**	**2%**	**22,526**	22,891
						176,292	138,112

Impairment testing of goodwill

The recoverable amounts of cash generating units ('CGUs') are based on value in use computations. The cash flow forecasts used for 2020 (Year 1) are extracted from the 2020 budget document formally approved by senior management. The cash flow projections are based on current operating results of the individual CGUs and a conservative assumption regarding future organic growth. For the purposes of the calculation of value in use, the cash flows are projected over a three-year period with additional cash flows in subsequent years calculated using a terminal value methodology.

The cash flows are discounted using appropriate risk adjusted discount rates as disclosed in the table above. 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, with the exception of Ukraine (see below).

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

During the year ended 31 July 2019, an impairment was recorded against the carrying value of the goodwill which arose on the acquisition of Agroscope in the Ukraine. The total value of the impairment recorded against goodwill was €7.9 million and was treated as an exceptional item in the Consolidated Group Accounts. The recoverable amount of Agroscope was based on a value in use computation and whilst the trading performance of Agroscope over the last number of years has been challenging, historically the results have supported the carrying value held. Trading conditions in FY2019 deteriorated resulting in a reduction in the Agroscope reported earnings before interest and taxation which in turn has impacted the value in use computation resulting in this year the Group fully impairing the value of the goodwill. Management believe this is a reasonable valuation based on prior year performance and the current trading conditions that prevail in the Ukraine.

15 Investments in associates and joint venture

	2019 €'000	2018 €'000
At 1 August	**48,171**	34,206
Share of profits after tax, before exceptional items (Note 7)	**6,717**	7,221
Share of exceptional items, net of tax (Note 7)	**(423)**	–
Dividends received	**(7,037)**	(2,483)
Share of other comprehensive (expense)/income	**(748)**	9,092
Acquisition of equity investment (i)	**1,117**	–
Translation adjustment	**(657)**	135
At 31 July	**47,140**	48,171
Split as follows:		
Total associates	**22,961**	23,265
Total joint venture	**24,179**	24,906
	47,140	48,171

(i) On 12 June 2019, the Group acquired a 20% shareholding in Ferrari Zagatto E Cia Ltda, a Brazilian based agronomy services and crop input distribution business.

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.

Associates and joint venture income statement (100%):	2019 €'000	2018 €'000
Revenue	**807,644**	714,648
Other comprehensive income	**(1,496)**	18,184
Dividends received by Group	**(7,037)**	(2,483)
Exchange differences arising on consolidation	**(657)**	135

The investment in associates and joint venture as at 31 July 2019 is analysed as follows:

	Associates €'000	Joint venture €'000	Total €'000
Non-current assets	**6,174**	**13,937**	**20,111**
Current assets	**33,623**	**32,506**	**66,129**
Non-current liabilities	**(2,857)**	**(4,349)**	**(7,206)**
Current liabilities	**(13,979)**	**(17,915)**	**(31,894)**
At 31 July 2019	**22,961**	**24,179**	**47,140**

The investment in associates and joint venture as at 31 July 2018 is analysed as follows:

	Associates €'000	Joint venture €'000	Total €'000
Non-current assets	11,623	10,781	22,404
Current assets	32,028	34,326	66,354
Non-current liabilities	(8,104)	(4,669)	(12,773)
Current liabilities	(12,282)	(15,532)	(27,814)
At 31 July 2018	**23,265**	**24,906**	**48,171**

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

	2019 €'000	2018 €'000
Non-current		
Other financial assets		
At 1 August	**450**	531
Advances/(repayments) during the year	**178**	(85)
Translation adjustments	**(21)**	4
At 31 July	**607**	450

17 Inventory

	2019 €'000	2018 €'000
Raw materials	**64,698**	54,967
Finished goods	**122,813**	126,044
Consumable stores	**15,295**	13,181
	202,806	194,192

18 Trade and other receivables

	2019 €'000	2018 €'000
Trade receivables (i)	**475,884**	417,462
Amounts due from related parties	**32,207**	14,003
Value added tax	**2,966**	4,136
Other receivables	**3,419**	9,238
Prepayments and accrued income	**14,852**	16,360
	529,328	461,199

(i) Includes rebates from suppliers

19 Trade and other payables

	2019 €'000	2018 €'000
Trade payables (i)	**557,994**	534,223
Accruals and other payables	**83,583**	70,582
Amounts due to other related parties	**8,164**	6,027
Income tax and social insurance	**9,046**	5,103
Value added tax	**27,388**	22,226
	686,175	638,161

(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 2019 approximately €25.7 million (2018: €15.2 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 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.

	2019 €'000	2018 €'000
Cash at bank and in hand	**111,830**	147,212
Bank overdrafts (Note 21)	**(23,945)**	(20,653)
Included in the Consolidated Statement of Cash Flows	**87,885**	126,559

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.

21 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.

	2019 €'000	2018 €'000
Included in non-current liabilities:		
Bank loans	**162,571**	164,553
Finance leases	**665**	679
Non-current interest-bearing loans and borrowings	**163,236**	165,232
Included in current liabilities:		
Bank overdrafts	**23,945**	20,653
Finance leases	**245**	183
Current interest-bearing loans and borrowings	**24,190**	20,836
Total interest-bearing loans and borrowings	**187,426**	186,068

21 Interest-bearing loans and borrowings - continued

Analysis of net debt

	2018 €'000	Cash flow €'000	Acquisition €'000	Non-cash movements €'000	Translation adjustment €'000	2019 €'000
Cash	147,212	(38,334)	4,060	–	(1,108)	**111,830**
Overdraft	(20,653)	(2,102)	–	–	(1,190)	**(23,945)**
Cash and cash equivalents	126,559	(40,436)	4,060	–	(2,298)	**87,885**
Finance lease obligations	(862)	(67)	–	–	19	**(910)**
Loans	(164,553)	9,564	(8,179)	(667)	1,264	**(162,571)**
Net debt	**(38,856)**	**(30,939)**	**(4,119)**	**(667)**	**(1,015)**	**(75,596)**
Restricted cash	500	(500)	–	–	–	**–**
Net debt including restricted cash	**(38,356)**	**(31,439)**	**(4,119)**	**(667)**	**(1,015)**	**(75,596)**

	2017 €'000	Cash flow €'000	Non-cash movements €'000	Translation adjustment €'000	2018 €'000
Cash	162,631	(15,432)	–	13	147,212
Overdraft	(15,916)	(4,985)	–	248	(20,653)
Cash and cash equivalents	146,715	(20,417)	–	261	126,559
Finance lease obligations	(739)	(7)	(128)	12	(862)
Loans	(177,426)	16,387	(677)	(2,837)	(164,553)
Net debt	(31,450)	(4,037)	(805)	(2,564)	(38,856)
Restricted cash	–	500	–	–	500
Net debt including restricted cash	(31,450)	(3,537)	(805)	(2,564)	(38,356)

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.

21 Interest-bearing loans and borrowings - continued

The details of outstanding loans are as follows:

	Currency	Nominal value €'000	Carrying amount €'000
2019			
Unsecured loan facility:			
- term facility maturing in May 2024	**EUR**	**59,000**	**58,280**
- term facility maturing in May 2024	**STG**	**65,431**	**64,633**
- term facility maturing in May 2024	**PLN**	**9,777**	**9,658**
- term facility maturing in September 2021	**EUR**	**30,000**	**30,000**
		164,208	**162,571**
2018			
Unsecured loan facility:			
- term facility maturing in May 2022	**EUR**	32,000	31,656
- term facility maturing in May 2022	**STG**	67,545	66,818
- term facility maturing in May 2022	**RON**	26,684	26,398
- term facility maturing in May 2022	**PLN**	9,787	9,681
- term facility maturing in September 2021	**EUR**	30,000	30,000
		166,016	164,553

At 31 July 2019, the average interest rate being paid on the Group's borrowings was 1.58 per cent (2018: 1.94 per cent).

	2019 €'000	2018 €'000
Repayment schedule – loans, overdrafts and finance leases		
Within one year	**24,190**	20,836
Between one and five years	**163,236**	165,232
Loans and overdrafts	**187,426**	186,068

Guarantees

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

22 Financial instruments and financial risk

The effect of initially applying IFRS 9 on the Group's financial instruments is described in the Accounting Policies Note on page 127. The following table outlines the financial assets and liabilities held by the Group at the balance sheet date:

	Fair value hierarchy	Financial Instruments at fair value through OCI €'000	Financial Instruments at fair value through PL €'000	Financial assets/ (liabilities) at amortised cost €'000	Total carrying value €'000	Fair value €'000
2019						
Other financial assets		–	–	607	607	607
Trade and other receivables		–	–	511,510	511,510	511,510
Derivative financial assets	Level 2	2,345	–	–	2,345	2,345
Cash and cash equivalents		–	–	111,830	111,830	111,830
Total financial assets		**2,345**	**–**	**623,947**	**626,292**	**626,292**
Trade and other payables		–	–	(649,741)	(649,741)	(649,741)
Contingent consideration	Level 3	–	(13,431)	–	(13,431)	(13,431)
Bank overdrafts		–	–	(23,945)	(23,945)	(23,945)
Bank borrowings (greater than one year)	Level 2	–	–	(162,571)	(162,571)	(162,571)
Finance lease liabilities		–	–	(910)	(910)	(910)
Put option liability	Level 3	(29,607)	–	–	(29,607)	(29,607)
Derivative financial liabilities	Level 2	(1,399)	–	–	(1,399)	(1,399)
Total financial liabilities		**(31,006)**	**(13,431)**	**(837,167)**	**(881,604)**	**(881,604)**

2018	Fair value hierarchy	Financial Instruments at fair value €'000	Loans and receivables €'000	Financial assets/ (liabilities) at amortised cost €'000	Total carrying value €'000	Fair value €'000
Other financial assets		–	450	–	450	450
Trade and other receivables		–	440,703	–	440,703	440,703
Derivative financial assets	Level 2	2,234	–	–	2,234	2,234
Cash and cash equivalents		–	147,212	–	147,212	147,212
Total financial assets		**2,234**	**588,365**	**–**	**590,599**	**590,599**
Trade and other payables		–	–	(613,795)	(613,795)	(613,795)
Contingent consideration	Level 3	(7,591)	–	–	(7,591)	(7,591)
Bank overdrafts		–	–	(20,653)	(20,653)	(20,653)
Bank borrowings (greater than one year)	Level 2	–	–	(164,553)	(164,553)	(164,553)
Finance lease liabilities		–	–	(862)	(862)	(862)
Put option liability	Level 3	(5,531)	–	–	(5,531)	(5,531)
Derivative financial liabilities	Level 2	(218)	–	–	(218)	(218)
Total financial liabilities		**(13,340)**	**–**	**(799,863)**	**(813,203)**	**(813,203)**

22 Financial instruments and financial risk – continued

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.

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 24.

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 2019 was €85,462,000 (2018: €100,012,000).

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 2019 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 2019 were €101,716,000 (2018: €103,836,000).

At 31 July 2019, the average fixed interest rate on the swap portfolio was 0.72 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 2019 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.

22 Financial instruments and financial risk – continued

Estimation of fair values – continued

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 an appropriate discount rate. 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 25.

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 2019. 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

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.

22 Financial instruments and financial risk – continued

Credit risk – continued

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 2019 €'000	Carrying amount 2018 €'000
Other financial assets	**607**	450
Trade and other receivables	**511,510**	440,703
Cash and cash equivalents	**111,830**	147,212
Derivative financial assets	**2,345**	2,234
	626,292	590,599

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 2019 €'000	Carrying amount 2018 €'000
Ireland and United Kingdom	**181,676**	174,868
Continental Europe	**273,621**	242,594
Latin America	**20,587**	–
	475,884	417,462

22 Financial instruments and financial risk – continued

Credit risk – continued

At 31 July 2019 trade receivables of €391,960,000 (2018: €355,280,000) were not past due and were not impaired. These receivable balances 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 loss allowances in respect of specific amounts expected to be irrecoverable;

	2019		2018	
	Gross €'000	Impairment €'000	Gross €'000	Impairment €'000
Not past due	**395,218**	**(3,258)**	355,280	–
Past due 0-30 days	**49,930**	**(765)**	50,846	(3,379)
Past due 31-120 days	**25,378**	**(3,133)**	14,010	(2,535)
Past due +121 days	**27,047**	**(14,533)**	13,660	(10,420)
At 31 July	**497,573**	**(21,689)**	433,796	(16,334)

An analysis of movement in loss allowances in respect of trade receivables was as follows:

	2019 €'000	2018 €'000
1 August	**(16,334)**	(12,036)
Charge to the Consolidated Income Statement	**(6,502)**	(4,389)
Receivables written off as uncollectable	**1,023**	18
Translation adjustments	**124**	73
31 July	**(21,689)**	(16,334)

The Group also manages credit risk through the use of a receivable purchase agreement with a financial institution. Under the terms of this non-recourse agreement, the Group has transferred credit risk of certain trade receivables amounting to €25.4 million as at 31 July 2019 (2018: €22.5 million). The Group has continued to recognise an asset of €2,539,000 (2018: €2,425,000) representing the extent of its continuing involvement.

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 twelve-month period following the year end. As at 31 July 2019, 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 21.

22 Financial instruments and financial risk – continued

Liquidity risk – continued

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
2019						
Variable rate bank loans	(162,571)	(173,835)	(1,284)	(1,284)	(2,569)	(168,698)
Trade and other payables	(649,741)	(649,741)	(649,741)	–	–	–
Contingent consideration	(13,431)	(13,660)	(10,020)	(408)	(2,250)	(982)
Put option liability	(29,607)	(37,297)	–	–	–	(37,297)
Derivative financial liabilities						
Interest rate swaps used for hedging	(912)	(912)	–	–	(83)	(829)
Currency forward contracts used for hedging						
– Inflows	15,723	15,723	15,490	233	–	–
– Outflows	(16,210)	(16,210)	(15,972)	(238)	–	–
	(1,399)	**(1,399)**	**(482)**	**(5)**	**(83)**	**(829)**

	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 – 12 months €'000	1 – 2 years €'000	2 – 5 years €'000
2018						
Variable rate bank loans	(164,553)	(176,121)	(1,596)	(1,596)	(3,192)	(169,737)
Trade and other payables	(613,795)	(613,795)	(613,795)	–	–	–
Contingent consideration	(7,591)	(7,870)	(1,093)	(726)	(3,068)	(2,983)
Put option liability	(5,531)	(5,531)	–	–	(5,531)	–
Derivative financial liabilities						
Interest rate swaps used for hedging	(46)	(46)	–	–	–	(46)
Currency forward contracts used for hedging						
– Inflows	25,515	25,515	23,690	1,825	–	–
– Outflows	(25,687)	(25,687)	(23,857)	(1,830)	–	–
	(218)	**(218)**	**(167)**	**(5)**	**–**	**(46)**

22 Financial instruments and financial risk – continued

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:

	2019		2018	
	Assets €'000	Liabilities €'000	Assets €'000	Liabilities €'000
Cash flow hedges				
Currency forward contracts	**2,345**	**(487)**	1,399	(172)
Interest rate swaps	**–**	**(912)**	835	(46)
At 31 July	**2,345**	**(1,399)**	2,234	(218)

Cash flow hedges

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

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

Market risk

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

Currency risk

In addition to the Group's operations carried out in eurozone economies, it also has significant operations in the United Kingdom and certain operations in Brazil, 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.

22 Financial instruments and financial 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
2019					
Trade receivables	**–**	**1,135**	**–**	**2,332**	**3,467**
Cash and cash equivalents	**(182)**	**7,789**	**15,652**	**1,722**	**24,981**
Other payables	**–**	**(38,965)**	**(603)**	**(18,226)**	**(57,794)**
	(182)	**(30,041)**	**15,049**	**(14,172)**	**(29,346)**
2018					
Trade receivables	–	3,787	–	185	3,972
Cash and cash equivalents	9	3,359	3,668	3,764	10,800
Other payables	–	(11,606)	(662)	(4,229)	(16,497)
	9	(4,460)	3,006	280	(1,725)

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 2019 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 2018.

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
2019		
Dollar	**1,417**	**(1,417)**
Sterling	**(1,505)**	**1,505**
Romanian Leu	**18**	**(18)**
At 31 July 2019	**(70)**	**70**
2018		
Dollar	28	(28)
Sterling	301	(301)
Romanian Leu	1	(1)
At 31 July 2018	330	(330)

22 Financial instruments and financial 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 2019 €'000	Carrying amount 2018 €'000
Fixed-rate instruments		
Finance lease liabilities	**(910)**	(862)
At 31 July	**(910)**	(862)
Variable rate instruments		
Interest-bearing borrowings	**(162,571)**	(164,553)
Bank overdraft	**(23,945)**	(20,653)
Cash and cash equivalents	**111,830**	147,212
At 31 July	**(74,686)**	(37,994)
Total interest-bearing financial instruments	**(75,596)**	(38,856)

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 2018.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

	Principal amount €'000	Income statement 50 bp increase €'000
2019		
Unhedged variable rate instruments	**(60,855)**	(304)
Bank overdraft	**(23,945)**	(120)
Cash flow sensitivity (net)	**(84,800)**	(424)
2018		
Unhedged variable rate instruments	**(60,717)**	(304)
Bank overdraft	**(20,653)**	(103)
Cash flow sensitivity (net)	**(81,370)**	(407)

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

23 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:

	2019 €'000	2018 €'000
Deferred tax assets (deductible temporary differences)		
Pension related	**860**	480
Property, plant and equipment	**110**	30
Intangibles	**1**	–
Hedge related	**62**	–
Other deductible temporary differences	**2,587**	2,770
Total	**3,620**	3,280
Deferred tax liabilities (taxable temporary differences)		
Property, plant and equipment	**(4,078)**	(5,734)
Investment property	**–**	(2,264)
Pension related	**(101)**	(91)
Intangibles	**(16,350)**	(9,926)
Hedge related	**–**	(316)
Other	**(2,614)**	(3,840)
Total	**(23,143)**	(22,171)
Net deferred tax liability	**(19,523)**	(18,891)

23 Deferred tax – continued

Movements in deferred tax assets and liabilities, during the year, were as follows:

	Property, plant and equipment €'000	Investment property €'000	Hedge related €'000	Pension related €'000	Intangibles €'000	Other €'000	Total €'000
2019							
At 1 August 2018	**(5,704)**	**(2,264)**	**(316)**	**389**	**(9,926)**	**(1,070)**	**(18,891)**
Recognised in the Consolidated Income Statement	**1,440**	**2,264**	**9**	**(64)**	**1,893**	**1,107**	**6,649**
Acquisitions related	**494**	**–**	**–**	**–**	**(8,304)**	**–**	**(7,810)**
Recognised in Other Comprehensive Income	**(262)**	**–**	**369**	**450**	**–**	**(150)**	**407**
Foreign exchange and other	**64**	**–**	**–**	**(16)**	**(12)**	**86**	**122**
At 31 July 2019	**(3,968)**	**–**	**62**	**759**	**(16,349)**	**(27)**	**(19,523)**
2018							
At 1 August 2017	(4,592)	(1,620)	17	1,454	(9,831)	494	(14,078)
Recognised in the Consolidated Income Statement	91	(644)	–	(563)	768	(1,107)	(1,455)
Acquisitions related	(815)	–	–	–	(811)	(428)	(2,054)
Recognised in Other Comprehensive Income	(375)	–	(333)	(504)	–	55	(1,157)
Foreign exchange and other	(13)	–	–	2	(52)	(84)	(147)
At 31 July 2018	(5,704)	(2,264)	(316)	389	(9,926)	(1,070)	(18,891)

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.

24 Provision for liabilities

The estimate of provisions is a key judgement in the preparation of the financial statements.

	Contingent acquisition consideration €'000 (i)	Rationalisation €'000 (ii)	Other €'000 (iii)	Total €'000
2019				
At beginning of year	7,591	1,494	4,427	**13,512**
Arising on acquisition (Note 32)	8,508	–	–	**8,508**
Provided in year	–	–	1,120	**1,120**
Paid in year	(1,705)	(979)	(587)	**(3,271)**
Released in year	(1,111)	(263)	–	**(1,374)**
Currency translation adjustment	148	(1)	(24)	**123**
At end of year	**13,431**	**251**	**4,936**	**18,618**
Current	**10,410**	**251**	**3,791**	**14,452**
Non-current	**3,021**	**–**	**1,145**	**4,166**
2018				
At beginning of year	9,289	3,902	2,273	**15,464**
Arising on acquisition (Note 32)	500	–	2,495	**2,995**
Provided in year	–	991	1,016	**2,007**
Paid in year	(1,627)	(3,334)	(3)	**(4,964)**
Released in year	(622)	(115)	(1,400)	**(2,137)**
Currency translation adjustment	51	50	46	**147**
At end of year	**7,591**	**1,494**	**4,427**	**13,512**
Current	**1,817**	**1,494**	**2,156**	**5,467**
Non-current	**5,774**	**–**	**2,271**	**8,045**

(i) Contingent acquisition consideration relates to the acquisition of Comfert SRL ('Comfert') in December 2015, R&T Liming in March 2016, Resterra Group ('Resterra') in March 2017, Fortgreen in August 2018, Symbio in November 2018 and Vegetable Consulting Services Ltd (VCS) in March 2019. The amount attributable to Comfert is €0.5 million, R&T Liming €0.2 million, Resterra €4.1 million, Fortgreen €6.9 million, Symbio €0.1 million and VCS €1.6 million.

(ii) Rationalisation costs relate to termination payments arising from the restructuring of Agri-Services in the UK.

(iii) Other provisions relate to various onerous leases, operating and employment related costs.

25 Put option liability

	2019 €'000	2018 €'000
At 1 August	**5,531**	5,450
Fair value adjustment (i)	**(1,937)**	(79)
Arising on acquisition (Note 32)	**26,433**	–
Interest payable (Note 4)	**–**	160
Change in fair value of put option (ii)	**2,114**	–
Repayments	**(3,594)**	–
Translation adjustment	**1,060**	–
At 31 July	**29,607**	5,531

(i) During the year, the put option which arose on the acquisition of Agroscope was exercised and resulted in the Group acquiring 100% of the business. The Agroscope put option was accounted for in substance as contingent consideration and resulted in a credit to exceptional items in the income statement (Note 3).

(ii) As part of the Fortgreen acquisition, the Group entered into an arrangement with the minority shareholder, under which the minority shareholder has the right at various dates to sell the remaining 35 per cent interest to Origin based on an agreed formula. In the event that this is not exercised, Origin has a similar right to acquire the 35 per cent interest. Origin recognised an option liability of €26.4 million which is the fair value of the future estimated amount payable to exercise the option. This has been determined based on an agreed formula which includes an expectation of future trading performance and timing of when the options are expected to be exercised, discounted to present day value.

The assumption is that the holder of the Put Option will exercise this option during 2022.

26 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 2019 was €1,476,000 (2018: surplus of €725,000).

The pension credit included in the Consolidated Income Statement for the year in respect of the Group's defined benefit schemes was €15,000 (2018: charge of €632,000) and a charge of €3,635,000 (2018: €2,957,000) in respect of the Group's defined contribution schemes.

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

	2019 €'000	2018 €'000
(Deficit)/surplus in defined benefit schemes	**(1,476)**	725

26 Post employment benefit obligations – continued

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 2019 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 2020 are €142,000 and €1,232,000 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 2019 and 31 July 2018 are as follows:

	2019	2018
Republic of Ireland schemes		
Rate of increase in salaries	**0.00%-2.35%**	0.00%-2.35%
Discount rate on scheme liabilities	**1.20%**	2.10%
Inflation rate	**1.50%**	1.75%

UK scheme		
Rate of increase in salaries	**0.00%-3.50%**	0.00%-3.40%
Rate of increases in pensions in payment and deferred benefits	**0.00%-3.80%**	0.00%-3.70%
Discount rate on scheme liabilities	**2.10%**	2.70%
Inflation rate	**2.70%**	2.60%

26 Post employment benefit obligations – 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:

	2019 ROI	2019 UK	2018 ROI	2018 UK
Male	**24.2**	**22.9**	24.1	23.1
Female	**26.2**	**25.0**	26.1	25.0

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

	2019 ROI	2019 UK	2018 ROI	2018 UK
Male	**22.5**	**21.8**	22.4	21.9
Female	**24.3**	**23.7**	24.3	23.8

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 7.4% / increase by 8.5%
Price inflation	Increase/decrease 0.50%	Increase / decrease by 0.8%
Salary	Increase/decrease 0.50%	Increase / decrease by 0.0%
Mortality	Increase/decrease by one year	Increase / decrease by 2.7%

UK scheme

Assumption	Change in assumption	Impact on plan liabilities
Discount rate	Increase/decrease 0.50%	Decrease by 7.4% / increase by 8.4%
Price inflation	Increase/decrease 0.50%	Increase by 4.3% / decrease by 4.5%
Salary	Increase/decrease 0.50%	Increase by 0.7% / decrease by 0.2%
Mortality	Increase/decrease by one year	Decrease / increase by 3.9%

26 Post employment benefit obligations – continued

	2019 ROI €'000	2019 UK €'000	2019 Total €'000
Net pension asset/(liability)			
Market value of scheme assets:			
Equities	2,810	–	2,810
Bonds	10,661	–	10,661
Property	2,210	713	2,923
Investment funds	–	73,631	73,631
Insurance policy and insurance annuity	–	7,130	7,130
Other	2,562	5,864	8,426
Total market value of assets	18,243	87,338	105,581
Present value of scheme obligations	(17,431)	(89,626)	(107,057)
Asset/(liability) in the schemes	812	(2,288)	(1,476)

	2018 ROI €'000	2018 UK €'000	2018 Total €'000
Net pension asset/(liability)			
Market value of scheme assets:			
Equities	2,635	16,203	18,838
Bonds	8,975	–	8,975
Property	4,806	676	5,482
Investment funds	–	58,373	58,373
Insurance policy and insurance annuity	–	6,750	6,750
Other	53	677	730
Total market value of assets	16,469	82,679	99,148
Present value of scheme obligations	(15,525)	(82,898)	(98,423)
Asset/(liability) in the schemes	944	(219)	725

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

The major categories of scheme assets are as follows:

	2019 ROI	2019 UK
Split of scheme assets:		
Equities		
– Developed	14.0%	0%
– Emerging	1.0%	0%
Bonds		
– Government	59.0%	0%
Property – Ireland and UK	12.0%	1.0%
Other	14.0%	7.0%
Investment funds	0.0%	84.0%
Insurance policy and insurance annuity	0.0%	8.0%
	100.0%	100.0%

26 Post employment benefit obligations – continued

The major categories of scheme assets are as follows:

	2018 ROI	2018 UK
Split of scheme assets:		
Equities		
– Developed	15.0%	19.0%
– Emerging	1.0%	1.0%
Bonds		
– Government	55.0%	0.0%
Property – Ireland and UK	29.0%	1.0%
Investment funds	0.0%	71.0%
Insurance policy and insurance annuity	0.0%	8.0%
	100.0%	100.0%

Movement in the fair value of scheme assets

	2019 €'000	2018 €'000
Fair value of assets at 1 August	**99,148**	96,880
Interest income	**2,571**	2,350
Remeasurements:		
– Return on plan assets excluding amounts included in interest income	**8,350**	2,253
Employer contributions	**1,298**	1,404
Employee contributions	**153**	161
Settlement payments	**(24)**	(845)
Benefit payments	**(3,042)**	(3,674)
Translation adjustments	**(2,873)**	619
Fair value of assets at 31 July	**105,581**	99,148

As at 31 July 2019 and 2018 the pension schemes held no shares in Origin Enterprises plc

Movement in the present value of scheme obligations

	2019 €'000	2018 €'000
Value of scheme obligations at 1 August	**(98,423)**	(100,526)
Current service costs	**(527)**	(552)
Past service costs	**(30)**	–
Gain on settlement	**548**	–
Interest on scheme obligations	**(2,547)**	(2,430)
Employee contributions	**(153)**	(161)
Settlement payments	**24**	845
Benefit payments	**3,042**	3,674
Remeasurements:		
– Experience gain/(loss)	**388**	(274)
– Effect of changes in demographic assumptions	**(813)**	1,172
– Effect of changes in financial assumptions	**(11,524)**	477
Translation adjustments	**2,958**	(648)
Value of scheme obligations at 31 July	**(107,057)**	(98,423)

26 Post employment benefit obligations – continued

Movement in net (liability)/asset recognised in the Consolidated Statement of Financial Position:

	2019 €'000	2018 €'000
Net liability in schemes at 1 August	**725**	(3,646)
Current service cost	**(527)**	(552)
Past service cost	**(30)**	–
Gain on settlement	**548**	–
Employer contributions	**1,298**	1,404
Other finance income/(expense)	**24**	(80)
Remeasurements	**(3,599)**	3,628
Translation adjustments	**85**	(29)
Net (liability)/asset in schemes at 31 July	**(1,476)**	725

Analysis of defined benefit expense recognised in the Consolidated Income Statement:

	2019 €'000	2018 €'000
Current service cost	**(527)**	(552)
Past service cost	**(30)**	–
Gain on settlement	**548**	–
Total recognised in operating profit	**(9)**	(552)
Net interest income/(cost) (included in financing costs Note 4)	**24**	(80)
Net credit/(charge) to Consolidated Income Statement	**15**	(632)

Maturity analysis

The maturity profile of the Group's defined benefit obligation (on a discounted basis) is as follows:

	2019 ROI €'000	2019 UK €'000	2019 Total €'000
Within one year	**322**	**2,289**	**2,611**
Between one and two years	**348**	**2,450**	**2,798**
Between two and three years	**372**	**2,553**	**2,925**
Between three and four years	**397**	**2,638**	**3,035**
Between four and five years	**443**	**2,772**	**3,215**
After five years	**15,549**	**76,924**	**92,473**
Total	**17,431**	**89,626**	**107,057**

	2018 ROI €'000	2018 UK €'000	2018 Total €'000
Within one year	273	2,238	2,511
Between one and two years	304	2,387	2,691
Between two and three years	361	2,609	2,970
Between three and four years	390	2,776	3,166
Between four and five years	422	2,929	3,351
After five years	13,775	69,959	83,734
Total	**15,525**	**82,898**	**98,423**

Notes to the Group Financial Statements

26 Post employment benefit obligations – continued

Average duration and scheme composition

	2019 ROI	2019 UK
Average duration of defined benefit obligation (years)	**17.7**	**17.0**

	2018 ROI	2018 UK
Average duration of defined benefit obligation (years)	18.3	17.0

	2019 ROI	2019 UK	2019 Total
Allocation of defined benefit obligation by participant:	**€'000**	**€'000**	**€'000**
Active plan participants	**3,890**	**18,787**	**22,677**
Deferred plan participants	**7,896**	**35,121**	**43,017**
Retirees	**5,645**	**35,718**	**41,363**
	17,431	**89,626**	**107,057**

	2018 ROI	2018 UK	2018 Total
Allocation of defined benefit obligation by participant:	€'000	€'000	€'000
Active plan participants	3,655	16,130	19,785
Deferred plan participants	7,521	31,457	38,978
Retirees	4,349	35,311	39,660
	15,525	**82,898**	**98,423**

Defined benefit pension credit recognised in Other Comprehensive Income

	2019 €'000	2018 €'000
Remeasurement gain on scheme assets	**8,350**	2,253
Remeasurement (loss)/gain on scheme liabilities:		
Effect of experience gains/(losses) on scheme liabilities	**388**	(274)
Effect of changes in demographical and financial assumptions	**(12,337)**	1,649
Remeasurements	**(3,599)**	3,628
Deferred tax	**450**	(504)
Defined benefit pension credit recognised in the Consolidated Statement of Comprehensive Income	**(3,149)**	3,124

The cumulative loss recognised in the Consolidated Statement of Comprehensive Income is €29,804,000 (2018: €26,655,000). The actual return on the plan assets was €10,921,000 (2018: €4,603,000).

Notes to the Group Financial Statements

27 Share capital

	2019 €'000	2018 €'000
Authorised		
250,000,000 ordinary shares of €0.01 each (i)	**2,500**	2,500
Allotted, called up and fully paid		
126,396,184 (2018: 126,382,206) 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 in the three years to 31 July 2015. The remaining 800,330 ordinary shares continue to be held as treasury shares.

(iii) In July 2019, the issued ordinary share capital was increased by the issue of 13,978 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.

28 Dividends

The Board is recommending a final dividend of 18.17 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 21.32 cent per share (total dividend of €26.9 million) (2018: 21.0 cent per share), an increase of 1.5%. Subject to shareholders' approval at the Annual General Meeting, the dividend will be paid on 13 December 2019 to shareholders on the register on 29 November 2019. In accordance with IFRS, this dividend has not been provided for in the Consolidated Statement of Financial Position as at 31 July 2019.

29 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 21) to EBITDA and interest cover ratio (interest as a percentage of EBIT) to support a prudent capital base and ensure a long term sustainable business;

> to comply with covenants as determined by debt providers;

> to achieve an adequate return for investors; and

> to apply a dividend policy which takes into account the level of peer group dividends, the Group's financial performance and position, the Group's future outlook and other relevant factors including tax and other legal considerations.

The Group employs two key target ratios to monitor equity and to be compliant with its bank covenants:

> the Group's net debt to EBITDA ratio is below 3.50. The ratio is 0.87 times at 31 July 2019 (2018: 0.54), 31 January 2019 2.57 times (2018: 2.17 times); and

> the Group's interest cover (EBITDA to interest) is above 3.00. The ratio is 8.06 times at 31 July 2019 (2018: 9.81), 31 January 2019 9.25 times (2018: 11.24 times).

30 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.

	2019 €'000	2018 €'000
Within one year	**7,511**	7,686
In two to five years	**14,989**	15,507
After more than five years	**19,775**	15,316
	42,275	38,509

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 2019 €'000
At 31 July 2019				
Contracted for but not provided for	**137**	**444**	**139**	**720**

	Land and buildings €'000	Plant and machinery €'000	Other €'000	Total 2018 €'000
At 31 July 2018				
Contracted for but not provided for	–	583	–	583

Future purchase commitments: Software Development	Total 2019 €'000	Total 2018 €'000
Contracted for but not provided for	**25**	-
Total	**25**	-

The Group has a financial commitment of €6.9 million attributable to a strategic partnership with University College Dublin ('UCD'). The commitment is over a five year period.

31 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:

	2019				
	Sale of goods €'000	Purchase of goods €'000	Receiving services from €'000	Rendering services to €'000	Total €'000
Transactions with joint venture	**–**	**(117,985)**	**–**	**214**	**(117,771)**
Transactions with associates	**68,321**	**(316)**	**(728)**	**768**	**68,045**

	2018				
	Sale of goods €'000	Purchase of goods €'000	Receiving services from €'000	Rendering services to €'000	Total €'000
Transactions with joint venture	–	(114,339)	–	446	(113,893)
Transactions with associates	62,832	(562)	(718)	1,101	62,653
Transactions with other	106	–	–	–	106

The trading balances owing to the Group from related parties were €32,207,000 (2018: €14,003,000) and the trading balances owing from the Group to these related parties were €8,164,000 (2018: €6,027,000). Other financial assets on the Consolidated Statement of Financial Position primarily comprise of €546,000 (2018: €450,000) in relation to a loan to West Twin Investments Limited.

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.

	2019 €'000	2018 €'000
Salaries and other short term employee benefits	**3,390**	3,073
Post employment benefits	**251**	245
Share-based payments	**573**	123
Other long term employee benefits	**80**	105
Total	**4,294**	3,546

32 Acquisition of subsidiary undertakings

During the period, the Group completed the acquisition of Fortgreen Commercial Agricola Ltda (`Fortgreen') in Brazil, the acquisition of Symbio Group (`Symbio') in the United Kingdom and the acquisition of Vegetable Consulting Services Limited (`VCS'). These acquisitions complement the Group's prescription fertilisers and speciality nutrition business.

Details of the acquisitions are as follows:

(i) On 14 August 2018 the Group acquired a 65 per cent controlling interest in the Brazilian based speciality nutrition and crop inputs business, Fortgreen Commercial Agricola Ltda.

(ii) On 20 November 2018 the Group completed the acquisition of 100 per cent of Eco Solutions (C & R) Limited trading as Symbio. Based in the United Kingdom, Symbio specialises in biological based crop technologies.

(iii) On 31 March 2019 the Group completed the acquisition of 100 per cent of Vegetable Consulting Services (UK) Limited. Based in the United Kingdom, VCS provides agronomy consultancy services.

The acquisition method has been used to account for businesses acquired in the Group's financial statements. Given that the valuation of the fair value of assets and liabilities recently acquired for Symbio and VCS is still in progress, the following values included for these are determined provisionally. The valuation of these assets and liabilities will be completed within the measurement period.

For the acquisitions completed in 2018, there have been no material revisions of the provisional fair value adjustments since the initial values were established.

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

32 Acquisition of subsidiary undertakings – continued

	Fair value €'000
Assets	
Non-current	
Property, plant & equipment	4,471
Intangible assets	25,410
Deferred tax asset	830
Total non-current assets	**30,711**
Current assets	
Inventory	6,078
Trade receivables	16,082
Total current assets	**22,160**
Liabilities	
Trade payables and other	(11,425)
Corporation tax	(1,005)
Deferred tax liability	(8,640)
Interest-bearing borrowings	(8,179)
Total liabilities	**(29,249)**
Total identifiable net assets at fair value (excluding cash acquired)	23,622
Goodwill arising on acquisition	47,873
Total net assets acquired (excluding cash acquired)	**71,495**
Consideration satisfied by:	
Cash consideration	40,614
Cash acquired	(4,060)
Net cash outflow	**36,554**
Put option arising from acquisition	26,433
Contingent consideration arising from acquisition	8,508
Consideration	**71,495**

32 Acquisition of subsidiary undertakings - continued

Origin acquired a 65 per cent interest in Fortgreen for cash consideration on 14 August 2018. The Group has also entered into an arrangement with the minority shareholder, under which the minority shareholder has the right at various dates to sell the remaining 35 per cent interest to Origin based on an agreed formula. In the event that this is not exercised, Origin has a similar right to acquire the 35 per cent interest. Origin has recognised an option liability of €26.4 million which is the fair value of the future estimated amount payable to exercise the option. This has been determined based on an agreed formula which includes an expectation of future trading performance and timing of when the options are expected to be exercised, discounted to present day value.

Origin has elected to apply the anticipated acquisition method in accounting for the option whereby the non-controlling interest is not recognised but rather treated as already acquired by Origin 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 and timing of the option contracts sufficient risks and rewards are deemed to have transferred to Origin. Profits and losses attributable to the minority shareholder in respect of their 35 per cent interest will be presented as attributable to the equity shareholders of Origin and not as attributable to minority interests. The €26.4 million financial liability recognised by the Group forms part of the contingent consideration for the acquisition. For all new liabilities recognised in respect of shares held by non-controlling shareholders, all movements in the fair value of such options will be recognised in retained earnings.

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.

Contingent consideration of €6.9 million arose on the acquisition of Fortgreen. This is based on an agreed earnings before interest tax, depreciation and amortisation based formula.

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 arrangements for all current year acquisitions range from zero to €8.5 million.

Post acquisition revenues and operating profit relating to the current year acquisitions amounted to €35.9 million and €10.7 million (2018: €76.1 million and €3.3 million). If the acquisitions had occurred on 1 August 2018, management estimates that consolidated revenue would have been €39.8 million (2018: €88.3 million) and consolidated operating profit for the year would have been €11.8 million (2018: €4.5 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 2018 (2018: 1 August 2017).

33 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:

33 Accounting estimates and judgements – continued

Note 3	Exceptional items
Note 10	Income Tax
Note 13	Investment properties and properties held for sale
Note 14	Goodwill and intangible assets- measurement of the recoverable amounts of CGUs, useful lives of intangibles
Note 18	Trade and other receivables
Note 25	Put option liability
Note 26	Post employment benefit obligations

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.

Investment properties and properties held for sale are based on fair values derived from current estimated market values for the properties, being the amount that would be received from a sale of the assets in an orderly transaction between market participants. The valuation of investment properties and properties held for sale is inherently subjective and is based on macro-economic factors which are outside of the Group's control or influence.

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.

An element of judgement is required in estimating a portion of the rebates receivable from suppliers in 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.

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 payment. 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.

As part of the Fortgreen acquisition, the Group entered into an arrangement with the minority shareholder, under which the minority shareholder has the right at various dates to sell the remaining 35 per cent interest to Origin. In the event that this is not exercised, Origin has a similar right to acquire the 35 per cent interest. Origin has recognised an option liability of €26.4 million which is the fair value of the future estimated amount payable to exercise the option. The valuation of the put option liability has been determined based on an agreed formula which includes an expectation of future trading performance and an estimated timing of when the options are expected to be exercised, discounted to present day value.

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 26.

Exceptional items are those which are separately disclosed 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.

34 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	100	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
FortGreen Comercial Agrícola Ltda	Specialist agronomy products and services	65	R. Curitiba, 805 - Zona Indl. II, Paiçandu - PR, 87140-000, Brazil
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	Orchard Road, Royston, Hertfordshire, SG8 5HW, UK
Linemark UK Limited	Sports and amenity provider	100	Orchard Road, Royston, Hertfordshire, SG8 5HW, UK
Masstock Group Holdings Limited	Specialist agronomy products and services	100	Andoversford, Cheltenham, Gloucestershire, GL54 4LZ, UK
Origin UK Operations Limited	Fertiliser blending and distribution	100	Orchard Road, Royston, Hertfordshire, SG8 5HW, UK
Origin NI Limited	Agricultural and construction inputs	100	Orchard Road, Royston, Hertfordshire, SG8 5HW, UK
Pillaert Meststoffen	Wholesaler of mineral Fertiliser	100	Scheldekanaaltragel 3, 9052, Gent Belgium
Redoxim S.R.L.	Specialist agronomy products and services	100	3 Calea Lugojului St., Ghiroda Village, Ghiroda Commune Timis County, Romania
Resterra Group	Digital agricultural services group	100	Unit 5, Dorcan Business Village, Murdock Road, Swindon, SN3 5HY, England
Rigby Taylor Limited	Turf management services	100	Orchard Road, Royston, Hertfordshire, SG8 5HW, UK
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, UK
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.

35 Subsequent events

There have been no material events subsequent to 31 July 2019 that would require adjustment to or disclosure in this report.

36 Approval of financial statements

The Group financial statements were approved by the Board on 24 September 2019.

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 a going concern basis and in accordance with Irish GAAP (accounting standards issued by the UK Financial Reporting Council and the Companies Act 2014). The entity financial statements comply with Financial Reporting Standard 102, The Financial Reporting Standard applicable to in the UK and Republic of Ireland (FRS102).

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

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 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 loss arising from experience adjustments and charges in actuarial assumptions are recognized 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 in `remeasurement of a defined benefit liability' in other comprehensive income.

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

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.

Long-Term Incentive Plan
The Company has granted Equity Entitlements under the Origin Enterprises Long-Term Incentive Plan 2015. 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. All disclosures relating to the put option liability are made in Note 25 to the Group financial statements. All disclosures relating to the put option liability are made in Note 25 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.

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; and
- 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
Intellectual property	up to 20 years
Developed technology	up to 10 years
Computer software	3 to 10 years

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

General
Origin Enterprises plc (the 'Company') is a company domiciled and incorporated in Ireland. The Company registration number is 426261 and the Company address is 4-6 Riverwalk, Citywest Business Campus, Dublin 24, Ireland.

Company Balance Sheet
As at 31 July 2019

	Notes	2019 €'000	2018 €'000
Fixed assets			
Investment properties	1	–	1,925
Tangible assets	2	947	12,181
Intangible assets	3	3,308	2,675
Post employment benefit asset	8	812	944
Financial assets	4	33,107	34,472
		38,174	52,197
Current assets			
Debtors	5	591,218	474,124
Cash at bank and in hand		20,778	23,668
		611,996	497,792
Creditors (amounts falling due within one year)	6	(382,041)	(290,108)
Net current assets		229,955	207,684
Total assets less current liabilities		268,129	259,881
Put option liability		–	(5,531)
Net assets		268,129	254,350
Capital and reserves			
Called up share capital – presented as equity	9	1,264	1,264
Share premium		164,850	164,774
Profit and loss account and other reserves		102,015	88,312
Shareholders' funds		268,129	254,350

The profit for the year attributable to shareholders dealt with in the financial statements of the holding company for the year ended 31 July 2019 was €40,100,000 (2018: €28,194,000). 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.

On behalf of the Board

Rose Hynes
Director

Tom O'Mahony
Director

Company Statement of Changes in Equity
As at 31 July 2019

	Share capital €'000	Treasury shares €'000	Share premium €'000	Capital redemption reserve €'000	LTIP reserve €'000	Profit and loss €'000	Total €'000
2019							
At 1 August 2018	**1,264**	**(8)**	**164,774**	**134**	**538**	**87,648**	**254,350**
Profit for the year	–	–	–	–	–	**40,100**	**40,100**
Remeasurement loss on post employment liabilities	–	–	–	–	–	**(977)**	**(977)**
Deferred tax on remeasurement loss	–	–	–	–	–	**122**	**122**
Total comprehensive income for the year	–	–	–	–	–	**39,245**	**39,245**
Shares issued	–	–	**76**	–	–	–	**76**
Share-based payment	–	–	–	–	**999**	–	**999**
Dividend paid to shareholders	–	–	–	–	–	**(26,541)**	**(26,541)**
At 31 July 2019	**1,264**	**(8)**	**164,850**	**134**	**1,537**	**100,352**	**268,129**
2018							
At 1 August 2017	1,264	(8)	164,774	134	358	84,971	251,493
Profit for the year	–	–	–	–	–	28,194	28,194
Remeasurement gain on post employment liabilities	–	–	–	–	–	1,168	1,168
Deferred tax on remeasurement gain	–	–	–	–	–	(146)	(146)
Total comprehensive income for the year	–	–	–	–	–	29,216	29,216
Share-based payment	–	–	–	–	180	–	180
Dividend paid to shareholders	–	–	–	–	–	(26,539)	(26,539)
At 31 July 2018	1,264	(8)	164,774	134	538	87,648	254,350

Notes to the Company Financial Statements

1 Investment properties

	2019 €'000	2018 €'000
At 1 August	**1,925**	1,925
Disposal	**(211)**	–
Transfer	**(1,714)**	–
At 31 July	**–**	1,925

During the year, six acres of an investment property were disposed of and resulted in a gain of €0.5 million.

The remainder of the property was transferred at its book value of €1.7 million to Origin Riverwalk Property Trading Limited, a wholly-owned subsidiary.

2 Tangible fixed assets

	Land €'000	Fixtures & fittings €'000	Total €'000
Cost			
At 1 August 2018	11,215	1,762	12,977
Additions	–	59	59
Disposals	–	(444)	(444)
Transfer	(11,215)	–	(11,215)
At 31 July 2019	**–**	**1,377**	**1,377**
Accumulated depreciation			
At 1 August 2018	–	796	796
Depreciation charge for year		78	78
Disposals	–	(444)	(444)
At 31 July 2019	**–**	**430**	**430**
Net book amounts			
At 31 July 2019	**–**	**947**	**947**
At 31 July 2018	11,215	966	12,181

	Land €'000	Fixtures & fittings €'000	Total €'000
Cost			
At 1 August 2017	11,215	1,745	12,960
Additions	–	17	17
At 31 July 2018	11,215	1,762	12,977
Accumulated depreciation			
At 1 August 2017	–	695	695
Depreciation charge for year	–	101	101
At 31 July 2018	–	796	796
Net book amounts			
At 31 July 2018	**11,215**	**966**	**12,181**
At 31 July 2017	11,215	1,050	12,265

Notes to the Company Financial Statements

3 Intangible assets

	Developed Technology €'000	Brand €'000	Intellectual property €'000	Software €'000	Total €'000
Cost or valuation					
At 1 August 2018	1,186	383	1,778	358	3,705
Additions	904	50	–	25	979
At 31 July 2019	**2,090**	**433**	**1,778**	**383**	**4,684**
Amortisation					
At 1 August 2018	–	39	870	121	1,030
Charge for year	111	13	161	61	346
At 31 July 2019	**111**	**52**	**1,031**	**182**	**1,376**
Net book amounts					
At 31 July 2019	**1,979**	**381**	**747**	**201**	**3,308**
At 31 July 2018	**1,186**	**344**	**908**	**237**	**2,675**

	Developed Technology €'000	Brand €'000	Intellectual property €'000	Software €'000	Total €'000
Cost or valuation					
At 1 August 2017	–	184	1,778	338	2,300
Additions	1,186	199	–	20	1,405
At 31 July 2018	**1,186**	**383**	**1,778**	**358**	**3,705**
Amortisation					
At 1 August 2017	–	29	709	73	811
Charge for year	–	10	161	48	219
At 31 July 2018	**–**	**39**	**870**	**121**	**1,030**
Net book amounts					
At 31 July 2018	**1,186**	**344**	**908**	**237**	**2,675**
At 31 July 2017	**–**	**155**	**1,069**	**265**	**1,489**

Notes to the Company Financial Statements

4 Financial assets

	2019 €'000	2018 €'000
At 1 August	**34,472**	34,472
Impairment	**(1,365)**	-
At 31 July	**33,107**	34,472

The principal subsidiaries are set out on Note 34 to the Group financial statements.

5 Debtors

	2019 €'000	2018 €'000
Amounts owed by subsidiary undertakings	**589,571**	472,096
Corporation tax	**435**	1,004
Other debtors	**807**	615
Deferred tax- revaluation of properties	**405**	409
	591,218	474,124

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

6 Creditors (amounts falling due within one year)

	2019 €'000	2018 €'000
Amounts owed to subsidiary undertakings (i)	**369,561**	277,683
Trade creditors (ii)	**1,297**	1,714
Accruals and other payables (ii)	**9,619**	8,022
Retirement benefit and related liabilities	**843**	843
Deferred tax- revaluation of properties	**721**	1,846
	382,041	290,108

(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

	2019 €'000	2018 €'000
At 1 August	**1,437**	929
(Credit)/charge for the year	**(1,121)**	508
At 31 July	**316**	1,437

Notes to the Company Financial Statements

8 Post employment benefit asset

The Company operates a defined benefit pension scheme which is closed to new members.

Under FRS 102 calculations, the total surplus in the Company's defined benefit scheme at 31 July 2019 was €812,000 (2018: surplus of €944,000). There was a gain in the profit and loss account for the period in respect of the Company's defined benefit scheme of €450,000 primarily due to a settlement gain of €548,000 during the year (2018: charge of €128,000).

The expected contributions from the Company for the year ending 31 July 2020 are €354,000. 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 2019 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:

	2019 €'000	2018 €'000
Surplus in defined benefit schemes (see analysis below)	**812**	944
Total	**812**	944

	2019 %	2018 %
The main assumptions used by the actuary were as follows:		
Rate of increase in salaries	**0.00% - 2.35%**	0.00%-2.35%
Discount rate in scheme liabilities	**1.20%**	2.10%
Inflation rate	**1.50%**	1.75%

Net pension asset	2019 €'000	2018 €'000
Market value of scheme assets:		
Equities	**2,810**	2,635
Bonds	**10,661**	8,975
Property	**2,210**	4,806
Other	**2,562**	53
Total market value of assets	**18,243**	16,469
Present value of scheme liabilities	**(17,431)**	(15,525)
Surplus in the scheme	**812**	944

	2019 €'000	2018 €'000
Movement in value of scheme assets		
Value of assets at 1 August	**16,469**	15,872
Interest income	**348**	335
Settlement payment	**-**	(821)
Remeasurement gain	**1,382**	923
Employer contributions	**395**	395
Benefit payment	**(377)**	(266)
Charge for the year	**26**	31
At 31 July	**18,243**	16,469

Notes to the Company Financial Statements

8 Post employment benefit asset – continued

	2019 €'000	2018 €'000
Movement in the present value of scheme obligations		
Value of scheme obligations at 1 August	**(15,525)**	(16,363)
Current service costs	**(121)**	(121)
Settlement gain	**548**	–
Settlement payment	**–**	821
Interest on scheme obligations	**(325)**	(342)
Remeasurement (loss)/gain	**(2,359)**	245
Benefit payment	**377**	266
Employee contributions	**(26)**	(31)
Value of scheme obligations at 31 July	**(17,431)**	15,525

	2019 €'000	2018 €'000
Movement in net asset recognised in the balance sheet		
At 1 August	**944**	(491)
Current service cost	**(121)**	(121)
Settlement gain	**548**	–
Employer contributions	**395**	395
Other finance income/(expense)	**23**	(7)
Remeasurement (loss)/gain	**(977)**	1,168
Net asset in scheme at 31 July	**812**	944

	2019 €'000	2018 €'000
Defined benefit expense recognised in the profit and loss account:		
Current service cost	**(121)**	(121)
Settlement gain	**548**	–
Total recognised in operating profit	**427**	(121)
Interest income on scheme assets	**348**	335
Interest cost on scheme liabilities	**(325)**	(342)
Included in financing income/(costs)	**23**	(7)
Net credit/(charge) to Company's profit and loss account	**450**	(128)

8 Post employment benefit asset – continued

	2019 €'000	2018 €'000
Historical information		
Present value of the scheme obligation	**(17,431)**	(15,525)
Fair value of plan assets	**18,243**	16,469
Surplus in scheme	**812**	944

	2019 €'000	2018 €'000
Actual return less expected return on scheme assets	**1,382**	923
Experience adjustment on scheme liabilities	**244**	67
Interest cost on scheme liabilities	**(2,603)**	178
Remeasurements	**(977)**	1,168
Deferred tax credit/(charge)	**122**	(146)
(Loss)/gain recognised in statement of comprehensive income	**(855)**	1,022

9 Share capital

	2019 €'000	2018 €'000
Authorised		
250,000,000 ordinary shares of €0.01 each (i)	**2,500**	2,500
Allotted, called up and fully paid		
126,396,184 (2018: 126,382,206) 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 2019, the issued ordinary share capital was increased by the issue of 13,978 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.

Notes to the Company Financial Statements

10 Contingent liabilities

In order to avail of the exemption under Section 357 of the Companies Act 2014 the Company has guaranteed the liabilities and commitments 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

	2019 €'000	2018 €'000
Auditors' remuneration:		
– statutory audit of entity financial statements	**25**	23
– other assurance services	**581**	558
– other non-audit services	**5**	–
Profit for the financial year	**40,100**	28,194

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

13 Employment

	2019 Number	2018 Number
The average number of persons employed by the Company during the year was as follows:		
Management and administration	**21**	19

	2019 €'000	2018 €'000
Aggregate employment costs of the company are analysed as follows:		
Wages and salaries	**6,647**	6,116
Social welfare costs	**330**	484
Cash based long term incentive plan	**1,120**	1,016
Pension costs:		
– defined benefit schemes – statement of total recognised gains and losses	**977**	(1,168)
– defined benefit schemes – profit and loss account	**(450)**	128
Share-based payment charge	**999**	180
	9,623	6,756

Notes to the Company Financial Statements

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:

	2019				
	Sale of goods €'000	**Purchase of goods €'000**	**Rendering services to €'000**	**Receiving services from €'000**	**Total €'000**
Transactions with joint venture	**–**	**–**	**214**	**–**	**214**
Transactions with associates	**–**	**–**	**289**	**–**	**289**

	2018				
	Sale of goods €'000	**Purchase of goods €'000**	**Rendering services to €'000**	**Receiving services from €'000**	**Total €'000**
Transactions with joint venture	–	–	446	–	446
Transactions with associates	–	–	310	–	310

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.

	2019 €'000	**2018 €'000**
Salaries and other short term employee benefits	**2,419**	2,283
Post employment benefits	**225**	219
Share-based payments	**338**	67
Other long-term employee benefits	**80**	105
	3,062	2,674

15 Approval of financial statements

These financial statements were approved by the Board on 24 September 2019.

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ENTERPRISES PLC

4-6 Riverwalk
Citywest Business Campus
Dublin 24
Ireland

T: +353 1 563 4900
F: +353 1 563 4916

Registered in Ireland
Registration no. 426261

www.originenterprises.com