Origin ENTERPRISES PLC

Annual Report and Accounts 2020

INNOVATE

COLLABORATE

SUSTAIN

320

Strong Operational Team

Agrii UK employs approximately 320 operational staff during the peak of the season to successfully support its customers

+
See Agrii UK Case Study on page 33

103

Distribution Centres

€64.3m

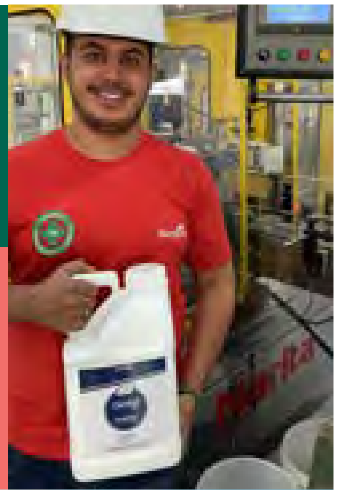
of free cash flow demonstrating strong cash generation

GLOBAL COLLABORATION

CONTENTS

RISING TO THE CHALLENGE

+
More on page 45



We help farmers optimise crop yield and economic returns on a sustainable basis.

+
More on page 48

HIGHLIGHTS

FY20 was a challenging year for the Group, however strong cash generation and reduced net debt leaves the Group in a solid financial position.

- Group revenue decrease of 11.6% to €1,589.1 million, and 11.7% on an underlying[1] basis
- Operating profit of €44.1 million, a decrease of 46.4% and 44.6% on an underlying[1] basis
- Group operating margin of 2.8% (2019: 4.6%)
- Adjusted diluted earnings per share of 25.69 cent in line with guidance
- Strong cash generation with free cash flow of €64.3 million (2019: €54.0 million)
- Reduction in net debt[2] to €53.2 million (2019: €75.6 million)
- Working capital inflow of €30.3 million (2019: Outflow of €12.7 million)
- Suspension of final dividend with total dividend of 3.15 cent (2019: 21.32 cent)
- Disposal of the Group's 20% stake in Ferrari Zagatto, Brazil

1. *Excluding currency movements and the impact of acquisitions.*
2. *Before the impact of IFRS 16 lease transition, as defined for banking covenant purposes.*

Revenue

€1,589.1m

(11.6%)

(11.6%) at constant currency[3]

Operating Profit[1]

€44.1m

(46.4%)

(44.5%) at constant currency[3]

Adjusted Diluted EPS[2]

25.69c

(51.2%)

(49.2%) at constant currency[3]

Free Cash Flow

€64.3m

(2019: €54.0m)

ROCE

7.3%

(2019: 13.2%)

Dividend per Share

3.15c

(2019: 21.32 cent)

1. *Before amortisation of non-ERP intangible assets and exceptional items, and before the Group's share of profits of associates and joint venture.*
2. *Before amortisation of non-ERP intangible assets, net of related deferred tax (2020: €7.7m, 2019: €7.1m) and exceptional items, net of tax (2020: €5.2m, 2019: €7.0m).*
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.

STRATEGIC REPORT

45,000

Crop Field Trials

AT A GLANCE

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.

Business-to-Business Agri-Inputs

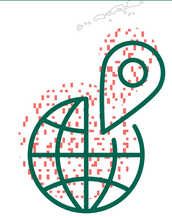
Provides inputs and supply chain solutions to the Irish, UK, Belgian and Brazilian primary food production sectors covering the macro inputs that drive on-farm efficiency, i.e. prescription blended fertilisers, speciality nutrition and animal feed ingredients. In addition, Origin is a market leader in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

Integrated Agronomy and On-Farm Services

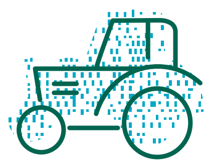
Provides agronomy advice, services and inputs directly to arable, fruit and vegetable growers in the UK, Poland, Romania and Ukraine. Our customised solutions ensure the delivery of crop production systems that adhere to the highest safety, quality, environmental and sustainability standards.

Digital Agricultural Services

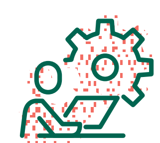
Provides bespoke digital agronomy applications and agri-tech services to primary producers, input manufacturers and agri-service companies.



103
Distribution Points



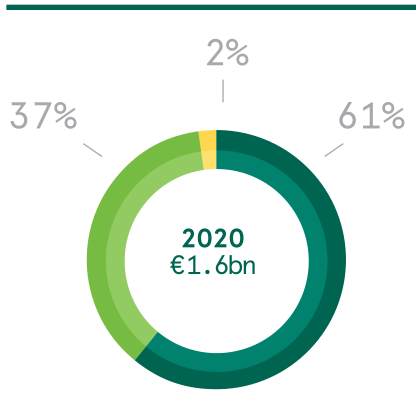
70
Demonstration Farms

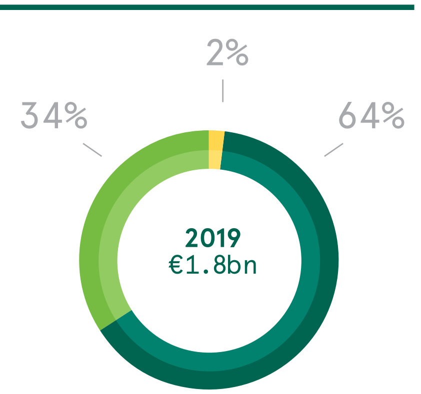


33
Input Formulation and Processing Facilities

>2,600
Employees

Revenue

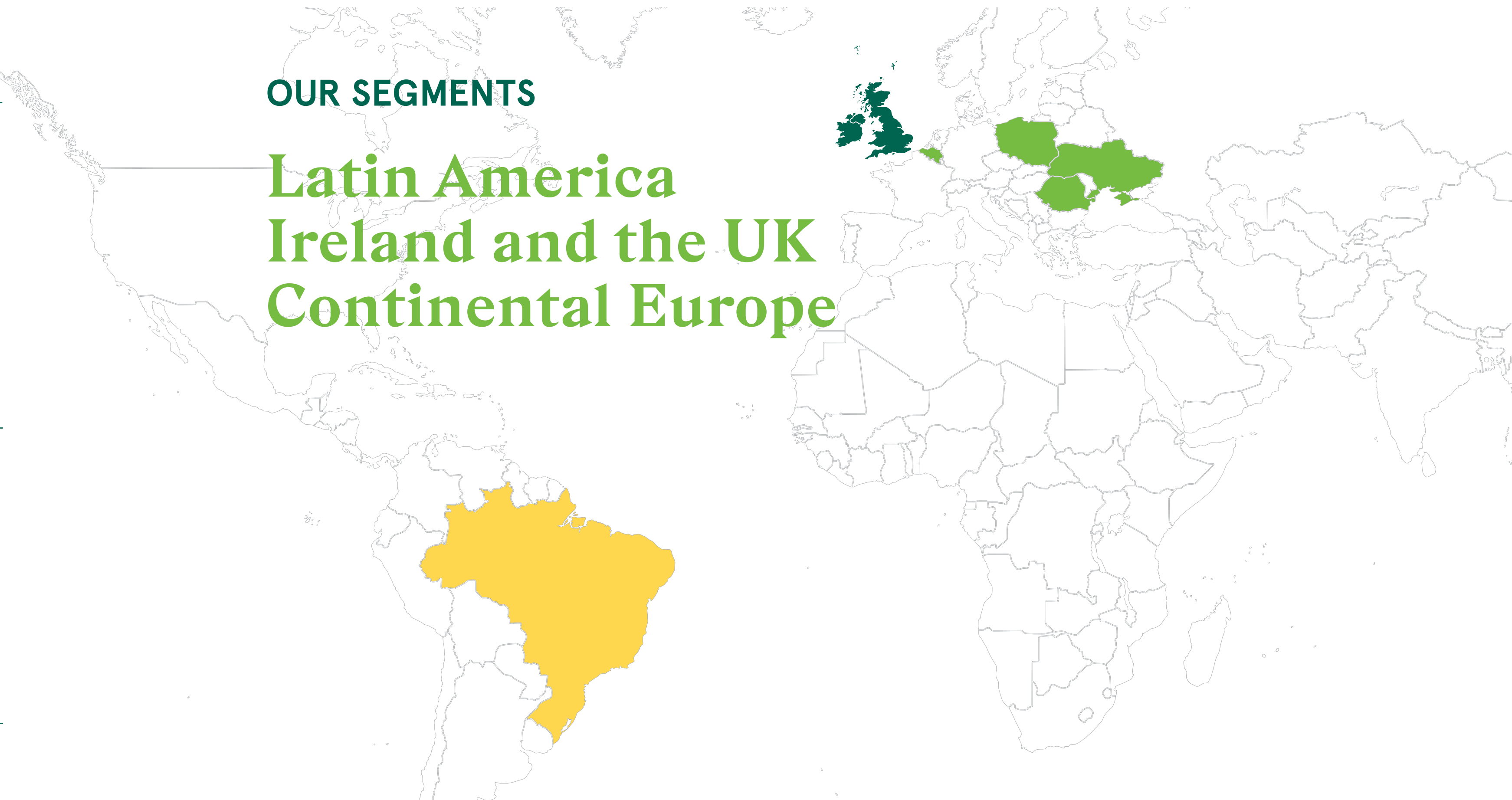




- Ireland & the UK
- Continental Europe
- Latin America

OUR SEGMENTS

Latin America
Ireland and the UK
Continental Europe



Latin America

This segment includes the Group's operations in Brazil.

+ More on pages 42 to 47

Ireland and the UK

This segment includes the Group's wholly-owned Irish and UK based operations in addition to the Group's Irish and UK based associates and joint venture undertaking.

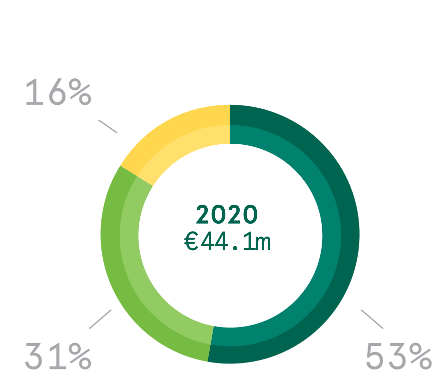
+ More on pages 30 to 35

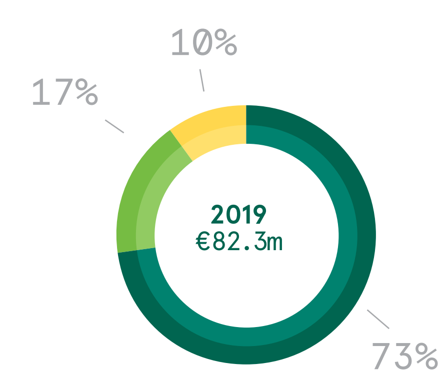
Continental Europe

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

+ More on pages 36 to 41

Operating Profit





- Ireland & the UK
- Continental Europe
- Latin America

CHAIRMAN'S STATEMENT

Resilient performance in a very challenging year. Our people successfully sustained operations to support primary food producers through COVID-19 pandemic.

Dear Shareholder

FY20 Overview

I am pleased to report that Origin has delivered a resilient performance in 2020, through what has been a very challenging year due to the COVID-19 pandemic and extreme localised weather conditions in certain countries in which we operate.

Group revenue was €1,589.1 million, a decrease of 11.6% and Group operating profit was €44.1 million, a decrease of 46.4%. The Group delivered free cash flow of €64.3 million, a working capital inflow of €30.3 million and a reduced net debt position of €53.2 million.

Details of our financial performance are set out in the Financial Review on pages 12 to 18.

Leadership Changes

After 13 years at the helm of Origin and 35 years with the Group, Chief Executive Officer Tom O'Mahony retired from his position on 30 June 2020. I would like to acknowledge and extend our appreciation of Tom's leadership, dedication and unwavering commitment to the Company during his tenure. Tom led the Group through its journey from an Irish-focused business to an international agri-services organisation with a stock market listing.

Sean Coyle, who joined as the Group's Chief Financial Officer in September 2018, was appointed to the role of CEO with effect from 1 July 2020. We believe Sean is the right person to lead the Group forward through its next phase of growth and development and wish Sean every success in his role.

I am pleased to welcome TJ Kelly as the new Chief Financial Officer. TJ comes from Hostelworld Group plc and will join Origin no later than March 2021.

Strategy

The Group's strategy remains a key focus for the Board, particularly as we navigate the business through significant political, economic, environmental and industry changes, amidst the continuing COVID-19 pandemic and the uncertainties created by Brexit. Priorities for the year included driving forward our sustainability agenda, focusing on optimising our core businesses and maintaining financial stability against a backdrop of challenging weather conditions and COVID-19.

Further illustrations on the implementation of our strategic priorities during the year are outlined on pages 30 to 47 within the Business Review section of this Annual Report.

COVID-19

Good corporate governance at all levels of the business becomes even more important in challenging times. The outbreak of COVID-19 during the year tested our resilience and agility, as it did many businesses, economies and governments worldwide. As the COVID-19 crisis rapidly escalated, it demanded a swift and agile response from the Group. The vast bulk of Origin's businesses were designated as essential services. Origin's ability to quickly adapt and take decisive actions was critical and set the foundation for continued operations, ensuring our farmers and growers continued to receive the products they needed to maintain a strong food supply chain in each of our markets. In order to do this, it was critical that the safety and wellbeing of our workforce was maintained through strict adherence to government and health authority guidance. In this context, on behalf of the Board, I would like to thank all of those employees who continued to work diligently and professionally through the pandemic and maintain operations in such difficult circumstances.

The robustness of our corporate governance framework also came into focus through the financial discipline shown, the increased risk oversight and the socially responsible decisions made around Director compensation, including an interim 20% reduction in Director fees and salaries.

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 and the industry in which we operate. We continued to expand our sustainability agenda this year and work to make sustainability integral to our culture, our way of operating and our decision-making. Emphasising the importance to the Board and Company of our commitment in this area, we have nominated Kate Allum, Non-Executive Director, as Board sponsor to support the executive team in overseeing the Company's ESG programme. Further details are set out in the Sustainability Report on pages 48 to 63.

Dividend

An interim dividend of 3.15 cent per share was paid on 14 April 2020 to shareholders on the register on 27 March 2020. However, as market conditions became more challenging and the Group faced increased uncertainty due to the COVID-19 pandemic, the Board determined that it was prudent to suspend the final dividend for this year. This was announced in our Q3 Trading Update on 17 June 2020. Acknowledging the decision to suspend the final dividend, the Executive Directors voluntarily waived their entitlement to any unvested share options.

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 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 81 to 87.

I would 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.

Culture and People

Our employees are our most important asset. The Group's success reflects the hard work of all our talented people. We strive to cultivate an open, collaborative, diverse, and inclusive workplace. Throughout the year we continued to invest in our people and in fostering a culture built on our vision, purpose and values.

Our employee engagement strategy 'Let's Talk' continued through COVID-19 restrictions, as we adapted how we communicated with our employees and increased our focus on their safety and wellbeing.

Following a visit by the Board to the Group's operations in Belgium in December 2019 to meet with employees, Board engagement moved online with Non-Executive Directors joining executive business update calls with local senior management teams in Ireland and the UK, Continental Europe and Latin America.

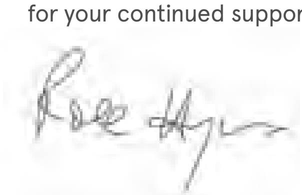
Other initiatives underpinning our people strategy include our diversity and inclusion programme, annual employee engagement surveys, continuous learning and professional development opportunities, and workforce wellbeing activities.

On behalf of the Board, I would like to thank both our retired CEO and our new CEO, our management team and all our employees for their commitment and hard work in what has been an extremely challenging year for the Group.

Outlook

The Group enters FY21 in a solid financial position with a strong leadership team in place. We are confident that our track record of strong cash generation, the robustness of our operating model and our market-leading R&D and innovation, position us well to respond to ongoing COVID-19 disruptions, Brexit and other challenges in the year ahead as they unfold. We remain focused on delivering the Group's long-term ambitions in a sustainable and socially responsible manner.

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



Non-Executive Chairman
22 September 2020

€64.3m

Free Cash Flow generated in the year

+
Strategy on page 22
Sustainability on page 48

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,

FY20 was a year of challenge and change for Origin in an operating environment that has never been experienced by the Group in its history.

This is my first communication to you as Group CEO following the retirement of Tom O'Mahony in June 2020. Tom was Group CEO for 13 years and his dedication, commitment and leadership of Origin over this time has resulted in the development of the Group into the leading international agri-services provider it is today. I would like to wish Tom well for the future and I look forward to the challenge of leading the Group in our next phase of growth and development.

Subsequent to year end, and following an extensive recruitment process, TJ Kelly was appointed as my successor as Group CFO. I would like to welcome TJ to the Group and I am confident that he will be successful in the role.

The Group delivered a robust operational performance during the year with operating profit of €44.1 million despite the many challenges encountered during the year. FY20 brought some extreme weather conditions, particularly in the UK and Ireland. The first half of our financial year was impacted by prolonged wet conditions and consequently autumn and winter planting was reduced by 40%, affecting the demand for inputs. The second half of the year started with our markets experiencing extremely dry conditions, which persisted into June, which negatively impacted crop potential for farmers and reduced overall investment on-farm. The Group saw an overall reduction of 10.7% in underlying agronomy services and crop input volumes during the year.

COVID-19

The second half of our financial year was further impacted by COVID-19 requiring our people to respond with prompt planning, communication and implementation of safety protocols across the Group's operations to drive the actions necessary to mitigate the risk of the virus spreading and to ensure that we continued to serve our customers.

Agriculture has been identified as a key sector and the services we provide are deemed essential to the maintenance and continuity of the food supply chain. Our number one priority is the health of our people, trading partners, customers and the communities where we operate. The Group continuously monitors the advice and guidance of governments and health authorities across our markets, with ongoing audits at all our operating facilities to ensure we adhere to safe social distancing and all other health and safety guidance. Thanks to the professionalism and dedication of our team, key logistics and warehousing activities have been maintained and agronomy advice delivered, despite farm visits being limited in accordance with social distancing protocols.

The Group continues to monitor developments closely across our locations and is taking appropriate actions to ensure we provide the safest environment we can for our stakeholders, while continuing to serve the needs of the agricultural community in a responsible manner.

A detailed overview of the impact of COVID-19 and the Group's response has been set out in the Risk Report on pages 64 to 71.

THE PRINCIPAL HIGHLIGHTS ARE AS FOLLOWS:

Financial
- Free cash flow of €64.3 million
- Operating profit of €44.1 million
- Adjusted diluted EPS of 25.69c
- Suspension of final dividend
- Reduction in net debt to €53.2 million
- Strong working capital management with inflow of €30.3 million

Operational
- Excellent operational performance across all markets despite COVID-19 restrictions
- 1.4m digital hectares on-boarded
- Investment in seed plants in UK, Romania and Poland
- Doubling of capacity at Invergordon fertiliser plant
- Dry powder capacity trebled at Fortgreen plant in Brazil

Strategic
- Divestment of 20% interest in Ferrari Zagatto
- Re-branding of Romanian and Ukrainian operations under the Agrii banner
- Addition of Amenity R&D Centre at Throws Farm
- Development of NUTRI CO_2OL carbon footprint calculator

FY20 Progress

As I have already noted, a resilient operational performance was delivered in FY20, with the principal highlights set out above.

Divisional Review

Ireland and the UK

Ireland and the UK delivered a disappointing performance in extremely challenging conditions, recording a 17.0% decrease in underlying revenue and a 61.4% decrease in underlying operating profit.

A full business review of performance in Ireland and the UK is set out on pages 30 to 35.

Continental Europe

Continental Europe delivered a satisfactory performance despite a challenging operating environment during the year. Our Romanian and Ukrainian businesses adopted the Group's single brand identity, Agrii, in common with Origin's other direct farm customer facing business operations.

A full business review of performance in Continental Europe is set out on pages 36 to 41.

Latin America

LATAM delivered an excellent operating performance with volume development and underlying growth delivered despite a delayed season and start to in-field operations. The weakening of the Brazilian Real in the second half of the year has impacted overall earnings in LATAM.

A full business review of performance in LATAM is set out on pages 42 to 47.

Dividend

As a result of the uncertainty driven by COVID-19, the Board determined that it was prudent to suspend the final dividend for FY20. As noted by the Chairman in her Statement, in acknowledgment of this decision, the Executive Directors voluntarily waived their entitlement to any unvested share options.

Brexit

The Group continues to monitor the trade negotiations between the European Union and the United Kingdom following the United Kingdom's formal exit from the EU on 31 January 2020, and is progressing plans should no deal be concluded by the end of the transition period on 31 December 2020. All appropriate steps have been taken, and scenario planning completed, to ensure the Group is adequately prepared in the event of no deal.

Summary and Outlook

FY20 was a challenging year for the Group, and the financial discipline shown has resulted in the Group continuing to be in a solid financial position. Against an uncertain backdrop of Brexit and COVID-19, the Group will continue to implement a prudent approach to capital allocation and risk management. FY20 was defined by extreme weather challenges that we hope will normalise in FY21 returning the Group to growth. FY21 will hold challenges for the Group, however, our robust integrated crop services business model will help us address and overcome these challenges.

I am confident that Origin has the strong leadership team in place required to address the operating challenges faced by the Group and to deliver on the Group's long-term ambitions.

Sean Coyle
Chief Executive Officer
22 September 2020

FINANCIAL REVIEW

This Financial Review provides an overview of the Group's financial performance for the year ended 31 July 2020 and of Origin's financial position at that date.

+ Key Performance Indicators on pages 28 and 29

+ Business Reviews on pages 30 to 47

OVERVIEW OF RESULTS

- Group revenue decrease of 11.6% to €1,589.1 million and 11.7% on an underlying basis
- Operating profit of €44.1 million, a decrease of 46.4% and 44.6% on an underlying basis
- Group operating margin of 2.8% (2019: 4.6%)
- Adjusted diluted earnings per share of 25.69 cent in line with guidance
- Strong cash generation with free cash flow of €64.3 million (2019: €54.0 million)
- Decrease in net debt to €53.2 million (2019: €75.6 million)
- Working capital inflow of €30.3 million (2019: Outflow of €12.7 million)
- Suspension of final dividend with total dividend of 3.15 cent (2019: 21.32 cent)
- Appointment of Sean Coyle as Chief Executive Officer and TJ Kelly as Chief Financial Officer

Results Summary	2020 €'m	2019 €'m
Revenue	1,589.1	1,798.2
Operating profit[1]	44.1	82.3
Associates and joint venture[2], net	6.2	6.7
Total Group operating profit[1]	50.3	89.0
Finance expense, net	(11.3)	(11.8)
Profit before tax[1]	39.0	77.2
Income tax[4]	(6.2)	(10.4)
Adjusted net profit	32.8	66.8
Adjusted diluted EPS (cent)[3]	25.69	52.65
Net debt[5]	(53.2)	(75.6)

Adjusted Net Profit Reconciliation	2020 €'m	2019 €'m
Reported net profit	19.8	52.7
Amortisation of non-ERP intangible assets	9.4	8.8
Tax on amortisation of non-ERP related intangible assets	(1.6)	(1.7)
Exceptional items (net of tax)	5.2	7.0
Adjusted net profit	32.8	66.8

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 undertaking.

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:

	2020		2019	
	Revenue €'m	**Operating profit[1] €'m**	Revenue €'m	Operating profit[1] €'m
Ireland and the UK	967.9	23.3	1,159.4	60.0
Continental Europe	590.1	13.7	605.2	14.2
Latin America	31.1	7.1	33.6	8.1
	1,589.1	44.1	1,798.2	82.3

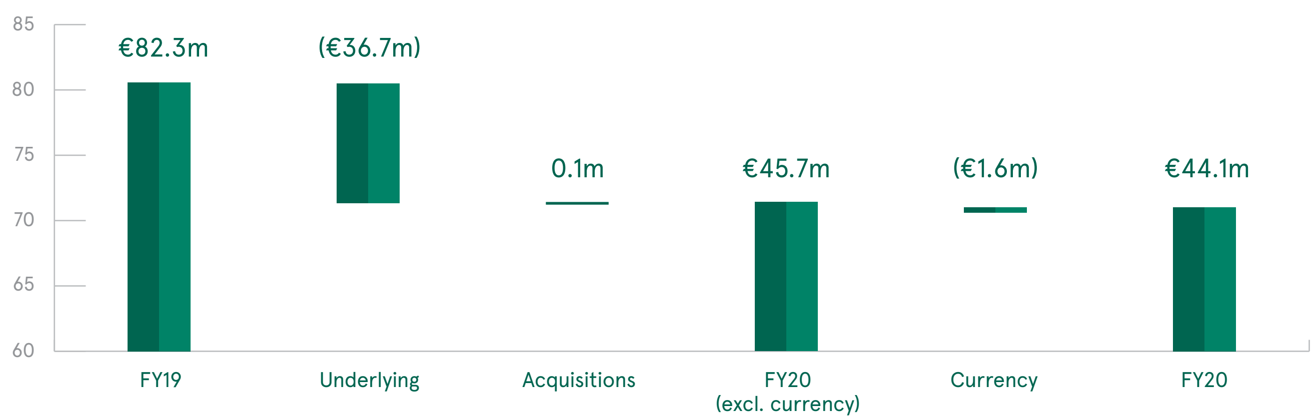
The result from the Group's associates and joint venture undertaking was €6.2 million (2019: €6.7 million).

Revenue
Group revenue decreased by 11.6% from €1,798.2 million in the prior year to €1,589.1 million. On an underlying basis revenue decreased by 11.7% driven by reduced demand for crop protection, seeds and fertiliser, particularly in the UK.

Operating Profit[1]

Operating profit[1] decreased by 46.4% to €44.1 million compared to €82.3 million in the previous year. On an underlying basis, operating profit[1] decreased by €36.7 million (44.6%) primarily driven by decreased volumes and margins in Ireland and the UK.

Operating Profit Bridge



Seasonality

The Group's operating profit[1] 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:

	FY20				
	Q1 €'m	Q2 €'m	Q3 €'m	Q4 €'m	Total €'m
Revenue	371.2	233.7	604.8	379.4	1,589.1
Operating profit[1]	(1.3)	(1.5)	22.5	24.4	44.1

	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

€46.9 million of operating profit[1] was generated in the seasonally more important second half of the financial year, a decrease of €26.4 million (36.0%) on the second half of 2019.

Associates and Joint Venture

Origin's share of the profit after interest and taxation from associates and joint venture amounted to €6.2 million in the period (2019: €6.7 million).

Finance Expense and Net Debt

Net debt[5] at 31 July 2020 was €53.2 million (€93.9 million including IFRS 16 Lease debt) compared to net debt of €75.6 million at the end of the previous year. The movement was driven by an inflow in working capital in the period, following a sustained focus on working capital management across the Group.

Net finance costs amounted to €11.3 million, which represents a decrease of €0.6 million on the prior year. Excluding the impact of IFRS 16, there was a reduction in net finance costs of €2.3m reflecting lower local debt levels in our Continental European businesses and lower interest rates, year-on-year, across the Group.

Taxation

The effective tax rate for the year ended 31 July 2020 was 18.5% (2019: 15.0%), and reflects the mix of geographies where profits were earned in the year.

Exceptional Items

Exceptional items net of tax amounted to €5.2 million in the year. These principally relate to the non-cash write down of intangible assets due to rebranding, fair value adjustment on the Group's investment properties and transaction related costs. Exceptional items are summarised in the table below:

Year ended 31 July	2020 €'m
Write down of intangible assets due to rebranding	5.7
Loss on disposal of associate	0.5
Pension and rationalisation related costs	0.2
Fair value adjustment and related costs on investment properties	(0.7)
Transaction, other related costs and movements in contingent consideration, net	(0.5)
Total exceptional items, net of tax	**5.2**

Adjusted Diluted Earnings per Share[3] ('EPS')

EPS amounted to 25.69 cent per share, a decrease of 51.2% on 2019.

The year-on-year decrease of 26.96 cent per share can be summarised as follows:

Impact of	Cent per share	%
Underlying reduction	(26.47)	(50.3%)
Acquisitions	0.60	1.1%
Currency	(1.09)	(2.0%)
Total	(26.96)	(51.2%)

Dividends

In light of market conditions and uncertainty relating to the COVID-19 pandemic, in June 2020 the Board determined that it would be prudent to suspend the final dividend for FY20. As a result, the total dividend for the year will be 3.15 cent per ordinary share following the payment of the interim dividend in April 2020. Acknowledging the decision to suspend the final dividend in June, the Executive Directors voluntarily waived their entitlement to any unvested share options.

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.

At 31 July 2020 the Group had unsecured committed banking facilities of €430.0 million (2019: €430.0 million), of which €30.0 million will expire in September 2021, €100.0 million will expire in May 2022 and €300.0 million will expire in June 2024.

Cash Flow and Net Debt

Net debt[5] at 31 July 2020 was €53.2 million compared to net debt[5] of €75.6 million at the end of the previous year. The majority of Group borrowings are subject to financial covenants calculated in accordance with lenders' facility agreements. The Group's balance sheet is in a strong position. Group Treasury monitors compliance with all financial covenants which at 31 July 2020 included:

	Covenant	2020 Full year times	2020 Half year times	2019 Full year times	2019 Half year times
Net debt: EBITDA	Maximum 3.5x	1.18	3.24	0.87	2.57
EBITDA: Net interest	Minimum 3.0x	5.76	7.57	8.06	9.25

A summary cash flow is presented below:

	2020 €'m	2019 €'m
Cash flow from operating activities, before exceptional items	63.8	92.8
Change in working capital	30.3	(12.7)
Interest and taxation	(16.6)	(23.9)
Cash flow from ongoing operating activities	**77.5**	**56.2**
Exceptional items	(2.2)	(3.1)
Net cash flow from operating activities	**75.3**	**53.1**
Dividends received	5.8	7.0
Net capital expenditure		
– Routine	(7.9)	(6.9)
– Investment	(6.8)	(7.8)
Acquisition expenditure (including debt acquired)	(7.4)	(54.6)
Cash consideration on disposal of equity investment	1.0	
Dividends paid	(26.8)	(26.4)
Lease payments	(11.4)	–
Other	0.4	(0.6)
Decrease in cash	**22.2**	**(36.2)**
Opening net debt	(75.6)	(38.4)
Translation	0.2	(1.0)
Closing net debt[5]	**(53.2)**	**(75.6)**

Working Capital
For the year ended 31 July 2020, there was a working capital inflow of €30.3 million following a sustained focus on working capital management across the Group during the year. €14.6m of the inflow relates to UK COVID-19 VAT deferrals which will reverse in the second half of FY21. Working capital allocation remains a key priority for the Group. 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 7.3% in 2020 (2019: 13.2%), as follows:

	2020 €'m	2019 €'m
Total assets	1,232.4	1,305.5
Total liabilities	(920.0)	(959.7)
Adjusted for:		
Net debt (including IFRS 16 Lease liability)	93.9	75.6
Tax, put option and derivative financial instruments, net	49.2	60.0
Accumulated amortisation	54.4	54.9
Capital employed – 31 July	509.9	**536.3**
Average capital employed (Group Net Assets as defined below)	**686.9**	675.3
Operating profit (excluding exceptional items)	34.7	73.5
Amortisation of non-ERP intangible assets	9.4	8.8
Share of profit of associates and joint venture	6.2	6.7
EBITA (as defined below)	**50.3**	**89.0**
Return on capital employed	**7.3%**	**13.2%**

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 €64.3 million (2019: €54.0 million).

	2020 €'m	2019 €'m
EBITDA (excluding associates and joint venture)	52.7	90.6
Interest paid	(8.6)	(11.4)
Tax paid	(8.0)	(12.6)
Routine capital expenditure	(7.9)	(6.9)
Working capital inflow / (outflow)	30.3	(12.7)
Dividends received	5.8	7.0
Free cash flow	**64.3**	**54.0**

Free cash flow means the total of earnings before interest, tax, depreciation (excluding depreciation of IFRS 16 Right of Use leased assets), 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 2020 are as follows:

	2020 €'m	2019 €'m
Non-current liabilities		
Asset / (liability) in defined benefit schemes	0.4	(1.5)

The movement during the year can be summarised as follows:

	€'m
Net liability at 1 August 2019	**(1.5)**
Current and past service costs	(0.5)
Gain on settlement	0.4
Other finance expense, net	–
Contributions paid	1.5
Remeasurements	0.6
Translation	(0.1)
Net asset at 31 July 2020	**0.4**

The remeasurements of €0.6 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 23 to the financial statements.

Share Price
The Group's ordinary shares traded in the range of €1.77 to €5.20 during the year from 1 August 2019 to 31 July 2020. The Group's share price at 31 July 2020 was €3.17 (31 July 2019: €4.95).

Investor Relations
Our strategy aims to create long-term shareholder value and 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. In the second half of the financial year, all engagement was facilitated remotely through the use of virtual conferences and video calls.

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

During the year there were 152 meetings / conference calls with institutional investors across 8 financial centres.

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 Before amortisation of non-ERP intangible assets, net of related deferred tax (2020: €7.7m, 2019: €7.1m) and exceptional items, net of tax (2020: €5.2m, 2019: €7.0m).
4 Income tax before tax impact of exceptional items and excluding tax on amortisation of non-ERP intangible assets.
5 Before impact of IFRS 16 Lease transition, as defined for banking covenant purposes.

ALTERNATIVE PERFORMANCE MEASURES

Certain financial information set out in this Annual Report is not defined under International Financial Reporting Standards ('IFRS'). These key Alternative Performance Measures ('APMs') represent additional measures in assessing performance and for reporting both internally and to external users. APMs are presented to provide readers with additional financial information that is regularly reviewed by management. The Group believes that the presentation of these non-IFRS measurements provides useful supplemental information which, when viewed in conjunction with IFRS financial information, provides stakeholders with a more meaningful understanding of the underlying financial and operating performance of the Group.

The key APMs of the Group are set out below.

Operating Profit
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.

The reconciliation of Operating profit to the reported IFRS measure is as follows:

Operating profit	**2020 €'m**	**2019 €'m**
Operating profit (per Consolidated Income Statement)	34.4	73.2
Exceptional items	6.5	7.0
Amortisation of Non-ERP related intangible assets	9.4	8.8
Share of profit of associates and joint venture	(6.2)	(6.7)
TOTAL	**44.1**	**82.3**

Adjusted Diluted EPS
The definition and calculation of Adjusted Diluted EPS is set out in Note 11.

Free Cash Flow
The definition and calculation of Free Cash Flow is set out in the Financial Review on page 17.

Return on Capital Employed
The definition and calculation of Return on Capital Employed is set out in the Financial Review on pages 16 and 17.

EBITA
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.

The reconciliation of EBITA to the reported IFRS measure is as follows:

EBITA	**2020 €'m**	**2019 €'m**
Operating profit (per Consolidated Income Statement)	34.4	73.2
Exceptional items	6.5	7.0
Amortisation of Non-ERP related intangible assets	9.4	8.8
TOTAL	**50.3**	**89.0**

EBITDA
EBITDA is earnings before interest, tax, depreciation, amortisation of non- ERP related intangible assets and exceptional items of wholly-owned businesses.

The reconciliation of EBITDA to the reported IFRS measure is as follows:

EBITDA	**2020 €'m**	**2019 €'m**
Operating profit (per Consolidated Income Statement)	34.4	73.2
Depreciation	8.6	8.3
Exceptional items	6.5	7.0
Amortisation of Non-ERP related intangible assets	9.4	8.8
Share of profit of associates and joint venture	(6.2)	(6.7)
TOTAL	**52.7**	**90.6**

OUR BUSINESS

A market leader through acquisition, integration and organic growth.

Origin is a recognised leader in the Agri-Services business with operations in seven countries. 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

Continental Europe

Poland | Romania | Ukraine

Latin America

What sets us apart

Our Approach to Integrated Agronomy:

Application Research and Analysis

- Investment in research and development to optimise crop productivity.
- 45,000 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.

STRATEGY

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

Our 2023 Ambition

Our strategic ambition is to deliver agronomic led solutions, that meet the advancing needs of all stakeholders, collectively growing profitability and returns in a sustainable and socially responsible manner. To achieve this objective, we have set ambitious financial and non-financial targets, from a 2018 base year. Despite the challenges that FY20 has brought, the targets represent a balanced assessment of expected performance over time, taking account of inter year variances and timing of acquisitions.

A balance of organic and acquisitive growth

EBIT CAGR
5-9%

Organic
3-4%
EBIT CAGR

Acquired
2-5%
EBIT CAGR

Ireland / UK
1-2%

Continental Europe
3-5%

Latin America
5-10%

Focus on delivering

Return on Investment
Group ROCE
12-15%

Free Cash
Flow Ratio
70-100%

Optimising
existing routes
to market

Digital Platform
4m Ha

Product Based
Capabilities

Sourcing
Opportunities /
Product Mix Change

STRATEGY

Creating value for all stakeholders

- Long-term partnerships as trusted advisors and input providers to farmers, growers and amenity professionals.
- Leading market positions which support the essential global agriculture and food production sector.
- Pioneering R&D and technical innovation delivering sustainable agronomic solutions which accelerate productivity and maximise efficiency.
- Integrated supply chains and multiple routes to market across strategic geographic locations.
- Digital technology optimised by expert agronomist stewardship, providing localised and prescriptive solutions to farmers, growers and amenity professionals.
- Positioned to capitalise on evolving structural market trends of increasing farm commercialisation, professionalism and specialisation.
- Strong cash generation and conversion capabilities.

Strategic Priorities

	Scale	Market Focus	Portfolio Positioning	People & Organisations
	> 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.	> Maintain differentiated position as specialist route-to-market for crop technologies. > Optimise Group position through balanced business portfolio and geographical diversification.	> Ongoing people and talent development. > Devolved accountability and autonomy to execute growth agenda.
2020 Progress	> During the year, our Romanian and Ukrainian businesses adopted the Group's single brand identity Agrii, in common with Origin's direct farm customer facing business operations in the UK and Poland. > Latin America division achieved underlying volume growth of 4.3%. > Increased digital agronomy footprint to over 1.4 million active hectares on-boarded to date. > Doubled capacity at Invergordon fertiliser plant in Scotland. > Trebled Dry Powder capacity in Fortgreen's Brazilian facility.	> Origin Fertilisers UK launched NUTRI-CO_2OL, its independently verified model that enables us to quantify the carbon footprint for any individual fertiliser product. > Agrii UK launched its Green Horizon sustainability manifesto, setting out a five point plan to help growers works towards Net Zero food production by 2040.	> Agrii Poland, Romania and UK benefited from the ongoing capital investment to enhance both seed and speciality nutrition portfolios during the year. > Intra group sales of in-house micro nutrition products doubled during the year. > Establishment of a new high value vegetable seed treatment centre at Agrii's Throws Farm Technology Centre. The facility is the only one of its type in the UK.	> The Group has over 2,600 employees, 805 of whom are customer facing agronomists and sales staff. > Appointment of Sean Coyle as Chief Executive Officer and TJ Kelly as Chief Financial Officer. > Successful implementation of centrally-driven COVID-19 guidance and controls to safeguard the wellbeing of our team and ensure service continuity to customers. > Launched our commitment to Diversity and Inclusion 'You make our difference' strategy, policy and training. > Addition of Amenity R&D centre at Throws Farm.
2021 - 2023 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.	> 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%.	> 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.

BUSINESS MODEL

What we do:

- Business-to-Business Agri-Inputs
- Integrated Agronomy and On-Farm Services
- Digital Agricultural Services

+ See more:
Page 6

What sets us apart:

- Our Approach to Integrated Agronomy
- Our Approach to Business-to-Business Agri-Inputs

+ See more:
Page 21

How we add value:

Our Offer	Our Brands	Our Channels	Our End-User
Nutrition	Agrii	Business-to-Business	Farmers & Growers
Crop Protection	Goulding	Agronomist	Amenity Professionals
Seed	Fortgreen		
Digital	RHIZA		
Expertise / Advice / Prescription	Rigby Taylor		
	Origin Fertilisers		
	Linemark		

Inputs

- People
- Partnerships
- Financial & Strategic Planning
- Knowledge & IP
- Supply Chain & Logistics
- Sustainability

Outputs

Yield Enhancement

Find out more
Case Study in LATAM on page 46

Profitability & Competitiveness

Find out more
Financial Review on page 12

Environmental Stewardship

Find out more
Sustainability Report on page 48

Maximise Shareholder Return

Find out more
KPI's on pages 28 and 29

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.

Strategic Priorities Key:

- Scale
- People & Organisations
- Portfolio Positioning
- Market Focus

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	25.69c (51.2%)	7.3% (2019: 13.2%)	47% (2019: 27%)
Historic Result	2017: 46.6c; 2018: 48.8c; 2019: 52.65c; 2020: 25.69c	2017: 13.7%; 2018: 13.5%; 2019: 13.2%; 2020: 7.3%	2017: 24%; 2018: 23%; 2019: 27%; 2020: 47%
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 contribution from geographies outside of Ireland and the UK to in excess of 40% of total operating profit by 2023.

KPI	Free Cash Flow Ratio	Dividend	Number of Agronomists and Sales Staff	Digital Hectares
Description	Measures free cash flow as a percentage of profit after tax of wholly-owned businesses, excluding exceptional items and amortisation of non-ERP related intangible assets.	Measures the total dividend per ordinary share proposed in the current financial year.	Measures the number of agronomists and sales representatives available to customers to ensure that the appropriate mix of experience and expertise is available.	Measures the number of farm hectares uploaded to the Group's digital platforms.
Link to Strategy				
Current Year	240.9% (2019: 90.0%)	3.15c (2019: 21.32c)	805 (2019: 800)	1.4m ha (2019: 1.0m ha)
Historic Result	2017: 59.7%; 2018: 106.0%; 2019: 90.0%; 2020: 240.9%	2017: 21.0c; 2018: 21.0c; 2019: 21.32c; 2020: 3.15c	2017: 670; 2018: 700; 2019: 800; 2020: 805	2017: 0.2m; 2018: 0.7m; 2019: 1.0m; 2020: 1.4m
Strategic Ambition	A key element of the Group's strategic ambition to 2023 is to deliver a Free Cash Flow Ratio of 70 – 100%.	The Group's strategic ambition to 2023 is to deliver a progressive dividend policy with a payout ratio > 35%.	Our target is to remain adequately resourced with skilled agronomists and sales representatives who can meet our customers' needs.	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.

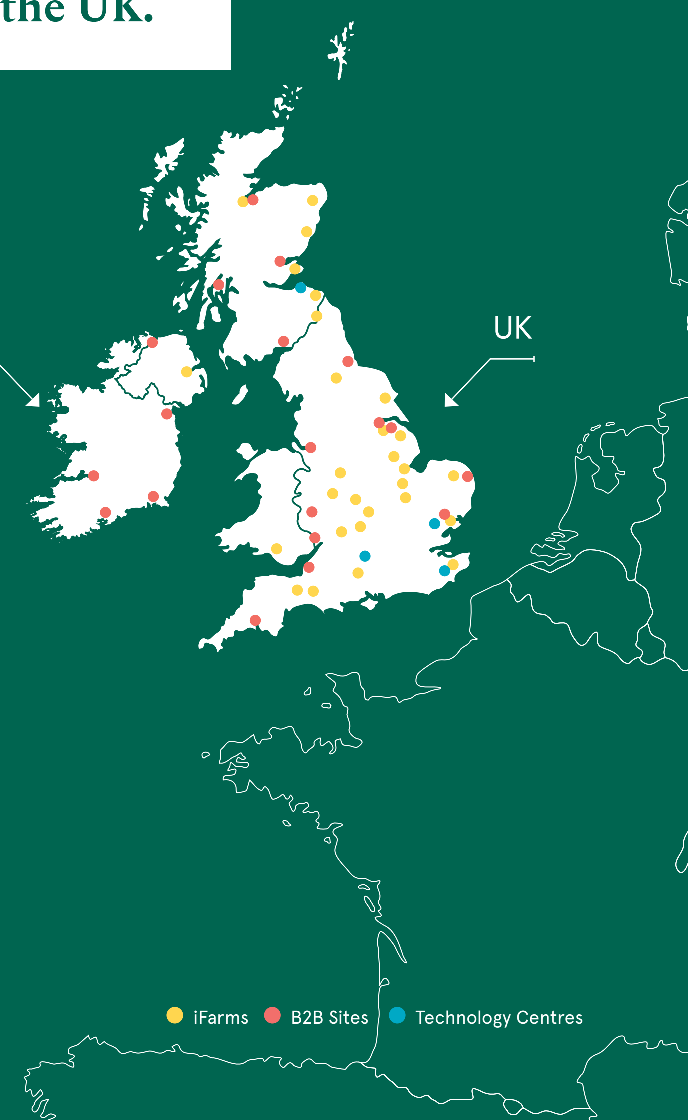
+ See more:
Financial Review on page 12
Sustainability on page 48

BUSINESS REVIEW

Ireland and the United Kingdom

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.

"FY20 was characterised by adverse weather in Ireland and the UK and an excellent operational performance despite the challenges encountered."



+ See more: Case Studies on pages 33 to 35

Operational Review

	2020 €m	2019 €m	Change on prior year: Change %	Underlying[3] %	Constant Currency[4] %
Revenue	**967.9**	1,159.4	(16.5%)	(17.0%)	(16.8%)
Operating profit[1]	**23.3**	60.0	(61.1%)	(61.4%)	(61.3%)
Operating margin[1]	**2.4%**	5.2%	(280bps)	(280bps)	(280bps)
Associates and joint venture[2]	**5.8**	6.7	(13.4%)	(13.9%)	(13.7%)

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 UK in Numbers:

€967.9m
Revenue

+1,400
Employees

€23.3m
Operating Profit

c.30,000
Customers

Overview

Ireland and the UK delivered a disappointing performance in extremely challenging conditions, recording a 17.0% decrease in underlying revenue and a 61.4% decrease in underlying operating profit.

The underlying volume reduction for agronomy services and crop inputs was 14.4% in the period.

Prolonged unseasonal weather conditions in Ireland and the UK resulted in lower volumes and margins across the segment. Volume development in the UK was impacted by a 10.7% reduction in total plantings, and importantly, a significant shift from winter cropping to spring cropping within the year. Despite spring planting ultimately progressing well, a prolonged dry period from March to early June resulted in reduced crop yield expectations, in addition to limited pest and disease pressure, which resulted in a 20.3% reduction in crop protection volumes.

Operating margin decreased to 2.4% from 5.2% driven by a lower intensity of crop input spend by farmers and growers as a result of the change in cropping mix.

Integrated Agronomy and On-Farm Services

Integrated Agronomy and On-Farm Services delivered a disappointing result during the year, recording lower volumes, revenues and margins across its service and input portfolios.

Demand for agronomy services and inputs was impacted by negative on-farm sentiment driven by extremely challenging operating conditions as a result of sustained unfavourable weather and the impact of COVID-19 restrictions. Intense and prolonged rainfall in the first half of the year was followed by unseasonably dry conditions which impacted overall crop potential and curtailed on-farm investment.

Despite these challenges, Integrated Agronomy and On-Farm Services delivered an excellent operational performance against a backdrop of COVID-19 related restrictions and the implementation of a range of measures to ensure continuity of service to farmers and growers. The volumes delivered on-farm in the third and fourth quarter demonstrated the robustness of the Group's operational capabilities.

Agrii invests in industry leading research and development, including over 40,000 trial plots undertaken by Agrii annually across the UK.

Digital Agricultural Services
During the year, the Group's digital agronomy and precision farming operation, Rhiza, which has developed a suite of agronomist-farmer enabled digital applications designed to optimise crop performance and input utilisation, continued to add increased functionality for farmers.

The development and roll out of Origin's digital offering continued at pace during the year, with over 1.4 million active hectares on-boarded to date, including significant growth in Continental Europe, 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 had a challenging financial year, impacted by prolonged unseasonal weather resulting in lower volumes and margins for fertiliser and animal feed ingredients albeit set against a strong comparable prior year.

Fertiliser
Despite a solid operating performance, fertiliser recorded lower volumes and profits in the period. The adverse weather resulted in a reduced cropping profile in the UK which impacted demand. Although activity levels on-farm were more favourable in the second half of the financial year, full year demand was behind that achieved in the prior year. Downward movement in global fertiliser markets as the year progressed was also a factor in revenue and margin performance in the period.

The development and promotion of enhanced efficiency fertiliser and bespoke nutrition ranges will continue to be a significant focus in FY21. During the year the Group developed an independently validated carbon calculator, Nutri CO_2OL, which will enable us to precisely quantify the carbon footprint for each of the 13,000+ fertiliser blends we offer.

Amenity
Amenity recorded lower volumes, revenues and profits in the period.

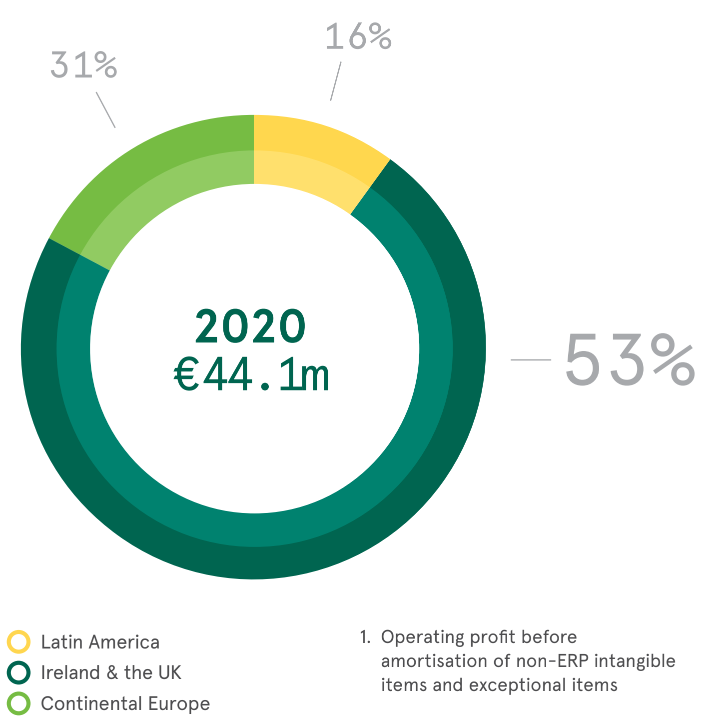
The closure of all sporting venues along with the significant reduction in landscaping and local authority channels at the height of the COVID-19 restrictions significantly curtailed demand during the year.

With a large proportion of its customer base having to temporarily close, our amenity businesses furloughed members of their teams, on a rotating basis, from late March onwards.

Feed Ingredients
Feed Ingredients delivered a reasonable result in the year reflecting a good operational performance despite a reduction in volumes.

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

Profit[1] by Geography



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

100 – 2,000ha
Customer Profile

Case Study

Agrii Logistics

In the UK, Agrii are industry leaders with their R&D led approach to agronomy. However, Agrii's agronomists, seed and fertiliser managers and farmers are reliant on the right products getting on-farm in time.

Agrii employs approximately 320 operational staff during the peak of the season to support its operations including drivers, administration support, production operators and supervisors, site managers and central support. Together this team ensures that 230,000 chemical and certified seed deliveries are made every year.

At each logistical hub, each picker can prepare 50 or more orders on a daily basis during peak season to deliver:

> 60,000 tonnes of certified seed each year
> 8,000 individual chemical deliveries each week at peak
> 30 farm visits per day by each driver in peak season

In Agrii's larger hubs, planning software is used to link to in-cab navigation aids to make optimum use of vehicles, carrying capacity, miles and time to satisfy agronomist and customer demands.

Agrii's National Distribution Centre in Alconbury is operational 24/7 facilitating the overnight restocking of logistics hubs across the UK as required.

During the COVID-19 restrictions imposed in the UK at the height of the pandemic, Agrii's logistical capabilities continued to operate effectively maintaining critical supply to farmers all across the UK, while observing all appropriate safety and social distancing protocols.

>30
Farms per day visited by each driver in peak season.

Lee Curds
Lee is a Senior Manager in Agrii responsible for a number of depots. Based at Larkwhistle he travels to other sites to assist with the implementation of best practice and new initiatives. He is also heavily involved in Agrii retaining their operators licence, which is essential in operating their own fleet.

Agrii's logistical capabilities are of central importance to agronomists and farmers alike. For chemical deliveries there is an expectation that orders will be on-farm no later than the day after ordering, and in many cases the requirement is that it is on-farm same day due to plant growth stages or disease pressure posing a threat to a farmer's yield."

Lee Curds, Senior Manager, Agrii

Case Study

RHIZA: Origin's Digital Service Offering

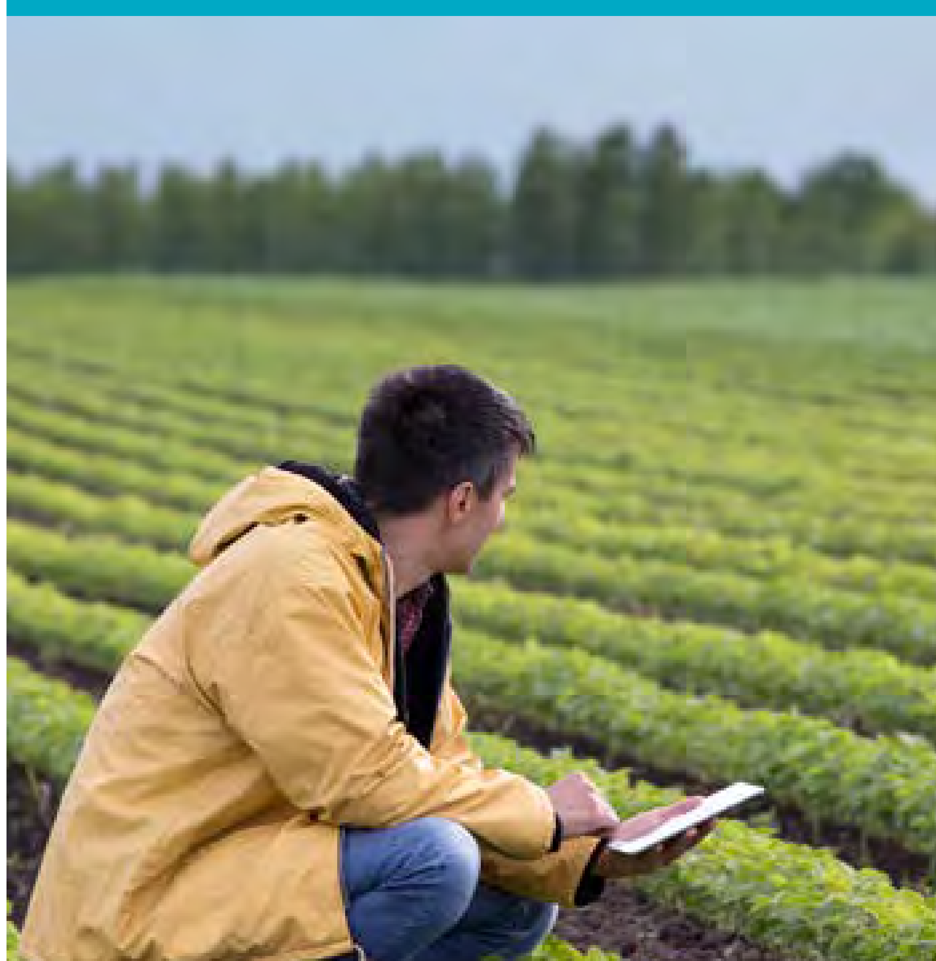
The COVID-19 pandemic has proved extremely challenging to all sectors of life across Ireland and the UK. Agriculture has been recognised as an essential pillar of the economy, and we are committed to supporting our industry and the communities in which we operate.

In order to make a greater contribution to the agricultural industry and community, Agrii and RHIZA agreed to make many of their services available to their customers at no charge, providing the industry's highest resolution satellite imagery to farmers and growers at zero cost for the duration of the pandemic restrictions.

Agrii and RHIZA are committed to providing support to all of our farming family at a time where communities need to come together.

1.4 million

Active digital hectares on-boarded across our geographies.



4.0 million

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.

A consignment of respirator masks donated to the Perth Royal Infirmary to help fight against the coronavirus outbreak in Scotland.

Photo: Support for the NHS as seen from the air.

Case Study

Supporting Frontline Workers

With agriculture deemed a critical industry during the COVID-19 pandemic, key workers are working tirelessly to keep communities across Ireland and the UK healthy. On World Health Day, a satellite used to support farm decision making came across something a little different.

In April 2020, Agrii agronomist Matthew Alford and farmer John Govier went to a field in Devon to mow a 360m x 130m '#NHS' sign in the grass. Contour, a RHIZA Digital tool, captured the tribute using optical satellite imagery.

Support for the NHS extended past this gesture of appreciation for frontline workers. Inspired by the 'Clap for Carers' tribute across the UK, the Agrii team in Perth, Perthshire in Scotland donated a consignment of respiratory masks to the Perth Royal Infirmary to help fight against the coronavirus outbreak in Scotland.

BUSINESS REVIEW

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.

+ See more: Case Studies on pages 39 to 41

Operational Review[1]

			Change on prior year		
	2020 €m	2019 €m	Change %	Underlying[3] %	Constant Currency[4] %
Revenue	**417.5**	440.1	(5.1%)	(5.9%)	(5.9%)
Operating profit[2]	**13.2**	13.9	(4.7%)	(2.3%)	(2.3%)
Operating margin[2]	**3.2%**	3.2%	-	10bps	10bps

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 2020 crop marketing revenues and profits attributable to Continental Europe amounted to €172.7 million and €0.4 million respectively (2019: €165.1 million and €0.3m 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:

€417.5m
Revenue

+1,000
Employees

€13.2m
Operating Profit

c.17,000
Customers

Overview

Continental Europe delivered a satisfactory performance despite a challenging operating environment during the year. Our Romanian and Ukrainian businesses adopted the Group's single brand identity, Agrii, in common with Origin's direct farm customer facing business operations in the UK and Poland. The common identity supports the group-wide framework for technically led and integrated agronomy services.

Underlying business volumes declined by 1.9% in the period with operating margins in line with FY19 at 3.2%.

Belgium

Belgium delivered a reduced result for the year, encountering volume and price challenges primarily driven by weather related challenges and global raw material price movements throughout the year.

Poland

Poland delivered an improved performance on the prior period.

There was positive volume development across all market channels supported by a solid cropping area broadly in line with the prior year. Performance benefited from the ongoing enhancement of Origin's seed and speciality nutrition portfolios during the year and an excellent operational performance, including improved operating margin and working capital management.

Image: In Poland, Agrii leads the way with investment in research, innovation and infrastructure with its state of the art facility in Alexandrów.

+ **See more:**
Origin at a Glance on page 6
Our Business on page 20

BUSINESS REVIEW (CONTINUED)

Continental Europe

Romania

Romania delivered a satisfactory result during the year, in line with the performance of FY19.

Romania's contribution was impacted by sustained periods of dry weather from early spring which impacted on-farm investment decisions and resulted in lower volumes recorded year-on-year.

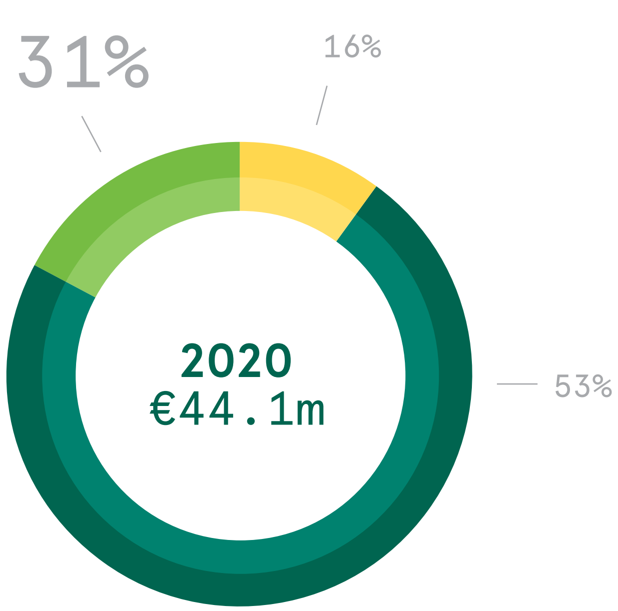
Operational performance continues to improve, with enhanced commercial effectiveness during the period resulting in improved operating margins and lower working capital in the business. The move to amalgamate our Romanian businesses was accelerated with the rebranding of the Group's operations in Romania as Agrii, in line with the rest of the Group's direct farm facing businesses in UK and Poland.

Ukraine

Ukraine delivered a disappointing result during the year, recording a reduction in profitability driven by a challenging operational backdrop characterised by highly competitive trading conditions and volatile currency movements.

The Group continues to prioritise operational and working capital efficiencies in Ukraine along with the further development of high service agronomy channels and precision digital offerings. In common with our Romanian businesses, our operations in Ukraine also rebranded to Agrii during the year.

Profit[1] by Geography



- Latin America
- Ireland & the UK
- Continental Europe

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

Continental Europe in Numbers:

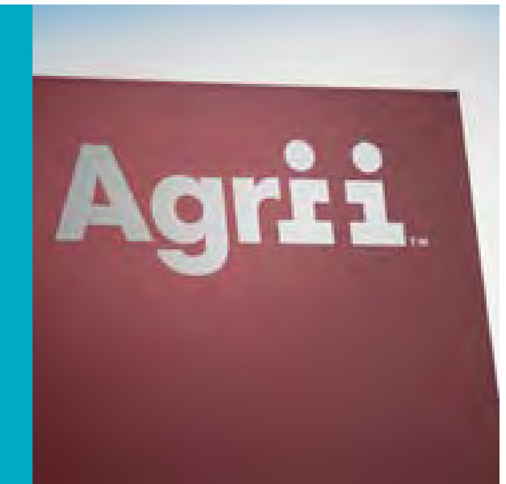
100 - 50,000ha
Customer Profile

358
Sales Force

8
Input Facilities

Case Study

Launch of Agrii CE



In common with Origin's direct farm customer facing business operations in the UK and Poland, our Romanian and Ukrainian businesses adopted the Group's single brand identity, Agrii, during the year. The common identity supports the group-wide framework for technically led and integrated agronomy services.

Agrii was launched in December 2019 in Romania and Ukraine as the new brand for Comfert, Redoxim and Agroscope, having been adopted in Poland since January 2016. As a leading provider of agronomy services, technology and strategic advice, Agrii combines excellence and innovation with the latest research and development to ensure our customers can meet today's farming challenges with knowledge and confidence.

As Agrii, the power of skilled agronomists has been harnessed along with the best agri-intelligence to deliver unrivalled expertise and support for sustainable and profitable farming systems across Continental Europe.

The rebranding is also an important aid to driving cultural change in the businesses, focusing our agronomy teams on the key aspects of technical advice we provide and away from traditional sales practices.

> We are called Agrii because we deliver agri-intelligence and innovation: our strengths and skills are embodied in our name. Agrii's people are core to our operations, and as Agrii our people across Continental Europe have access to market leading agri-intelligence and innovation to share with the agricultural community we serve."

Rafal Prendke,
CEO Continental Europe

Case Study

Certified Seeds - Poland

In Poland, Agrii operates a state of the art Seed Processing and Input Formulation facility in Alexandrów, where they are leading the way with investment in research, innovation and infrastructure.

The facilty in Aleksandrów provides a defined competitive advantage that has allowed Agrii Poland to secure a number of third party seed processing contracts, as well as processing our own seed for sale. The seeds processed in Aleksandrów are exported to 8 different European countries, with the competitive advantage aided by:

- ESTA certification
- Industry leading quality control
- Investment in upgraded packing lines

Dalgety Seeds in Alexandrów, Poland.

8

The seeds processed in Aleksandrów are exported to 8 different European countries.

Agrii's online e-commerce presence in Romania followed the strategic rebranding of the Group's customer facing operations across Continental Europe.

Since its launch in April 2020 over 250 individual orders have been processed by Agrii's e-commerce platform.

Case Study

E-commerce: Romania

In Romania, Agrii operates a network of 50 retail stores which are vital to ensure small farmers get access to Agrii's product portfolio.

Local restrictions imposed due to the spread of COVID-19 impacted small producers' ability to access the physical locations, and as a result Agrii launched its first online store in Romania. This ensured access to product for the smaller producers who are a vital part of the agricultural community. Agrii's online presence has been extremely successful both for large farmers and small producers alike.

50

Retail stores across Romania

BUSINESS REVIEW

Latin America

In Brazil, Origin has a controlling interest in Fortgreen. Based in Paraná State, Fortgreen is an established leader in the development and marketing of value added crop nutrition and speciality inputs. Following the decision to not complete the Ferrari Zagatto transaction the founding shareholders repurchased the 20% shareholding in July 2020.

"Latin America has delivered an excellent operational performance with volume development and underlying profit growth."

+ See more: Case Studies on pages 45 to 47

Operational Review

			Change on prior year		
	2020 €m	2019 €m	Change %	Underlying[3] %	Constant Currency[4] %
Revenue	**31.1**	33.6	(7.4%)	6.4%	7.6%
Operating profit[1]	**7.1**	8.1	(11.9%)	4.8%	4.9%
Operating margin[1]	**22.9%**	24.1%	(120bps)	(40bps)	(60bps)
Associates and joint venture[2]	**0.4**	-	100.0%	-	100.0%

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.

Latin America in Numbers:

€31.1m
Revenue

6
Research Laboratories

€7.1m
Operating Profit

+1,000
End Customers

Overview

The Latin American ('LATAM') reporting segment incorporates the Group's subsidiary and associate operations in Brazil.

The Group completed the acquisition of a 20% shareholding in Ferrari Zagatto E Cia. Ltda. ('Ferrari'), a leading provider of agronomy services, inputs, crop handling and marketing services in June 2019. Following a review of the Group's M&A priorities, the Board decided not to increase the shareholding in Ferrari, and consequently to divest of the Group's 20% shareholding in Ferrari to its existing shareholders, a transaction that completed in July 2020.

LATAM delivered an excellent operating performance with the volume development and underlying growth delivered against a delayed season and start to in-field operations for Brazil's principal crop, soya.

Underlying business volumes increased by 4.3% in the period with revenues increasing by 6.4% on an underlying basis and by 7.6% at constant currency. The weakening of the Brazilian Real in the second half of the year has impacted earnings in the LATAM segment. Reported operating profit has decreased by 11.9% despite an increase in operating profit of 4.9% at constant currency.

Image: Fortgreen operates a comprehensive research and new product development capability at its headquarters in Paraná State, Brazil.

+ **See more:**
Origin at a Glance on page 6
Our Business on page 20

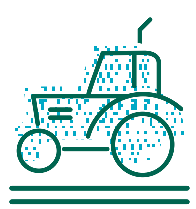
BUSINESS REVIEW (CONTINUED)

Latin America

LATAM delivered an excellent operating performance with the volume development and underlying growth delivered against a delayed season and start to in-field operations for Brazil's principal crop, soya.

Latin America in Numbers:

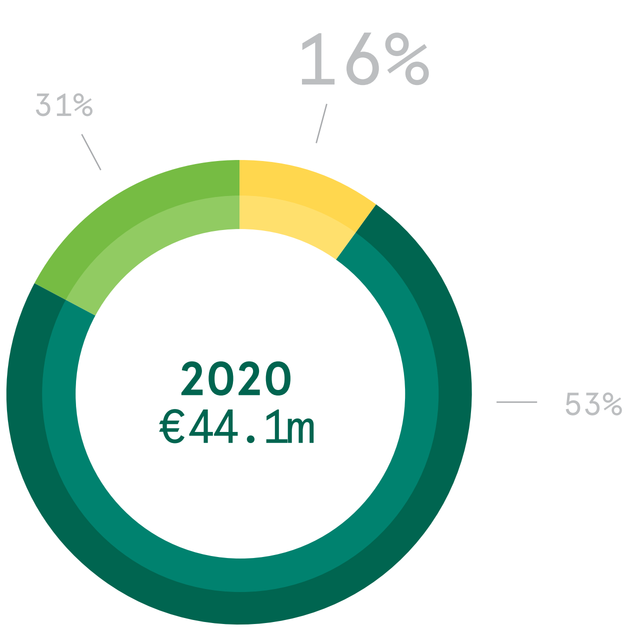
50 - 5,000ha
Customer Profile



2,700
Crop Field Trials

+4.3%
Underlying growth in business volumes

Profit[1] by Geography



- Latin America
- Ireland & the UK
- Continental Europe

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

Case Study

COVID-19 Efforts

COVID-19 has impacted communities across the globe as the pandemic spread worldwide from March 2020. South America has been one of the regions most severely impacted and Brazil in particular has been badly hit.

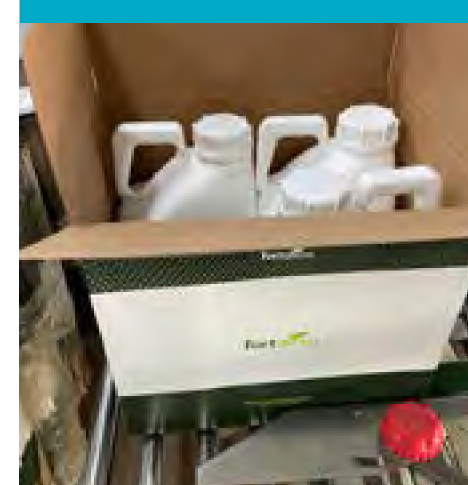
Fortgreen, headquartered in Paraná State in southern Brazil, is focused on the development and marketing of speciality inputs and value-added crop nutrition. Fortgreen management quickly identified that their manufacturing capability could be efficiently adapted, using spare capacity in the plant, to produce hand sanitiser which was badly needed in the local community.

To support the communities in which they operate, Fortgreen, in partnership with two other local companies, Usina Santa Terezinha and Midiograf (who provided the raw materials), produced 10,000 litres of hand sanitiser in April 2020. Fortgreen provided 80 litres to employees, donated a number of litres to the Health Secretary for each of the ten cities where they operate and supported four local hospitals in Maringá, as follows:

- Maringá's Psychiatric Hospital
- Maringá's Cancer Hospital
- University Hospital of Maringá
- Hospital of Maringá

Further, Ferrari Zagatto donated Personal Protective Equipment to the Health Secretary of Marialva.

10,000
Litres of hand sanitiser produced



Production of hand sanitiser commenced to support Fortgreen's employees and local communities.

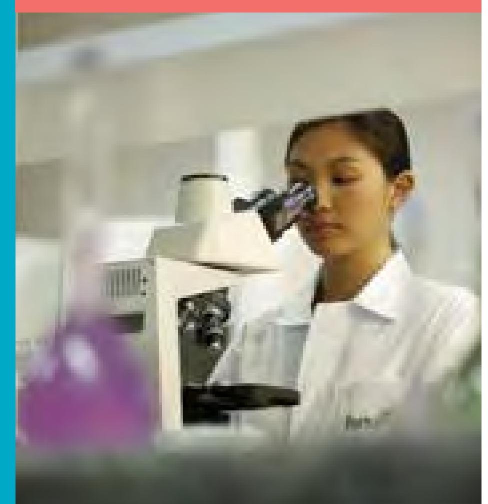
Case Study

Side by Side Trials

Central to Fortgreen's business proposition is a proven and industry leading research and new product development capability. With six research laboratories operating across Fortgreen's operations, the investment in research and development provides a competitive advantage to Fortgreen in the marketplace.

An example of an activity undertaken by the research team in Fortgreen is the Side by Side trials that have been ongoing since 2004. These trials have been undertaken across approximately 400 trial fields covering some 17,000 hectares. The growers operating on the 400 trial fields account for over 650,000 hectares alone.

The output of the trials illustrate the effectiveness of Fortgreen's product offerings when compared to the competition, with Fortgreen's products delivering a higher yield in 98% of cases.



Research Capability
Fortgreen's research and development capabilities are key to the success of side-by-side trials and are used in extensive trial plots to illustrate the effectiveness of their products.

DARK ROOM

Fortgreen's research and development infrastructure includes a 'Dark Room' which uses hi-tech lasers to analyse the quality of sprays, bars and nozzles to assess optimal application methods. The infrastructure also includes a wind tunnel to replicate drift and other in-field variables.

Case Study

Products in Focus: Adjuvants and Foliar Plant Nutrition

Fortgreen's plant nutrition portfolio includes some of the most innovative formulations in the Brazilian marketplace.

The products in this portfolio are developed using Fortgreen's Crop Protection Product Technologies, where additives, complexing compounds and other polymers promote industry leading results including:

- High solubility
- High penetration
- High translocation on adverse situations
- Humectant effects
- Spreader with sticker effects, avoiding run-off

Fortgreen's nutrition portfolio includes products such as Germinate, SojaPlus Gold and Xcellence all of which have proven capabilities and formed an integral part of Fortgreen's Side-by-Side trial initiative as set out on page 46.

SUSTAINABILITY REPORT

The need to protect our natural capital has never been greater. Food production and security relies on the availability of land, water and nutrients.

These precious resources need to be managed carefully to help combat the intensifying problems of climate change, ecosystem services degradation, and the need to increase sustainable food production to feed a growing global population.

In 2020, the increased frequency of extreme weather events and the COVID-19 pandemic, highlight the essential role of agriculture and food production and the necessity for collective action to achieve a net-zero emissions economy for a world that prioritises the health of people and our planet.

Our sustainability journey is one of continuous evolution and progression based on the understanding that effective decisions made today will positively influence the way food is produced and consumed by future generations.

In 2020 we made a focused and collective effort to accelerate our Environmental, Social and Governance ('ESG') initiatives to produce a roadmap aimed at safeguarding the environment, promoting economic growth and supporting social development.

This year, in addition to internal projects and ongoing stakeholder engagement, we have taken action to increase our transparency and improve our disclosures on material ESG developments in the following sustainability report. Kate Allum, Non-Executive Director, has assumed additional responsibility as Board sponsor to support the executive team in overseeing the Group's sustainability programme. Origin has also enhanced its CDP disclosure and launched sustainability manifestos across its largest operating businesses. In tandem we have drafted a blueprint code of conduct of how our suppliers should operate as partners and have begun the process of adopting the Task Force on Climate related Financial Disclosures (TCFD) recommendations.

Food security starts with a healthy soil. By developing and providing the essential building blocks for optimal soil and plant health, Origin is committed to playing a leading role in shaping a future that safeguards the environment, enhances food production systems, promotes economic growth and protects people's health and wellness."

Sean Coyle, CEO Origin Enterprises plc

Materiality

In 2019, we engaged a broad range of internal and external stakeholders to undertake a materiality assessment, to help us better understand the impact Origin can have on the economy, society and the environment.

Based on the collective input we received from our stakeholder groups, this year we developed a roadmap to focus on the areas of greatest impact and categorised the activities under three strategic pillars. The roadmap also underpins and supports the advancement of our purpose, vision and values.

SUSTAINABILITY ROADMAP

Pillar 1 – Promoting sustainable food production systems
- On-farm products and services
- Product innovation
- Engagement and partnerships

Pillar 2 – Conducting business responsibly
- Resource efficiency and environmental impacts
- Conducting business with integrity
- Empowering our people

Pillar 3 – Integrating sustainability into our decision making and engagement with all stakeholders
- Governance and processes
- Reporting and transparency

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. Agreed at international level in September 2015, the achievement of these 17 goals by 2030 requires broad participation and creates a key role for businesses in delivering solutions that can help meet these challenges.

As a leading provider of agri-inputs and agronomic services, our biggest opportunity to contribute to the SDG Goals is through innovation, the promotion of best agronomic practice and adoption of market leading technologies that help farmers and growers produce more food, safely and efficiently while reducing potentially harmful emissions to land, water and air.

Within our roadmap, we highlight the SDGs we contribute to under each pillar. While our activities touch on many of the global goals, SDGs 2, 12 and 13 have particular strategic relevance for our business and we see the greatest potential for positive impact and opportunity in helping meet these goals.

SUSTAINABLE DEVELOPMENT GOALS

2 ZERO HUNGER

Goal 2: Zero Hunger

By sustainably optimising fruit and crop yield potential, we are working with growers to help end hunger, improve nutrition and achieve food security.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Goal 12: Responsible Consumption and Production

We are working closely with growers to promote innovation and best agronomic practices. We ensure sustainable sourcing and production practices across our operations.

13 CLIMATE ACTION

Goal 13: Climate Action

We are committed to acting to combat climate change, reducing greenhouse gases within our own operations and helping growers reduce emissions and maximise soil potential to capture carbon.

Pillar 1

Promoting sustainable food production systems

Agriculture remains one of the most exposed sectors to climate induced changes and equally is best placed to lead efforts in achieving a net zero emissions economy, as both an emissions source and carbon sink.

Our vision of sustainable food production is about embracing a future in which growers achieve a decent standard of living from efficiently producing the highest quality food, that supports the health of the planet and well-being of people, leaving no-one hungry.

On-farm products and services

We want to play our part in designing food production systems that feed people well, improve environmental outcomes, mitigate climate change and deliver reliable profit for our customers and shareholders.

We believe our unique position as a trusted advisor on farm, can help growers be as profitable, sustainable and biodiverse as possible in a manner most appropriate to their individual farming situation.

Our experienced team of agronomists understand the unique needs of each field and cropping system. Availing of the support provided by our research teams, our agronomists are equipped with the real time tools to adapt their advice and product choices to optimise yields, minimise and mitigate environmental impact, and comply with all regulations.

Our Agrii brand has a heritage of serving growers with proven, innovative, products and solutions that are targeted at individual customer needs. To ensure we continue to honour this commitment, we have set out a series of aims and ambitions as part of our five-point plan "Green Horizons" to fortify the promotion of sustainable, safe and profitable food production systems.

Agrii UK will officially launch its Green Horizons sustainability manifesto in October 2020. The Group intends to roll out Green Horizons across all of our Agrii operations in 2021, tailored for individual market requirements. The five point plan is designed with farmers and growers at heart, because ultimately it is their decisions and practices that deliver sustainable food production.

Whatever complexities the future holds, we believe that there has never been a more exciting time for agronomy to thrive.

PUTTING SUSTAINABLE AGRICULTURE INTO PRACTICE

Industry Challenges

Legislation	Loss of Biodiversity	Climate Change	Lack of Access to New Breeding Technology	Reduced Farm Profitability	Pest, Weed & Disease Resistance	Loss of Crop Protection Products	Public Perception of Food Production
Environmental protection policies, more with less	Protect and replenish beneficial species	Increased rainfall events Prolonged droughts Growing policy response to help mitigate climate change	EU and UK lagging pace of new variety development across other continents	Shift in UK and EU farm payment structures placing greater emphasis on farm efficiency	Increasing resistance to plant protection products	Products removed from the market and increasing development costs for new treatments	Lack of understanding of where food comes from and what technologies are required to deliver food security

Our Aims

Enhancing the environment	Improving soil health and fertility	Increasing farm productivity and viability	Providing integrated whole farm solutions	Increasing stakeholder engagement

5-POINT PLAN

Our aim is to help farmers contribute towards seven relevant Sustainable Development Goals. These goals are set by the United Nations to be achieved by 2030 and address many of the most urgent societal challenges.

AIMS	AMBITIONS	RELEVANT SUSTAINABLE DEVELOPMENT GOALS
Enhancing the environment	Collaborate with customers to learn how to achieve Net Zero by 2040. Develop accredited Agrii Environment training programmes – public money for public goods. 'Green Horizons Challenge' – reduce plant protection product inputs supported by bio-solutions. Launch virtual Sprayer Operator Workshop to maximise best practice.	6 Clean water and sanitation; 15 Life on land
Improving soil health and fertility	Develop and adopt independently validated measurements of soil health. Improve soil health through value chain and scientific collaborations. Expand range and use of fertilisers with a low carbon footprint. Increase adoption of tailored nutrition programmes through soil/tissue sampling and using RHIZA digital.	2 Zero hunger; 6 Clean water and sanitation; 13 Climate action
Increasing farm productivity and viability	Maximise productivity in food production. Embrace low impact research and modelling technologies to facilitate sustainable research and development. Lead the adoption of new technologies which fast track climate and consumer benefit. Encourage creative thinking. Develop a new way to reward excellence in integrated crop production through Agrii farm partnership.	2 Zero hunger; 8 Decent work and economic growth
Providing integrated, whole farm solutions	Provide more resilient genetics through Agrii's recently launched Seed Variety Sustainability metrics. Develop climate tolerant break crops and associated agronomy advice. Ensure all research is driven by Integrated Pest Management principles. Employ laboratory screening methods to fast track bio-solutions. Establish recognised metrics on plant protection products to reduce negative impacts whilst maintaining productivity.	12 Responsible consumption and production; 13 Climate action
Increasing stakeholder engagement	Increase engagement with NGOs, food producers, government and scientific bodies. Digitally enable all customers via integrated personalised portal including technical information. Expansion of virtual iFarm events and trial tours. Create crowd sourcing programme for innovation sharing with customers.	8 Decent work and economic growth; 9 Industry, innovation and infrastructure

Case Study

First-ever Seed Variety Sustainability Ratings Established

Agrii has developed the first-ever sustainability ratings for all of the UK's leading winter wheat and barley seed varieties. Agrii's Variety Sustainability Rating, or VSR, was developed to help growers choose cereals offering them the greatest agronomic strength with the least production risk and environmental impact.

The VSR score ranges from 1* (low sustainability) to 3* (highly sustainable) and considers many factors such as disease resistance, yield stability and pest resistance.

The ratings are provided as part of the 2020 Agrii Advisory List which complements the AHDB Recommended List with extra analyses, independently validated, and statistically-robust data from Agrii's extensive national and regional variety testing programme. As well as helping individual growers in their variety selection, the VSR score forms part of a concerted effort to improve the sustainability of cereal-growing in the UK as a whole.

> The sustainability ratings provide an unbiased way of comparing the overall robustness and resilience of available crop genetics to help growers and their agronomists narrow down their initial winter wheat and barley choices from the plethora of main varieties on offer today."

Colin Lloyd,
Head of Agronomy
Agrii UK

+
See more:
Origin at a Glance on page 6
Our Business on page 20

Product Innovation

CROP INPUTS

Soil and crop nutrition is pivotal to balancing the twin pillars of sustainable agriculture: food production and environmental enhancement. Sufficient nutrients are needed to ensure economic yields of high quality, nutritious food. Conversely, excess nutrients can adversely impact the environment, particularly air and water quality and contribute to global warming.

Origin's fertiliser businesses have developed a range of crop nutrition products and services that help farmers achieve the right nutrient balance for optimum productivity and environmental protection: putting sustainable agriculture into practice.

NUTRI-CO_2OL®

NUTRI-CO_2OL is Origin Fertilisers' independently verified model that enables us to quantify the carbon footprint for any individual product. It provides site-specific carbon footprint for Origin's 13,000+ grades from source to site gate.

- Quantifies a 'real-time' carbon footprint for any individual product relating to the specific raw materials used and the production site
- Independently verified by ADAS against PAS 2050:2011 Specification for the assessment of the life cycle greenhouse gas emissions of goods and services
- Enables farmers to accurately quantify, measure and report their actual fertiliser carbon footprint, rather than relying on generic default values
- Enables agronomists and farmers to compare the GHG emissions of different product options

NUTRI-CO_2OL has been independently assessed by ADAS for relevance, completeness, consistency, accuracy and transparency against PAS2050:2011 Specification for the assessment of the life cycle greenhouse gas emissions of goods and services. The verification covers emissions from cradle-to-gate – including scope 1 direct emissions, scope 2 indirect emissions and scope 3 indirect emissions associated with upstream activities.

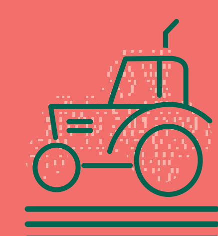
NUTRI-MATCH

NUTRI-MATCH is a range of enhanced efficiency fertilisers to match soil and crop nutrient requirements determined from broad-spectrum soil analyses and nutrient management plans. NUTRI-MATCH can help to:

- Improve soil fertility, structure and health and reduce the risk of soil degradation.
- Avoid under or oversupply of nutrients and increase Nitrogen Use Efficiency (NUE).
- Reduce nitrous oxide and ammonia emissions through urease inhibitors, OEN and SUSTAIN.
- Reduce nitrate and phosphorous losses to water through nitrification inhibitor, OEN and phosphorous protector, OEP.
- Increase grass utilisation and animal health through Sweetgrass and Selenigrass to increase productivity and reduce GHG emissions.

Case Study

Origin's NUTRI-CO_2OL reducing carbon footprint of carrots



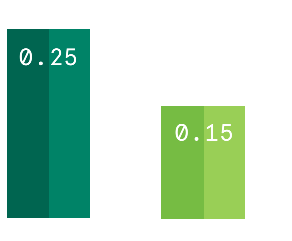
Food retailers are working closely with farmers and growers to reduce the environmental impact of the average shopping basket.

An environmental audit between a major supermarket chain and Alan Bartletts and Sons Limited, a leading UK farming enterprise, highlighted fertiliser inputs as a significant part of the carbon footprint of producing carrots. Agrii agronomist, Shaun Doncaster – working with Steve Warwick, Bartletts technical manager – used Origin Fertilisers' NUTRI-CO_2OL carbon calculator to identify low-emission fertiliser options. Amending the raw material formulation enabled Origin to produce a fertiliser that still matched the nutrient requirements of the crop and reduced the carbon footprint of the production of the fertiliser by up to 40%.

13,000+

Prescription Fertiliser Grades

CO_2-eq/kg product



Fertiliser grade	Carbon footprint kg CO_2-eq/kg product	Fertiliser production kg CO_2-eq/ha when applied at 900kg/ha
Carrot grade A	0.25	225kg CO_2-eq/ha
Carrot grade B	0.15	135kg CO2-eq/ha
Carbon footprint saving	40% reduction	Reduction of 90kg CO_2-eq/ha

Engagement and Partnerships

We actively partner with academic, government and industry participants to uncover solutions today to preserve the natural environment.

We understand that the best way to promote an action is leadership by example. This is why we have pioneered an innovative approach to agronomic research which delivers real value and quantifiable benefits.

To help our stakeholders get a better understanding of how to apply sustainable agricultural methods in practice, we have introduced best practice across our network of demonstration farms (iFarms). These farms shine a light on how new agronomic innovations can be adopted into real farming practice. Each location facilitates a lively and engaging events programme to keep farmers and agronomists abreast of the latest varieties, management systems and technologies to aid sustainable production.

To help protect our customers and employees this year, we moved our live events online and built a library of content for our customers. Events spanned all geographies and ranged from weekly streams in Poland including guest academic speakers to virtual iFarm events in the UK.

2021 will see the official launch of our new net zero iFarm in the UK. Working alongside farmers and suppliers we aim to explore best practice in the race to reduce on-farm carbon footprint and achieve net zero farming.

30

The MBA will include a group of 30 young farmers from the south and south-east of Romania

Case Study

Agrii Romania supports the first executive MBA program for farmers.

September 2020 will see the launch of the inaugural executive MBA program (in Europe) for farmers.

The MBA is developed with the support of Agrii Romania and key industry leaders, and in partnership with the University of Agronomic Sciences and Veterinary Medicine Bucharest.

The program is structured to support the transformation of Romanian farms into profitable and sustainable businesses. The Master's in Business of Agriculture (MBA) will include a group of 30 young farmers from the south and south-east of Romania, who will participate free of charge for six months.

Pillar 2

Conducting business responsibly

RESOURCE EFFICIENCY AND ENVIRONMENTAL IMPACTS

As one of the leading providers of agri-inputs and agronomic services, we are aware of our impact on the environment and recognise the fundamental importance of making a meaningful and positive contribution towards maintaining the health of the planet through the sustainable and efficient use of resources.

Climate change represents both risk and opportunity for our business. Potential risks include both acute and chronic weather events which have a direct impact on agricultural production. We equally recognise and embrace the opportunity to innovate and adapt both our product offering and internal operations to play a greater role in meeting international commitments under the Paris Accord.

Through Group monitoring and governance, we are continuously working to adopt and improve reporting metrics. Focusing on the efficiency of our operating businesses, we undertake energy, waste and water audits to identify opportunities to further reduce our footprint, exercise control of environmental hazards and enhance product traceability. The Group adheres to strict principles of environmental stewardship in all its activities ensuring appropriate care is taken throughout the product life-cycle, utilising management systems, processes and capital investment.

While encouraged by the progress and expansion of our monitoring activities to capture water and waste usage this year, we recognise that more work is required.

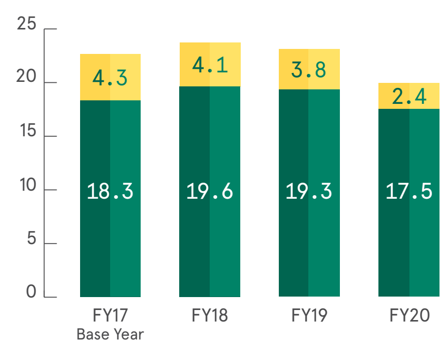
As we look to the year ahead we seek to build on the initiatives already implemented such as the utilisation of fleet management software within our UK logistics operations, fleet modernisation in Continental Europe and increase the number of sites purchasing power from renewable sources. We plan to determine and publish targets that will support emissions reductions, reduce waste and conserve fresh water within our own operations.

Greenhouse Gas Emissions

In FY19 we published our first year of consolidated data for our Group Scope 1 (direct from energy generation) and Scope 2 (indirect from purchased electricity) greenhouse gas ('GHG') emissions. In FY20 we recorded a 12% reduction in our absolute carbon emissions and an 18% reduction in carbon intensity versus our 2017 base year.

While a portion of the reduction can be attributed to reduced activity within our Amenity operations due to disruption of the COVID-19 pandemic, circa two thirds of the reductions achieved directly relate to internal carbon reduction initiatives, with 42% of the Group's purchased electricity now supplied from renewable sources. Allowing for a return to more normalised trading activity in the forthcoming year, the Group will continue to seek continuous improvement.

Absolute CO_2 emissions
(000's tonnes)

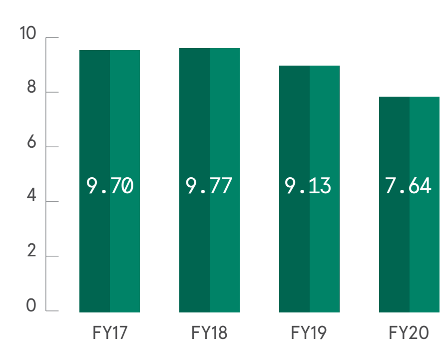


Scope 1
(Direct – transport and heating fuel)

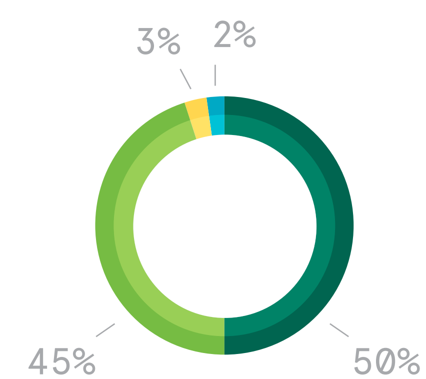
Scope 2
(Indirect – electricity use)

FY17 – FY19 amounts have been restated to reflect the updating of estimates with actuals where available

Carbon Intensity
(tonnes CO_2-eq / Average no. of employees)

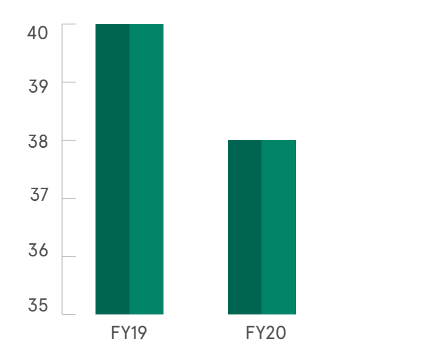


FY20 Waste by Disposal Method



50% Recycling & Recovery
45% Landfill
3% Incineration (with energy recovery)
2% Other

Annual Water intensity



m³ per million Euro of revenue

Waste and packaging

This was the first year in which consolidated data for the Group's waste disposal was collated. The exercise has helped to identify key areas of focus and is assisting the Group in drafting an action plan to tackle waste. Our aim is to maximise the value of the resources we use and rely on, 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 materials. We continue to actively work with our packaging suppliers to trial the strength and protection of fertiliser bags to increase the percentage of recycled content used in their manufacture.

In the effort to reduce food waste across the production cycle we proudly participated in the European Agrocycle project, through our Agrii division, helping to research approaches to address the recycling and valorisation of waste from the agri-food sector.

We continue to work closely with the respective authorities in the countries we operate in to assist our customers in recycling this packaging.

Water

While our water consumption is low compared to manufacturing industries, due to the nature of our formulation and distribution model, water is an essential component in the application of certain products we distribute to our customer base. With increasing pressure on this shared resource, we are mindful of the importance of protecting water sources and are committed to using water as efficiently as possible.

We recognise the significance of protecting water resources and managing this scare resource in a sustainable way to protect drinking water supplies and water dependent ecosystems. We exercise due care 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 such as spray operator training courses.

In 2020, we commenced a process of measuring and recording our water usage across all Group facilities, setting 2020 as a baseline. We continuously look for ways to conserve and reuse our water volumes and are currently investigating initiatives to further reduce our reliance on water resources.

Summary Assurance Statement
Environmental consultants, Clearstream Solutions, have assured Origin's greenhouse gas performance data (Scope 1 and Scope 2 emissions) in accordance with ISO 1466441. Clearsteam evaluated the systems and processes used to collate and report the greenhouse gas performance data. Clearsteam has been able to obtain a reasonable assurance for the data reported in the Group Annual Report 2020.

The Origin Way – Living Our Values

Conducting business with integrity

Our core message is simple: being an employee of the Origin Group means striving towards the highest possible standards of behaviour and ethical business conduct.

Our five values which make up '**The Origin Way**' define who we are as an organisation and are our guiding principles for how we should all interact, every day. In 2019 we defined the behaviours that we expect from all our employees and our leaders that help us demonstrate our values in action.

Our Code of Conduct represents our commitment to our values, to doing the right thing, personally and professionally, respecting the rights of others and gives us guidelines for our conduct. It makes our values and conduct tangible.

The Code of conduct will be rolled out to our employees in FY21 onwards and made available in multiple languages and applied to all aspects of business across the Group.

We regard good governance as one of the key elements of a sustainable corporate growth strategy and have adopted the Quoted Companies Alliance Corporate Governance Code ('QCA Code') as the basis for our corporate governance arrangements.

We maintain the trust of our customers and suppliers by developing and providing high-quality products and services in a fair, ethical and legal manner. We ensure that all business practices fully comply with applicable competition law wherever business is conducted and we expect our employees to comply fully with competition law.

Suppliers' conduct

We believe that our sustainable growth can only be achieved through actively engaging with all of our stakeholders. As suppliers represent a key cohort of primary stakeholders, we work with them to integrate criteria into their purchase, sale and production procedures that address social, ethical and environmental concerns.

Living our shared values fosters a culture of diversity, inclusiveness and empowerment for our people, which enables us to deliver for our customers, our partners and the communities in which we operate."

In 2020, we drafted a code which will be rolled out to suppliers as part of our agreements for FY21 onwards, outlining the expectations we have of our suppliers and providing a blueprint of how our suppliers should operate as partners. The code will be updated annually to reflect our progress on the ESG journey and changing priorities over time.

Anti-Bribery and Corruption policy

We are transparent and responsible with all applicable laws and we ensure that our employees are aware of the laws relevant to their roles. We expect each individual acting on Origin's behalf to be responsible for maintaining our reputation by conducting business honestly, transparently, professionally and ethically.

Our Anti-Bribery and Corruption policy and training outlines our zero tolerance and articulates that no employee or representative of any Group business is to offer or accept any bribe, including small facilitation payments, or engage in any form of corrupt practice.

Human Rights

We are committed to respecting human rights and labour practices in our operations and supply chains and recognise the importance of operating in an ethical and responsible manner.

The Group has procedures including a requirement for suppliers to read and accept our stance in relation to preventing Modern Slavery. A copy of the UK Modern Slavery Act is available to all employees and new starters as part of their induction programme to increase awareness of the Act.

We do not tolerate the use of forced or child labour, in any operations connected with the Group and we respect all laws establishing a minimum age for employment.

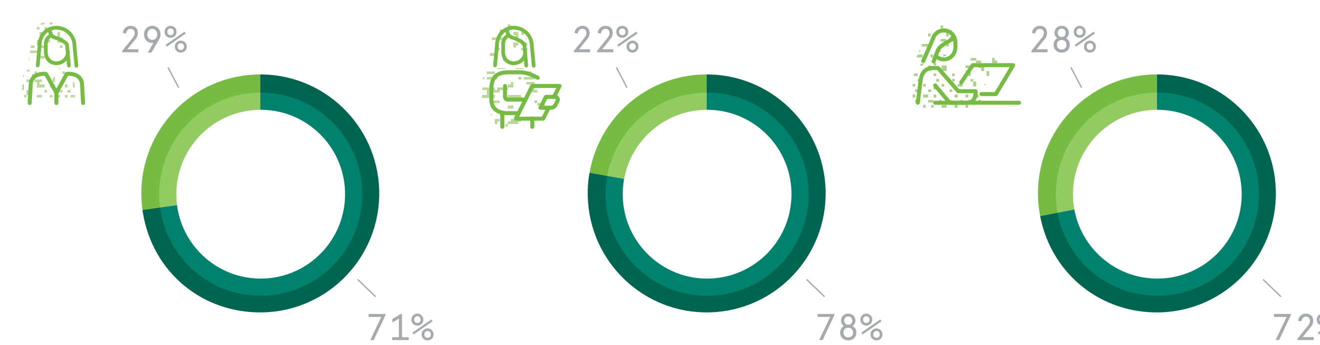
In our Supplier Code of Conduct, we will demand that those who seek to do business with the Group uphold the rights of workers and expressly forbid the use of child labour, or forced or involuntary labour of any type.

Whistleblower programme

It is our policy to encourage colleagues to speak up if they have any concerns about wrongdoing in the workplace. Any employee who raises their concerns in good faith will be supported for doing so and will be protected from retaliation. We have a number of reporting channels through which concerns can be raised, such as informally or formally through the grievance procedure and also confidentially through the whistleblowing hotline. The hotline is an independent, 24/7 service available in different languages across our business units. The availability of the hotline is widely communicated throughout the Group by our local HR teams.

The total number of complaints received across all geographies this financial year was twenty-six. The complaints varied in nature, falling into such categories as policy compliance, behavioural practices, traffic violations and duty of care. We take each case seriously and carry out an initial investigation to validate the complaint, following which the relevant process is implemented, with oversight and reporting through to the case being resolved or closed.

Gender diversity



29% female representation at Origin Board

22% female representation at management level

28% female representation of Origin employees

Empowering Our People

We are a people-focused business and we recognise that the quality of our people differentiates us within the marketplace, which gives us a key competitive advantage.

Our integrated People strategy is made up of six elements: '**The Origin Way**', '**Let's Talk**', '**You Make Our Difference**', '**My Wellbeing**', '**Origin IQ**' and '**LEAP**'. The strategy combines Group and local elements for the delivery of each strategic pillar.

Employee Voice and Engaging our People

We encourage a culture of open communication through our Employee Voice and Engagement Strategy '**Let's Talk**'. This allows us to enhance our existing feedback mechanisms, better understand the employee experience, ensure regular two-way, meaningful feedback and provide our Board and executive management with the insights necessary to make informed decisions.

Following our inaugural Group-wide employee opinion survey in 2019, the Group formulated action plans as a result of employee feedback and insights and has delivered key initiatives against the identified areas of focus.

Subsequently, we conducted our second Group-wide employee opinion survey in January 2020 to review our progress against these initiatives. We had an impressive rise in response rates from 68% to 79% and had a positive upward trend across all twelve categories that we measured. This demonstrates that our employees believe there is value in sharing their views and that actions will be taken as a result of their feedback. The most notable increases in employee perception were seen in the **Communication, Leadership** and **Diversity and Inclusion** categories.

At Origin we recognise there is a clear relationship between high levels of employee engagement and improved performance and operational results. Therefore, as part of our employee opinion survey we measure our Group-wide Sustainable Engagement score. This covers two core elements: the extent to which our employees are engaged with the organisation and the extent to which Origin provides a work experience that supports productivity and promotes wellbeing. Our 2020 sustainable engagement score increased versus our 2019 results due to our continued focus in this area and our score continues to be a strong result, ahead of the sector benchmark scores produced by our employee survey provider. We will continue to develop our culture of open communication and focus where there are opportunities to improve.

We recognise the importance of nurturing talent within our business and growing our talent through continuous learning and development, which is a key part of our succession planning and preparing our business for the future. We operate both an inclusive and exclusive approach to Talent Management to ensure that we retain key individuals, grow future leaders, develop high potential individuals and support change. We provide in-country training programmes to enhance employees' current performance and prepare them for future roles. Within this we have our '**LEAP**' programme for leaders and emerging leaders which is being rolled out across the Group.

Development agronomists participating in an IQ training session to enhance their understanding of how cultivation choice and timing affect soil composition and structure.

Personal development and growth is an important driver of our employee engagement and we measure our employees' views and perspectives in this respect. Overall over 70% of our workforce believes that there are opportunities within Origin to grow and develop and we have seen an increase in employee perception in this area against our 2019 employee feedback.

My Wellbeing

As ever, supporting the physical and mental health and wellbeing of our employees is extremely important. We continue to focus on the wellbeing of our employees through our 'My Wellbeing' strategy and we take the welfare of our employees very seriously.

We have been focused on staying connected and adapting to a completely new normal. This brought with it a host of new challenges: maintaining clear lines of communication, getting accustomed to remote digital meetings, maintaining productivity and supporting leaders.

We provided our employees with advice and support though our Human Resources Teams and have been signposting employees to advice and support through our Employee Assistance Programmes, webinars, online training, and other resources in relation to promoting physical and mental health and wellbeing. We also have dedicated wellbeing and COVID-19 sections on our intranet and in-country communications channels.

Building a robust health and safety culture

The health and safety of our employees, our products and our services is one of Origin's key priorities. Each business unit has a health and safety management system integrated into business operations which is steered by competent health and safety professionals. In January 2020 we appointed a Head of Health & Safety for Agrii UK, a new role which will be instrumental in sharing best practices globally.

Health and safety risks are included in our governance processes and meet the relevant national risk management requirements, as well as voluntary accreditation schemes where applicable. In the UK and Ireland, for example, we have a number of higher and lower tier COMAH sites (COMAH Regulations control the risk from major accidents involving dangerous substances) and are BASIS registered for sites with smaller chemical stores where COMAH does not apply. We are also part of the FIAS assurance scheme for production, storage, supply and transportation of fertilisers.

In February 2020 we undertook an internal review of our health and safety arrangements across the Group and identified areas where further improvements can be implemented; these will be our focus going into FY21. We will continue to invest in the processes and procedures required to ensure continual improvement in our health and safety standards and will maintain the focus on building robust and resilient health and safety cultures.

One improvement identified in the internal review was the need to enhance reporting of our health and safety performance thereby increasing transparency for our employees, customers and stakeholders and providing evidence of our commitment to health and safety. Over time our reporting criteria will evolve to provide a more in-depth overview of health and safety performance with broader indicators; the performance measures detailed below will become the basis for this reporting structure in future years.

Health and Safety Performance

There were no employee fatalities during the reporting year. There were 17 'reportable' incidents; these are events that are reportable under the relevant health and safety legislation for each country and as such the criteria for inclusion varies dependant on the location of the business unit. There were no prosecutions for health and safety failings or any enforcement activity, e.g. enforcement notices from HSE/HSA.

Measure	Result	Commentary
Fatality Rate*	-	There were no work-related fatalities.
Reportable Incident Rate (RIR)*	5.02	There were 7 (RIR 4.96) reportable incidents from UK & Ireland, 4 (RIR 3.82) from Continental Europe, and 3 (RIR 8.98) from Latin America.
Lost Time Injury Rate (LTI)*	8.6	In UK and Ireland there were 17 LTIs resulting in a total of 258 calendar days lost; in Continental Europe there were 4 LTIs resulting in 190 calendar days lost; and in Latin America there were 3 LTIs which resulted in 63 calendar days lost. An average of 21.3 calendar days lost per LTI across the Group.
Near Miss Rate* (UK & NI)	73.71	This indicator is used to track the prevalence of early identification of hazards. It is used as a leading indicator as it enables proactive resolution of hazards and engages the workforce in solving issues. Improvements in health and safety culture across the organisation should initially result in an increase in the rate of Near Miss reports. For FY20 we only have robust Near Miss data for the UK & Ireland businesses.

**All incidence rates are calculated as total number of incidents per 1,000 employees.*

One of our core values is Community

We believe in supporting communities at a local level and across the Group. Since the onset of the COVID-19 pandemic, we have undertaken employee-led initiatives to help support local communities such as:

> Fortgreen, in partnership with two other companies, Usina Santa Terezinha and Midiograf (who provided the raw materials), produced 10,000 litres of Hand Sanitiser.
> Fortgreen provided 80 litres to employees, donated a number of litres to the Health Secretary for each of the ten cities where they operate, and supported four local hospitals in Maringá.

Employees across the Origin Group have been fundraising for a variety of charities and looking after their own health and wellbeing through a variety of fitness challenges and campaigns.

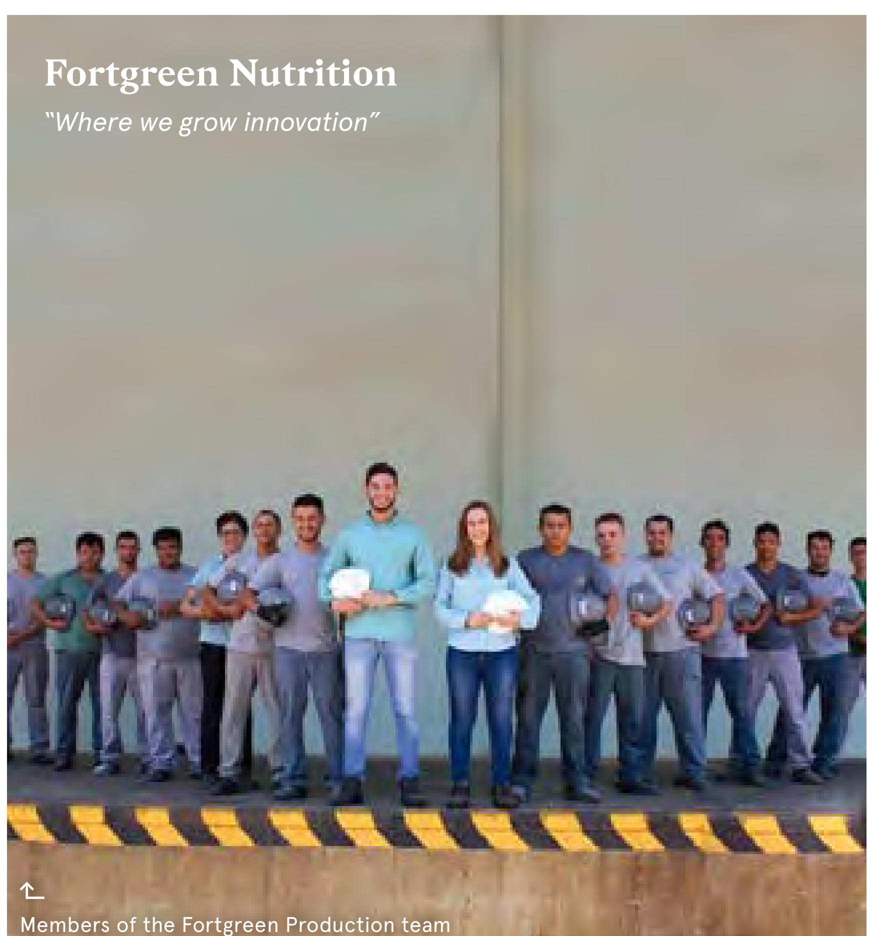
Nurturing Diversity and Inclusion

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.

Diversity, Inclusion and Equality are championed at the highest level in Origin starting with the Chief Executive and the Board. Our leaders and managers are responsible for allowing diversity to thrive and making inclusiveness accessible to all. They live our values, lead by example and promote a culture of equality, diversity and inclusion. Beyond our leaders and managers, we also expect the commitment of all our employees to embrace these principles, ensure an environment free from discrimination, harassment and victimisation and bring this culture of inclusion to life through their behaviours, ways of working and ways of interacting with each other. Our Diversity, Inclusion & Equal Opportunities policy clearly sets out our commitment and responsibilities to ensure we create an environment free from discrimination, harassment and victimisation.

We continue to implement our diversity, inclusion and equal opportunities programmes as part of our 'You Make Our Difference' strategy. These programmes focus on online training and continue to embed our principles into our company culture.

Accordingly, we have seen a notable increase in employee opinion in respect of supporting diversity, inclusion and equal opportunities in the workplace and we will continue to focus our action planning in this area.



Members of the Fortgreen Production team

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 as at year end are outlined on page 59.

We are a member of the 30% Club and support our Chairman, Rose 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 88.

Pillar 3

Integrating sustainability into our decision making and engagement with all stakeholders

Governance and processes

The Board has overall responsibility for risk management and internal control systems throughout the Group including climate-related risk. As part of the Board's oversight of sustainability initiatives, Non-Executive Director, Kate Allum has assumed additional responsibility as Board sponsor to support the executive team in overseeing the Group's sustainability programme.

An eleven-member sustainability steering committee was established under delegation from the Board of Directors. Its membership consists of senior representation from each geography, operating division and Group functions such as Risk, HR, Legal, IT, Investor Relations and Innovation.

The committee is tasked with assessing the impact of the Group's operations on the environment and the communities we operate in. The expertise held within the committee supports the sharing of best practice, promotes innovation and brings ongoing awareness of global developments in sustainability to the Group. Over the course of the coming years, the committee will review and recommend changes as appropriate to the Company's Sustainability strategy/road-map and oversee the required actions necessary to drive this strategy.

In addition to the dedicated sustainability committee, management monitor climate-related issues through day-to-day activities, which is reported to Executive Group management at monthly meetings, to the Group Executive Risk Committee at quarterly meetings and through the risk management framework.

The Audit and Risk Committee oversees the risk management process across the Group.

Reporting and transparency

UN Global Compact

In 2020, Origin signed up to the UN Global Compact and committed to The Ten Principles of the UN Global Compact Corporate sustainability, in the areas of human rights, labour, the environment and anti-corruption.

Recommendations of the TCFD

The Taskforce on Climate-related Financial Disclosures (TCFD) established recommendations for voluntary climate-related financial disclosures to help financial markets better understand the material climate-related risks and opportunities to which companies are exposed, and how companies oversee and manage them.

Origin supports the TCFD recommendations and this year we conducted our first high-level climate risk assessment considering the impact of 2 degrees Celsius global warming on our UK business, initially focused on the short to medium term. We considered transitional changes such as increased legislation, as well as physical changes such as increased water stress, frequency of extreme weather patterns and temperature rises.

We will continue to expand models over the coming years to incorporate a Group-wide assessment and additional climate-related risks. The overall climate change and adverse weather risk is considered as part of our integrated Enterprise Risk Management process and reported in the Risk Report section on page 69.

CDP

In August 2020, we submitted our first Group-wide response to the Carbon Disclosure Project (CDP) climate change questionnaire for FY20. Our engagement with CDP will allow us to benchmark our performance and to measure and manage our environmental impacts. It is our intention to evolve our reporting in 2021 as part of our drive for continuous improvement and best practice.

RISK REPORT

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.

"Identifying, evaluating and managing risks."

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 five 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 2020 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

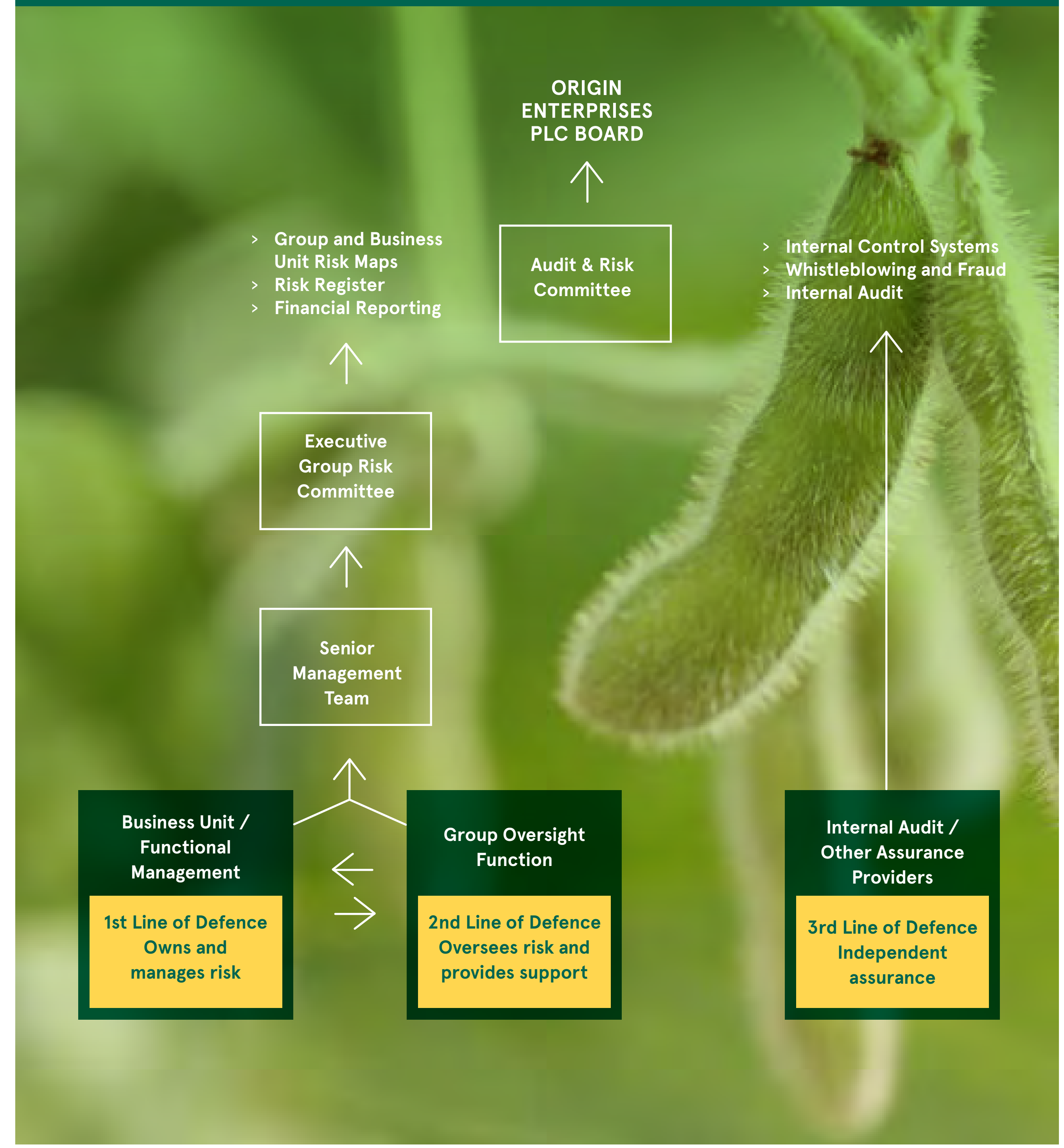
The Group has an enterprise-wide Risk Management Framework and a formal risk assessment process in place through which risks are identified and mitigating controls are evaluated. The Risk Management Framework and the formal risk assessment process helps to reduce the possibility of the Group failing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



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See more:
Corporate Governance Statement on page 81
Financial Statements on page 113

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 ('EGRC')	> Meet, direct and support the Business Units on risk management. > Develop the risk management and control environment. > Perform risk deep dives for Group functions and Business 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 Business Unit / Functional Management	> Develop the risk management and control environment. > Ownership and accountability for operational and cross-functional risks. > 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, health & safety, 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 2020 is set out below:

Length of tenure on Audit and Risk Committee*	Years
Kate Allum	4.75
Gary Britton	4.77
Hugh McCutcheon	8.63

* *Following the amalgamation of the Audit and Risk Committees in FY19, 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 consolidated 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.

2020 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 2020:

- The EGRC met five times to discuss top risks and actions.
- Risk deep dives were performed for all major Business Units and key production sites.
- Risk owners and action plans have been identified for all major Group-wide risks.
- Additional focus has been brought in 2020 to areas such as information security, health and safety, Brexit and COVID-19 related risks.

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 5 to 71. As set out in the financial statements, the Group has generated cash flows from operating activities of €75.3 million during the year and its net debt at 31 July 2020 is €53.2 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 68 to 71.

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.

COVID-19 Pandemic Impact and Response

The COVID-19 pandemic and the measures being taken to mitigate its impact have resulted in unprecedented change for the Group's employees, customers and communities in which Origin operates.

The main risks associated with the pandemic are those related to health and safety, business continuity of key sites, price volatility of raw materials, IT security and new regulatory requirements – as shown in the principal risks and uncertainties section on pages 68 to 71.

While the current situation is causing disruption and uncertainty, it is important to note that the Group's long-term business strategy remains unchanged, as Origin is a market leader in sectors which are providing essential supports to critical industries.

All Business Units have proven to be resilient to COVID-19 disruptions, and continuity of operations was ensured while complying with lockdown measures at country level. All production plants and distribution centres have remained operational during the pandemic, with only temporary closure being experienced by a small number of regional depots in the UK and Romania.

Our Amenity sports customers in the UK have been significantly impacted by COVID-19 restrictions, which has resulted in lower sales to that segment. As a mitigating response, we have furloughed more than 100 employees for the April-July period.

From a Group perspective, the highest priority has been given to protect the health, safety and well-being of all employees. Some of the measures taken include proactive implementation of government guidance, ensuring additional protective equipment, hygiene and cleaning protocols are in place, implementing working from home arrangements where possible and having in place specific protocols for high-risk individuals.

All Business Units continue to conduct risk assessments of the potential impacts of the COVID-19 pandemic, at an operational site level. Regular reviews are carried out by Group and Business Unit management of the risk picture, mitigating actions and contingency plans in place.

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.	⟺	
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. Underperformance or reduction in projected earnings of acquired entities could result in impairment of goodwill amounts recorded at the time of the acquisitions.	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. Goodwill values from business acquisitions are reviewed on a quarterly and annual basis to ensure they are representative of expected future income for the respective cash generating units.	⟺	
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. COVID-19 pandemic impact and Brexit uncertainties have increased the risk of volatility in the last months.	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.	⇧	

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

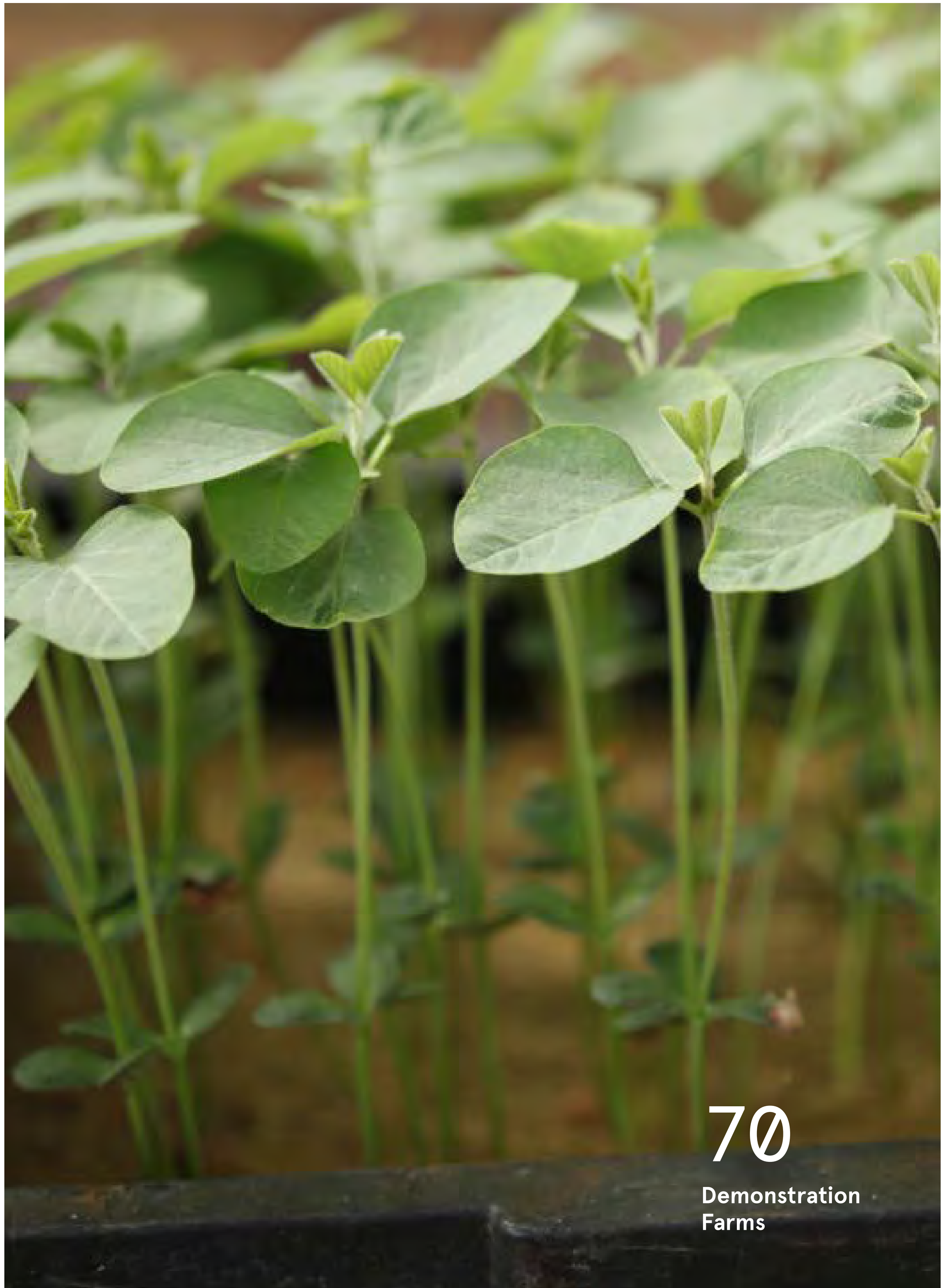
Impact	Mitigation	Risk Movement	Strategic Priority
Strategic/Commercial (continued)			
Political			
The Group is a multinational organisation and may be negatively impacted by political decisions, civil unrest or other developments in the geographies in which it operates.	Political decisions and civil 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. New health and safety requirements have been issued because of the COVID-19 pandemic, which has increased the likelihood of related incidents materialising.	The Group monitors closely all changes to legislation and regulation. It operates thorough hygiene and health and safety systems across its businesses and 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. Additional protective equipment, site access restrictions, social distancing and isolation measures and sanitising facilities have been put in place to protect our personnel from the COVID-19 impact. More information about actions taken in the last months regarding our health and safety management systems, accreditations, assessments and performance can be found on page 61.	⇧	
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 earnings 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. In 2020, we witnessed first-hand agriculture's vulnerability to climate induced changes as disruptive weather events had a direct impact on our profitability.	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 and investment in working capital, along with the monitoring of weather and climate change by divisional and Group managers. Actions taken by the Group to mitigate the impact of short-term weather incidents and longer term climate change challenges are included in the Sustainability Report (pages 48 to 63). Also, the Group has incorporated recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (see page 63).	⇧	

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

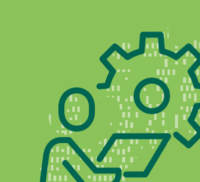
Impact	Mitigation	Risk Movement	Strategic Priority
Operational (continued)			
Procurement and supply chain			
The Group sources its products from a number of significant suppliers. The loss of any, or a number, of these suppliers could have a material impact on the Group's profitability and the ability 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.	↔	
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. IT infrastructure and cybersecurity controls have been strengthened to address the additional requirements from the COVID-19 scenario.	↔	
Financial			
Brexit uncertainty			
The Group has operations within and outside the European Union. The UK's exit from 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 and 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 exit from 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 commercial mitigation measures for the imposition of tariffs, particularly for importation of raw materials. All impacted legal entities in the UK have obtained the required certifications (e.g. Authorised Economic Operator status) needed for the transition period.	↔	

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

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 benefits 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 and appropriate, credit insurance is in place to mitigate credit risk. Financial Risk Management objectives and policies are further discussed in Note 23 to the financial statements. The Group closely monitors the ongoing costs of its defined benefit schemes and has closed all such schemes to new members.	↔	
Fraud			
The Group, like all businesses, is at risk of fraudulent activities from both internal and external sources.	The Group places a high importance on the design and ongoing effectiveness of its internal control process. Physical and IT-based security measures are in place across the Group's subsidiaries to mitigate such risk. There are whistleblowing arrangements in place throughout the Group. In addition, 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. UK farmers will see their direct EU subsidies (GBP 3 billion per annum) gradually replaced by UK payments, between 2020 and 2027. The level of funding will vary per farm size and will depend upon compliance with targets (e.g. environmental requirements).	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. Credit risk management processes are in place to enable early warnings of customers who face potential financial difficulties from reductions in farm subsidies.	↔	



GOVERNANCE



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Input Formulation and Processing Facilities

BOARD OF DIRECTORS

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

Non-Executive Chairman

Rose Hynes (63)
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: Non-Executive Director of Total Produce plc, IPL Plastic Inc. and Eircom Holdings (Ireland) Limited.

Executive Directors

Sean Coyle (47)
Chief Executive Officer

Nationality: Irish
Date of appointment: 1 October 2018

Skills and experience: Sean joined the Group as Chief Financial Officer in September 2018 and was appointed Chief Executive Officer on 1 July 2020. 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 (64)
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 (55)
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 Group plc and SIG plc.

Hugh McCutcheon (66)
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 extensive capital markets experience and mergers and acquisitions advisory experience working 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 a Director at the Irish Takeover Panel.

Gary Britton (66)
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.

Christopher Richards (66)
Non-Executive Director

Nationality: British
Date of appointment: 1 October 2015

Committee membership: Member of the Remuneration Committee.

Skills and experience: Christopher is 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 2020, which are prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU.

During the year, against highly challenging conditions, the Company paused its strategic acquisition programme and focused on optimising operational performance."

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, against highly challenging conditions, the Company paused its strategic acquisition programme and focused on optimising operational performance.

A comprehensive review of the performance and development of the Group is included in the Chief Executive's Review on pages 10 and 11 and the Financial Review on pages 12 to 18. The Directors consider the state of affairs of the Company and the Group to be satisfactory. A list of the Group's principal subsidiaries and associates is set out in Note 35 to the Group financial statements.

The key performance indicators relevant to the Group are set out in the Strategic Report on pages 28 and 29.

Results for the Year
The results for the year are set out in the Consolidated Income Statement on page 124. Revenue for the financial year was €1,589.1 million (2019: €1,798.2 million). The profit after tax and exceptional items for the financial year was €19.9 million (2019: €52.7 million).

Future Developments
The Group will continue to pursue its growth ambitions to enhance shareholder value, through a combination of organic growth, new initiatives and development opportunities.

Dividends
As announced in the Company's Q3 2020 Trading Update on 17 June 2020, the Board determined that it was prudent to suspend the final dividend for the year in light of market conditions and uncertainty relating to COVID-19. An interim dividend of 3.15 cent per ordinary share was paid on 14 April 2020.

Share Capital and Treasury Shares
At 31 July 2020, the Company's total authorised share capital comprised 250,000,000 ordinary shares of €0.01 each (2019: 250,000,000) and the Company's total issued share capital (including treasury shares) comprised 126,396,184 ordinary shares of €0.01 each (2019: 126,396,184). At 31 July 2020, 800,330 securities were held as treasury shares (2019: 800,330). Details of the share capital of the Company are set out in Note 28 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 64 to 71.

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 23 to the Group financial statements.

Corporate Governance
The Corporate Governance Statement on pages 81 to 87 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:

- Tom O'Mahony resigned as Director on 30 June 2020.

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

Directors:
Rose Hynes
(Non-Executive Chairman)
Sean Coyle
(Chief Executive 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 74 and 75 of this Annual Report.

Directors' Interests in Share Capital at 31 July 2020
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 104 to 111.

Substantial Holdings
As at 31 July 2020, 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	19,194,268	15.3%
Setanta Asset Management Limited	16,583,027	13.2%
Invesco Limited	11,420,719	9.1%
FMR LLC	11,378,695	9.1%
FIL Limited	5,101,233	4.1%
Janus Henderson Group plc	3,961,348	3.2%

As at 22 September 2020, 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	19,194,268	15.3%
Setanta Asset Management Limited	16,583,027	13.2%
FMR LLC	11,378,695	9.1%
Invesco Limited	11,268,336	8.9%
FIL Limited	5,101,233	4.1%
Janus Henderson Group plc	3,961,348	3.2%

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.

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 22 to 25, Business Model on pages 26 and 27, Key Performance Indicators on pages 28 and 29, Sustainability Report on pages 48 to 63, and Risk Report on pages 64 to 71, 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 (2019: €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
22 September 2020

Sean Coyle
Director
22 September 2020

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
As a Board of Directors, we 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. With the emergence of the global COVID-19 pandemic during the year, it became even more important for the Board to maintain effective governance and strong oversight of the business through a robust governance framework and principles.

Details of our compliance with the QCA Code are outlined in our Corporate Governance Statement on pages 81 to 87. There are detailed reports from our respective Audit and Risk, Remuneration, and Nomination and Corporate Governance Committees, on pages 88 to 111. A detailed Risk Report is outlined on pages 64 to 71.

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. This was reaffirmed in the findings of this year's Board evaluation, which along with the Committee evaluations, was conducted internally. I am pleased to report that the outcome of these reviews was positive and the Board continues to operate in an effective way. More information on this process is outlined on page 86 of this report.

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, through the Nomination and Corporate Governance Committee, is advancing the recruitment of an additional Non-Executive Director as part of ensuring regular Board refreshment. The Board also continues to work towards delivering its target of achieving a minimum of 33% female representation on the Board by the end of 2020. Diversity more broadly is also a key consideration in the continuing development and refreshment of our senior management succession planning.

During the year, we announced a change in leadership of the Company. Tom O'Mahony retired as Group Chief Executive Officer after 13 years in the role. The Board would like to extend its sincere appreciation to Tom for his dedication, commitment and leadership of Origin over this time. He has made an invaluable contribution to the growth and development of the Group during his tenure. We wish him all the best for the future.

The Board is committed to continue to apply the highest standards of corporate governance consistent with the size and complexity of the business."

We were pleased to announce the appointment of Sean Coyle as the new Chief Executive Officer, effective 1 July 2020. Sean has been with the Group since September 2018 when he joined Origin as Chief Financial Officer. We are confident in Sean's leadership and his ability to drive the Group forward in the execution of its strategy and delivering value for our shareholders.

Following a comprehensive search and selection process, TJ Kelly has been appointed as Chief Financial Officer. TJ comes from Hostelworld Group plc and will join Origin no later than March 2021.

Following re-appointment of each of the Non-Executive Directors in 2018 for a further term in office, Hugh McCutcheon, Kate Allum, Gary Britton and Christopher Richards are currently serving their respective additional 3-year terms. The Board also undertook a similar process in 2018 in respect of the Chair, following which I was re-appointed and continue to serve as Chairman of the Board.

The Board currently comprises five Non-Executive Directors and two Executive Directors (TJ Kelly will be co-opted to the Board as Executive Director on joining the Company in March 2021). Biographies of the Directors are set out on pages 74 and 75. In accordance with the re-election policy adopted by the Board in 2018, Directors will retire at the 2020 AGM and offer themselves for re-election.

At our AGM in November 2019, there was a vote of 24.58% against the re-election of Christopher Richards as Non-Executive Director. From engagement at that time, and further feedback since, we understand that there was a concern among certain shareholders that there was a risk of insufficient capacity on Chris Richards' part due to his various corporate commitments. Chris brings valuable input and insight to the Board with his decades of agri-services industry knowledge and international experience. The increased time, attention and consideration demanded of the Board in facing the disruptions brought by the global COVID-19 outbreak and the challenges resulting from extreme weather conditions this year was testament to the commitment of Chris Richards (and all the Non-Executive Directors). During FY20, as with each year he has been on the Board, Chris has continued to devote sufficient time to Origin throughout a challenging year and we remain satisfied that he is fully able to effectively discharge his responsibilities to the Company and shareholders.

As a Board, we continue to invest time in the development of skills and knowledge relevant to the performance of our duties and taking account of external political and regulatory developments. During the year we received presentations from professional advisors on developments in corporate governance, including ESG, and executive remuneration, and kept up to date with best corporate governance practices including through briefings and reports.

Rose Hynes
Chairman
22 September 2020

As a Board, we continue to invest time in the development of skills and knowledge relevant to the performance of our duties and taking account of external political and regulatory developments."

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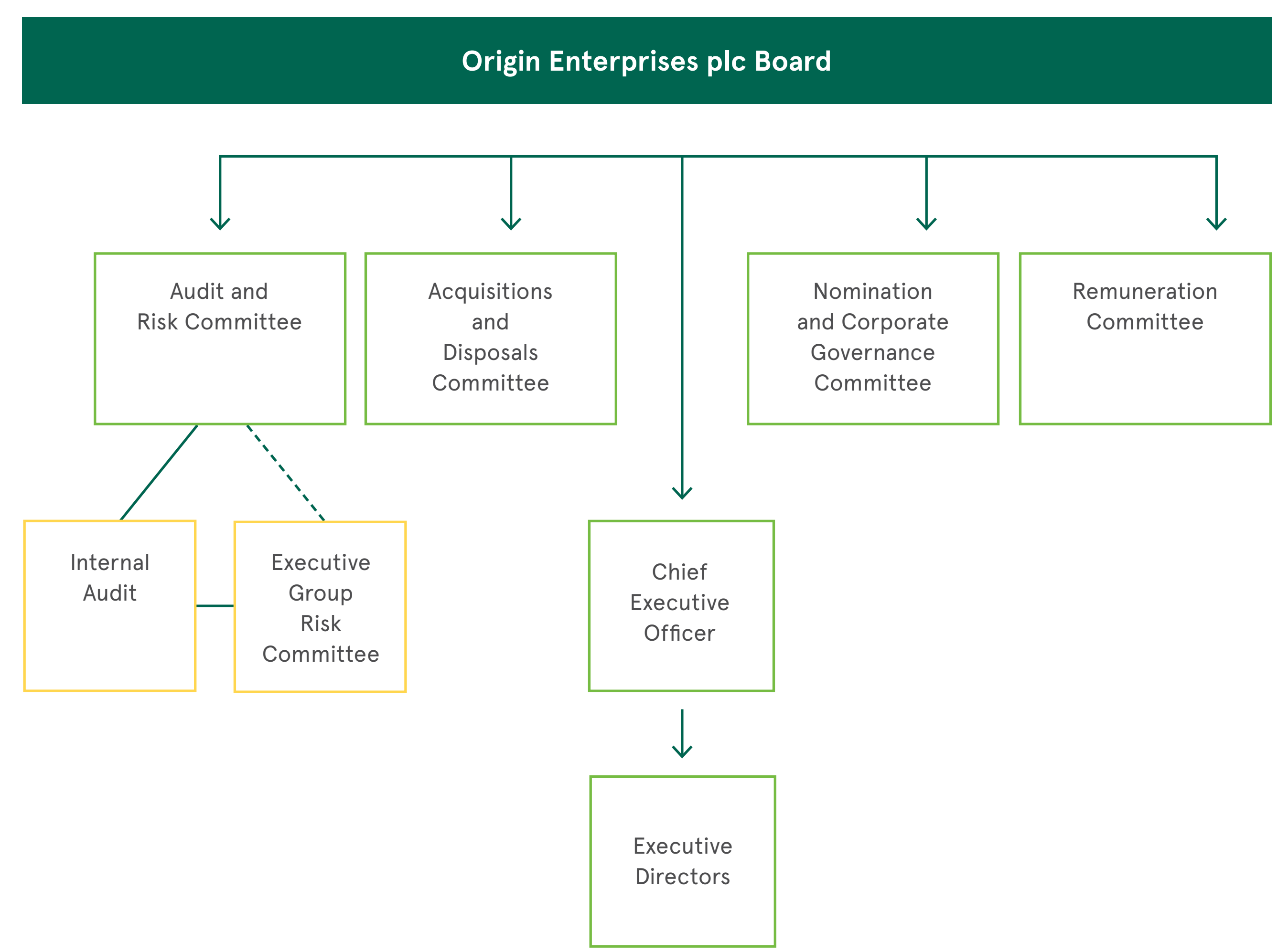
See more:
Corporate Governance Statement on page 81
Financial Statements on page 113

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.

Corporate Governance Framework



The Board of Directors

During the year, the Board of Origin comprised 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. On 30 June 2020, the CEO stepped down and the CFO was appointed as CEO with effect from 1 July 2020. The new incoming CFO will join the Board in March 2021. 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 Executive Directors, are responsible for the day-to-day running of the Group, carrying out an agreed strategy and implementing specific Board decisions. Detailed biographies of Directors at year end are set out on pages 74 and 75.

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 88 to 111. A Risk Report is outlined on pages 64 to 71.

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 reserved for the Board, set out below, 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 74 and 75.

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 88 to 90.

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 in 2018, 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 2020 are set out in the Nomination and Corporate Governance Committee Report on page 89.

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 advisors advised the Board on developments in corporate governance 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.

In determining the independence of Christopher Richards, the Board had particular regard to the commercial relationship between Agrii UK, a wholly-owned subsidiary of Origin, and Plant Health Care ('PHC'), of which Chris Richards is CEO. Following successful product trials over the past number of years, Agrii UK and PHC intend to enter into a formal contractual agreement with an estimated average annual value of c. £200,000. The Board considered this relationship and concluded that Chris Richards was fully independent, taking into account the following material factors:

- the nature and scale of the proposed contract;
- the separation of discussions between Agrii UK and PHC from the Origin Board and Chris Richards in particular; and
- the absence of any role of Chris Richards in the selection of PHC as a service provider to Agrii UK or in any future discussions of a similar nature.

In these circumstances, the Board concluded that there was no material relationship, financial or otherwise, which might either directly or indirectly influence the objectivity or independence of Chris Richards.

More than half 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.

At our AGM in November 2019, there was a vote of 24.58% against the re-election of Christopher Richards as a Non-Executive Director. At the time of disclosure of this vote, we noted that we had engaged extensively with many shareholders and proxy advisory agencies to understand and discuss concerns around the level of Chris Richards' external commitments.

The Board is aware of the evolution of shareholders' expectations with regard to the time commitments of individual Directors, which is grounded in governance risk relating to Directors not being able to dedicate sufficient time to their respective Boards, particularly in times of crisis. In this respect, the global COVID-19 pandemic and extreme weather conditions that made FY20 such a challenging year for the Group put a spotlight on the capacity and commitment of our individual Non-Executive Directors. In addition to our 10 scheduled Board meetings this year, we held an additional 6 ad hoc Board meetings, more Committee meetings than other years and numerous Non-Executive Director meetings. There was also enhanced reporting from the executive team to the Board outside formal meetings as part of our risk management framework and financial monitoring. Chris Richards had a full attendance record for all of these meetings and made important contributions throughout, including valuable insights of his experience managing similar challenges with other companies navigating their way through the COVID-19 crisis.

We note that following approval and signing of our 2019 Annual Report last year, the scope of Chris Richards' responsibilities at Plant Health Care plc was reduced, when he relinquished the role of Chairman. We believe that this is a factor that could appropriately be recognised as an easing of any potential time constraints, as a non-executive Chair was appointed to lead the Board. Given the similarities in business model and the overlap in sector, his role at Plant Health Care can be viewed as complementary to his role at Origin. Indeed, the Board acknowledges that the time commitment needed to sit on another Board from the same industry is less burdensome. The depth of Chris' experience in the sector further reduces the time commitment involved in serving on both Boards.

We would also expect that the size of Plant Health Care and the other companies at which Chris Richards serves could be taken into account in assessing his time commitments, with the other mandates being at Boards of microcap companies (Plant Health Care is on the FTSE AIM All-Share Index with a market cap of £21.23m and Nanoco Group plc is on the FTSE AllSmall Index with a market cap of £41.73m, based on market share prices as at 18 September 2020).

In such a unique sector, Chris provides hugely valuable experience which contributes greatly to the Board's effectiveness and to ensuring an appropriate balance of skills and experience at Board level. He continues to demonstrate a high level of commitment to the Company – in terms of attendance as well as contribution – and the Board has satisfied itself of his ongoing ability to devote sufficient time to his role at Origin.

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 2020 the Board held a total of 16 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 primary function of the 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 91 to 94.

Board of Directors:

Attendance at Meetings During the Year Ended 31 July 2020

	Board	Audit and Risk	Remuneration	Nomination and Corporate Governance
Directors				
Kate Allum	16/16	6/6	5/5	–
Gary Britton	16/16	6/6	–	4/4
Sean Coyle	16/16	–	–	–
Declan Giblin	16/16	–	–	–
Rose Hynes	16/16	–	5/5	4/4
Hugh McCutcheon	16/16	6/6	–	4/4
Tom O'Mahony*	15/15	–	–	–
Christopher Richards	16/16	–	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.
** Tom O'Mahony attended all Board meetings during the financial year until his resignation on 30 June 2020.*

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 95 to 111.

Nomination and Corporate Governance Committee

The Nomination and Corporate Governance 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. The Committee is 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 88 to 90.

Acquisitions and Disposals Committee

The Acquisitions and Disposals 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 2020 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 95 to 111.

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 91 to 94.

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 the 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 and Anti-Bribery 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. In further enhancing its whistleblowing framework the Company refreshed its Whistleblowing Policy during the year. The Committee also reviewed the level of compliance of employees across the Group with Company anti-bribery and corruption training.

Risk Management Framework

The Group has a robust Risk Management Framework to identify, manage and monitor risks.

Details of the operation of the Risk Management Framework are outlined in the Risk Report on pages 64 to 71.

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 CFO (and this year, by the CEO following S Coyle's appointment as CEO from 1 July 2020), 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, operation and effectiveness 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 2020, this process was conducted internally, having last had an external facilitation in 2018. 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 July 2020 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 performance, operation and effectiveness during the year.

Culture

Origin operates a decentralised business model, where each country and business have unique elements in their culture. These businesses, centered 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 receives 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

The employee engagement programme 'Let's Talk', which was launched in 2019 to enable regular two-way dialogue between the Board and the Group's employees, continued in operation during the year and adapted its form of engagement to take account of COVID-19 lockdowns. The 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, Non-Executive Directors visited the Group's operations in Belgium. Once on-site visits became temporarily suspended due to COVID-19 restrictions, the Chairman and the Senior Independent Director joined calls with local senior management teams to continue direct engagement.

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. In line with our usual engagement program, a number of in-person meetings and calls were held during the year. The Company Secretary engages annually with proxy advisers in advance of the AGM.

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

Date	Activity
September 2019	Preliminary Results Announcement for 2019
September/ October 2019	Roadshows in Dublin, London, Edinburgh, Paris, Chicago, Boston and Toronto
November 2019	Quarter 1 Trading Update and AGM
March 2020	Interim Results Announcement for 2020
March 2020	Roadshows in Dublin, New York, London and Edinburgh
June 2020	Quarter 3 Trading Update

All shareholders are given the opportunity to ask questions at the AGM, which this year is scheduled to take place at The Merrion Hotel, Upper Merrion Street, Dublin 2 at 11.00am on Wednesday, 18 November 2020. Any changes to the AGM required to reflect the evolving COVID-19 situation will be duly notified in advance. 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 (including as to date, time, venue or otherwise) will be made available on publication of the notice of the AGM and in any further updates published by the Company.

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. In the normal course, 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 authorizing 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

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 2020. This report has been prepared by the Nomination and Corporate Governance Committee and approved by the Board.

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 Corporate Governance Statement on pages 81 to 87. The Committee 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 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.

The Board, through the Nomination and Corporate Governance Committee, is advancing the recruitment of an additional Non-Executive Director as part of ensuring continuing Board refreshment and development.

This year, Tom O'Mahony stepped down and retired as Chief Executive Officer and Executive Director, effective 30 June 2020. The Board would like to extend its sincere appreciation to Tom, for his dedication, commitment and leadership of Origin over the past thirteen years. He has made an invaluable contribution to the growth and development of the Group during his tenure. We wish him all the best for the future.

Further to an announcement in June 2020, the Board appointed Sean Coyle to the role of Chief Executive Officer. Sean Coyle joined Origin as Chief Financial Officer on 1 September 2018. He took office as Chief Executive Officer on 1 July 2020.

Following a comprehensive recruitment process to identify a replacement Chief Financial Officer, TJ Kelly was appointed as the Group's Chief Financial Officer with effect from March 2021. TJ will be co-opted to the Board at that time.

The Nomination and Corporate Governance Committee is solely comprised of Non-Executive Directors.

The duties and responsibilities of the Committee are summarised in this report and are set out in full in the Terms of Reference for the Nomination and Corporate Governance Committee which are available on the Company's website: **www.originenterprises.com**. This report also includes an overview of the Committee's activities during the year.

Rose Hynes
Chairman of the Nomination and Corporate Governance Committee
22 September 2020

> **The Board of Origin continues to be committed to apply the principles of the Quoted Companies Alliance Corporate Governance Code ('QCA Code')."**

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 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 2020 is set out below.

Length of tenure on Board	Years
Kate Allum	4.83
Gary Britton	4.83
Sean Coyle	1.83
Declan Giblin	11.80
Rose Hynes	4.83
Hugh McCutcheon	8.69
Tom O'Mahony*	13.40
Christopher Richards	4.83
Average Tenure	**6.88**

* *Tom O'Mahony resigned as Director on 30 June 2020.*

Length of tenure on Nomination and Corporate Governance Committee	Years
Rose Hynes	4.75
Hugh McCutcheon	4.75
Gary Britton	1.84

Meetings

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

Board Composition

Resignation of Chief Executive Officer and Appointment of Successor

Tom O'Mahony resigned as Chief Executive Officer and Executive Director of the Company with effect from 30 June 2020. Sean Coyle, who joined Origin as Chief Financial Officer on 1 September 2018, was appointed by the Board as his successor and assumed the role of Chief Executive Officer on 1 July 2020.

Appointment of Chief Financial Officer

Following the appointment of Sean Coyle as Chief Executive Officer, a comprehensive recruitment process was carried out to find a new Chief Financial Officer. The process, which included the services of an external recruitment consultancy firm, considered candidates from a wide range of backgrounds on merit and against objective criteria. A shortlist of potential appointees was developed and following a thorough interview process, TJ Kelly was appointed to the role. TJ will join Origin as Chief Financial Officer in March 2021 and will be co-opted to the Board at that time.

Elections and Re-elections at AGM

In accordance with the Company's Directors' re-election policy and best practice corporate governance, Directors now offer themselves for re-election on an annual basis. Kate Allum, Gary Britton, Sean Coyle, 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 20 November 2019. Directors will retire at the 2020 AGM and offer themselves for re-election.

Continuity of Chairman, Senior Independent Director and Non-Executive Directors
Rose Hynes continues to serve as Chairman of the Board, following re-appointment by the Board in 2019 for a further 3-year term from 1 October 2018. Hugh McCutcheon, Senior Independent Director, along with the other Non-Executive Directors, Kate Allum, Gary Britton and Christopher Richards, are also serving their respective additional 3-year terms.

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 knowledge on the Board.

The Board currently comprises seven members in total, of which two are Executive and five are Non-Executive (including the Chairman). TJ Kelly will be appointed Executive Director on joining the Company in March 2021. Recruitment of an additional Non-Executive Director is being supported by the Nomination and Corporate Governance Committee. At year end, female Directors constituted 29% of the Board. The Board continues to work towards delivering its 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 effectiveness of the Company's succession planning has most recently been manifested by the orderly transition of the Chief Executive Officer role to Sean Coyle following Tom O'Mahony's departure. 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 2020, 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.

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."

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See more:
Corporate Governance Statement on page 81
Financial Statements on page 113

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 2020 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, together with an overview of its activities for the year, are summarised in the following report.

During the year, the Committee increased its focus on risk management against the backdrop of the global COVID-19 pandemic and external political and regulatory factors, including Brexit and climate action. As the full widespread impact of these international events emerges, the Committee will continue to monitor developments and manage its risk exposure accordingly.

A key responsibility of the Audit and Risk Committee for the year ended 31 July 2020 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 64 to 71.

The Executive Group Risk Committee established in 2019 continues to enhance the Company's risk management framework, and met five times during the year, covering both Group-wide and Business Unit-level key risks and mitigating actions.

The Terms of Reference of the Committee are available on the Company's website: **www.originenterprises.com**.

Gary Britton
Chairman of the Audit and Risk Committee
22 September 2020

During the year, the Committee increased its focus on risk management against the backdrop of the global COVID-19 pandemic and external political and regulatory factors, including Brexit and climate action."

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 2020 is set out below:

Length of tenure on Audit and Risk Committee*	Years
Kate Allum	4.75
Gary Britton	4.77
Hugh McCutcheon	8.63

** Following the amalgamation of the Audit and Risk Committees in FY19, the length of tenure for a Director represents the longest tenure of that Director on either Committee.*

Meetings

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

During the year, the Committee also met with the Group's Chief Information Officer on cyber security and with the Group's Head of Health & Safety for UK/Ireland for a discussion and update on health, safety and wellbeing strategy developments.

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 34 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 2020, and how these have been addressed, are listed on page 93. 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 Areas

Area:	Discussion:
Goodwill	The Committee recognises that impairment reviews of goodwill involve a range of judgemental assumptions. These assumptions typically include business plans and projections, cash flow forecasts and associated discount rates. Management provided the Committee with an analysis of the impairment reviews undertaken by cash-generating unit, including the forecasts and key assumptions used together with a summary of the results. This analysis, together with the detail set out in Note 15 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	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.

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 consolidated 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 68 to 71. Included in this assessment is consideration of the impact of the COVID-19 pandemic, developments in climate action and the exit of the UK from the European Union ('Brexit').

The Group's risk management framework continues to be enhanced by the finalisation of the in-sourcing of the Internal Audit function in FY19 and the establishment of an Executive Group Risk Committee, which has now been in operation for the full current financial year.

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 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 2020.

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. PwC was re-appointed as External Auditor for FY20, pursuant to a competitive tender process in 2019. The Audit and Risk Committee continues to consider PwC to be independent in the role of Auditor. The External Auditor is required to rotate the Audit Partner every five years. The current Audit Partner has completed two years 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.

Accordingly, the Audit and Risk Committee has provided the Board with a recommendation to re-appoint PwC as External Auditor.

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 and Anti-Bribery

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. In further enhancing its whistleblowing framework, the Company refreshed its Whistleblowing Policy during the year, oversight of which lies with the Audit and Risk Committee. The Policy and related procedures encourage both employees and business partners to raise issues of potential wrongdoing within the Company, without fear of retaliation.

The Committee also reviewed the level of compliance of employees across the Group with Company anti-bribery and corruption training.

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 2020, the Audit and Risk Committee carried out an evaluation of its own performance, operation and effectiveness. 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 is available at 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.

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See more:
Origin at a Glance on page 6
Financial Statements on page 113

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 2020. 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

Origin recognises 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 seek to ensure a demonstrable link between reward and long-term value creation, with Executive remuneration 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 2020

Origin delivered a robust operational performance this year, having regard to the challenges of COVID-19 and extreme weather conditions.

Reflecting these challenges, Group revenue was €1,589.1 million, a decrease of 11.6% and Group operating profit was €44.1 million, a decrease of 46.4%. Adjusted diluted earnings per share was 25.69 cent, down on last year but in line with market guidance. Return on invested capital, a key metric for Origin, was 7.3%.

Pay Outcomes for 2020

The global COVID-19 crisis and the extreme weather conditions this year had a significant impact on our business and management took timely and decisive steps to align our compensation measures with a broader set of stakeholders. Beginning 1 April 2020, the Board took a voluntary 20% reduction in fees and base salaries, through to the end of the financial year on 31 July 2020. These reductions are reflected in the remuneration figures for Directors on page 107.

Annual bonuses are based on a combination of financial and non-financial metrics. Whilst certain objectives were met this year, key threshold financial targets were not reached. No bonus payouts for the year ended 31 July 2020 were therefore deemed appropriate in the current environment for Executive Directors.

Following the outbreak of COVID-19 and in further acknowledgement of the decision to suspend a final dividend in June 2020, the Executive Directors voluntarily waived their entitlement to all outstanding unvested share options (being the LTIP awards granted in September 2017, October 2018 and September 2019).

Leadership Changes

With the retirement of Tom O'Mahony from the Board and his role as Chief Executive Officer, the Committee supported the Board in agreeing an appropriate remuneration package for Sean Coyle to reflect his new role as CEO. Sean's base salary has been set at €510,000 and his pension entitlement has been reduced from 15% of salary to 6.6%, which is aligned with the provision available to the workforce more generally.

To reflect Sean's appointment to CEO and to align him with the recovery of the business over the medium-term, Sean was granted a once-off LTIP award in July 2020. This is Sean's only current award having waived his 2018 and 2019 grants. This award will vest based on stretching EPS and FCF ratio measures.

Details of Sean's arrangements and the terms of the LTIP award are set out in the Annual Report on Remuneration and in Note 9 to the Group financial statements.

Tom O'Mahony stepped down from the Board on 30 June 2020 after 35 years with the Group, the last 13 of which were as CEO. In line with his contractual arrangements, Tom received a payment in lieu of notice, he retained no interest in unvested share awards (having by that stage waived his 2018 and 2019 LTIP awards) and he did not receive a bonus for the 2020 financial year. Full details of his leaving arrangements are set out in the Annual Report on Remuneration.

We are pleased that TJ Kelly will be joining the Board as the new Chief Financial Officer later this year. His remuneration will be in line with our Remuneration Policy and will be disclosed in next year's Remuneration Report.

Activities in 2020

Other key activities of the Committee this year included the rollout of the changes to the 2015 LTIP rules approved by shareholders at last year's AGM, an external benchmarking exercise of Executive Directors' remuneration, a review of current remuneration practice against other comparable listed peers and good practice guidelines, and a review of the performance measures applying to the company's annual bonus scheme in FY21.

2020 was a challenging year for Origin brought on by the adverse weather conditions and the global pandemic. The 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 forthcoming AGM.

Kate Allum
Chairman of the Remuneration Committee
22 September 2020

"Origin delivered a robust operational performance this year, having regard to the challenges of COVID-19 and extreme weather conditions."

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 management including bonuses, incentive payments, share options and other awards;
- approve the design of, and determine targets for, any performance-related pay schemes operated by the Company and approve the total annual payments made under such schemes;
- determine the policy for, and scope of, pension arrangements for each Executive Director;
- 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 to the Company, and that failure is not rewarded;
- oversee any major changes in employee benefit 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 2020 is set out below:

Length of tenure on Remuneration Committee	Years
Kate Allum	4.77
Rose Hynes	4.77
Christopher Richards	4.75

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 84. The principal activities carried out included:

- annual review of the Terms of Reference for the Committee;
- review of the remuneration policy;
- consideration of the 2020 bonus scheme for Executives;
- approval of the awards under the LTIP and SAYE schemes;
- annual review of the Committee effectiveness;
- consideration of T O'Mahony's leaving arrangements; and
- review of S Coyle's CEO remuneration package.

The Committee has access to independent advice and consults with shareholders where it considers it appropriate to do so. During the 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 July 2020 LTIP award to S Coyle.

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 £42,283.

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 2020, 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 111.

Summary of the Remuneration Policy

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.
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.	This additional element of fixed pay, as disclosed in previous reports, will be paid for three years from 1 October 2018 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. Bonus payments to the Chief Executive Officer, Latin America are based on the meeting of pre-determined targets against 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 2020 bonus, 80% of the maximum Group bonus potential was based on financial targets (namely adjusted diluted earnings per share ('EPS') and Group Operating Cash Flow) and 20% was 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 disclosed prospectively. The targets and outcomes for 2020's bonuses are disclosed on page 108 and 109. A clawback provision is in operation.	CEO & CFO: Maximum bonus of 100% of basic salary in cash. CEO, LATAM: 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; and > 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 based on the business's medium-term priorities which could include measures relating to 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. Changes to the 2015 LTIP rules were approved by shareholders at last year's AGM. Further details of the changes introduced are provided on page 106.	Plan limits: > 100% (normal limit) of basic salary; and > 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 only and relates to an historic arrangement.	For Executive Directors receiving a defined contribution pension (or cash amount in lieu), the maximum pension contribution is up to 6.6% of basic salary.
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.

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 than applies for the Executive Directors and certain senior management;
- 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 27 to the financial statements);
- participation in the LTIP is currently limited to the Executive Directors and selected senior management (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 management (excluding Executive Directors).

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 that, in the case of the Executive Directors and senior management, 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 that apply to awards made under the 2015 LTIP are 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 Group'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 new Chief Executive Officer ('CEO') is terminable by either the Company giving 12 months' notice or the CEO 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 in lieu of notice. Incidental expenses may also be payable where appropriate. In calculating the amount payable to an Executive Director on termination of employment, the Board would take into account the commercial interests of the Company.

Provision	Detailed terms
Notice period	6 months' notice from the CEO 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 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.

Non-Executive Directors

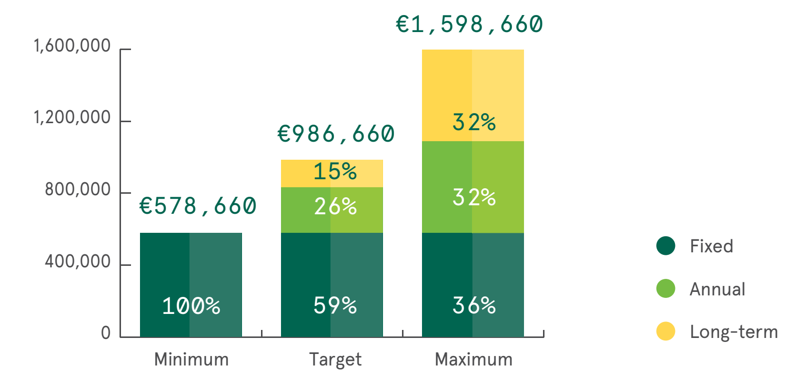
Each of the Non-Executive Directors are appointed under a letter of appointment, detailing arrangements that may generally be terminated at will, by either party, without compensation. Their appointment is reviewed on a three-year basis. Directors retire annually and offer themselves for re-election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

Remuneration Outcomes in Different Performance Scenarios

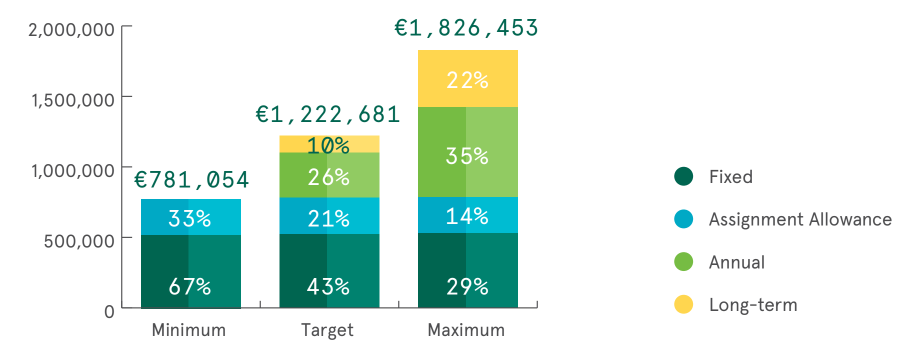
Remuneration consists of fixed pay (salary, pension and benefits), short-term variable pay and long-term variable pay. A significant portion of Executive Directors' remuneration is linked to the delivery of key business goals over the short and long-term and the creation of shareholder value.

The chart below illustrates the composition of the Executive Directors' remuneration packages for 2021 at different levels of performance, both as a percentage of total remuneration opportunity and as total value.

S Coyle



D Giblin



Notes:
'Minimum' includes the value of fixed pay and in the Chief Executive, Latin America's case, his assignment allowance.
'Target' includes 'minimum' and 'target' annual bonus (50% of the maximum) and threshold vesting of the maximum LTIP (30% of the maximum).
'Maximum' includes 'minimum' 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) for CEO and 95% of salary for CFO and Chief Executive, Latin America.

ANNUAL REPORT ON REMUNERATION

Implementation of the Remuneration Policy for the Year Ending 31 July 2021

A summary of how the Remuneration Policy will be applied for the financial year ending 31 July 2021 is set out below.

Basic Salary for Executive Directors

Sean Coyle was appointed Chief Executive on 1 July 2020. The Remuneration Committee set S Coyle's salary at €510,000 which it believes is in line with the market rate for the role. While the Committee is aware of the limitations of relying on market data, the Committee is satisfied that the external benchmarking undertaken shows S Coyle's salary to be appropriate against external market data.

Given S Coyle's salary was set close to the year end, his salary will next be reviewed in 2021/22. No increase was awarded to D Giblin's base salary.

Executive Director (€'000)	2021	2020	%
S Coyle[1]	510	510	–
D Giblin[2]	427	427	–

1 *S Coyle was appointed CEO from 1 July 2020. His 2020 annual salary as CFO was €366,000.*

2 *Remuneration in respect of D Giblin is set in Sterling and has been translated to Euro at an average exchange rate (0.87885) for 2020. For the purposes of the above table, the average exchange rate for 2020 has also been used to translate the related salary for 2021. In Sterling, Declan Giblin's salary amounts to £375,000.*

Assignment Allowance

The Assignment Allowance, as disclosed in previous reports, will remain at the same level for the three financial years 2019 to 2021 (any fluctuations in the Assignment Allowance are due to exchange rate conversions).

Executive Director (€'000)	2021	2020
D Giblin[1]	256	256

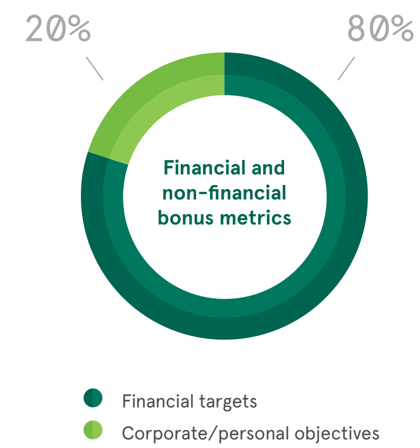
1 *Remuneration in respect of D Giblin is set in Sterling and has been translated to Euro at an average exchange rate (0.87885) for 2020. The assignment allowance applied from 1 October 2018. For the purposes of the above table, the average exchange rate for 2020 has also been used to translate the related assignment allowance for 2021. In Sterling, Declan Giblin's assignment allowance amounts to £225,000.*

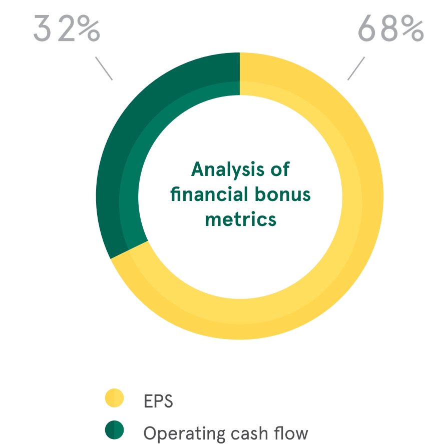
Annual Bonus

The maximum bonus achievable in 2021 for S Coyle will remain at 100% of basic salary. The maximum bonus achievable in 2021 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.

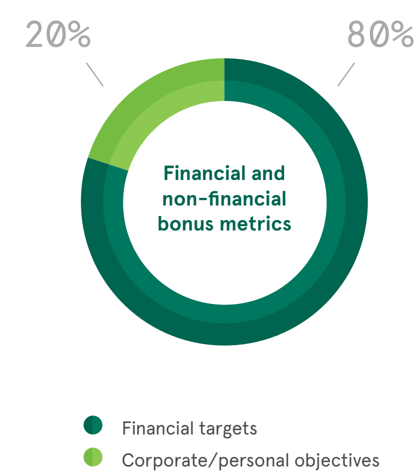
The key metrics underlying the 2020 bonus plan were as follows:

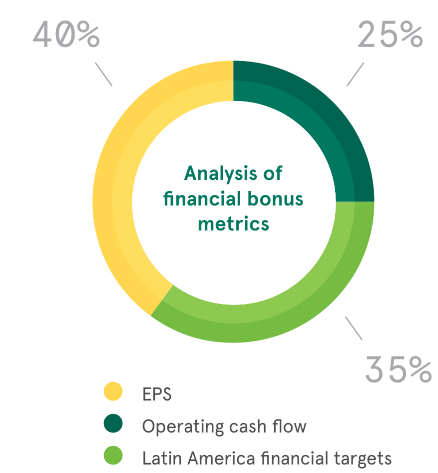
Key metrics underlying the 2020 bonus plan – T O'Mahony and S Coyle (100% of salary)





Key metrics underlying the 2020 bonus plan – D Giblin (100% of salary)





Corporate objectives included the successful conclusion of a number of key commercial supply relationship contracts, driving increased employee engagement and further refining organisational structures across various functions and business units.

The above charts exclude the additional 50% of salary bonus opportunity which applies for financial years 2019 to 2021 in relation to D Giblin. Any bonus under this arrangement is paid after the end of the 2021 financial year.

The measures, their weighting and the targets are reviewed on an annual basis. On the basis that the 2021 targets are commercially sensitive, they are not being disclosed prospectively, consistent with prior years.

Pension Arrangements

S Coyle participates in the defined contribution section of the Group's Irish pension scheme. Since his appointment as Chief Executive Officer, the Company contributes 6.6% of salary to his pension, which is line with the general workforce rate. His pension contribution rate was reduced from 15% of salary which applied while he was in his role as CFO.

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

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 member's 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

Changes to the current 2015 LTIP rules became effective following approval by the Company's shareholders at last year's AGM. The changes received 98.91% support. These changes are summarised below:

- inclusion of the ability for the Committee to reduce the formulaic vesting outcome if it is not reflective of a participant's 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 management 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.

It is the Remuneration Committee's intention to make a grant of LTIP awards during the financial year 2021, but before doing so it will, as is normal, consider the performance metrics and the related targets for awards. Details of any LTIP awards made in the financial year 2021, including performance measurements and targets, will be disclosed in the Remuneration Report for the financial year 2021. These will remain stretching relative to the internal forecast and outlook for the Company.

Non-Executive Director Fees

Fees for the Non-Executive Directors for the 2020 and 2021 financial years are detailed below.

Position	2021 €	2020[1] €	% 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
Committee Membership[2]	**€3,000**	N/A	N/A
ESG/Sustainability Sponsor[3]	**€3,000**	N/A	N/A

1 These are the scheduled fees. Actual fees paid in 2020 were lower (see page 107).
2 Fee applicable for Committee membership provided Non-Executive Director is not entitled to another additional fee.
3 Additional annual fee for nominated Board sponsor role for interim period of 2 years, commencing in 2021 financial year. The nominated Non-Executive Director is Kate Allum.

Remuneration Outcomes for the Year Ended 31 July 2020

All Directors voluntarily agreed a 20% reduction in base fees/salary for the 4-month period from 1 April 2020 to 31 July 2020, which is reflected in the Directors' remuneration (audited) for the year ended 31 July 2020 which 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
S Coyle*							
2020	**351**	**35**	**–**	**53**	**–**	**–**	**439**
2019	305	22	–	46	238	–	611
D Giblin**							
2020	**380**	**73**	**187**	**26**	**–**	**–**	**666**
2019	425	73	212	26	334	168	1,238
R Hynes							
2020	**121**	**5**	**–**	**–**	**–**	**–**	**126**
2019	130	7	–	–	–	–	137
H McCutcheon							
2020	**65**	**–**	**–**	**–**	**–**	**–**	**65**
2019	71	–	–	–	–	–	71
K Allum							
2020	**65**	**–**	**–**	**–**	**–**	**–**	**65**
2019	70	–	–	–	–	–	70
G Britton							
2020	**70**	**–**	**–**	**–**	**–**	**–**	**70**
2019	74	–	–	–	–	–	74
C Richards				–			
2020	**58**	**–**	**–**	**–**	**–**	**–**	**58**
2019	62	–	–	–	–	–	62
Former Directors							
T O'Mahony***							
2020	**433**	**24**	**–**	**69**	**–**	**–**	**526**
2019	500	26	–	175	391	204	1,296

** S Coyle was appointed Chief Executive Officer with effect from 1 July 2020. The amounts included in the table above represent emoluments in his role as CFO from 1 August 2019 to 30 June 2020 and in his role as CEO from 1 July 2020 to 31 July 2020.*
*** Remuneration in respect of D Giblin is paid in Brazilian Real (BRL) at an agreed GBP/BRL rate of 5.16 set at the beginning of the year. The amounts included in the table represent the BRL amounts paid retranslated at the BRL/EUR average rate for the year of 5.09412. In Sterling, D Giblin's salary amounts to £375,000 and his assignment allowance amounts to £225,000.*
**** T O'Mahony resigned as CEO and from the Board on 30 June 2020. The amounts included in the table above represent emoluments for the period 1 August 2019 to 30 June 2020. T O'Mahony was paid a payment in lieu of notice as set out in his service contract. The total amount was €1,092,400, comprising 12 months' base salary, bonus (based on his prior year's bonus in accordance with his contractual entitlements), benefits and pension.*

Notes:

1 Salary and Fees (audited)

All Directors took a voluntary 20% reduction in respective fees and base salaries for the period 1 April 2020 to 31 July 2020.

D Giblin's salary is paid in BRL at an agreed GBP/BRL rate of 5.16 set at the beginning of the year. The above amounts represent the BRL amounts paid retranslated at the BRL/EUR average rate for the year of 5.09412.

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 2020, D Giblin received an assignment allowance of €187,393. This allowance applied from 1 October 2018 and will run to 30 September 2021.

D Giblin's assignment allowance is paid in BRL at an agreed GBP/BRL rate of 5.16 set at the beginning of the year. The above amount represents the BRL amount paid retranslated at the BRL/EUR average rate for the year of 5.09412.

4 **Pensions (audited)**
Up to 30 June 2020, when T O'Mahony retired and S Coyle was appointed as CEO, the Company contributed 15% of salary to T O'Mahony's pension (down from 35% previously) and 15% of salary to S Coyle's pension. From 1 July 2020, upon his appointment as CEO, the contribution to S Coyle's pension was reduced to 6.6% to be in line with the general workforce rate.

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	
	2020	2019
Retirement benefits are accruing to the following number of Directors under:		
Defined contribution scheme	**2**	**2**
Defined benefit scheme	**1**	**1**

5 **Annual Bonus**
The financial measures applying to the CEO and CFO's 2020 bonus were EPS (50% of salary) and Operating Cash Flow ('OCF') (30% of salary). For the CEO, Latin America, 60% of 2020 bonus was based on EPS (37.5% of salary) and OCF (22.5% of salary) and 20% was based on Latin America financial measures. For all Executive Directors, 20% of the bonus is based on personal and corporate objective measures over the course of the 2020 financial year.

Financial measures

Executive Director	Financial Measures Weighting (% of salary)	EPS required for threshold bonus	EPS required for maximum bonus	Actual Diluted adjusted EPS	Outcome (% of salary)	OCF required for threshold bonus €'000	OCF required for maximum bonus €'000	Actual OCF €'000	Outcome (% of salary)
Tom O'Mahony*	80%	47.52c	52.80c	25.69c	Nil	70,109	77,899	64,288	Nil
Sean Coyle*	80%	47.52c	52.80c	25.69c	Nil	70,109	77,899	64,288	Nil
Declan Giblin**	60%	47.52c	52.80c	25.69c	Nil	70,109	77,899	64,288	Nil

* 29% of salary is payable for achieving threshold EPS and 13% of salary is payable for achieving threshold Operating Cash Flow.
** 22% of salary is payable for achieving threshold EPS and 10% of salary is payable for achieving threshold Operating Cash Flow.

The CEO, Latin America, earned a bonus of Nil% 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 the 2018 annual 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 was strong and bonus has accrued as a result; for the second year, Latin America delivered an excellent operating performance but this was offset against the weakening of the Brazilian Real which impacted overall earnings. 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 2020, non-financial objectives included the successful conclusion of a number of key commercial supply relationship contracts, driving increased employee engagement and further refining organisational structures across various functions and business units. Notwithstanding that a number of the non-financial objectives were partially met by the CEO and CFO, the Remuneration Committee did not award bonuses, reflecting the performance of the business and challenging operating conditions during the year.

Similarly, in relation to Latin America objectives, the CEO, Latin America met a number of his objectives but the Committee determined that it was not appropriate to award a bonus in respect of this financial year.

The Remuneration Committee believes that the use of negative discretion is appropriate to align bonus outcomes with the Group's performance during the 12-month period ended 31 July 2020.

6 **Long-Term Incentives**
LTIP awards vesting based on performance to 31 July 2020.

During the year, reflecting the performance of the business, the Executive Directors voluntarily waived their September 2017, October 2018 and September 2019 LTIP awards. No LTIP awards, therefore, vested based on performance to 31 July 2020.

For information, the September 2017 award had a performance period ending 31 July 2020. Had the Executive Directors not waived this award, whilst the EPS and the ROIC measures would not have been met as growth was less than the 5% p.a. EPS threshold and the 12.5% ROIC threshold, the Free Cash Flow ratio would have been achieved in full as the maximum target of 100% was exceeded.

LTIP awards granted during the year ended 31 July 2020.

To reflect his appointment as Chief Executive and to provide alignment with the recovery of the business, S Coyle was granted an LTIP award in July 2020 which is due to vest in July 2023 subject to satisfaction of the relevant performance conditions. The award is based on performance over the three-year period ending 31 July 2023.

A summary of the performance conditions for this award is set out below:

Metric	Weighting	Vesting at Threshold	Condition
Adjusted Diluted Earnings per Share ('EPS')	50%	30%	Adjusted Diluted EPS at the end of the three-year period of 46c (threshold) on a pro-rata basis to 50c (maximum stretch) for full pay-out.
Free Cash Flow Ratio [1]	50%	30%	An average annual free cash flow ratio of at least 50% (threshold) on a pro-rata basis to 100% (maximum stretch) for full pay-out.

1 The definition of Free Cash Flow Ratio is set out in the Financial Review on page 17.

An overall summary of the award is set out below. The award is less than the 200% exceptional limit set out in the policy and LTIP rules that can be made in cases of recruitment/promotion.

Executive Director	Face value of award at grant	Number of shares awarded	End of performance period	Date from which exercisable subject to holding period
S Coyle	132% of salary	222,246	31 July 2023	8 July 2023*

* Subject to satisfaction of performance conditions.

The number of shares awarded was calculated using the closing share price of €3.03 on 7 July 2020.

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 2019	Granted during the year	Vested/ exercised during the year	Lapsed during the year	Cancelled/ waived during the year	Number of share awards at 31 July 2020	End of performance period	Date from which exercisable	Expiry date
T O'Mahony*											
2015 LTIP	10/03/17	0.01	38,615	-	38,615	-	-	-	31/07/19	10/03/20	09/03/24
2015 LTIP	28/09/17	0.01	77,519	-	-	-	77,519 **	-	31/07/20	28/09/20	27/09/24
2015 LTIP	02/10/18	0.01	88,496	-	-	-	88,496 **	-	31/07/21	02/10/21	01/10/25
2015 LTIP	26/09/19	0.01	-	100,000	-	-	100,000 **	-	31/07/22	26/09/22	25/09/26
	Total		**204,630**	**100,000**	**38,615**	**-**	**266,015**	**-**			
S Coyle											
2015 LTIP	02/10/18	0.01	61,540	-	-	-	61,540 **	-	31/07/21	02/10/21	01/10/25
2015 LTIP	26/09/19	0.01	-	69,540	-	-	69,540 **	-	31/07/22	26/09/22	25/09/26
2015 LTIP	08/07/20	0.01	-	222,246	-	-	-	222,246	31/07/23	08/07/25***	07/07/27
	Total		**61,540**	**291,786**	**-**	**-**	**131,080**	**222,246**			
D Giblin											
2015 LTIP	10/03/17	0.01	31,751	-	31,751	-	-	-	31/07/19	10/03/20	09/03/24
2015 LTIP	28/09/17	0.01	63,076	-	-	-	63,076 **	-	31/07/20	28/09/20	27/09/24
2015 LTIP	02/10/18	0.01	70,784	-	-	-	70,784 **	-	31/07/21	02/10/21	01/10/25
2015 LTIP	26/09/19	0.01	-	80,356	-	-	80,356 **	-	31/07/22	26/09/22	25/09/26
	Total		**165,611**	**80,356**	**31,751**	**-**	**214,216**	**-**			

* *T O'Mahony resigned as an Executive Director on 30 June 2020.*
** *During the year ended 31 July 2020 the Directors voluntarily waived their entitlement to any unvested share options. Based on performance of the business up to 31 July 2020 and forecasted performance for FY2021 and FY2022 these options were expected to vest which the Directors have waived their entitlement to.*
*** *Subject to satisfaction of performance conditions.*

LTIP awards are subject to the performance conditions outlined in the Long-Term Incentives section of the Annual Report on Remuneration, set out on page 109.

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 2019	Beneficially owned at 31 July 2020	Unvested LTIP awards at 31 July 2020	Outstanding share awards under all employee share plans
T O'Mahony	1,646,373	**1,656,593**	–	–
S Coyle	14,000	**75,000**	**222,246**	8,910
D Giblin	302,735	**362,735**	–	–
R Hynes	3,875	**3,875**	–	–
H McCutcheon	45,000	**45,000**	–	–
K Allum	–	–	–	–
G Britton	5,000	**5,000**	–	–
C Richards	3,405	**7,680**	–	–
B Keane	–	–	**36,364**	7,485

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 47% of his salary.

The value of shareholdings held by the Executive Directors is based on their shares held at the share price of €3.17 on 31 July 2020. Details of share ownership guidelines are set out on page 100 of this report.

Statement of Voting at the AGM

At the Company's 2019 AGM, the following votes were received from shareholders:

	Remuneration Report	%
Votes cast in favour*	102,930,238	99.55
Votes cast against	463,533	0.45
Total votes cast	103,393,771	100.00
Abstentions	–	–

* *Does not include Chairman's discretionary votes.*

FINANCIAL STATEMENTS

>2,600

People Employed in

7

Countries

DIRECTORS AND OTHER INFORMATION

Board of Directors
R Hynes (Non-Executive Chairman)
S Coyle (Chief Executive Officer)
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) Advisor and Stockbroker
Goodbody
Ballsbridge Park
Ballsbridge
Dublin 4
Ireland

Nominated Advisor
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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

On behalf of the Board

Rose Hynes
Director
22 September 2020

Sean Coyle
Director
22 September 2020

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ORIGIN ENTERPRISES PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- Origin Enterprises plc's Group financial statements and Company financial statements (the 'financial statements') give a true and fair view of the Group's and the Company's assets, liabilities and financial position as at 31 July 2020 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 2020;
- the Company Balance Sheet as at 31 July 2020;
- 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 and Accounts, 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.

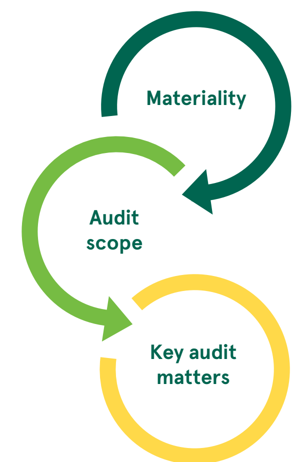
Independence

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

- €2.7 million (2019: €3.4 million) – Group financial statements.
- Based on 5% of the 3 year average profit before tax and exceptional items (2019: 5% of profit before tax and exceptional items).
- €2 million (2019: €2 million) – Company financial statements.
- Based on 0.75% of net assets (2019: 0.75% of net assets).

Audit scope

- We conducted audit work on 13 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 13 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, 90% of Group profit before tax and exceptional items and 85% 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 15 – Goodwill and intangible assets and Note 34 – Accounting estimates and judgements.* The Group has goodwill of €162.68m at 31 July 2020 representing approximately 13% 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 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 2021 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 and margin in Year 1 budgets, Year 2 and Year 3 growth rates, terminal value growth rates and discount rates.	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. We evaluated the growth rates applied for Years 2 & 3 and considered the Group's past record of achieving its forecasts over time, taking into account the impact of factors such as the adverse impact of weather in the current year, crop conditions and competitor activity and found the key assumptions to be reasonable. We considered the appropriateness of the Group's long term forecast growth rate assumptions used to calculate terminal values by comparing them to independent sources, including publicly available information and concluded that they fell within a reasonable range for each CGU. We used PwC 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 performed sensitivity analysis on the impact of changes in key assumptions on the impairment assessments for CGUs. We assessed the appropriateness of the related disclosures within the financial statements and consider the disclosures included in Note 15 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 34 – Accounting estimates and judgements.* The estimation of final settlement prices for some customers of 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. The key inputs to the calculation of the settlement price adjustment include invoice prices, estimated settlement prices and invoice quantities. As set out in Note 34, the estimation of the final settlement price adjustment is impacted by commodity prices, competitor pricing pressures, prevailing market conditions and the timing of the Group's financial year end as it is non coterminous with the year end of its main customers. We focused on this area given the level of judgement involved and the level of fluctuation in final settlement prices historically.	We considered the process undertaken by management in determining the settlement price adjustment to revenue and trade receivables and compared it to that applied in the prior period and found it to be appropriate and consistently applied. 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 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 price adjustments. 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 considered the results of that test alongside the current year factors impacting settlement as set out in the preceding paragraph. We reviewed the related disclosures within the financial statements and concluded that they were appropriate.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ORIGIN ENTERPRISES PLC (continued)

Key audit matter	*How our audit addressed the key audit matter*
Rebates receivable *See accounting policy in relation to rebates. See also Note 19 – Trade and other receivables and Note 34 – 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 rebates receivable have been included within trade and other receivables in Note 19.	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, tested the inputs to the calculation to source documentation and assessed the assumptions regarding full year purchases where rebate rates are linked to volume targets. 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 calculated appropriately based on the contracted rates in the supplier agreements we obtained and the estimates were reasonable.

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 20 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.

The Group audit team organised planning conference calls with key components to discuss business developments with the component, audit risks and approach. In addition to these calls at the planning stage, post audit conference calls were held to discuss component auditor's key audit findings.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ORIGIN ENTERPRISES PLC (continued)

As part of our Group audit scoping we identified 13 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, 90% of Group profit before tax and exceptional items and 85% of total assets. Taken collectively these reporting units represent the principal business units of the Group.

This, together with additional procedures over central functions, IT systems, treasury and areas of judgement including the key audit matters noted above, taxation 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	€2.7 million (2019: €3.4 million).	€2 million (2019: €2 million).
How we determined it	5% of the 3 year average profit before tax and exceptional items (2019: 5% of profit before tax and exceptional items).	0.75% of net assets.
Rationale for benchmark applied	We have applied this benchmark taking a 3 year average because in our view this is a metric against which the recurring performance of the Group can be measured by its stakeholders. We determined that a three year average is a more appropriate benchmark given the one off impact on profitability of weather factors in the current year and consequently we believe an average is a more appropriate benchmark of the underlying performance over time.	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 €0.135 million (Group audit) (2019: €0.17 million) and €0.1 million (Company audit) (2019: €0.1 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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 and Accounts 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ORIGIN ENTERPRISES PLC (continued)

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' on which we are not required to report) for the year ended 31 July 2020 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' on which we are not required to report).

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 115, 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
22 September 2020

CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020

	Notes	Pre-exceptional 2020 €'000	Exceptional 2020 €'000	Total 2020 €'000	Pre-exceptional 2019 €'000	Exceptional 2019 €'000	Total 2019 €'000
Revenue	*1*	**1,589,142**	–	**1,589,142**	1,798,197	–	1,798,197
Cost of sales		**(1,359,547)**	–	**(1,359,547)**	(1,527,363)	–	(1,527,363)
Gross profit		**229,595**	–	**229,595**	270,834	–	270,834
Operating costs	*2, 3*	**(194,877)**	**(6,505)**	**(201,382)**	(197,340)	(6,574)	(203,914)
Share of profit of associates and joint venture	*3, 7*	**6,154**	–	**6,154**	6,717	(423)	6,294
Operating profit	*5*	**40,872**	**(6,505)**	**34,367**	80,211	(6,997)	73,214
Finance income	*4*	**954**	–	**954**	1,519	–	1,519
Finance expense	*4*	**(12,204)**	–	**(12,204)**	(13,327)	–	(13,327)
Profit before income tax		**29,622**	**(6,505)**	**23,117**	68,403	(6,997)	61,406
Income tax (expense)/credit	*3,10*	**(4,519)**	**1,261**	**(3,258)**	(8,730)	44	(8,686)
Profit for the year		**25,103**	**(5,244)**	**19,859**	59,673	(6,953)	52,720

	Notes	2020	2019
Basic earnings per share	*11*	**15.81c**	41.98c
Diluted earnings per share	*11*	**15.53c**	41.60c

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020

	2020 €'000	2019 €'000
Profit for the year	**19,859**	52,720
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	**553**	(3,599)
– deferred tax effect of remeasurements	**(70)**	450
– share of remeasurements on associate's defined benefit pension schemes	**(1,001)**	(1,668)
– share of deferred tax effect of remeasurements - associates	**190**	284
Items that may be reclassified subsequently to the Group income statement:		
Group foreign exchange translation details		
– exchange difference on translation of foreign operations	**(17,350)**	(3,507)
Group/Associate cash flow hedges		
– effective portion of changes in fair value of cash flow hedges	**(1,976)**	100
– fair value of cash flow hedges transferred to operating costs and other income	**(58)**	(2,783)
– deferred tax effect of cash flow hedges	**311**	369
– share of associates and joint venture cash flow hedges	**(5,508)**	727
– deferred tax effect of share of associates and joint venture cash flow hedges	**689**	(91)
Other comprehensive expense for the year, net of tax	**(24,220)**	(9,718)
Total comprehensive (expense) / income for the year attributable to equity shareholders	**(4,361)**	43,002

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Notes	2020 €'000	2019 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**109,363**	108,411
Right of use asset	13	**39,824**	-
Investment properties	14	**2,270**	4,221
Goodwill and intangible assets	15	**235,949**	271,085
Investments in associates and joint venture	16	**40,597**	47,140
Other financial assets	17	**575**	607
Post employment benefit surplus	27	**403**	-
Deferred tax assets	24	**6,890**	3,620
Total non-current assets		**435,871**	435,084
Current assets			
Properties held for sale	14	**27,100**	24,135
Inventory	18	**188,775**	202,806
Trade and other receivables	19	**406,857**	529,328
Derivative financial instruments	23	**1,460**	2,345
Cash and cash equivalents	21	**172,309**	111,830
Total current assets		**796,501**	870,444
TOTAL ASSETS		**1,232,372**	1,305,528

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020 (continued)

	Notes	2020 €'000	2019 €'000
EQUITY			
Called up share capital presented as equity	28	**1,264**	1,264
Share premium		**160,498**	160,498
Retained earnings and other reserves		**150,564**	184,077
TOTAL EQUITY		**312,326**	345,839
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	22	**205,889**	163,236
Lease liabilities	13	**31,961**	-
Deferred tax liabilities	24	**19,785**	23,143
Put option liability	26	**22,073**	29,607
Provision for liabilities	25	**1,649**	4,166
Post employment benefit obligations	27	**-**	1,476
Derivative financial instruments	23	**1,262**	912
Total non-current liabilities		**282,619**	222,540
Current liabilities			
Interest-bearing borrowings	22	**19,633**	24,190
Lease liabilities	13	**8,775**	-
Trade and other payables	20	**590,182**	686,175
Corporation tax payable		**11,976**	11,845
Provision for liabilities	25	**4,393**	14,452
Derivative financial instruments	23	**2,468**	487
Total current liabilities		**637,427**	737,149
TOTAL LIABILITIES		**920,046**	959,689
TOTAL EQUITY AND LIABILITIES		**1,232,372**	1,305,528

On behalf of the Board

Rose Hynes
Director
22 September 2020

Sean Coyle
Director
22 September 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020

	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
2020											
At 1 August 2019	1,264	160,498	(8)	134	1,832	12,843	1,537	(196,884)	(42,826)	407,449	345,839
Profit for the year	-	-	-	-	-	-	-	-	-	19,859	19,859
Other comprehensive expense for the year	-	-	-	-	(6,542)	-	-	-	(17,350)	(328)	(24,220)
Total comprehensive (expense)/ income for the year	-	-	-	-	(6,542)	-	-	-	(17,350)	19,531	(4,361)
Share based payment credit	-	-	-	-	-	-	(406)	-	-	-	(406)
Change in fair value of put option (Note 26)	-	-	-	-	-	-	-	-	-	(1,966)	(1,966)
Dividend paid to shareholders	-	-	-	-	-	-	-	-	-	(26,780)	(26,780)
At 31 July 2020	1,264	160,498	(8)	134	(4,710)	12,843	1,131	(196,884)	(60,176)	398,234	312,326

	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)/ income 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 26)	-	-	-	-	-	-	-	-	-	(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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2020

	Notes	2020 €'000	2019 €'000
Cash flows from operating activities			
Profit before tax		23,117	61,406
Exceptional items		6,505	6,997
Finance income		(954)	(1,519)
Finance expenses		12,204	13,327
Profit on disposal of property, plant and equipment		(533)	(292)
Share of profit of associates and joint venture	16	(6,154)	(6,717)
Depreciation of property, plant and equipment	12	8,564	8,300
Depreciation of right of use assets	13	10,184	-
Amortisation of intangible assets	15	12,301	11,059
Employee share-based payment (credit)/ charge	8	(406)	999
Pension contributions in excess of service costs	27	(1,007)	(741)
Payment of exceptional rationalisation costs		(726)	(1,342)
Payment of exceptional acquisition costs		(1,439)	(1,775)
Operating cash flow before changes in working capital		61,656	89,702
Movement in inventory		6,622	(2,408)
Movement in trade and other receivables		104,366	(50,450)
Movement in trade and other payables		(80,663)	40,118
Cash generated from operating activities		91,981	76,962
Interest paid		(8,628)	(11,349)
Income tax paid		(7,947)	(12,572)
Cash inflow from operating activities		75,406	53,041
Cash flows from investing activities			
Proceeds from sale of investment property		-	750
Proceeds from disposal of investment in associate	3	904	-
Proceeds from sale of property, plant and equipment		991	1,005
Purchase of property, plant and equipment		(12,056)	(12,049)
Additions to intangible assets		(3,670)	(4,346)
Arising on acquisitions	33	-	(36,554)
Payment of contingent acquisition consideration	25	(7,386)	(1,705)
Payment of put option liability	26	-	(3,594)
Restricted cash		-	500
Disposal of / loan to equity investment		113	(4,671)
Dividends received from associates		5,776	7,037
Cash outflow from investing activities		(15,328)	(53,627)
Cash flows from financing activities			
Drawdown of bank loans		250,025	228,996
Repayment of bank loans		(209,528)	(238,491)
Lease liability payments	13	(11,422)	-
Shares issued		-	76
Payment of dividends to equity shareholders		(26,780)	(26,371)
Cash inflow/(outflow) from financing activities		2,295	(35,790)
Net increase/ (decrease) in cash and cash equivalents		62,373	(36,376)
Translation adjustment	22	2,418	(2,298)
Cash and cash equivalents at start of year		87,885	126,559
Cash and cash equivalents at end of year	21,22	152,676	87,885

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 2020 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 Group and Company financial statements were authorised for issue by the Directors on 22 September 2020.

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 2019.

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 IFRS 3 'Business Combinations'.
- IFRS 17 'Insurance Contracts'.

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.

- Amendments to IAS 1: 'Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current'.
- Amendments to IAS 1 and IAS 8 'Definition of Material'.
- Amendments to IFRS 9, IAS 39 and IFRS 7 'Interest Rate Benchmark Reform'.
- Amendments to references to the Conceptual Framework in IFRS standards.

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

New IFRS accounting standards and interpretations adopted in 2019/2020

During the year ended 31 July 2020, 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. The following new standards, interpretations and standard amendments became effective as of 1 August 2019:

- IFRS 16 'Leases'.
- IFRIC 23 'Uncertainty over Income Tax Treatments'.
- Amendments to IFRS 9: Applying IFRS 9 'Prepayment Features with Negative Compensation'.
- 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'.

The new standards, interpretations and amendments did not have a significant effect on the financial statements of the Group, with the exception of IFRS 16 'Leases' which is detailed below.

GROUP ACCOUNTING POLICIES (continued)

New IFRS accounting standards and interpretations adopted in 2019/2020 (continued)

Transition to IFRS 16 'Leases'

The Group had to change its accounting policies as a result of adopting IFRS 16. 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 transition to IFRS 16 impacts the measurement of many components in the Group's consolidated financial statements including operating profit, finance costs, earnings per share, net debt and return on capital employed.

The Group adopted IFRS 16 on the transition date of 1 August 2019 using the modified retrospective approach. The comparative information for prior periods has not been re-stated and is presented as previously reported under IAS 17 and related interpretations.

At transition date, the lease liability was initially measured as the present value of the outstanding lease commitments that are payable for the lease term, discounted using the Group's incremental borrowing rate. A weighted average rate of 4.0% was applied. In calculating the lease liability, the Group has applied judgement in determining the lease term for those leases with termination or extension options and an appropriate discount rate, which is based on the borrowing rate. These judgements significantly impact on the right-of-use asset and the lease liability to be recognised.

A corresponding right-of-use leased asset was recognised on the Group's Balance Sheet which was adjusted for any prepayments, accruals and onerous lease provisions. Had this not been introduced, there would be an additional operating lease cost of €11,422,000 associated with these leases as an adjustment to opening retained earnings. The right-of-use asset is depreciated on a straight line basis over the lower of the lease term and the useful life of the asset. Right-of-use assets are subject to impairment testing.

The Group previously recognised operating lease rentals in operating expenses in the Income Statement. Under IFRS 16, a right-of-use leased asset is capitalised and depreciated over the term of the lease as an operating expense with an associated finance cost applied annually to the lease creditor. During the financial year, the Group recognised €10,184,000 of depreciation costs and €1,766,000 of interest costs from these leases.

The table below reconciles the Group's operating lease obligations at 31 July 2019 to the lease obligations recognised on initial application of IFRS 16 at 1 August 2019.

	€'000
Operating lease commitment at 31 July 2019	42,275
Extension options reasonably certain to be exercised	5,299
Commitments relating to low value and short-term leases	(942)
Effect of discounting	(6,965)
Discounted operating leases	39,667
Finance lease liability at 31 July 2019	910
Lease liabilities at 1 August 2019	40,577

The overall impact on the Income Statement of adopting IFRS 16 will be neutral over the life of a lease but will result in a higher charge in the earlier years following implementation and a lower charge in the later years. It will not change overall cash flows or the economic effect of the leases. The impact of this in the current financial year is an additional cost of €528,000. There is no effect on the Group's existing banking covenants as a result of the implementation of IFRS 16.

The Group has elected to use the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- accounting for short-term leases (leases less than 12 month) or low value asset leases (where the relevant criteria are met) by recognising the lease payments as an operating expense on a straight-line basis over the term of the lease;
- apply a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- used hindsight in determining the lease term if the contract contained options to extend or terminate the lease.

GROUP ACCOUNTING POLICIES (continued)

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.

In considering going concern, the directors have had regard to the underlying trading in the Group's key markets and the continuing impact of COVID-19 restrictions. They are satisfied that the Group has adequate resources to meet obligations, having regard to debt maturities, for the foreseeable future from the date of approval of these accounts.

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 34.

Basis of consolidation

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

Subsidiary undertakings

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

GROUP ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

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.

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 19.

Revenue recognition

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 or services. 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 19. Further details of the estimation involved in determining settlement price adjustments at year end is included in Note 34.

GROUP ACCOUNTING POLICIES (continued)

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.

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.

GROUP ACCOUNTING POLICIES (continued)

Taxation

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

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

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

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year end date. If a temporary difference arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss, no deferred tax is recognised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates and joint venture, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Foreign currency

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

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

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.

GROUP ACCOUNTING POLICIES (continued)

Investment properties

Investment property, principally comprising land, is held for capital appreciation. Investment property is stated at fair value. The fair value is based on the price that would be received to sell the asset in an orderly transaction between market participants at the measurement date. Any gain or loss arising from a change in fair value is recognised in the Consolidated Income Statement. When property is transferred to investment property following a change in use, any difference arising at the date of transfer between the carrying amount of the property immediately prior to transfer and its fair value is recognised in equity if it is a gain unless the increase reverses a previous impairment loss in that property in which case the increase is recognised in profit or loss.

Upon disposal of the property, the gain would be transferred to retained earnings in equity. Any loss arising in this manner, unless it represents the reversal of a previously recognised gain, would be recognised immediately in the Consolidated Income Statement. Investment properties are disclosed as a Level 3 fair value 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.

Properties held for sale are not used in the ordinary course of business and are available for immediate sale in their present condition subject to terms that are usual and customary for such properties of this nature. The carrying amount of these properties will be recovered principally through a sale transaction rather than through continuing use. The properties have been actively marketed and the Group is committed to its plan to sell these properties.

Leased assets – prior to application of IFRS 16 Leases (effective for periods before 1 August 2019)

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.

Leased assets–post application of IFRS 16 Leases (effective from 1 August 2019)

At inception of a lease contract, the Group assesses whether a contract is, or contains, a lease. If the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, it is recognised as a lease. At the commencement date of the lease, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which consists of the initial measurement of the lease liability, any initial direct costs incurred by the Group in setting up/entering into the lease, an estimate of any costs to dismantle and remove the asset at the end of the lease and any payments made in advance of the lease commencement date.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life or the end of the lease term. The carrying amounts of right-of-use assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. An impairment loss is recognised when the carrying value of an asset exceeds its recoverable amount.

The lease liability is measured as the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprises of fixed or variable payments (based on an index or rate), amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

GROUP ACCOUNTING POLICIES (continued)

Leased assets–post application of IFRS 16 Leases (effective from 1 August 2019) (continued)

Subsequent to the initial measurement, the liability will be reduced for payments made and increased for the interest applied and it is remeasured to reflect any reassessment or contract modifications. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or in the Consolidated Income Statement if the right-of-use asset is already reduced to zero.

The Group has elected to record short-term leases of less than 12 months and leases of low-value assets as defined in IFRS 16 as an operating expense in the Consolidated Income Statement on a straight-line basis over the lease term.

The Group has also elected not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component further increasing the lease liability.

The Group adopted IFRS 16 'Leases' using the modified retrospective approach. Accordingly, the comparative information has not been restated and continues to be accounted for in accordance with the Group's previous accounting policy under IAS 17 'Leases'.

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.

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.

GROUP ACCOUNTING POLICIES (continued)

Intangible assets (continued)

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. 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.

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.

Share capital

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

Financial assets and liabilities

Trade and other receivables

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

GROUP ACCOUNTING POLICIES (continued)

Financial assets and liabilities (continued)

Trade and other receivables - continued

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.

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.

GROUP ACCOUNTING POLICIES (continued)

Financial assets and liabilities (continued)

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.

Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and they are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

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.

(a) Analysis by segment

(i) Segment revenue and result

	Ireland and the UK		Continental Europe		Latin America		Total Group	
	2020 €'000	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000
Total revenue	**1,284,946**	1,563,259	**590,181**	605,204	**50,435**	33,556	**1,925,562**	2,202,019
Less revenue from associates and joint venture	**(317,057)**	(403,822)	**–**	–	**(19,363)**	–	**(336,420)**	(403,822)
Revenue	**967,889**	1,159,437	**590,181**	605,204	**31,072**	33,556	**1,589,142**	1,798,197
Segment result	**23,302**	59,976	**13,686**	14,212	**7,111**	8,075	**44,099**	82,263
Profit from associates and joint venture	**5,808**	6,717	**–**	–	**346**	–	**6,154**	6,717
Amortisation of non-ERP intangible assets	**(5,035)**	(4,328)	**(2,145)**	(1,884)	**(2,201)**	(2,557)	**(9,381)**	(8,769)
Operating profit before exceptional items	**24,075**	62,365	**11,541**	12,328	**5,256**	5,518	**40,872**	80,211
Exceptional items	**(2,670)**	1,509	**(3,555)**	(7,604)	**(280)**	(902)	**(6,505)**	(6,997)
Operating profit	**21,405**	63,874	**7,986**	4,724	**4,976**	4,616	**34,367**	73,214

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1 Segment information (continued)

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

	Total Group	
Operating profit	**34,367**	73,214
Finance income	**954**	1,519
Finance expense	**(12,204)**	(13,327)
Reported profit before tax	**23,117**	61,406
Income tax	**(3,258)**	(8,686)
Reported profit after tax	**19,859**	52,720

(iii) Segment assets

	Ireland and the UK		Continental Europe		Latin America		Total Group	
	2020 €'000	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000
Assets excluding investment in associates and joint venture	**553,253**	604,267	**382,905**	430,743	**74,383**	104,976	**1,010,541**	1,139,986
Investment in associates and joint venture (including other financial assets)	**41,172**	46,588	**–**	–	**–**	1,159	**41,172**	47,747
Segment assets	**594,425**	650,855	**382,905**	430,743	**74,383**	106,135	**1,051,713**	1,187,733

Reconciliation to total assets as reported in Consolidated Statement of Financial Position		
Cash and cash equivalents	**172,309**	111,830
Derivative financial instruments	**1,460**	2,345
Deferred tax assets	**6,890**	3,620
Total assets as reported in Consolidated Statement of Financial Position	**1,232,372**	1,305,528

(iv) Segment liabilities

	Ireland and the UK		Continental Europe		Latin America		Total Group	
	2020 €'000	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000
Segment liabilities	**369,177**	405,557	**257,115**	279,675	**32,741**	50,644	**659,033**	735,876

Reconciliation of total liabilities as reported in Consolidated Statement of Financial Position		
Interest-bearing loans and liabilities	**225,522**	187,426
Derivative financial instruments	**3,730**	1,399
Current and deferred tax liabilities	**31,761**	34,988
Total liabilities as reported in Consolidated Statement of Financial Position	**920,046**	959,689

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

1 Segment information (continued)

(v) Other segment information

	Ireland and the UK		Continental Europe		Latin America		Total Group	
	2020 €'000	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000
Depreciation	**14,151**	5,251	**4,335**	2,778	**262**	271	**18,748**	8,300
Intangible amortisation	**7,955**	6,607	**2,145**	1,884	**2,201**	2,568	**12,301**	11,059
Exceptional items (Note 3)	**2,670**	(1,509)	**3,555**	7,604	**280**	902	**6,505**	6,997
Capital expenditure – property, plant and equipment	**11,351**	8,905	**1,446**	2,472	**1,050**	561	**13,847**	11,938
Capital expenditure – ERP and computer intangibles	**1,930**	2,796	**369**	551	**2**	5	**2,301**	3,352
Total capital expenditure	**13,281**	11,701	**1,815**	3,023	**1,052**	566	**16,148**	15,290

(b) Analysis by geography and revenue lines

	Ireland and the UK		Continental Europe		Latin America		Total Group	
	2020 €'000	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000
Revenue	**967,889**	1,159,437	**590,181**	605,204	**31,072**	33,556	**1,589,142**	1,798,197
Total segment assets	**594,425**	650,855	**382,905**	430,743	**74,383**	106,135	**1,051,713**	1,187,733
IFRS 8 non-current assets*	**303,602**	277,841	**76,063**	79,849	**48,913**	73,774	**428,578**	431,464

*The total non-current assets in the UK are €262.4 million (2019: €236.2 million).

The following table disaggregates revenue by significant revenue lines:

	Integrated Agronomy and Digital Agricultural Services		Business-to-Business Agri-Inputs		Total Group	
	2020 €'000	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000
Revenue	**995,128**	1,091,667	**594,014**	706,530	**1,589,142**	1,798,197

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

2 Operating costs

	2020 €'000	2019 €'000
Distribution expenses	**103,792**	103,523
Administration expenses	**81,704**	85,048
Amortisation of non-ERP related intangible assets	**9,381**	8,769
	194,877	197,340
Exceptional items (Note 3)	**6,505**	6,574
	201,382	203,914

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:

	2020 €'000	2019 €'000
Write down of intangible assets arising from re-branding (i)	**(6,853)**	-
Transaction related credit / (costs) (ii)	**379**	(273)
Fair value adjustment of investment properties and properties held for sale (iii)	**730**	5,680
Pension and rationalisation related costs (iv)	**(202)**	(426)
Loss on disposal of associate (v)	**(559)**	-
Impairment in Ukraine investment, net of put option settlement (vi)	**–**	(7,455)
Write down on property, plant and equipment (iii)	**–**	(4,100)
Total exceptional charge before tax before associates and joint venture	**(6,505)**	(6,574)
Arising in associates and joint venture (vii)	**–**	(423)
Total exceptional charge before tax	**(6,505)**	(6,997)
Tax credit on exceptional items	**1,261**	44
Total exceptional charge after tax	**(5,244)**	(6,953)

(i) Write down of intangible assets arising from re-branding

During the year, the Group completed a re-branding of the businesses in Continental Europe. As a result, legacy intangible assets relating to the branding of these businesses were written down by €3.6 million (Note 15) and charged to the Consolidated Income Statement as an exceptional item. In addition legacy brands within the Ireland/UK segment attributable to bolt on acquisitions were also written down by €3.3 million as the business is now fully integrated under the Origin brand. The tax impact of this in the current year was a tax credit of €1.2 million (2019: €Nil).

(ii) Transaction related credit / (costs)

The transaction related credit arose on the movement in contingent consideration for both Fortgreen and Resterra (Note 25), and is net of transaction related costs incurred in relation to the acquisitions completed during the prior year and potential acquisitions in the current year. The tax impact of this item in the current year was a tax credit of €0.1 million (2019: €Nil).

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

3 Exceptional items (continued)

(iii) Fair value adjustment of investment properties and properties held for sale

During the year, investment properties valued at €2.9 million (Note 14) were reclassified as held for sale as it is expected these properties will be sold within 12 months. There was a fair value uplift on these properties of €1.0 million (Note 14). Also included are costs relating to the disposal of the properties.

In the prior year, a credit of €5.7 million was recognised comprising €5.5 million of an uplift in the value of the Group's Cork properties and investment properties, 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.

In the prior year a write-down of €4.1 million was also reflected in the value of the Group's property, plant and equipment (Note 12).

The tax impact of this exceptional item in the current year is a charge of €Nil (2019: €0.4 million).

(iv) Pension and rationalisation related costs

Rationalisation costs relate to 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 €Nil (2019: €0.1 million).

(v) Loss on disposal of associate

On 31 July 2020, the Group disposed of it's 20% shareholding in Ferrari Zagatto E Cia Ltda, a Brazilian based agronomy services and crop input distribution business. A loss of €0.6 million arose on the disposal as follows:

	2020 €'000
Consideration received from disposal of interest in Ferrari Zagatto	**904**
Carrying value of investment (Note 16)	**(1,308)**
Foreign exchange differences previously taken to comprehensive income	**(155)**
Loss arising on disposal of associate	**(559)**

The tax impact of this exceptional item is a tax charge of €Nil.

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

In the prior year, the Directors re-assessed the valuation of goodwill and intangible assets based on the trading results for the financial year and the forecasted 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 15) and a write down of €1.5 million of part of the Agroscope brand was recorded (Note 15). Also included was a credit arising on the settlement of the Agroscope put option liability of €1.9 million (Note 26). This resulted in a total charge of €7.5 million being recorded. The net tax impact of this exceptional item in the prior year was a tax credit of €0.2 million.

(vii) Arising in associates and joint venture

The exceptional charge in the prior year 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 prior year was a tax credit of €0.1 million.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

4 Finance income and expense

	2020 €'000	2019 €'000
Recognised in the Consolidated Income Statement		
Finance income		
Interest income on bank deposits	**954**	1,495
Defined benefit pension obligations: net interest income (Note 27)	**–**	24
Total finance income	**954**	1,519
Finance expenses		
Interest payable on bank loans and overdrafts	**(10,429)**	(13,327)
Interest on lease liabilities (Note 13)	**(1,766)**	–
Defined benefit pension obligations: net interest cost (Note 27)	**(9)**	–
Total finance expenses	**(12,204)**	(13,327)
Finance costs, net	**(11,250)**	(11,808)
Recognised directly in Other Comprehensive Income		
Effective portion of changes in fair value of interest rate swaps	**(351)**	(1,701)

5 Statutory and other information

	2020 €'000	2019 €'000
Group operating profit before exceptional items is stated after charging:		
Raw materials and consumables used	**1,349,771**	1,517,230
Amortisation of intangible assets (Note 15)	**12,301**	11,059
Depreciation of property, plant and equipment (Note 12)	**8,564**	8,300
Depreciation of right of use assets (Note 13)	**10,184**	–
Operating lease rentals (i)	**4,277**	14,297
Foreign exchange expense	**3,008**	248

(i) On adoption of IFRS 16 *'Leases'* at 1 August 2019, the operating lease rentals charge in the current financial year relates to short-term and low-value leases.

Auditors' remuneration

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

	2020 €'000	2019 €'000
Audit of the consolidated financial statements	**560**	555
Other assurance services	**35**	51
Other non-audit services	**7**	5

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

6 Directors' emoluments

	2020 €'000	2019 €'000
Emoluments	**3,107**	3,187
Emoluments include the following contributions to retirement benefit schemes:		
– Defined contribution	**122**	221
– Defined benefit	**26**	26
	148	247

Further details are shown in the Remuneration Committee Report on pages 95 to 111.

Retirement benefits are accruing to one Director (2019: one Director) under a defined benefit scheme and to one Director (2019: two Directors) under a defined contribution scheme.

7 Share of profit after tax of associates and joint venture

	2020 €'000	2019 €'000
Total Group share of:		
Revenue	**336,420**	403,822
Profit after tax, before exceptional items (Note 16)	**6,154**	6,717
Share of exceptional items, net of tax (Note 3)	**–**	(423)

8 Employment

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

	2020 Number	2019 Number
Sales and distribution	**1,445**	1,471
Production	**481**	371
Management and administration	**685**	693
	2,611	2,535

	2020 Number	2019 Number
Average number of Non-Executive Directors	**5**	5
Average number of Executive Directors	**3**	3

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

8 Employment (continued)

Aggregate employment costs of the Group are analysed as follows:

	2020 €'000	2019 €'000
Wages and salaries (i)	**108,125**	113,386
Social insurance costs	**11,520**	10,695
Retirement benefit costs (Note 27) included in Consolidated Income Statement:		
– defined benefit schemes – current service cost	**624**	527
– defined benefit schemes – past service (credit)/cost	**(151)**	30
– defined benefit schemes – net interest expense/(income)	**9**	(24)
– defined contribution schemes	**4,125**	3,521
Share based payment (credit)/charge	**(406)**	999
Cash based long term incentive plan	**35**	1,120
Pension and rationalisation related costs (Note 3)	**202**	426
	124,083	130,680
Retirement benefit costs (Note 27) included in Other Comprehensive Income:		
– defined benefit schemes – remeasurements	**(553)**	3,599
	123,530	134,279

(i) includes furlough payments to UK employees of €636,000 under the UK Coronavirus Job Retention Scheme

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. 52.50% of the remaining options for T O'Mahony and D Giblin vested in March 2020.
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. The Executive Directors have voluntarily waived their entitlement to any unvested share options under the 2018 awards.
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. The Executive Directors have voluntarily waived their entitlement to any unvested share options under the 2019 awards.
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. During the year two employees ceased employment resulting in the forfeiture of 53,540 share options.
2020 Awards–Directors	On 26 September 2019, under the terms of the 2015 LTIP Plan, T O'Mahony, S Coyle and D Giblin were granted 100,000, 69,540 and 80,356 share options respectively. The Executive Directors have voluntarily waived their entitlement to any unvested share options under the 2020 awards.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

9 Long Term Incentive Plans (continued)

2019 Awards

Targets & Thresholds

Vesting of share options and transfer of ownership of resulting shares is determined by reference to the following conditions:

– Up to 30% 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%	0%
5% 30%	
Between 5% and 10%	30%-100% pro rata
10% and above	100%

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% of the shares subject to an award will vest depending on the Company's consolidated 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%	0%
12.5% 30%	
Between 12.5% and 17.5%	30%-100% pro rata
17.5% and above	100%

– Up to 30% of the shares subject to an award will vest depending on the Company's consolidated 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%	0%
50% 30%	
Between 50% and 100%	30%-100% pro rata
100% and above	100%

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% 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

9 Long Term Incentive Plans (continued)

In July 2020 a number of share options were issued to S Coyle under the 2015 Origin Long Term Incentive Plan. The details of awards under the Plan are as follows:

Awards	
2020 Awards	On 8 July 2020 under the terms of the 2015 LTIP Plan, S Coyle was granted 222,246 share options.
Targets & Thresholds	Vesting of share options and transfer of ownership of resulting shares is determined by reference to the following conditions: Up to 50% of the shares subject to the award will vest depending on the Company's consolidated Adjusted Earnings per Share (**'Adjusted EPS'**) for the financial year ended 31 July 2023, determined in accordance with the table below. **Adjusted Diluted EPS Year ended 31 July 2023** — **Proportion of the Adjusted Diluted EPS award vesting** Below 46 cent — 0% 46 cent — 30% Between 46 cent and 50 cent — 30%–100% pro rata 50 cent and above — 100% Up to 50% of the shares subject to an award will vest depending on the Company's consolidated 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% — 0% 50% — 30% Between 50% and 100% — 30%–100% pro rata 100% and above — 100%
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; and – 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.
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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

9 Long Term Incentive Plans (continued)

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

	Number of share options 2020	Number of share options 2019
At 1 August	**1,088,139**	274,583
Vested (i)	**(70,366)**	-
Not awarded (i)	**(63,622)**	-
Forfeiture (ii)	**(53,540)**	-
Waived (iii)	**(611,311)**	-
Granted	**472,142**	813,556
At 31 July	**761,442**	1,088,139

(i) The amounts vested and not awarded relate to the 2017 awards as detailed on page 148. The total share options awarded were 133,988 of which 70,366 have vested but none of which have yet been exercised.
(ii) These shares were voluntarily waived and have been accounted for as forfeited shares which resulted in a credit of €39,000 in the Income Statement in the current year.
(iii) The amounts waived relate to the 2018, 2019 and 2020 Executive Director awards as detailed on page 148.

Grant date	Expiry date	Exercise price	Number of share options 2020	Number of share options 2019
10 March 2017 (i)	9 March 2024	€0.01	-	133,988
28 September 2017 (ii)	27 September 2024	€0.01	-	140,595
2 October 2018 (iii)	1 October 2025	€0.01	**225,861**	500,221
17 July 2019 (iv)	1 October 2025	€0.01	**313,335**	313,335
26 September 2019 (v)	1 October 2025	€0.01	**-**	-
8 July 2020 (vi)	7 July 2027	€0.01	**222,246**	-
			761,442	**1,088,139**

(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%.
(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%.
(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%.
(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%.
(v) The fair value of the share options granted was €4.36 derived using the Black Scholes valuation model. The significant inputs into the model were weighted average share price of €5.00 at the grant date, exercise price of €0.01 and dividend yield of 4.2%.
(vi) The fair value of the share options granted was €2.39 using the Black Scholes valuation model. The significant inputs into the model were weighted average share price of €3.03 at the grant date, exercise price of €0.01 and dividend yield of 6.9%.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

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 amount paid under this scheme during 2020 was €1.4m. This amount was 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 134. 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 2018 financial 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 balance payable under this scheme at the end of the three year period in 2021 is €0.9 million, which has been booked in current provisions in the balance sheet and charged to the income statement within payroll costs in the years ending 31 July 2018, 31 July 2019 and 31 July 2020 in line with the accounting policy on page 134 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, 2019 and 2020.

During the prior year a third 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 €0.4 million of which €0.3 million has been booked in non-current provisions in the balance sheet and charged to the income statement within payroll costs in the years ended 31 July 2019 and 31 July 2020. 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, 2020 and the budget for 2021, resulting in a 23% 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 Group before the end of the service period.

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% 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% 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

9 Long Term Incentive Plans (continued)

The value of the SAYE scheme at 31 July 2020 is as follows:

	2020 €'000	2019 €'000
At 1 August	**595**	383
(Credit)/ charge	**(349)**	212
At 31 July	**246**	595

Grant date	**Expiry date**	**Option Price**	**Exercise price**	**Share options No of shares 2020**	Share options No of shares 2019
1 June 2016	1 June 2019	€1.78	€5.48	-	65,951
1 June 2017	1 June 2020	€1.93	€5.64	-	48,298
1 June 2018	1 June 2021	€1.40	€4.20	**96,768**	378,146
1 June 2019	1 June 2022	€1.42	€4.32	**63,395**	184,697
1 June 2020	1 June 2023	€0.51	€2.02	**1,740,655**	-
				1,900,818	677,092

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

	Scheme 1	**Scheme 2**	**Scheme 3**	**Scheme 4**	**Scheme 5**
Share price	€6.85	€7.05	€5.25	€5.40	€2.53
Exercise price	€5.48	€5.64	€4.20	€4.32	€2.02
Term	3 years	3 years	3 years	3 years	3 years
Share price volatility	27.3%	30.1%	28.9%	27.9%	30.4%
Discount rate	3.0%	3.0%	3.0%	3.0%	3.0%

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

10 Income tax

	2020 €'000	2019 €'000
Current tax expense	8,001	15,335
Deferred tax credit	(4,743)	(6,649)
Income tax expense	3,258	8,686
Reconciliation of average effective tax rate to Irish corporate tax rate:		
Profit before income tax	23,117	61,406
Share of profits of associates and joint venture	(6,154)	(6,294)
	16,963	55,112
Taxation based on Irish corporate rate of 12.5%	2,120	6,889
Effect of deferred tax rate change	175	(46)
Expenses not deductible for tax purposes	1,893	1,645
Higher rates of tax on overseas earnings	2,348	2,143
Changes in estimate/adjustment in respect of previous periods:		
– Current tax	(696)	(2,633)
– Deferred tax	78	132
Recognition of previously unrecognised deferred tax assets	(2,930)	-
Other	270	556
	3,258	8,686
Movement on deferred tax (liability)/asset recognised directly in the Consolidated Statement of Comprehensive Income (Note 24):		
Relating to Group employee benefit schemes	70	(450)
Property, plant and equipment	24	262
Foreign exchange	117	150
Hedge related	(311)	(369)
Recognised in the Consolidated Statement of Comprehensive Income	(100)	(407)

The applicable tax rate is 18.5% compared to 15% in the prior year. The increase is primarily driven by movements in the mix of profits and changes in estimates in respect of prior periods.

A deferred tax asset of €6.9 million (2019: €3.6 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 €25.1 million (2019: €16.1 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 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

11 Earnings per share

	2020 €'000	2019 €'000
Basic earnings per share		
Profit for the financial year attributable to equity shareholders	19,859	52,720
	'000	'000
Weighted average number of ordinary shares for the year	125,595	125,583
	Cent	Cent
Basic earnings per share	15.81	41.98

Diluted earnings per share

	2020 €'000	2019 €'000
Profit for the financial year attributable to equity shareholders	19,859	52,720
	'000	'000
Weighted average number of ordinary shares used in basic calculation	125,595	125,583
Impact of shares with a dilutive effect	373	478
Impact of the SAYE scheme (Note 9)	1,901	677
Weighted average number of ordinary shares (diluted) for the year	127,869	126,738
	Cent	Cent
Diluted earnings per share	15.53	41.60

Adjusted basic earnings per share

	2020 '000	2019 '000
Weighted average number of ordinary shares for the year	125,595	125,583
	2020 €'000	**2019 €'000**
Profit for the financial year	19,859	52,720
Adjustments:		
Amortisation of non-ERP related intangible assets (Note 15)	9,381	8,769
Tax on amortisation of non-ERP related intangible assets	(1,638)	(1,709)
Exceptional items, net of tax	5,244	6,953
Adjusted earnings	32,846	66,733
Adjusted basic earnings per share	26.15	53.14

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

11 Earnings per share (continued)

Adjusted diluted earnings per share

	2020 '000	2019 '000
Weighted average number of ordinary shares used in basic calculation	**125,595**	125,583
Impact of shares with a dilutive effect	**373**	478
Impact of the SAYE scheme (Note 9)	**1,901**	677
Weighted average number of ordinary shares (diluted) for the year	**127,869**	126,738

	2020 €'000	2019 €'000
Adjusted earnings (as above)	**32,846**	66,733

	Cent	Cent
Adjusted diluted earnings per share	**25.69**	52.65

12 Property, plant and equipment

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Assets under construction €'000	Total €'000
Cost					
At 1 August 2019	94,152	71,263	7,721	–	173,136
Reclassification on IFRS 16 adoption	(18)	(729)	(483)	–	(1,230)
Additions	1,322	5,850	1,312	5,363	13,847
Leased assets purchased	–	–	208	–	208
Disposals	(222)	(937)	(1,233)	–	(2,392)
Translation adjustments	(1,077)	(218)	(640)	(332)	(2,267)
At 31 July 2020	**94,157**	**75,229**	**6,885**	**5,031**	**181,302**
Accumulated depreciation					
At 1 August 2019	15,880	44,859	3,986	–	64,725
Depreciation charge for year	2,051	5,255	1,258	–	8,564
Disposals	(199)	(777)	(992)	–	(1,968)
Translation adjustments	142	145	331	–	618
At 31 July 2020	**17,874**	**49,482**	**4,583**	**–**	**71,939**
Net book amounts					
At 31 July 2020	**76,283**	**25,747**	**2,302**	**5,031**	**109,363**
At 31 July 2019	78,272	26,404	3,735	–	108,411

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

12 Property, plant and equipment (continued)

	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 33)	3,585	560	326	4,471
Transfers to properties held for sale (Note 14)	(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

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

On transition to IFRS 16 'Leases' at 1 August 2019, the carrying amount of leased assets included in property, plant and equipment of €1,230,000 was transferred to right of use assets.

13 Leases

As described in accounting policy on pages 136 to 137, the Group has adopted IFRS 16 'Leases' with effect from 1 August 2019.

IFRS 16 introduces a single lessee accounting model, and the majority of all lease agreements will now result in the recognition of a right of use asset and a lease liability on the balance sheet. The income statement charge in relation to all leases will now comprise a depreciation element relating to the right of use asset and also a financing charge relating to the lease liability.

In the previous year, the Group only recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under IFRS 16 'Leases'. The assets were presented in property, plant and equipment and the liabilities as part of the Group's borrowings.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

13 Leases (continued)

The movement in the Group's right-of-use leased assets during the period is as follows:

	€'000
Arising on adoption of IFRS 16 at 1 August 2019	39,667
Reclassification of assets held under IAS 17 as finance leases on adoption of IFRS 16	1,230
Additions in period	9,499
Termination of leases	(43)
Leased assets purchased and transferred to property, plant and equipment	(208)
Depreciation charge	(10,184)
Foreign exchange movement	(137)
Right-of-use leased assets at 31 July 2020	**39,824**

Right of use assets include land and buildings, vehicles, machinery and IT software, and is comprised as:

	Land and buildings €'000	Plant and machinery €'000	Motor Vehicles €'000	IT software €'000	Total €'000
At 31 July 2020					
Depreciation expense	3,386	4,259	2,520	19	**10,184**
Right-of-use assets	25,565	8,771	5,465	23	**39,824**

The amounts recognised in the Consolidated Income Statement include:

	€'000
Depreciation expense on right-of-use assets (Note 5)	10,184
Interest expense on lease liabilities (Note 4)	1,766
Expense relating to short-term leases and leases of low-value assets	4,277

The movement in the Group's related lease liabilities during the period is as follows:

	€'000
Arising on adoption of IFRS 16 at 1 August 2019	40,577
New leases arising in the period	9,499
Termination of leases	(43)
Lease payments	(11,422)
Interest on lease liabilities	1,766
Foreign exchange movement	359
Lease liabilities at 31 July 2020	**40,736**
Current	8,775
Non-current	31,961
Lease liabilities at 31 July 2020	**40,736**

See Note 23 for contractual cash flows relating to lease liabilities.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

14 Investment properties and properties held for sale

	2020 Properties held for sale €'000	2020 Investment properties €'000	2020 Total €'000	2019 Total €'000
At 1 August	24,135	4,221	**28,356**	11,825
Additions	64	–	**64**	–
Held for sale reclassification (i)	2,901	(2,901)	**–**	–
Transfer from property, plant & equipment (i)	–	–	**–**	11,215
Disposal of investment properties (ii)	–	–	**–**	(211)
Fair value adjustment (iii)	–	950	**950**	5,527
At 31 July	**27,100**	**2,270**	**29,370**	28,356

(i) During the year, investment properties valued at €2.9 million were reclassified as held for sale as it is expected these properties will be sold within 12 months. There was a fair value uplift on these properties of €1.0 million. In the prior year, a number of properties were reclassified as held for sale following the Cork property transaction. It is expected these properties will be sold within the first six months of the 2021 financial year.

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

(iii) 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 2020 and 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 third parties 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.

At 31 July 2020 the valuation of the Group's other properties held for sale was also determined by the Directors using a market approach with reference to local knowledge and judgement supported by the consideration agreed with third parties for the properties which is expected to complete within the first six months of the 2021 financial year.

Investment properties

Investment property is carried at fair value and regarded as a Level 3 fair value.

At the start of the year the Group transferred all investment properties from a level 2 to a level 3 fair value as the nature of the measurement inputs changed. In the prior year the Group commissioned an independent valuation of the property whereas in the current year the Group valued the property based on comparable market transactions rather than an independent valuation. As an independent valuation of the investment property is not required under accounting standards the Directors are happy to rely on the valuation from prior year, in conjunction with their own judgement.

In general, valuations have been based on a market approach and have been undertaken having regard to comparable market transactions between informed market participants. Due to very limited transactions for properties of a similar nature in Ireland, the valuations were determined internally with reference to local knowledge, valuation techniques and the exercise of judgement.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

14 Investment properties and properties held for sale (continued)

The following is a summary of valuation methods used in relation to the Group's held for sale and investment properties which are carried at fair value:

	Properties held for sale		Investment properties		Total	
	2020 €'000	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000
Offers from third parties	**27,100**	24,135	**–**	–	**27,100**	24,135
Third party valuation: level 2	**–**	–	**–**	4,221	**–**	4,221
Comparable market transactions: level 3	**–**	–	**2,270**	–	**2,270**	–
Total	**27,100**	24,135	**2,270**	4,221	**29,370**	28,356

Fair value measurements using significant unobservable inputs (level 3)

The below table outlines the changes in level 3 investment properties for fair value measurement:

	Properties held for sale		Investment properties		Total	
	2020 €'000	2019 €'000	**2020 €'000**	2019 €'000	**2020 €'000**	2019 €'000
At 1 August	**24,135**	–	**–**	–	**24,135**	–
Additions	**64**	–	**–**	–	**64**	–
Transfers from level 2	**–**	–	**4,221**	–	**4,221**	–
Transfer from property, plant & equipment	**–**	11,215	**–**	–	**–**	11,215
Held for sale reclassification	**2,901**	8,250	**(2,901)**	–	**–**	8,250
Fair value adjustment	**–**	4,670	**950**	–	**950**	4,670
Total	**27,100**	24,135	**2,270**	–	**29,370**	24,135

Valuation Techniques and Significant Unobservable Inputs

At the start of the year the Group transferred all investment properties from a level 2 to a level 3 fair value as the nature of the measurement inputs changed. The following tables show the valuation techniques used in measuring the fair value of properties held for sale and investment properties and the significant unobservable inputs used. Where market transactions are present, the comparable market transaction method is used for land and buildings held for sale or capital appreciation.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

14 Investment properties and properties held for sale (continued)

Properties held for sale – valuation technique & unobservable inputs

Valuation technique	Unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Offers from third parties: This valuation is used for properties that have formal offer documentation received by the Group from third parties intending to purchase with a reasonable possibility of a sale being concluded.	One offer for 31 acres of land at South Docklands in Cork for a cash consideration of up to €1.5 million an acre	**The estimated fair value would increase/(decrease) if**: Final offer price increased/(decreased)
Offers from third parties: This valuation is used for properties that have formal offer documentation received by the Group from third parties intending to purchase with a reasonable possibility of a sale being concluded.	One offer for industrial and office facilities for €26 per square foot	**The estimated fair value would increase/(decrease) if**: Final offer price increased/(decreased)
Offers from third parties: This valuation is used for properties that have formal offer documentation received by the Group from third parties intending to purchase with a reasonable possibility of a sale being concluded.	One offer for industrial and office facilities for €421,000 per acre	**The estimated fair value would increase/(decrease) if**: Final offer price increased/(decreased)

Investment Properties – valuation technique & unobservable inputs

Valuation technique	Unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Comparable market transactions The value is based on comparable market transactions after discussion with independent agents and/or with reference to other information sources.	Comparable land 211 acres at €50,000 an acre	**The estimated fair value would increase/(decrease) if**: Comparable market prices per square acre were higher/(lower).
Comparable market transactions The value is based on comparable market transactions after discussion with independent agents and/or with reference to other information sources.	Comparable land 44 acres at €50,000 an acre	**The estimated fair value would increase/(decrease) if**: Comparable market prices per square acre were higher/(lower).

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

15 Goodwill and intangible assets

	Goodwill	Intangible assets					
		Brand (ii)	Customer related	Developed Technology	Computer related	ERP (i) Related	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Cost							
At 1 August 2019	176,292	26,276	83,166	23,497	8,491	24,512	342,234
Additions	–	289	–	1,094	1,968	333	3,684
Retirement of brand	–	(8,962)	–	–	–	–	(8,962)
Write off (Note 3)	–	(6,853)	–	–	–	–	(6,853)
Translation adjustment	(13,611)	(1,208)	(893)	(4,914)	(63)	40	(20,649)
At 31 July 2020	**162,681**	**9,542**	**82,273**	**19,677**	**10,396**	**24,885**	**309,454**
Accumulated Amortisation							
At 1 August 2019	–	10,180	37,686	3,490	3,589	16,204	71,149
Amortisation	–	1,376	3,910	2,540	1,555	2,920	12,301
Retirement of brand	–	(8,962)	–	–	–	–	(8,962)
Translation adjustment	–	141	(83)	(983)	(26)	(32)	(983)
At 31 July 2020	**–**	**2,735**	**41,513**	**5,047**	**5,118**	**19,092**	**73,505**
Net book value							
At 31 July 2020	**162,681**	**6,807**	**40,760**	**14,630**	**5,278**	**5,793**	**235,949**
At 31 July 2019	176,292	16,096	45,480	20,007	4,902	8,308	271,085

(i) ERP related amortisation is charged within operating costs in the Consolidated Income Statement.

(ii) A rebranding of the Group's Continental European business completed during the year resulting in a write down of the carrying value of the respective brands. In addition legacy brands within the Ireland/UK segment attributable to bolt on acquisition were also written down.

Material individual intangible assets are as follows:

Customer Lists with a carrying value of €8.1 million and €4.7 million respectively that have remaining residual lives of 12 and 8 years. Developed technologies with a carrying value of €8.1 million that have remaining residual lives of 6 years.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

15 Goodwill and intangible assets (continued)

	Goodwill	Intangible assets						Total
		Brand	Customer related	Supplier agreements	Developed Technology	Computer related	ERP (i) Related	
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'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	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**
AccumulatedAmortisation								
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

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	Pre-tax discount rate	Projection Period	EBIT Growth rate in Year 2 & 3	Terminal Value Growth Rate	2020	2019
	2020	2019	For financial years 2020 and 2019			€'000	€'000
Agronomy – UK	8.9%	10.2%	3 years	2%	2%	75,875	74,842
Amenity	8.9%	10.2%	3 years	2%	2%	8,446	8,331
Fertiliser	8.9%	10.2%	3 years	2%	2%	13,687	13,500
Latin America	13.7%	14.3%	3 years	5%	2%	32,029	46,399
Poland	9.2%	10.8%	3 years	4%	2%	8,455	8,677
Belgium	9.8%	11.7%	3 years	4%	2%	2,017	2,017
Romania	10.6%	11.1%	3 years	4%	2%	22,172	22,526
						162,681	176,292

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

15 Goodwill and intangible assets (continued)

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 2021 (Year 1) are extracted from the 2021 budget document formally approved by the Board. 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 flow projections take into account the global spread of COVID-19. Although, the full financial impact of the crisis is difficult to predict with a high degree of certainty, the risk of impairment of goodwill due to the impact of COVID-19 was considered in the valuation model.

The cash flows are discounted using appropriate risk adjusted discount rates as disclosed in the table above. The range of discount rates applied ranged from 8.9% to 13.7% and reflect the fact that the forecasting risk associated with COVID-19 was included in the adjusted cash flows. Any significant adverse change in the expected future operational results and cash flows may result in the value in use being less than the carrying value of a CGU and would require that the carrying value of the CGU be impaired and stated at the greater of the value in use or the fair value less costs to sell of the CGU. However, the results of the impairment testing undertaken in the current year indicates sufficient headroom.

Key assumptions include management's estimates of future profitability, growth rates, discount rates, replacement capital expenditure requirements and trade working capital investment needs. These assumptions are based on management's 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.

Sensitivity Analysis

- If the Group experienced no growth in years 2 and 3, there would have been no impairment charge across any CGU
- If the Group increased the pre-tax discount rate by one percentage point, there would have been no impairment charge across any CGU

16 Investments in associates and joint venture

	2020 €'000	2019 €'000
At 1 August	**47,140**	48,171
Share of profits after tax, before exceptional items (Note 7)	**6,154**	6,717
Share of exceptional items, net of tax (Note 3)	**-**	(423)
Dividends received	**(5,776)**	(7,037)
Share of other comprehensive expense	**(5,630)**	(748)
Disposal of interest in Ferrari Zagatto (Note 3)	**(1,308)**	-
(Disposal)/acquisition of equity investment	**(113)**	1,117
Translation adjustment	**130**	(657)
At 31 July	**40,597**	47,140

On 31 July 2020, the Group disposed of it's 20% shareholding in Ferrari Zagatto E Cia Ltda, a Brazilian based agronomy services and crop input distribution business.

	2020 €'000	2019 €'000
Split as follows:		
Total associates	**21,194**	22,961
Total joint venture	**19,403**	24,179
	40,597	47,140

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

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

16 Investments in associates and joint venture (continued)

	2020 €'000	2019 €'000
Associates and joint venture income statement (100%):		
Revenue	**672,840**	807,644
Other comprehensive expense	**(11,260)**	(1,496)
Dividends received by Group	**(5,776)**	(7,037)
Exchange differences arising on consolidation	**130**	(657)

The investment in associates and joint venture as at 31 July 2020 is analysed as follows:

	Associates €'000	Joint venture €'000	Total €'000
Non-current assets	**9,151**	**12,915**	**22,066**
Current assets	**29,814**	**36,578**	**66,392**
Non-current liabilities	**(5,310)**	**(6,160)**	**(11,470)**
Current liabilities	**(12,461)**	**(23,930)**	**(36,391)**
At 31 July 2020	**21,194**	**19,403**	**40,597**

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 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.

17 Other financial assets

	2020 €'000	2019 €'000
At 1 August	**607**	450
(Repayments)/advances during the year	**(42)**	178
Translation adjustments	**10**	(21)
At 31 July	**575**	607

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

18 Inventory

	2020 €'000	2019 €'000
Raw materials	**52,802**	64,698
Finished goods	**134,734**	122,813
Consumable stores	**1,239**	15,295
	188,775	202,806

19 Trade and other receivables

	2020 €'000	2019 €'000
Trade receivables (i)	**362,108**	475,884
Amounts due from related parties	**26,715**	32,207
Value added tax	**1,911**	2,966
Other receivables	**4,399**	3,419
Prepayments and accrued income	**11,724**	14,852
	406,857	529,328

(i) Includes rebates from suppliers

20 Trade and other payables

	2020 €'000	2019 €'000
Trade payables (i)	**478,918**	557,994
Accruals and other payables	**58,614**	83,583
Amounts due to other related parties	**9,002**	8,164
Income tax and social insurance	**8,168**	9,046
Value added tax	**35,480**	27,388
	590,182	686,175

(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 2020 approximately €17.9 million (2019: €25.7 million) of the Origin Enterprises plc trade payables were known to have been sold onward. 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.

21 Cash and cash equivalents

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

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

21 Cash and cash equivalents (continued)

	2020 €'000	2019 €'000
Cash at bank and in hand	**172,309**	111,830
Bank overdrafts (Note 22)	**(19,633)**	(23,945)
Included in the Consolidated Statement of Cash Flows	**152,676**	87,885

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

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

22 Interest-bearing loans and borrowings

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

	2020 €'000	2019 €'000
Included in non-current liabilities:		
Bank loans	**205,889**	162,571
Leases liabilities	**31,961**	-
Finance leases	**-**	665
Non-current interest-bearing loans and borrowings	**237,850**	163,236
Included in current liabilities:		
Bank overdrafts	**19,633**	23,945
Leases liabilities	**8,775**	-
Finance leases	**-**	245
Current interest-bearing loans and borrowings	**28,408**	24,190
Total interest-bearing loans and borrowings	**266,258**	187,426

Analysis of net debt

	2019 €'000	IFRS 16 transition €'000	Cash flow €'000	Non-cash movement €'000	Translation adjustment €'000	2020 €'000
Cash	**111,830**	-	62,709	-	(2,230)	**172,309**
Overdraft	**(23,945)**	-	(336)	-	4,648	**(19,633)**
Cash and cash equivalents	**87,885**	-	62,373	-	2,418	**152,676**
Loans	**(162,571)**	-	(40,497)	(609)	(2,212)	**(205,889)**
Net debt	**(74,686)**	-	**21,876**	**(609)**	**206**	**(53,213)**
Lease liabilities	**(910)**	(39,667)	11,422	(11,222)	(359)	**(40,736)**
Net debt including lease creditors	**(75,596)**	**(39,667)**	**33,298**	**(11,831)**	**(153)**	**(93,949)**

Opening lease liabilities as at 31 July 2019 relate to finance lease obligations as classified under IAS 17.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

22 Interest-bearing loans and borrowings (continued)

Analysis of net debt

	2018 €'000	Cash flow €'000	Acquisition €'000	Non-cash movement €'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)**

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

The Group has unsecured committed banking facilities of €430m, of which the following amounts are drawn:

	Currency	Nominal value €'000	Carrying amount €'000
2020			
Unsecured loan facility:			
– term facility maturing in June 2024	EUR	57,000	56,615
– term facility maturing in June 2024	STG	110,558	109,812
– term facility maturing in June 2024	PLN	9,526	9,462
– term facility maturing in September 2021	EUR	30,000	30,000
		207,084	205,889
2019			
Unsecured loan facility:			
– term facility maturing in June 2024	EUR	59,000	58,280
– term facility maturing in June 2024	STG	65,431	64,633
– term facility maturing in June 2024	PLN	9,777	9,658
– term facility maturing in September 2021	EUR	30,000	30,000
		164,208	162,571

At 31 July 2020, the average interest rate being paid on the Group's borrowings was 1.47% (2019: 1.58%).

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

22 Interest-bearing loans and borrowings (continued)

	2020 €'000	2019 €'000
Repayment schedule – loans and overdrafts		
Within one year	**19,633**	23,945
Between one and five years	**205,889**	162,571
Loans and overdrafts	**225,522**	186,516

	2020 €'000	2019 €'000
Repayment schedule – lease liabilities and finance leases		
Within one year	**8,775**	245
Greater than one year	**31,961**	665
Lease liabilities and finance leases	**40,736**	910

Guarantees

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

23 Financial instruments and financial risk

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
2020						
Other financial assets		–	–	575	575	575
Trade and other receivables		–	–	393,222	393,222	393,222
Derivative financial assets	Level 2	1,460	–	–	1,460	1,460
Cash and cash equivalents		–	–	172,309	172,309	172,309
Total financial assets		**1,460**	**–**	**566,106**	**567,566**	**567,566**
Trade and other payables		–	–	(546,534)	(546,534)	(546,534)
Contingent consideration	Level 3	–	(3,404)	–	(3,404)	(3,404)
Bank overdrafts		–	–	(19,633)	(19,633)	(19,633)
Bank borrowings (greater than one year)	Level 2	–	–	(205,889)	(205,889)	(205,889)
Lease liabilities		–	–	(40,736)	(40,736)	(40,736)
Put option liability	Level 3	(22,073)	–	–	(22,073)	(22,073)
Derivative financial liabilities	Level 2	(3,730)	–	–	(3,730)	(3,730)
Total financial liabilities		**(25,803)**	**(3,404)**	**(812,792)**	**(841,999)**	**(841,999)**

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

23 Financial instruments and financial risk (continued)

	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)**

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 25.

Cash and cash equivalents including short-term bank deposits and restricted cash

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

Derivatives–forward foreign exchange contracts

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

The absolute principal amount of the outstanding forward foreign exchange contracts at 31 July 2020 was €82,888,000 (2019: €85,462,000).

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 2020 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

23 Financial instruments and financial risk (continued)

Derivatives – interest rate swaps

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

The notional principal amounts of the outstanding interest rate swap contracts at 31 July 2020 were €102,459,000 (2019: €101,716,000).

At 31 July 2020, the average fixed interest rate on the swap portfolio was 0.71% 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 2020 will be continually released to the Consolidated Income Statement within finance cost until the maturity of the relevant interest rate swap.

Interest-bearing loans and borrowings

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

Finance lease liabilities

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

Put option liability

The fair value of the put option liability has been determined based on an agreed earnings before interest and tax based formula that is not capped which includes an expectation of future trading performance ('EBIT') and timing of when the options are expected to be exercised, discounted to present day value using 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 26.

Fair value hierarchy

The tables at the beginning of this note summarise the financial instruments carried at fair value, by valuation method, as of 31 July 2020. 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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

23 Financial instruments and financial risk (continued)

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 and Risk 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 and Risk Committee.

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

Credit risk

Exposure to credit risk

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

Trade and other receivables

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

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables based on experience, customers' track record and historic default rates. Individual risk limits are generally set by customer and risk is only accepted above such limits in defined circumstances. The utilisation of credit limits is regularly monitored and credit insurance is used where appropriate. Impairment provisions are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point the amount is considered irrecoverable and is written off directly against the trade receivable. The Group establishes an allowance for impairment that represents its estimate of expected credit 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 2020 €'000	Carrying Amount 2019 €'000
Other financial assets	**575**	607
Trade and other receivables	**393,222**	511,510
Cash and cash equivalents	**172,309**	111,830
Derivative financial assets	**1,460**	2,345
	567,566	626,292

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

23 Financial instruments and financial risk (continued)

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 2020 €'000	Carrying amount 2019 €'000
Ireland and United Kingdom	**111,453**	181,676
Continental Europe	**234,679**	273,621
Latin America	**15,976**	20,587
	362,108	475,884

At 31 July 2020 trade receivables of €304,415,000 (2019: €391,960,000) 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:

	2020		2019	
	Gross €'000	**Impairment €'000**	Gross €'000	Impairment €'000
Not past due	**306,073**	**(1,658)**	395,218	(3,258)
Past due 0-30 days	**32,876**	**(234)**	49,930	(765)
Past due 31-120 days	**16,223**	**(2,863)**	25,378	(3,133)
Past due +121 days	**29,919**	**(18,228)**	27,047	(14,533)
At 31 July	**385,091**	**(22,983)**	497,573	(21,689)

An analysis of movement in loss allowance in respect of trade receivables was as follows:

	2020 €'000	2019 €'000
1 August	**(21,689)**	(16,334)
Charge to the Consolidated Income Statement	**(2,539)**	(6,502)
Receivables written off as uncollectable	**659**	1,023
Translation adjustments	**586**	124
31 July	**(22,983)**	(21,689)

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 €44.2 million as at 31 July 2020 (2019: €25.4 million). The Group has continued to recognise an asset of €3,091,000 (2019: €2,539,000) representing the extent of its continuing involvement.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

23 Financial instruments and financial risk (continued)

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% of bank facilities should mature in the twelve-month period following the year end. As at 31 July 2020, 100 per cent of bank facilities mature after one year.

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

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

	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6–12 months €'000	1–2 years €'000	2–5 years €'000	+ 5 years €'000
2020							
Variable rate bank loans	(205,889)	(216,504)	(1,517)	(1,517)	(32,601)	(180,869)	–
Trade and other payables	(546,534)	(546,534)	(546,534)	–	–	–	–
Bank overdrafts	(19,633)	(19,633)	(19,633)	–	–	–	–
Contingent consideration	(3,404)	(3,404)	(1,596)	(310)	(100)	(1,398)	–
Lease liabilities	(40,736)	(44,915)	(5,198)	(4,994)	(8,301)	(14,429)	(11,993)
Put option liability	(22,073)	(25,746)	–	–	–	(25,746)	–
Derivative financial liabilities							
Interest rate swaps used for hedging	(1,262)	(1,262)	–	–	–	(1,262)	–
Currency forward contracts used for hedging							
– Inflows	52,810	52,810	47,920	4,890	–	–	–
– Outflows	(55,278)	(55,278)	(50,240)	(5,038)	–	–	–
	(3,730)	**(3,730)**	**(2,320)**	**(148)**	–	**(1,262)**	–

	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)	–	–	–
Bank overdrafts	(23,945)	(23,945)	(23,945)	–	–	–
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)**

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

23 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:

	2020 Assets €'000	2020 Liabilities €'000	2019 Assets €'000	2019 Liabilities €'000
Cash flow hedges				
Currency forward contracts	**1,460**	**(2,468)**	2,345	(487)
Interest rate swaps	**–**	**(1,262)**	–	(912)
At 31 July	**1,460**	**(3,730)**	2,345	(1,399)

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

23 Financial instruments and financial 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
2020					
Trade receivables	–	4,180	–	2,083	6,263
Cash and cash equivalents	(438)	15,006	359	7,438	22,365
Other payables	–	(34,798)	(146)	(10,265)	(45,209)
	(438)	(15,612)	213	(744)	(16,581)
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)

Hedged items are excluded from the tables above.

Currency sensitivity analysis

A 10% strengthening/weakening of the euro against the following currencies at 31 July 2020 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 2019.

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

	10% strengthening income statement €'000	10% weakening income statement €'000
2020		
Dollar	74	(74)
Sterling	(21)	21
Romanian Leu	43	(43)
At 31 July 2020	**96**	**(96)**
2019		
Dollar	1,417	(1,417)
Sterling	(1,505)	1,505
Romanian Leu	18	(18)
At 31 July 2019	**(70)**	**70**

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

23 Financial instruments and financial risk (continued)

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

	Carrying amount 2020 €'000	Carrying amount 2019 €'000
Fixed-rate instruments		
Finance lease liabilities	–	(910)
At 31 July	–	(910)
Variable rate instruments		
Interest-bearing borrowings	**(205,889)**	(162,571)
Bank overdraft	**(19,633)**	(23,945)
Cash and cash equivalents	**172,309**	111,830
At 31 July	**(53,213)**	(74,686)
Total interest-bearing financial instruments	**(53,213)**	(75,596)

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 2019.

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
2020		
Unhedged variable rate instruments	**(103,431)**	**(517)**
Bank overdraft	**(19,633)**	**(98)**
Cash flow sensitivity (net)	**(123,064)**	**(615)**
2019		
Unhedged variable rate instruments	(60,855)	(304)
Bank overdraft	(23,945)	(120)
Cash flow sensitivity (net)	(84,800)	(424)

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

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

24 Deferred tax

The deductible and taxable temporary differences at the year end dates in respect of which deferred tax has been recognised are analysed as follows:

	2020 €'000	2019 €'000
Deferred tax assets (deductible temporary differences)		
Pension related	**779**	860
Property, plant and equipment	**101**	110
Intangibles	**-**	1
Hedge related	**373**	62
IFRS 16	**70**	-
Other deductible temporary differences	**5,567**	2,587
Total	**6,890**	3,620
Deferred tax liabilities (taxable temporary differences)		
Property, plant and equipment	**(3,953)**	(4,078)
Pension related	**(226)**	(101)
Intangibles	**(12,117)**	(16,350)
Other	**(3,489)**	(2,614)
Total	**(19,785)**	(23,143)
Net deferred tax liability	**(12,895)**	(19,523)

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

24 Deferred tax (continued)

Movements in deferred tax assets and liabilities, during the year, were as follows:

	Property, plant and equipment €'000	**IFRS 16 €'000**	**Hedge related €'000**	**Pension related €'000**	**Intangibles €'000**	**Other €'000**	**Total €'000**
2020							
At 1 August 2019	(3,968)	–	62	759	(16,349)	(27)	(19,523)
Recognised in the Consolidated Income Statement	(371)	70	–	(26)	2,088	2,982	4,743
Recognised in Other Comprehensive Income	(24)	–	311	(70)	–	(117)	100
Foreign exchange and other	511	–		(110)	2,144	(760)	1,785
At 31 July 2020	**(3,852)**	**70**	**373**	**553**	**(12,117)**	**2,078**	**(12,895)**

	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)

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

25 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
2020				
At beginning of year	13,431	251	4,936	**18,618**
Provided in year	109	-	35	**144**
Paid in year	(7,386)	-	(2,364)	**(9,750)**
Released in year	(1,738)	(262)	-	**(2,000)**
Currency translation adjustment	(1,012)	11	31	**(970)**
At end of year	**3,404**	**-**	**2,638**	**6,042**
Current	**1,906**	**-**	**2,487**	**4,393**
Non-current	**1,498**	**-**	**151**	**1,649**
2019				
At beginning of year	7,591	1,494	4,427	**13,512**
Arising on acquisition (Note 33)	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**

(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 and Vegetable Consulting Services Ltd (VCS) in March 2019. The amount attributable to Comfert is €0.1 million, R&T Liming €0.1 million, Resterra €1.6 million (which was paid in August 2020) and VCS €1.6 million.
(ii) Rationalisation costs related to termination payments arising from the restructuring of Agri-Services in the UK.
(iii) Other provisions relate to various dilapidation provisions, operating and employment related costs.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

26 Put option liability

	2020 €'000	2019 €'000
At 1 August	**29,607**	5,531
Fair value adjustment (i)	**-**	(1,937)
Arising on acquisition (Note 33)	**-**	26,433
Change in fair value of put option (ii)	**1,966**	2,114
Repayments	**-**	(3,594)
Translation adjustment	**(9,500)**	1,060
At 31 July	**22,073**	29,607

(i) During the prior 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 at the date of acquisition which was 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.

27 Post employment benefit obligations

The Group operates a number of defined benefit pension schemes and defined contribution schemes with assets held in separate trustee administered funds. All of the defined benefit schemes are closed to new members. The trustees of the various pension funds are required by law to act in the best interests of the scheme participants and are responsible for investment strategy and scheme administration. The majority of the Group's defined benefit pension schemes are closed to future benefits accrual with a small minority accruing benefits. The level of benefits available to members depends on length of service and either their average salary over their period of employment, their salary in the final years leading up to retirement and in some cases historical salaries depending on the rules of the individual scheme. Under IAS 19, 'Employee Benefits', the total surplus in the Group's defined benefit schemes at 31 July 2020 was €403,000 (2019: deficit of €1,476,000).

At 31 July 2020, the Group's Irish scheme is in surplus in the amount of €1.8 million. In the event of a wind-up of the Irish scheme, following the full settlement of scheme liabilities by the Trustees, the pension scheme rules provide the Group with an unconditional right to a refund of any remaining surplus. In the ordinary course of business, the Trustees have no rights to wind up or change the benefits due to members of the scheme. As a result, any net surplus in the pension scheme is recognised in full.

The pension charge included in the Consolidated Income Statement for the year in respect of the Group's defined benefit schemes was €95,000 (2019: credit of €15,000) and a charge of €4,125,000 (2019: €3,521,000) in respect of the Group's defined contribution schemes.

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

	2020 €'000	2019 €'000
Surplus / (deficit) in defined benefit schemes	**403**	(1,476)

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 2020 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

27 Post employment benefit obligations (continued)

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 2021 are €132,000 and €1,138,000 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 2020 and 31 July 2019 are as follows:

	2020	2019
Republic of Ireland schemes		
Rate of increase in salaries	**0.00%-1.95%**	0.00%-2.35%
Discount rate on scheme liabilities	**1.40%**	1.20%
Inflation rate	**1.10%**	1.50%
UK scheme		
Rate of increase in salaries	**0.00%-3.20%**	0.00%-3.50%
Rate of increases in pensions in payment and deferred benefits	**0.00%-3.60%**	0.00%-3.80%
Discount rate on scheme liabilities	**1.60%**	2.10%
Inflation rate	**2.40%**	2.70%

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

27 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:

	2020 ROI	2020 UK	2019 ROI	2019 UK
Male	**24.3**	**23.1**	24.2	22.9
Female	**26.3**	**25.2**	26.2	25.0

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

	2020 ROI	2020 UK	2019 ROI	2019 UK
Male	**22.5**	**21.8**	22.5	21.8
Female	**24.4**	**23.7**	24.3	23.7

Sensitivity analysis for principal assumptions used to measure scheme liabilities

There are inherent uncertainties surrounding the financial assumptions adopted in calculating the actuarial valuation of the Group's defined benefit pension schemes. The following table analyses (for the Group's Irish and UK pension schemes) the estimated impact on plan liabilities resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Republic of Ireland schemes

Assumption	Change in assumption	Impact on plan liabilities
Discount rate	Increase/decrease 0.50%	Decrease by 8.2%/increase by 9.4%
Price inflation	Increase/decrease 0.50%	Increase by 0.7%/decrease by 0.8%
Salary	Increase/decrease 0.50%	Increase/decrease by 0.0%
Mortality	Increase/decrease by one year	Decrease/increase by 3.0%

UK scheme

Assumption	Change in assumption	Impact on plan liabilities
Discount rate	Increase/decrease 0.50%	Decrease by 7.2%/increase by 8.1%
Price inflation	Increase/decrease 0.50%	Increase by 4.2%/decrease by 3.9%
Salary	Increase/decrease 0.50%	Increase by 0.5%/decrease by 0.3%
Mortality	Increase/decrease by one year	Decrease/increase by 2.5%

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

27 Post employment benefit obligations (continued)

	2020 ROI €'000	2020 UK €'000	2020 Total €'000
Net pension asset/(liability)			
Market value of scheme assets:			
Equities	**3,208**	**–**	**3,208**
Bonds	**9,753**	**–**	**9,753**
Property	**1,650**	**641**	**2,291**
Investment funds	**386**	**70,754**	**71,140**
Insurance policy and insurance annuity	**–**	**7,055**	**7,055**
Other	**320**	**792**	**1,112**
Total market value of assets	**15,317**	**79,242**	**94,559**
Present value of scheme obligations	**(13,508)**	**(80,648)**	**(94,156)**
Asset/(liability) in the schemes	**1,809**	**(1,406)**	**403**

	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)

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

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

27 Post employment benefit obligations (continued)

The major categories of scheme assets are as follows:

	2020 ROI	2020 UK
Split of scheme assets:		
Equities		
– Developed	**21.0%**	**0.0%**
– Emerging	**0.0%**	**0.0%**
Bonds		
– Government	**64.0%**	**0.0%**
Property–Ireland and UK	**11.0%**	**1.0%**
Other	**2.0%**	**1.0%**
Investment funds	**2.0%**	**89.0%**
Insurance policy and insurance annuity	**0.0%**	**9.0%**
	100.0%	**100.0%**

The major categories of scheme assets are as follows:

	2019 ROI	2019 UK
Split of scheme assets:		
Equities		
– Developed	14.0%	0.0%
– Emerging	1.0%	0.0%
Bonds		
– Government	59.0%	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%

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

27 Post employment benefit obligations (continued)

Movement in the fair value of scheme assets

	2020 €'000	2019 €'000
Fair value of assets at 1 August	**105,581**	99,148
Interest income	**1,918**	2,571
Remeasurements:		
– Return on plan assets excluding amounts included in interest income	**3,349**	8,350
Employer contributions	**1,480**	1,298
Employee contributions	**131**	153
Insurance risk premium	**(23)**	(24)
Benefit payments	**(8,829)**	(3,042)
Settlement payments from plan assets	**(10,528)**	-
Translation adjustments	**1,480**	(2,873)
Fair value of assets at 31 July	**94,559**	105,581

As at 31 July 2020 and 2019 the pension schemes held no shares in Origin Enterprises plc.

Movement in the present value of scheme obligations

	2020 €'000	2019 €'000
Value of scheme obligations at 1 August	**(107,057)**	(98,423)
Current service costs	**(624)**	(527)
Past service (credit)/ costs	**151**	(30)
Gain on settlement	**387**	548
Interest on scheme obligations	**(1,927)**	(2,547)
Employee contributions	**(131)**	(153)
Insurance risk premium	**23**	24
Benefit payments	**8,829**	3,042
Settlement payments from plan assets	**10,528**	-
Remeasurements:		
– Experience gain	**427**	388
– Effect of changes in demographic assumptions	**179**	(813)
– Effect of changes in financial assumptions	**(3,402)**	(11,524)
Translation adjustments	**(1,539)**	2,958
Value of scheme obligations at 31 July	**(94,156)**	(107,057)

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

27 Post employment benefit obligations (continued)

Movement in net asset/(liability) recognised in the Consolidated Statement of Financial Position:

	2020 €'000	2019 €'000
Net (liability)/asset in schemes at 1 August	**(1,476)**	725
Current service cost	**(624)**	(527)
Past service (credit)/costs	**151**	(30)
Gain on settlement	**387**	548
Employer contributions	**1,480**	1,298
Other finance (expense)/income	**(9)**	24
Remeasurements	**553**	(3,599)
Translation adjustments	**(59)**	85
Net asset/(liability) in schemes at 31 July	**403**	(1,476)

Analysis of defined benefit expense recognised in the Consolidated Income Statement:

	2020 €'000	2019 €'000
Current service cost	**(624)**	(527)
Past service (credit)/costs	**151**	(30)
Gain on settlement	**387**	548
Total recognised in operating profit	**(86)**	(9)
Net interest (cost)/income (included in financing costs Note 4)	**(9)**	24
Net (charge)/credit to Consolidated Income Statement	**(95)**	15

Maturity analysis

The maturity profile of the Group's defined benefit obligation (on a discounted basis) is as follows:

	2020 ROI €'000	2020 UK €'000	2020 Total €'000
Within one year	335	2,543	**2,878**
Between one and two years	343	2,662	**3,005**
Between two and three years	353	2,765	**3,118**
Between three and four years	370	2,919	**3,289**
Between four and five years	394	3,019	**3,413**
After five years	11,713	66,740	**78,453**
Total	**13,508**	**80,648**	**94,156**

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

27 Post employment benefit obligations (continued)

	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**

Average duration and scheme composition

	2020 ROI	2020 UK
Average duration of defined benefit obligation (years)	18.0	16.0

	2019 ROI	2019 UK
Average duration of defined benefit obligation (years)	17.7	17.0

	2020 ROI €'000	2020 UK €'000	2020 Total €'000
Allocation of defined benefit obligation by participant:			
Active plan participants	1,018	20,815	21,833
Deferred plan participants	6,500	23,699	30,199
Retirees	5,990	36,134	42,124
	13,508	**80,648**	**94,156**

	2019 ROI €'000	2019 UK €'000	2019 Total €'000
Allocation of defined benefit obligation by participant:			
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**

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

27 Post employment benefit obligations (continued)

Defined benefit pension credit recognised in Other Comprehensive Income

	2020 €'000	2019 €'000
Remeasurement gain on scheme assets	**3,349**	8,350
Remeasurement gain/(loss) on scheme liabilities:		
Effect of experience gains on scheme liabilities	**427**	388
Effect of changes in demographical and financial assumptions	**(3,223)**	(12,337)
Remeasurements	**553**	(3,599)
Deferred tax (expense)/credit	**(70)**	450
Defined benefit pension credit recognised in the Consolidated Statement of Comprehensive Income	**483**	(3,149)

The cumulative loss recognised in the Consolidated Statement of Comprehensive Income is €29,321,000 (2019: €29,804,000). The actual return on the plan assets was €5,267,000 (2019: €10,921,000).

28 Share capital

	2020 €'000	2019 €'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 (2019: 126,396,184) ordinary shares of €0.01 each (i) (ii) (iii)	**1,264**	1,264

(i) Ordinary shareholders are entitled to dividends as declared and each ordinary share carries equal voting rights at meetings of the Company.

(ii) In December 2012, the issued ordinary share capital was increased by the issue of 1,212,871 ordinary shares of nominal value of €0.01 each, at an issue price of €4.04 each, pursuant to a share subscription by a wholly owned subsidiary for the purposes of the Origin Long Term Incentive Plan 2012 ('2012 LTIP Plan'). Under the terms of 2012 LTIP Plan, 412,541 of these shares were transferred to the Directors and senior management as a result of certain financial targets having been achieved in the three years to 31 July 2015. The remaining 800,330 ordinary shares continue to be held as treasury shares.

(iii) In July 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.

29 Dividends

An interim dividend of 3.15 cent (2019: 3.15 cent) per ordinary share was paid to shareholders on 14 April 2020. The Board determined that it was prudent to suspend the final dividend for the 2020 financial year (2019: 18.17 cent per share).

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

30 Consolidated statement of changes in equity

Capital redemption reserve

The capital redemption reserve was created in the year ending 31 July 2011 and arose on the redemption of deferred convertible ordinary shares.

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Revaluation reserve

The revaluation reserve relates to revaluation surpluses arising on revaluations of property, plant and equipment.

Share-based payment reserve

This reserve comprises amounts credited to reserves in connection with equity awards less the effect of any exercises of such awards.

Reorganisation reserve

The difference between the fair value of the investment recorded in the Company balance sheet and the carrying value of the assets and liabilities transferred in 2007 on the formation of Origin has been recognised as a reorganisation reserve in other reserves within equity together with the currency translation reserve, cash flow reserve and revaluation reserve.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences from 1 August 2005, arising from the translation of the net assets of the Group's non-euro denominated operations, including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the year end date. Exchange gains or losses on long-term intra-group loans that are regarded as part of the net investments in non-euro denominated operations, are taken to the translation reserve to the extent that they are neither planned nor expected to be repaid in the foreseeable future.

Capital management

The capital managed by the Group consists of the consolidated equity and net debt. Please refer to Note 22 for an analysis of net debt. The Group has set the following goals for the management of its capital:

- to maintain a prudent net debt (as set out in Note 22) to EBITDA and interest cover ratio (interest as a percentage of EBIT) to support a prudent capital base and ensure a long term sustainable business;
- to comply with covenants as determined by debt providers;
- to achieve an adequate return for investors; and
- to apply a dividend policy which takes into account the level of peer group dividends, the Group's financial performance and position, the Group's future outlook and other relevant factors including tax and other legal considerations.

The Group employs two key target ratios to monitor equity and to be compliant with its bank covenants:

- the Group's net debt to EBITDA ratio is below 3.50. The ratio is 1.18 times at 31 July 2020 (2019: 0.87 times), 31 January 2020 3.24 times (2019: 2.57 times); and
- the Group's interest cover (EBITDA to interest) is above 3.00. The ratio is 5.76 times at 31 July 2020 (2019: 8.06 times), 31 January 2020 7.57 times (2019: 9.25 times).

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

31 Commitments

On 1 August 2019, the Group applied IFRS 16 `Leases' using the modified retrospective approach without restatement of the comparative information. Details of the right-of-use asset and lease liabilities are set out in Note 13.

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. Total commitments payable under non-cancellable operating leases in 2019 were as follows:

	2019 €'000
Within one year	7,511
In two to five years	14,989
After more than five years	19,775
	42,275

Future purchase commitments for property, plant and equipment

	Land and buildings €'000	Plant and machinery €'000	Other €'000	Total 2020 €'000
At 31 July 2020				
Contracted for but not provided for	**66**	**–**	**–**	**66**

	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

Future purchase commitments: Software Development

	Total 2020 €'000	Total 2019 €'000
Contracted for but not provided for	**73**	25
Total	**73**	25

The Group has a financial commitment of €5.6 million attributable to a strategic partnership with University College Dublin ('UCD'). The commitment is over a five year period.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

32 Related party transactions

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

2020

	Sale of goods €'000	Purchase of goods €'000	Receiving services from €'000	Rendering services to €'000	Total €'000
Transactions with joint venture	–	(110,752)	–	222	(110,530)
Transactions with associates	61,341	(200)	(849)	303	60,595

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

The trading balances owing to the Group from related parties were €26,715,000 (2019: €32,207,000) and the trading balances owing from the Group to these related parties were €9,002,000 (2019: €8,164,000). Other financial assets on the Consolidated Statement of Financial Position primarily comprise of €520,000 (2019: €546,000) 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.

	2020 €'000	2019 €'000
Salaries and other short term employee benefits	3,123	3,390
Post employment benefits	148	251
Share-based payments (credit)/charge	(360)	573
Other long term employee benefits	24	80
Total	**2,935**	4,294

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

33 Acquisition of subsidiary undertakings

During the prior 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") in the United Kingdom. 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. For the acquisitions completed in 2019, there have been no material revisions of the fair value adjustments since the initial values were established.

Origin acquired a 65% 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% 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% interest. Origin recognised an option liability of €26.4 million at the date of acquisition which was 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% 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.

34 Accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described as follows:

Accounting estimates

Note 15 Goodwill and intangible assets- measurement of the recoverable amounts of CGUs, useful lives of intangibles

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 15.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

34 Accounting estimates and judgements (continued)

Note 19 Trade and other receivables

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.

Note 26 Put option liability

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% interest to Origin. In the event that this is not exercised, Origin has a similar right to acquire the 35% interest. Origin has recognised an option liability of €22.1 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.

Note 27 Post employment benefit obligations

The estimation of employee benefit costs requires the use of actuaries and the determination of appropriate assumptions such as discount rates and expected future rates of return as set out in Note 27.

Accounting judgements

Note 3 Exceptional items

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.

NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

35 Principal subsidiaries and associated undertakings

Name of undertaking	Nature of business	% of ordinary shares	Registered office
Agrii Polska sp.Z.O.O	Specialist agronomy products and services	100	Obornicka street 233, 60-650 Poznan, Poland
Agroscope International LLC	Specialist agronomy products and services	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.

36 Subsequent events

There have been no material events subsequent to 31 July 2020 that would require adjustment to or disclosure in this report.

37 Approval of financial statements

The Group financial statements were approved by the Board on 22 September 2020.

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 (FRS 102).

The entity financial statements have been prepared under historical cost convention, as modified by the measurement of certain financial assets and liabilities at fair value through profit or loss, and the measurement of freehold land and buildings at their deemed cost on transition to FRS 102 on 1 August 2014.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated to write off the cost or valuation of tangible assets, other than freehold land, on a straight line basis, by reference to the following estimated useful lives:

Fixtures and fittings	25 years

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 recognised in other comprehensive income. These amounts together with the return on plan assets less the interest income on plan assets included in the net interest cost, are presented 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 (continued)

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 26 to the Group financial statements.

Related party disclosures

The Company discloses transactions with related parties that are not wholly owned within the Group. In accordance with FRS 102 33.1A, it does not disclose transactions with members of the same group that are wholly owned.

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.

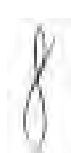
COMPANY BALANCE SHEET
AS AT 31 JULY 2020

	Notes	2020 €'000	2019 €'000
Fixed assets			
Tangible assets	1	**886**	947
Intangible assets	2	**4,039**	3,308
Post employment benefit surplus	7	**1,809**	812
Financial assets	3	**33,107**	33,107
		39,841	38,174
Current assets			
Debtors	4	**522,355**	591,218
Cash at bank and in hand		**58,227**	20,778
		580,582	611,996
Creditors (amounts falling due within one year)	5	**(334,523)**	(382,041)
Net current assets		**246,059**	229,955
Net assets		**285,900**	268,129
Capital and reserves			
Called up share capital–presented as equity	8	**1,264**	1,264
Share premium		**164,850**	164,850
Profit and loss account and other reserves		**119,786**	102,015
Shareholders' funds		**285,900**	268,129

The profit for the year attributable to shareholders dealt with in the financial statements of the holding company for the year ended 31 July 2020 was €44,656,000 (2019: €40,100,000). 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



Sean Coyle
Director

COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 JULY 2020

	Share capital €'000	Treasury shares €'000	Share premium €'000	Capital redemption reserve €'000	LTIP reserve €'000	Profit and loss €'000	Total €'000
2020							
At 1 August 2019	**1,264**	**(8)**	**164,850**	**134**	**1,537**	**100,352**	**268,129**
Profit for the year	–	–	–	–	–	44,656	44,656
Remeasurement gain on post employment benefit asset	–	–	–	–	–	535	535
Deferred tax on remeasurement	–	–	–	–	–	(67)	(67)
Total comprehensive income for the year	–	–	–	–	–	**45,124**	**45,124**
Share-based payment credit	–	–	–	–	(406)	–	(406)
Dividend paid to shareholders	–	–	–	–	–	(26,947)	(26,947)
At 31 July 2020	**1,264**	**(8)**	**164,850**	**134**	**1,131**	**118,529**	**285,900**
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 benefit asset	–	–	–	–	–	(977)	(977)
Deferred tax on remeasurement	–	–	–	–	–	122	122
Total comprehensive income for the year	–	–	–	–	–	**39,245**	**39,245**
Shares issued	–	–	76	–	–	–	76
Share based payment charge	–	–	–	–	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**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1 Tangible fixed assets

	Land €'000	Fixtures & fittings €'000	Total €'000
Cost			
At 1 August 2019	–	1,377	1,377
Additions	–	15	15
At 31 July 2020	**–**	**1,392**	**1,392**
Accumulated depreciation			
At 1 August 2019	–	430	430
Depreciation charge for year	–	76	76
At 31 July 2020	**–**	**506**	**506**
Net book amounts			
At 31 July 2020	**–**	**886**	**886**
At 31 July 2019	–	947	947

	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

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

2 Intangible assets

	Developed Technology €'000	Brand €'000	Intellectual property €'000	Software €'000	Total €'000
Cost					
At 1 August 2019	2,090	433	1,778	383	4,684
Additions	1,074	21	–	–	1,095
At 31 July 2020	**3,164**	**454**	**1,778**	**383**	**5,779**
Amortisation					
At 1 August 2019	111	52	1,031	182	1,376
Charge for year	111	32	161	60	364
At 31 July 2020	**222**	**84**	**1,192**	**242**	**1,740**
Net book amounts					
At 31 July 2020	**2,942**	**370**	**586**	**141**	**4,039**
At 31 July 2019	1,979	381	747	201	3,308

	Developed Technology €'000	Brand €'000	Intellectual property €'000	Software €'000	Total €'000
Cost					
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**

3 Financial assets

	2020 €'000	2019 €'000
Investment in subsidiaries		
At 1 August	**33,107**	34,472
Impairment	**–**	(1,365)
At 31 July	**33,107**	33,107

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

4 Debtors

	2020 €'000	2019 €'000
Amounts owed by subsidiary undertakings	**520,748**	589,571
Corporation tax	**554**	435
Other debtors	**648**	807
Deferred tax- revaluation of properties	**405**	405
	522,355	591,218

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

5 Creditors (amounts falling due within one year)

	2020 €'000	2019 €'000
Amounts owed to subsidiary undertakings (i)	**326,121**	369,561
Trade creditors (ii)	**1,161**	1,297
Accruals and other payables (ii)	**5,710**	9,619
Retirement benefit and related liabilities	**843**	843
Deferred tax- revaluation of properties	**688**	721
	334,523	382,041

(i) Amounts owed to subsidiaries are unsecured and are payable on demand.
(ii) Trade creditors, accruals and other payables are measured at amortised cost.

6 Deferred tax- net

	2020 €'000	2019 €'000
At 1 August	**316**	1,437
Credit for the year	**(33)**	(1,121)
At 31 July	**283**	316

7 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 2020 was €1,809,000 (2019: surplus of €812,000). There was a loss in the profit and loss account for the period in respect of the Company's defined benefit scheme of €69,000 (2019: gain of €450,000).

The expected contributions from the Company for the year ending 31 July 2021 are €280,000. 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 2020 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

7 Post employment benefit asset (continued)

Post employment benefits included in the Company Balance Sheet comprises the following:

	2020 €'000	2019 €'000
Surplus in defined benefit schemes (see analysis below)	**1,809**	812
Total	**1,809**	812

	2020 %	2019 %
The main assumptions used by the actuary were as follows:		
Rate of increase in salaries	**0%–1.95%**	0%–2.35%
Discount rate in scheme liabilities	**1.40%**	1.20%
Inflation rate	**1.10%**	1.50%

	2020 €'000	2019 €'000
Net pension asset		
Market value of scheme assets:		
Equities	**3,208**	2,810
Bonds	**9,753**	10,661
Property	**1,650**	2,210
Other	**706**	2,562
Total market value of assets	**15,317**	18,243
Present value of scheme liabilities	**(13,508)**	(17,431)
Surplus in the scheme	**1,809**	812

	2020 €'000	2019 €'000
Movement in value of scheme assets		
Value of assets at 1 August	**18,243**	16,469
Interest income	**182**	348
Settlement payment	**(2,234)**	-
Remeasurement gain	**261**	1,382
Employer contributions	**531**	395
Benefit payment	**(1,678)**	(377)
Employee contributions	**12**	26
At 31 July	**15,317**	18,243

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

7 Post employment benefit asset (continued)

	2020 €'000	2019 €'000
Movement in the present value of scheme obligations		
Value of scheme obligations at 1 August	**(17,431)**	(15,525)
Current service costs	**(80)**	(121)
Settlement gain	**–**	548
Settlement payment	**2,234**	–
Interest on scheme obligations	**(171)**	(325)
Remeasurement gain/(loss)	**274**	(2,359)
Benefit payment	**1,678**	377
Employee contributions	**(12)**	(26)
Value of scheme obligations at 31 July	**(13,508)**	(17,431)

	2020 €'000	2019 €'000
Movement in net asset recognised in the balance sheet		
At 1 August	**812**	944
Current service cost	**(80)**	(121)
Settlement gain	**–**	548
Employer contributions	**531**	395
Net finance income	**11**	23
Remeasurement gain/(loss)	**535**	(977)
Net asset in scheme at 31 July	**1,809**	812

	2020 €'000	2019 €'000
Defined benefit expense recognised in the profit and loss account:		
Current service cost	**(80)**	(121)
Settlement gain	**–**	548
Total recognised in operating profit	**(80)**	427
Interest income on scheme assets	**182**	348
Interest cost on scheme liabilities	**(171)**	(325)
Included in financing income	**11**	23
Net (charge)/credit to Company's profit and loss account	**(69)**	450

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

7 Post employment benefit asset (continued)

	2020 €'000	2019 €'000
Net defined benefit surplus/(obligation)		
Present value of the scheme obligation	**(13,508)**	(17,431)
Fair value of plan assets	**15,317**	18,243
Surplus in scheme	**1,809**	812

	2020 €'000	2019 €'000
Actual return less expected return on scheme assets	**261**	1,382
Experience adjustment on scheme liabilities	**(296)**	244
Interest cost on scheme liabilities	**570**	(2,603)
Remeasurements	**535**	(977)
Deferred tax (charge)/credit	**(67)**	122
Gain/(loss) recognised in statement of comprehensive income	**468**	(855)

8 Share capital

	2020 €'000	2019 €'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 (2019: 126,396,184) 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 (continued)

9 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.

10 Share-based payment

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

11 Statutory and other information

	2020 €'000	2019 €'000
Auditors' remuneration:		
- statutory audit of entity financial statements	**26**	25
- other assurance services	**569**	581
- other non-audit services	**7**	5
Profit for the financial year	**44,656**	40,100

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

12 Employment

	2020 Number	2019 Number
The average number of persons employed by the Company during the year was as follows:		
Management and administration	**22**	21

	2020 €'000	2019 €'000
Aggregate employment costs of the Company are analysed as follows:		
Wages and salaries	**5,099**	6,647
Social welfare costs	**342**	330
Cash based long term incentive plan	**35**	1,120
Pension costs:		
- defined benefit schemes–statement of total recognised gains and losses	**(535)**	977
- defined benefit schemes–profit and loss account	**69**	(450)
Share-based payment (credit)/charge	**(406)**	999
	4,604	9,623

NOTES TO THE COMPANY FINANCIAL STATEMENTS (continued)

13 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:

	2020				
	Sale of goods €'000	Purchase of goods €'000	Rendering services to €'000	Receiving services from €'000	Total €'000
Transactions with joint venture	–	–	**222**	**–**	**222**
Transactions with associates	–	–	**278**	**–**	**278**

	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

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.

	2020 €'000	2019 €'000
Salaries and other short term employee benefits	**2,555**	2,419
Post employment benefits	**122**	225
Share-based payments (credit)/charge	**(206)**	338
Other long-term employee benefits	**24**	80
	2,495	3,062

14 Approval of financial statements

These financial statements were approved by the Board on 22 September 2020.