

COMPANY ANNOUNCEMENT

The following is a company announcement issued by AgriHoldings plc, hereinafter the "Company" of Level 1, SkyParks Business Centre, Malta International Airport, Luqa, LQA 4000, issued in terms of the rules of Prospects, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange ("Prospects").

Quote

The Board of Directors of the Company is pleased to announce that unaudited interim Financial Statements for the period ended 31st December 2017 were duly considered and approved on 1st of February 2018.

The Unaudited interim Financial Statements are available for viewing on the Company's website:

<https://agribankplc.com/agriholdings/>

Unquote



Dr Joe Borg
Chairman

2nd February 2018

AGRIHOLDINGS PLC HALF YEARLY REPORT

DECEMBER 2017

COMPANY INFORMATION

Company Registration No.: C57008

**Registered Office: Level 1, SkyParks Business Centre
Malta International Airport
Luqa LQA 4000, Malta**

Company Secretary: Mr. Arnold Cini

Board of Directors

Dr Joseph Borg (Non-Executive Chairman)

Mr Victor Rizzo Giusti (Non-Executive Director)

Mr Roderick Psaila (Chief Executive and Director)

Mr Paul Grech (Chief Financial Officer and Director)

Mr Frank Sekula (Non-Executive Director)

Mr Stephen Muscat (Non-Executive Director)

Mr Mario Vella (appointed on 19th September 2017)

The Board of Directors was appointed by the annual general meeting of 19th September 2017 and remain in office until the next annual general meeting in 2018.

INTERIM DIRECTORS' REPORT

The board of directors are hereby presenting unaudited interim financial statements for 31st December 2017 which include audited annual financial comparatives for AgriHoldings plc and its group for 30th June 2018. The group consist of AgriHoldings plc and AgriBank plc, the "Bank", its sole subsidiary.

PRINCIPAL ACTIVITIES

The Bank within the Group is licensed as a credit institution under the Banking Act, Cap.371. The Bank is engaged in lending to the agricultural sector in the UK. Agricultural lending is extended in the form of leases, hire purchase agreements and secured loans. Lending is funded with deposits, wholesale funding, bonds and equity. The Bank's deposits are covered by the Depositor Compensation Scheme of Malta.

PERFORMANCE REVIEW

During the half year under review, the Company registered a loss before taxation of GBP11,887 (for year ending June 2017: GBP87,390) and the Group GBP15,507 (for year ending 2017: GBP185,741).

The Directors expect that the activities of the group will increase in the second half of the year.

RESULTS AND DIVIDENDS

No interim dividend is being proposed.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2017

	The Group		The Company	
	Period from 1 Jul 2017 to 31 Dec 2017 GBP	Year from 1 Jul 2016 to 30 Jun 2017 GBP	Period from 1 Jul 2017 to 31 Dec 2017 GBP	Year from 1 Jul 2016 to 30 Jun 2017 GBP
Revenue				
Interest income	897,820	1,805,322	-	2
Interest expense	(290,601)	(719,013)	(4,725)	(7,959)
Net interest income	<u>607,219</u>	<u>1,086,309</u>	<u>(4,725)</u>	<u>(7,957)</u>
Fee and commission income	186,513	226,255	47,436	59,451
Fee and commission expense	(108,907)	(220,056)	-	-
Net fee and commission expense	<u>77,606</u>	<u>6,199</u>	<u>47,436</u>	<u>59,451</u>
Net operating income	<u>684,825</u>	<u>1,092,508</u>	<u>42,710</u>	<u>51,494</u>
Employee compensation and benefits	272,909	516,696	-	-
General administrative expenses	367,112	453,326	38,308	114,588
Amortisation of intangible assets	18,526	28,809	16,289	24,296
Depreciation of property, plant and equipment	24,903	45,170	-	-
Net impairment losses	25,693	234,248	-	-
Total expense	<u>709,143</u>	<u>1,278,249</u>	<u>54,597</u>	<u>138,884</u>
(Loss)/profit before tax	(24,318)	(185,741)	(11,887)	(87,390)
Income tax credit/(charge)	8,811	34,423	-	-
(Loss)/ profit for the year total comprehensive (loss)/income for the year	<u>(15,507)</u>	<u>(151,318)</u>	<u>(11,887)</u>	<u>(87,390)</u>

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	The Group		The Company	
	Dec 2017 GBP	Jun 2017 GBP	Dec 2017 GBP	Jun 2017 GBP
Assets				
Balance with Central Bank of Malta, and cash and cash equivalents	7,509,961	4,200,463	7,992	7,962
Investments	179,773	178,225	-	-
Finance lease receivable	11,151,981	12,076,354	-	-
Loans to customers	7,771,377	6,094,246	-	-
Investment in subsidiary	-	-	6,500,000	6,500,000
Investment in subordinated bonds	-	-	1,683,210	-
Intangible assets	292,764	308,805	285,189	301,477
Property, plant and equipment	87,066	99,178	-	-
Deferred tax	558,901	550,090	-	-
Assets held for realisation	4,000	14,000	-	-
Other assets	381,883	285,554	146,465	32,862
Prepayments and accrued income	457,257	332,486	9,704	30,014
Total assets	28,394,963	24,139,401	8,632,560	6,872,315
Liabilities				
Amounts owed to banks	2,028,190	-	-	-
Amounts owed to customers	17,342,430	16,990,169	-	-
Debt securities in issue	2,860,400	930,000	1,765,400	-
Other liabilities	53,783	120,485	544,207	537,775
Accruals	831,477	605,700	3,895	3,595
Subordinated liabilities	-	198,857	-	-
Total liabilities	23,116,280	18,845,211	2,313,502	541,370
Equity				
Share capital	80,001	80,001	80,001	80,001
Shareholders' advances	6,420,000	6,420,000	6,420,000	6,420,000
General banking risk reserve	65,082	14,507	-	-
Accumulated losses	(1,286,400)	(1,220,318)	(180,943)	(169,056)
Total equity	5,278,683	5,294,190	6,319,058	6,330,945
Total liabilities and equity	28,394,963	24,139,401	8,632,560	6,872,315
Memorandum Items				
Total commitments	35,083	83,076	-	-

The official middle rate of exchange issued by the European Central Bank between GBP Sterling and Euro as at 31 December 2017 was EUR:GBP 0.8877 (June 2017: EUR:GBP 0.8799).

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2017

The Group	Share capital & Contribution GBP	Accumulated losses GBP	General banking risk reserve GBP	Total GBP
At 1 July 2016	6,500,001	(1,176,244)	30,072	5,353,829
Prior year movement due to tax element of dividend income		91,679		91,679
Transfer to general banking risk reserve	-	15,565	(15,565)	-
Loss for the year/total comprehensive loss for the year	-	(151,318)	-	(151,318)
At 1 July 2017	6,500,001	(1,220,318)	14,507	5,294,190
Transfer to general banking risk reserve	-	(50,575)	50,575	-
Loss for the period/total comprehensive loss for the year	-	(15,507)	-	(15,507)
At 31 December 2017	6,500,001	(1,286,400)	65,082	5,278,683

The Company	Share capital & Contribution GBP	Accumulated losses GBP	General banking risk reserve GBP	Total GBP
At 1 July 2016	6,500,001	(81,666)	-	6,418,335
Loss for the year/total comprehensive loss for the year	-	(87,390)	-	(87,390)
At 1 July 2017	6,500,001	(169,056)	-	6,330,945
Loss for the period/total comprehensive loss for the period	-	(11,887)	-	(11,887)
At 31 December 2017	6,500,001	(180,943)	-	(6,319,058)

STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2017

	The Group		The Company	
	Period from 1 Jul 2017 To 31 Dec 2017	Year from 1 Jul 2016 to 30 Jun 2017	Period from 1 Jul 2017 To 31 Dec 2017	Year from 1 Jul 2016 to 30 Jun 2017
	GBP	GBP	GBP	GBP
Cash flows (used in)/from operating activities				
Interest and commission received	1,003,043	1,854,514	99,901	56,125
Interest and commission paid	(998,862)	(1,459,479)	(70,107)	(13,560)
Cash payments to employees and suppliers	(172,765)	(416,863)	(538)	(129,302)
Cash flows (used in)/from operating activities before changes in operating assets and liabilities	(168,585)	(21,828)	29,257	(86,737)
Movement in finance lease and loans receivable	(797,236)	(462,178)	-	-
Movement in assets	(13,684)	372,418	57,075	-
Movement in amounts owed to banks and to customers	2,526,409	(3,210,487)	-	-
Net cash (used in)/from operating activities	<u>1,546,905</u>	<u>(3,322,075)</u>	<u>86,332</u>	<u>(86,737)</u>
Cash flows used in investing activities				
Purchase of property plant and equipment	(12,791)	(19,302)	-	-
Purchase of intangible assets	(2,485)	(86,368)	-	(82,818)
Acquisition of subordinated bonds	-	-	(1,683,210)	-
Acquisition of securities	-	(178,225)	-	-
Net cash used in investing activities	<u>(15,276)</u>	<u>(283,895)</u>	<u>(1,683,210)</u>	<u>(82,818)</u>
Cash flows from/(used in) financing activities				
Amount received from subsidiary company	-	-	(168,881)	169,300
Proceeds from issue of bonds	1,765,400	-	1,765,400	-
Proceeds from issue of subordinated liabilities	-	198,857	-	-
Amounts pledged to Depositors' Compensation Scheme	(31,477)	(121,672)	-	-
Net cash from/(used in) financing activities	<u>1,733,923</u>	<u>77,185</u>	<u>1,596,519</u>	<u>169,300</u>
Movement in cash and cash equivalents	3,265,552	(3,528,785)	31	(254)
Cash and cash equivalents at the beginning of the year	2,712,618	6,241,401	7,962	8,216
Cash and cash equivalents at the end of the year	<u>5,978,170</u>	<u>2,712,616</u>	<u>7,992</u>	<u>7,962</u>

CLOSING REMARKS

These financial statements, consisting of the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows, comply with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34) and give a true and fair view of the financial position, financial performance and cash flows and they are consistent with the accounting records. The Interim Directors' report includes a fair review of the information required in terms of the Listing Rules.



Dr Joe Borg
Director



Mr Roderick Psaila
Director



Mr Paul Grech
Director

