

# **AGRIHOLDINGS PLC HALF YEARLY REPORT**

**DECEMBER 2018**

## **COMPANY INFORMATION**

Company Registration No.: C57008

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

Company Secretary: Dr. Desiree Cassar

### **Board of Directors**

Dr Joseph Borg (Non-Executive Chairman)

Mr Victor Rizzo Giusti (Non-Executive Director)

Mr Jonathan Bellizzi (Chief Executive Officer and Director appointed on the 25<sup>th</sup> February 2019)

Mr Paul Grech (Chief Financial Officer and Director)

Mr Frank Sekula (Director)

Mr Stephen Muscat (Non-Executive Director)

Mr Mario Vella (Non-Executive Director)

The Board of Directors was appointed by the annual general meeting of 27<sup>th</sup> September 2018 except where indicated specifically and remain in office until the next annual general meeting in 2019.

## **INTERIM DIRECTORS' REPORT**

The board of directors are hereby presenting unaudited interim financial statements for 31<sup>st</sup> December 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 GBP27,250 (for six months ending Dec 2017: GBP11,887) and the Group GBP155,737 (for six months ending Dec 2017: GBP15,507).

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 six months ended 31 December 2018

	The Group		The Company	
	Period from 1 Jul 2018 to 31 Dec 2018  GBP	Period from 1 Jul 2017 to 31 Dec 2017  GBP	Period from 1 Jul 2018 to 31 Dec 2018  GBP	Period from 1 Jul 2017 to 31 Dec 2017  GBP
<b>Revenue</b>				
Interest income	717,937	897,820	41,400	-
Interest expense	(288,858)	(290,601)	(89,085)	(4,725)
<b>Net interest income</b>	<b>429,079</b>	<b>607,219</b>	<b>(47,685)</b>	<b>(4,725)</b>
Fee and commission income	142,417	186,513	77,578	47,436
Fee and commission expense	(100,857)	(108,907)	(3,796)	-
<b>Net fee and commission expense</b>	<b>41,560</b>	<b>77,606</b>	<b>(73,781)</b>	<b>47,436</b>
<b>Net operating income</b>	<b>470,639</b>	<b>684,825</b>	<b>26,096</b>	<b>42,710</b>
Employee compensation and benefits	447,910	272,909	-	-
General administrative expenses	280,648	367,112	33,249	38,308
Amortisation of intangible assets	5,432	18,526	20,098	16,289
Depreciation of property, plant and equipment	24,419	24,903	-	-
Net impairment losses	(48,174)	25,693	-	-
<b>Total expense</b>	<b>710,235</b>	<b>709,143</b>	<b>53,346</b>	<b>54,597</b>
<b>(Loss)/profit before tax</b>	<b>(239,596)</b>	<b>(24,318)</b>	<b>(27,250)</b>	<b>(11,887)</b>
Income tax credit/(charge)	83,859	8,811	-	-
<b>(Loss)/ profit for the year total comprehensive (loss)/income for the year</b>	<b>(155,737)</b>	<b>(15,507)</b>	<b>(27,250)</b>	<b>(11,887)</b>

## STATEMENTS OF FINANCIAL POSITION

as at 31 December 2018

	The Group		The Company	
	Dec 2018 GBP	Jun 2018 GBP	Dec 2018 GBP	Jun 2018 GBP
<b>Assets</b>				
Balance with Central Bank of Malta, and cash and cash equivalents	5,264,063	10,533,469	7,137	7,587
Investments	1,137,015	178,537	-	-
Finance lease receivable	10,985,273	11,815,721	-	-
Loans to customers	5,805,210	7,149,700	-	-
Investment in subsidiary	-	-	6,500,000	6,500,000
Investment in subordinated bonds	-	-	1,761,127	1,675,287
Intangible assets	346,328	353,894	316,623	336,721
Property, plant and equipment	169,935	173,321	-	-
Deferred tax	183,859	100,000	-	-
Assets held for realisation	-	-	-	-
Other assets	483,853	359,461	76,559	95,466
Prepayments and accrued income	605,929	376,808	57,056	56,985
<b>Total assets</b>	<b>24,981,465</b>	<b>31,040,911</b>	<b>8,718,502</b>	<b>8,672,046</b>
<b>Liabilities</b>				
Amounts owed to banks	-	529,038	-	-
Amounts owed to customers	16,802,167	22,592,634	-	-
Debt securities in issue	2,605,460	2,583,460	1,805,460	1,763,460
Other liabilities	145,354	38,986	568,921	579,054
Accruals	994,444	726,722	89,576	47,736
<b>Total liabilities</b>	<b>20,547,425</b>	<b>26,470,840</b>	<b>2,463,957</b>	<b>2,390,250</b>
<b>Equity</b>				
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	103,116	84,613	-	-
Revaluation Reserve	5,205	-	-	-
Accumulated losses	(2,174,282)	(2,014,543)	(245,456)	(218,205)
<b>Total equity</b>	<b>4,434,040</b>	<b>4,570,071</b>	<b>6,254,545</b>	<b>6,281,796</b>
<b>Total liabilities and equity</b>	<b>24,981,465</b>	<b>31,040,911</b>	<b>8,718,502</b>	<b>8,672,046</b>
<b>Memorandum Items</b>				
Total commitments	7,655	60,827	-	-

The official middle rate of exchange issued by the European Central Bank between GBP Sterling and Euro as at 31 December 2018 was EUR:GBP 0.9027 (June 2018: EUR:GBP 0.8817).

## STATEMENTS OF CHANGES IN EQUITY

For the six months ended 31 December 2018

The Group	Share capital & Contribution GBP	Accumulated losses GBP	Other reserves GBP	Total GBP
<b>At 1 July 2017</b>	<b>6,500,001</b>	<b>(1,220,318)</b>	<b>14,507</b>	<b>5,294,190</b>
Transfer to general banking risk reserve	-	(50,575)	50,575	-
Loss for the year/total comprehensive loss for the year	-	(15,507)	-	(15,507)
<b>At 31 December 2017</b>	<b>6,500,001</b>	<b>(1,286,400)</b>	<b>65,082</b>	<b>5,278,683</b>
<b>At 1 July 2018</b>	<b>6,500,001</b>	<b>(2,014,543)</b>	<b>84,613</b>	<b>4,570,071</b>
Transfer to general banking risk reserve	-	(18,503)	18,503	-
Loss for the period/total comprehensive loss for the year	-	(141,236)	5,205	(136,031)
<b>At 31 December 2018</b>	<b>6,500,001</b>	<b>(2,174,282)</b>	<b>108,321</b>	<b>4,434,040</b>

  

The Company	Share capital & Contribution GBP	Accumulated losses GBP	General banking risk reserve GBP	Total GBP
<b>At 1 July 2017</b>	<b>6,500,001</b>	<b>(169,056)</b>	-	<b>6,330,945</b>
Loss for the year/total comprehensive loss for the year	-	(11,887)	-	(11,887)
<b>At 31 December 2017</b>	<b>6,500,001</b>	<b>(180,943)</b>	-	<b>6,319,058</b>
<b>At 1 July 2018</b>	<b>6,500,001</b>	<b>(218,505)</b>	-	<b>6,281,496</b>
Loss for the period/total comprehensive loss for the period	-	(27,250)	-	(27,250)
<b>At 31 December 2018</b>	<b>6,500,001</b>	<b>(245,755)</b>	-	<b>6,254,246</b>

## STATEMENTS OF CASH FLOWS

For the six months ended 31 December 2018

	The Group		The Company	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	30 Jun 2017
	GBP	GBP	GBP	GBP
<b>Cash flows (used in)/from operating activities</b>				
Interest and commission received	820,743	1,003,043	42,860	99,901
Interest and commission paid	(405,126)	(998,862)	(44,348)	(70,107)
Cash payments to employees and suppliers	(721,652)	(172,765)	32,954	(538)
Cash flows (used in)/from operating activities before changes in operating assets and liabilities	(306,035)	(168,585)	31,465	29,257
Movement in finance lease and loans receivable	2,479,595	(797,236)	-	-
Movement in assets	(2,445,273)	(13,684)	(40,948)	57,075
Movement in amounts owed to banks and to customers	(6,339,183)	2,526,409	-	-
<b>Net cash (used in)/from operating activities</b>	<b>(6,610,896)</b>	<b>1,546,905</b>	<b>(9,483)</b>	<b>86,332</b>
<b>Cash flows used in investing activities</b>				
Purchase of property plant and equipment	(21,032)	(12,791)	-	-
Purchase of intangible assets	(17,964)	(2,485)	-	-
Acquisition of subordinated bonds	-	-	-	(1,683,210)
Acquisition of securities	-	-	-	-
<b>Net cash used in investing activities</b>	<b>(38,996)</b>	<b>(15,276)</b>	<b>-</b>	<b>(1,683,210)</b>
<b>Cash flows from/(used in) financing activities</b>				
Amount received from subsidiary company	-	-	9,033	(168,881)
Proceeds from issue of bonds	-	1,765,400	-	1,765,400
Proceeds from issue of subordinated liabilities	-	-	-	-
Amounts pledged to Depositors' Compensation Scheme	-	(31,477)	-	-
<b>Net cash from/(used in) financing activities</b>	<b>-</b>	<b>1,733,923</b>	<b>9,033</b>	<b>1,596,519</b>
<b>Movement in cash and cash equivalents</b>	<b>(6,649,892)</b>	<b>3,265,552</b>	<b>(450)</b>	<b>31</b>
Cash and cash equivalents at the beginning of the year	9,012,332	2,712,618	7,587	7,962
<b>Cash and cash equivalents at the end of the year</b>	<b>2,362,440</b>	<b>5,978,170</b>	<b>7,136</b>	<b>7,992</b>

## **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 Prospects Rules.

## **UNQUOTE**

By order of the Board.



Desiree Cassar

Company Secretary

27<sup>h</sup> February 2019