

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 OCTOBER 2018

EXAGRIS LIMITED

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EXAGRIS LIMITED

COMPANY INFORMATION

Directors	D Lilley C Lilley
Registered number	06292059
Registered office	Amersham Court 154 Station Road Amersham Buckinghamshire HP6 5DW
Independent auditor	Menzies LLP Chartered Accountants & Statutory Auditor Lynton House 7-12 Tavistock Square London WC1H 9LT

EXAGRIS LIMITED

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EXAGRIS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2018

Introduction

The directors present their strategic report on the Group for the year ended 31 October 2018.

The performance of the Group during 2018 has still showed losses despite the efforts of its management. One of the Group's subsidiaries in which operations continued to deteriorate over the years went into liquidation as at 26 March 2020.

As a consequence of the historic and current losses the Group's main funder Mr David Lilley has decided not to provide any further finance except where necessary, such as the restructuring of the business.

Business review

The group's material trade in the year under review includes agri-businesses in Malawi and Russia, and the provision of alternative energy supplies in the UK, all through subsidiary entities.

In Malawi, Exagris Africa Limited held 14 estates at the balance sheet date totalling around 6,700 hectares. Exagris Africa encountered losses in the period due to a poor harvest yields. Steps to reduce overheads were taken to ensure going forward. However due to the unpredictable rainy season farming conditions in Malawi were still challenging leading to no much improvement in harvest margins. The company's overall poor performance has not improved or stabilised during the year. The decision has been taken to liquidate Exagris Africa Limited which came into effect on 26 March 2020.

The Russian business encountered losses but it still demonstrates progress on previous years. The holding company has injected further funds into the Russian business to support capital requirements, which were partly repaid. The farms, in the Stavropol region, own around 15,000 hectares of land, 10,000 of which is arable.

The UK Hydro Electric Scheme in Scotland brought revenues and ALLT Power Limited had profits this year. This subsidiary has started repaying its loan to the parent company.

Turnover reduced across the group with the exception to the UK business where it grew during the year. Gross profits were down, mainly as a result of tighter margins in both Russia and Malawi. The group's operating loss was £1.7m (2017 £3.6m).

The main crops grown by the group include: Wheat, Maize, Sunflower, Peanuts, Soya, Linseed and Paprika. The Africa operations also include livestock.

The Group is consolidating its holdings with the aim of driving each of the business units to improve results.

Key performance indicators

The Company monitors its performance against strategic objectives by means of key performance indicators. The main KPIs it uses are gross profit (2018 £2.0m, 2017 £2.0m), turnover (2018 £5.8m, 2017 £8.0m) and hectares (2018 : 21k, 2017: 21k).

EXAGRIS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to relate to the yields achieved on crops and the prices at which these crops are sold. Yields are affected by a number of factors controlled by the farm management but also by the weather. Prices tend to be dictated by global commodity pricing.

The Group is also exposed to foreign currencies, principally the Malawi Kwacha and the Russian Ruble. Principal foreign currency exposure arises from trade in its overseas subsidiaries. Hedging its exposure is not feasible as some of the currencies involved are not traded. However the underlying sales are generally made in crops priced in USD. This provides the Company with a form of hedge against currency fluctuations.

The Group has exposure to the following risks from its transactions in financial instruments:-

interest rate risk

liquidity risk

foreign currency risk

credit risk

This note represents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for identification, measurement, monitoring and controlling risk and the group's management of capital.

Interest risk management

The Group is exposed to interest rate risk as it borrows at floating interest rates. The absence of appropriate instruments in the economy makes it impossible to hedge against interest rate risks. Borrowings were limited to an overdraft facility in local currency in Malawi, for the purchase of crops for export.

Liquidity risk

The Group's policy on liquidity risk is to ensure that cash is available to fund only necessary ongoing operations. The Company's borrowings facilities are principally by D Lilley which are regularly reviewed and only provided where unavoidable.

During the year 2018 there was the debt forgiveness of £12,867,683 given by related party, D Lilley to the holding company.

Foreign currency risk

The Group's principal foreign currency exposure arises from trade in its overseas subsidiaries. Hedging its exposure is not feasible as the currencies involved are not traded. However the underlying sales are generally made in crops priced in USD. This provides the Company with a form of hedge against currency fluctuations

The Company's maximum exposure to credit risk in relation to financial assets is represented by bank balances and cash, trade and other receivables. The Company manages exposure by close control of these resources.

EXAGRIS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

This report was approved by the board and signed on its behalf.

.....
D Lilley
Director

Date: 25 February 2021

EXAGRIS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2018

The directors present their report and the financial statements for the year ended 31 October 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors

The directors who served during the year were:

T de Borde (resigned 13 February 2020)
D Lilley
C Lilley

Employee involvement

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through performance related bonuses.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

EXAGRIS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

Matters covered in the strategic report

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013

the Strategic Report preceding the Directors' Report includes information that would have formerly been included in the

business review and the principal risks and uncertainties of the Directors' Report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

There has been one significant event after post balance date that will have the effect on the Group. As mentioned in the Strategic Report one of the subsidiaries, Exagris Africa Limited, went into liquidation as at 26 March 2020.

Auditor

The auditor, Menzies LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....
D Lilley
Director

Date: 25 February 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXAGRIS LIMITED

Disclaimer of Opinion

We were engaged to audit the financial statements of Exagris Limited and its subsidiaries (the Group), which comprise the statement of financial position as at 31 October 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying consolidated financial statements of the group. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

Basis for disclaimer of opinion

We were unable to obtain sufficient appropriate audit evidence in relation to a significant and material subsidiary in the group, in order for us to form an opinion on the accompanying financial statements for the year then ended 31 October 2018. This subsidiary represented 30% of the gross assets of the group and 28% of the group turnover. After the year ended 31 October 2018 management made the decision to liquidate the subsidiary in Africa, Exagris Africa Limited and it was placed into liquidation on 26 March 2020. No audit was completed on this significant and material subsidiary by auditors in Africa and our work on this component of the group was therefore limited.

Due to the significance of this subsidiary it would impact several different areas of the financial statements and as stated above it is material to the group accounts. These matters are pervasive to the financial statements.

Opinion on other matters prescribed by the Companies Act 2006

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion whether, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXAGRIS LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- returns adequate for our audit have not been received from branches not visited by us.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 parent 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 parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 Auditor's 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 (UK) 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.

Our responsibility is to conduct an audit of the company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EXAGRIS LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.

Robin Hopkins FCA (Senior Statutory Auditor)
for and on behalf of

Menzies LLP

Chartered Accountants
Statutory Auditor
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

25 February 2021

EXAGRIS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2018

	Note	2018 £	2017 £
Turnover	4	5,897,785	8,043,662
Cost of sales		(3,862,173)	(6,021,260)
Gross profit		2,035,612	2,022,402
Distribution costs		(34,055)	(6,875)
Administrative expenses		(4,253,742)	(5,221,671)
Other operating income		455,714	427,096
Fair value movements		-	(824,165)
Operating loss	5	(1,796,471)	(3,603,213)
Income from other participating interests		(76,535)	(95,073)
Foreign exchange gains/ (losses)		(2,013,585)	1,166,808
Loss on sale of investment		-	(79,032)
Interest receivable and similar income		1,460	1,965
Interest payable and similar expenses	9	(2,829,570)	(2,351,505)
Debt forgiveness	25	12,867,683	-
Profit/(loss) before tax		6,152,982	(4,960,050)
Tax on profit/(loss)	10	76,322	(92,958)
Profit/(loss) for the financial year		6,229,304	(5,053,008)
Profit/(loss) for the year attributable to:			
Non-controlling interests		(1,989,300)	(1,569,525)
Owners of the parent		8,218,604	(3,483,483)
		6,229,304	(5,053,008)

The notes on pages 18 to 36 form part of these financial statements.

EXAGRIS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2018

	Note	2018 £	2017 £
Profit/(loss) for the financial year		<u>6,229,304</u>	<u>(5,053,008)</u>
Other comprehensive income			
Currency translation differences		<u>387,866</u>	<u>2,039,509</u>
Other comprehensive income for the year		<u>387,866</u>	<u>2,039,509</u>
Total comprehensive income for the year		<u><u>6,617,170</u></u>	<u><u>(3,013,499)</u></u>
Profit/(loss) for the year attributable to:			
Non-controlling interest		<u>(1,989,300)</u>	<u>(1,569,525)</u>
Owners of the parent Company		<u>8,218,604</u>	<u>(3,483,483)</u>
		<u><u>6,229,304</u></u>	<u><u>(5,053,008)</u></u>
Total comprehensive income attributable to:			
Non-controlling interest		<u>(2,018,584)</u>	<u>(1,451,511)</u>
Owners of the parent Company		<u>8,635,754</u>	<u>(1,561,988)</u>
		<u><u>6,617,170</u></u>	<u><u>(3,013,499)</u></u>

The notes on pages 18 to 36 form part of these financial statements.

EXAGRIS LIMITED
REGISTERED NUMBER:06292059

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	8,106,602	8,399,693
Investments	12	289,569	487,466
		<u>8,396,171</u>	<u>8,887,159</u>
Current assets			
Stocks	13	3,753,632	3,955,015
Debtors: amounts falling due within one year	14	2,529,457	2,679,209
Cash at bank and in hand	15	889,760	800,441
		<u>7,172,849</u>	<u>7,434,665</u>
Creditors: amounts falling due within one year	16	(4,620,208)	(4,402,983)
Net current assets		<u>2,552,641</u>	<u>3,031,682</u>
Total assets less current liabilities		<u>10,948,812</u>	<u>11,918,841</u>
Creditors: amounts falling due after more than one year	17	(48,246,698)	(55,838,131)
Provisions for liabilities			
Other provisions	21	(133,525)	(129,291)
		<u>(133,525)</u>	<u>(129,291)</u>
Net assets excluding pension asset		<u>(37,431,411)</u>	<u>(44,048,581)</u>
Net liabilities		<u>(37,431,411)</u>	<u>(44,048,581)</u>
Capital and reserves			
Called up share capital	22	1	1
Share premium account	23	19,999	19,999
Foreign exchange reserve	23	11,972,908	11,555,758
Profit and loss account	23	(33,683,152)	(41,901,756)
Equity attributable to owners of the parent Company		<u>(21,690,244)</u>	<u>(30,325,998)</u>
Non-controlling interests		<u>(15,741,167)</u>	<u>(13,722,583)</u>
		<u>(37,431,411)</u>	<u>(44,048,581)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
D Lilley
 Director
 Date: 25 February 2021

The notes on pages 18 to 36 form part of these financial statements.

EXAGRIS LIMITED
REGISTERED NUMBER:06292059

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	2,957,898	2,933,125
Investments	12	511,182	511,182
		<u>3,469,080</u>	<u>3,444,307</u>
Current assets			
Debtors: amounts falling due within one year	14	2,638,516	9,858,205
Cash at bank and in hand	15	46,377	483,754
		<u>2,684,893</u>	<u>10,341,959</u>
Creditors: amounts falling due within one year	16	(96,507)	(56,349)
Net current assets		<u>2,588,386</u>	<u>10,285,610</u>
Total assets less current liabilities		<u>6,057,466</u>	<u>13,729,917</u>
Creditors: amounts falling due after more than one year	17	(24,277,166)	(34,071,957)
Net assets excluding pension asset		<u>(18,219,700)</u>	<u>(20,342,040)</u>
Net liabilities		<u>(18,219,700)</u>	<u>(20,342,040)</u>
Capital and reserves			
Called up share capital	22	1	1
Share premium account	23	19,999	19,999
Profit and loss account brought forward		(20,362,040)	(16,612,706)
Profit/(loss) for the year		2,122,340	(3,749,334)
Profit and loss account carried forward		<u>(18,239,700)</u>	<u>(20,362,040)</u>
		<u>(18,219,700)</u>	<u>(20,342,040)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
D Lilley
 Director

Date: 25 February 2021

The notes on pages 18 to 36 form part of these financial statements.

EXAGRIS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2018

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent Company	-controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 November 2017	1	19,999	11,555,758	(41,901,756)	(30,325,998)	(13,722,583)	(44,048,581)
Comprehensive income for the year							
	-	-	-	8,218,604	8,218,604	(1,989,300)	6,229,304
Profit for the year							
	-	-	417,150	-	417,150	(29,284)	387,866
Currency translation differences							
	-	-	417,150	-	417,150	(29,284)	387,866
Other comprehensive income for the year							
	-	-	417,150	8,218,604	8,635,754	(2,018,584)	6,617,170
Total comprehensive income for the year							
	-	-	-	-	-	-	-
Total transactions with owners							
	1	19,999	11,972,908	(33,683,152)	(21,690,244)	(15,741,167)	(37,431,411)
At 31 October 2018							

The notes on pages 18 to 36 form part of these financial statements.

EXAGRIS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2017

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent Company	-controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 November 2016	1	19,999	9,634,263	(38,418,273)	(28,764,010)	(12,271,072)	(41,035,082)
Comprehensive income for the year							
	-	-	-	(3,483,483)	(3,483,483)	(1,569,525)	(5,053,008)
Loss for the year							
	-	-	1,921,495	-	1,921,495	118,014	2,039,509
Currency translation differences							
Other comprehensive income for the year							
	-	-	1,921,495	-	1,921,495	118,014	2,039,509
Total comprehensive income for the year							
	-	-	1,921,495	(3,483,483)	(1,561,988)	(1,451,511)	(3,013,499)
Total transactions with owners							
	-	-	-	-	-	-	-
At 31 October 2017	1	19,999	11,555,758	(41,901,756)	(30,325,998)	(13,722,583)	(44,048,581)

The notes on pages 18 to 36 form part of these financial statements.

EXAGRIS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 November 2016	1	19,999	(16,612,706)	(16,592,706)
Comprehensive income for the year				
Loss for the year	-	-	(3,749,334)	(3,749,334)
Total comprehensive income for the year	-	-	(3,749,334)	(3,749,334)
At 1 November 2017	1	19,999	(20,362,040)	(20,342,040)
Comprehensive income for the year				
Profit for the year	-	-	2,122,340	2,122,340
Total comprehensive income for the year	-	-	2,122,340	2,122,340
At 31 October 2018	1	19,999	(18,239,700)	(18,219,700)

EXAGRIS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit/(loss) for the financial year	6,229,304	(5,053,008)
Adjustments for:		
Depreciation of tangible assets	524,587	535,845
Loss on disposal of tangible assets	462,276	62,992
Interest paid	2,829,570	2,351,505
Interest received	(1,460)	(1,965)
Taxation charge	(76,322)	92,958
Decrease in stocks	201,383	204,977
Decrease in debtors	119,108	189,988
Decrease in amounts owed by groups	-	912,626
Decrease in amounts owed by joint ventures	-	389,289
Increase in amounts owed to groups	458,321	-
Increase/(decrease) in provisions	4,234	(127,582)
Net fair value losses recognised in P&L	86,390	824,165
Share of operating profit in associates	76,535	95,073
Foreign exchange	2,127,725	(1,137,670)
Foreign exchange on tangible fixed assets	41,496	158,492
Interest paid	1,460	1,965
Related party forgiveness	(12,867,683)	-
Net cash generated from operating activities	216,924	(500,350)

EXAGRIS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

	2018 £	2017 £
Cash flows from investing activities		
Purchase of tangible fixed assets	(821,658)	(1,862,355)
Purchase of share in associates	-	(437)
Net cash from investing activities	(821,658)	(1,862,792)
Cash flows from financing activities		
Other new loans	-	240,000
Loans due from/(repaid to) directors	1,041,321	1,317,617
Interest paid	(8,616)	(111,350)
Net cash used in financing activities	1,032,705	1,446,267
Net increase/(decrease) in cash and cash equivalents	427,971	(916,875)
Cash and cash equivalents at beginning of year	447,270	1,364,145
Cash and cash equivalents at the end of year	875,241	447,270
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	889,760	800,441
Bank overdrafts	(14,519)	(353,171)
	875,241	447,270

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

1. General information

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

Exagris Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office is disclosed on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

The group incurred a loss of £6,638,379 (before loan waiver of £12,867,683) during the period ended 31 October 2018, and at that date had accumulated losses of £37,431,411.

Mr D Lilley, a director and controlling party, has not confirmed his willingness to support the company and group and additionally has not provided written assurances that he will not recall the amounts owed to him for at least one year from the date of approval of the accounts. No written assurances were received from the group's other major funders. These matters represent a material uncertainty on the group and company's ability to continue as a going concern. Subject to these amounts not being recalled the directors consider the group to be a going concern.

The financial statements do not include any adjustments that would result if the group was unable to continue as a going concern.

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

The accounts for the year ended 31 October 2018 for Exagris Africa Limited have not been audited as it was the intention of management liquidate the subsidiary. Liquidators for Exagris Africa Limited were not appointed until 26 March 2020, at which point the group ceased to control the assets of this subsidiary. As such, specifically in relation to Exagris Africa Limited the company's directors have concluded that they have, up to a moderate degree of confidence, the information necessary for the preparation of the group accounts and that at the balance sheet date there were no severe long-term restrictions hindering the exercise of the rights of the parent company over the assets or management of Exagris Africa Limited. As a result of this the directors have concluded that Exagris Africa Limited should be included in these consolidated accounts, notwithstanding that in doing so would cause the auditor to disclaim their opinion on these accounts.

2.4 Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) No cash flow statement has been presented for the company,
- (b) Disclosures in respect of financial instruments of the company have not been presented,
- (c) No disclosure has been given for the aggregate remuneration of key personnel of the company.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.6 Associates

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Profit and Loss Account includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. Provisions are made for the share of associates losses, see note 21.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	3%	Straight line
Long-term leasehold property	-	3%	Straight line
Plant and machinery	-	25%	Straight line and 20% straight line
Motor vehicles	-	25%	Straight line
Fixtures and fittings	-	25%	Straight line
Office equipment	-	25%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Profit and Loss Account.

2.8 Investment property

Investment property is carried at fair value determined annually by external valuers or the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Profit and Loss Account.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Profit and Loss Account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Profit and Loss Account in the same period as the related expenditure.

2.13 Finance costs

Finance costs are charged to the Consolidated Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

2. Accounting policies (continued)

2.14 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.15 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.16 Borrowing costs

All borrowing costs are recognised in the Consolidated Profit and Loss Account in the year in which they are incurred.

2.17 Taxation

Tax is recognised in the Consolidated Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

Management are of the opinion that there are no significant judgements (apart from those involving estimations) made in the process of applying the entity's accounting policies.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Impairment of subsidiary and goodwill

Determining whether an investment is impaired or amounts due from group undertakings requires an estimation of its fair value. This is based on the future operating performance of the individual company.

Impairment of stock

The management include impairment provisions for any potential obsolete stock which is estimated based on the age of the stock and provide fully against any known irrecoverable amounts.

4. Turnover

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	410,007	375,818
Africa	2,898,666	4,981,656
South America	10,370	3,564
Russia	2,578,742	2,682,624
	<u>5,897,785</u>	<u>8,043,662</u>

5. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Other operating lease rentals	<u>42,417</u>	<u>76,854</u>

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>18,000</u>	<u>25,500</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	1,979,735	2,270,039	192,442	205,578
Social security costs	50,127	62,818	20,037	19,698
Cost of defined contribution scheme	137,602	114,272	4,495	2,831
	<u>2,167,464</u>	<u>2,447,129</u>	<u>216,974</u>	<u>228,107</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2018 No.	Group 2017 No.	Company 2018 No.	Company 2017 No.
Production staff	250	396	-	-
Administrative staff	101	77	5	5
	<u>351</u>	<u>473</u>	<u>5</u>	<u>5</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	<u>81,090</u>	<u>64,953</u>
	<u>81,090</u>	<u>64,953</u>

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

9. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	8,615	111,350
Other loan interest payable	2,820,955	2,240,155
	<u>2,829,570</u>	<u>2,351,505</u>

10. Taxation

	2018 £	2017 £
Foreign tax		
Foreign tax on income for the year	-	92,958
	<u>-</u>	<u>92,958</u>
Total current tax	<u>-</u>	<u>92,958</u>
Deferred tax		
Origination and reversal of timing differences	(76,322)	-
	<u>(76,322)</u>	<u>-</u>
Total deferred tax	<u>(76,322)</u>	<u>-</u>
Taxation on (loss)/profit on ordinary activities	<u>(76,322)</u>	<u>92,958</u>

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.41%). The differences are explained below:

	2018 £	2017 £
Profit/(loss) on ordinary activities before tax	<u>6,152,982</u>	<u>(4,960,050)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.41%)	1,169,067	(919,097)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	196,416	863,668
Capital allowances for year in excess of depreciation	-	169,065
Utilisation of tax losses & recognition of previously unrecognised deferred tax	(115,792)	(70,009)
Higher rate taxes on overseas earnings	-	72,809
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	(2,444,860)	-
Operations not subject to corporation tax	1,483,209	1,107,812
Other tax adjustments arising on consolidation	-	(826,443)
Group relief	(364,362)	(304,847)
Total tax charge for the year	<u>(76,322)</u>	<u>92,958</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

11. Tangible fixed assets

Group

	Freehold / Investment property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation						
At 1 November 2017	4,679,025	212,331	5,683,401	581,007	195,629	11,351,393
Additions	135,738	-	582,059	102,947	914	821,658
Disposals	(366,753)	-	(929,080)	(464,259)	(74,376)	(1,834,468)
Exchange adjustments	31,584	-	(218,434)	6,063	14,018	(166,769)
At 31 October 2018	4,479,594	212,331	5,117,946	225,758	136,185	10,171,814
Depreciation						
At 1 November 2017	138,994	-	2,308,060	389,113	115,533	2,951,700
Charge for the year on owned assets	13,688	-	476,715	25,446	8,738	524,587
Disposals	(75,504)	-	(834,614)	-	-	(910,118)
Disposal of subsidiary	-	-	-	(313,787)	(61,897)	(375,684)
Exchange adjustments	4,551	-	(132,670)	-	2,846	(125,273)
At 31 October 2018	81,729	-	1,817,491	100,772	65,220	2,065,212
Net book value						
At 31 October 2018	<u>4,397,865</u>	<u>212,331</u>	<u>3,300,455</u>	<u>124,986</u>	<u>70,965</u>	<u>8,106,602</u>
At 31 October 2017	<u>4,540,031</u>	<u>212,331</u>	<u>3,375,341</u>	<u>191,894</u>	<u>80,096</u>	<u>8,399,693</u>

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

11. Tangible fixed assets (continued)

Company

	Freehold / Investment property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 November 2017	2,932,885	28,860	2,961,745
Additions	24,550	404	24,954
At 31 October 2018	<u>2,957,435</u>	<u>29,264</u>	<u>2,986,699</u>
Depreciation			
At 1 November 2017	-	28,620	28,620
Charge for the year on owned assets	-	181	181
At 31 October 2018	<u>-</u>	<u>28,801</u>	<u>28,801</u>
Net book value			
At 31 October 2018	<u>2,957,435</u>	<u>463</u>	<u>2,957,898</u>
At 31 October 2017	<u>2,932,885</u>	<u>240</u>	<u>2,933,125</u>

Investment property held by the group and company totals £2,957,435.

The directors valued the investment property at the year end 31 October 2018. The previous third party valuation of investment property was 2 August 2017 and was carried out with reference to the general property market. The valuation was authorised by Mr John R C Bound of CKD Galbraith LLP. Mr John R C Bound is a RICS registered valuer.

The amounts that would have been reported under the historical cost basis are deemed to be the same as the amounts disclosed above, following impairment in the prior year, therefore separate disclosure has not been presented.

Investment properties with a carrying amount of £2,424,550 is pledged as security for a loan from the director (see note 17).

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

12. Fixed asset investments

Group

	Investments in associates £
Cost or valuation	
At 1 November 2017	487,466
Foreign exchange movement	(121,362)
Share of profit/(loss)	(76,535)
At 31 October 2018	<u>289,569</u>
Net book value	
At 31 October 2018	<u>289,569</u>
<i>At 31 October 2017</i>	<u>487,466</u>

Company

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 November 2017	3,544,885	538,761	4,083,646
At 31 October 2018	<u>3,544,885</u>	<u>538,761</u>	<u>4,083,646</u>
Impairment			
At 1 November 2017	3,312,406	260,058	3,572,464
At 31 October 2018	<u>3,312,406</u>	<u>260,058</u>	<u>3,572,464</u>
Net book value			
At 31 October 2018	<u>232,479</u>	<u>278,703</u>	<u>511,182</u>
<i>At 31 October 2017</i>	<u>232,479</u>	<u>278,703</u>	<u>511,182</u>

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Exagris Africa Limited	Along Mchinji Road, Opposite Sol Farm, Lilongwe, Malawi	Ordinary	70%
Africa Invest Limited	Along Mchinji Road, Opposite Sol Farm, Lilongwe, Malawi	Ordinary	70%
Valid Nutrition Limited	Chagwamnjira & Co, Bwaila Chambers, Private Bag 209, Lilongwe	Ordinary	51%
Andropovsk Farms Limited	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT	Ordinary	77%
Andropovsk Agroproekt ooo*	No 37, 70th October Anniversary Street, Krimgerevskaya, Andropovsk Region, Stavropol Krai, Russia, 357085	Ordinary	77%
Global Agricultural Management Limited	Lynton House, 7-12 Tavistock Square, London, WC1H 9LT	Ordinary	75%
APK Krimgereevskoe ooo*	No 37, 70th October Anniversary Street, Krimgerevskaya, Andropovsk Region, Stavropol Krai, Russia, 357085	Ordinary	75%
Exagris SA	Exagris, Km 24.3 Villas Capri, Casa 18, Sector Olivos	Ordinary	90%
ALLT Power Limited	2nd Floor, Amersham Court, 154 Station Road, Amersham, Buckinghamshire, HP6 5DW	Ordinary	100%
The Alpine Tweed Company Limited	2nd Floor, Amersham Court, 154 Station Road, Amersham, Buckinghamshire, HP6 5DW	Ordinary	70%

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

Associates

The following were associates of the Company:

Name	Registered office	Class of shares	Holding
Afri-nut Company Limited	Along Mchinji Road, Opposite Sol	Ordinary	25 %
Afri-Oils Limited	Farm, Lilongwe, Malawi Along Mchinji Road, Opposite Sol	Ordinary	34 %
	Farm, Lilongwe, Malawi		

13. Stocks

	Group 2018 £	Group 2017 £
Raw materials and consumables	132,716	1,129,497
Work in progress	1,232,619	1,239,814
Finished goods and goods for resale	2,388,297	1,585,704
	3,753,632	3,955,015

Stock recognised in cost of sales during the year as an expense was £3,066,725 (2017 - £4,833,533).

14. Debtors

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	1,144,779	1,147,066	134	2
Amounts owed by group undertakings	4,080	4,079	2,538,114	9,797,819
Other debtors	1,126,540	1,318,448	72,688	54,538
Prepayments and accrued income	252,292	209,616	27,580	5,846
Tax recoverable	1,766	-	-	-
	2,529,457	2,679,209	2,638,516	9,858,205

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

15. Cash and cash equivalents

	Group 2018	<i>Group 2017</i>	Company 2018	<i>Company 2017</i>
	£	£	£	£
Cash at bank and in hand	889,760	800,441	46,377	483,754
Less: bank overdrafts	(14,519)	(353,171)	-	-
	<u>875,241</u>	<u>447,270</u>	<u>46,377</u>	<u>483,754</u>

16. Creditors: Amounts falling due within one year

	Group 2018	<i>Group 2017</i>	Company 2018	<i>Company 2017</i>
	£	£	£	£
Bank overdrafts	14,519	353,171	-	-
Trade creditors	795,294	607,234	17,689	-
Corporation tax	223,232	125,676	-	-
Other taxation and social security	153,061	19,965	5,709	5,767
Other creditors	3,091,859	2,941,075	-	-
Accruals and deferred income	342,243	355,862	73,109	50,582
	<u>4,620,208</u>	<u>4,402,983</u>	<u>96,507</u>	<u>56,349</u>

17. Creditors: Amounts falling due after more than one year

	Group 2018	<i>Group 2017</i>	Company 2018	<i>Company 2017</i>
	£	£	£	£
Other loans	42,556,754	38,321,825	19,966,632	17,891,320
Other creditors	5,689,944	17,516,306	4,310,534	16,180,637
	<u>48,246,698</u>	<u>55,838,131</u>	<u>24,277,166</u>	<u>34,071,957</u>

The other creditors due from the company after more than one year are secured by a charge over one of the Company's investment properties.

18. Capital commitments

At 31 October 2018 the Group had £nil (2017: £102,997) of capital commitments that are contracted for but not provided in these financial statements.

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

19. Loans

Loan term extended for a minimum of 3 years from 31 October 2017, date of loan extension confirmation, for the loan from RK Equities LP to group companies.

	Group 2018 £	<i>Group 2017 £</i>	Company 2018 £	<i>Company 2017 £</i>
Amounts falling due 2-5 years				
Other loans	42,556,754	38,321,825	19,966,632	17,891,320
	<u>42,556,754</u>	<u>38,321,825</u>	<u>19,966,632</u>	<u>17,891,320</u>

20. Financial instruments

	Group 2018 £	<i>Group 2017 £</i>
Financial assets		
Financial assets that are debt instruments measured at amortised cost	2,275,399	2,564,966
Financial assets that are equity instruments measured at cost less impairment	289,567	487,466
	<u>2,564,966</u>	<u>3,052,432</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(52,490,613)</u>	<u>(59,978,695)</u>

Financial assets that are debt instruments measured at amortised cost comprise of all debtors, less prepayments and taxes recoverable.

Financial assets that are equity instruments measured at cost less impairment comprise of investments in associates.

Financial liabilities measured at amortised cost comprise of all creditors less taxes.

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

21. Provisions

Group

Provision losses of associate £

At 1 November 2017	129,291
Charged to profit or loss	4,234
At 31 October 2018	133,525

22. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1 (2017 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

23. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Foreign exchange reserve

This reserve records exchange differences relating to the translation of the net assets of the Group's foreign operations, from the functional currencies into the Group's presentational currency.

Profit and loss account

This reserve records retained earnings and accumulated losses.

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

24. Commitments under operating leases

At 31 October 2018 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	<i>Group 2017 £</i>
Not later than 1 year	76,744	<i>80,143</i>
Later than 1 year and not later than 5 years	306,976	<i>320,572</i>
Later than 5 years	1,201,779	<i>1,349,000</i>
	<u>1,585,499</u>	<i><u>1,749,715</u></i>

25. Related party transactions

The company has taken advantage of the exemption provided by FRS 102 not to disclose related party transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Included in creditors due after more than one year is £4,310,534 (2017 - £16,180,637) due to a director from the Company, and £1,379,410 (2017 - £1,335,669) due to a director from a subsidiary in the group. These amounts are secured over property owned by the parent company.

As stated at note 16 of the previous year's accounts, in July 2017 Mr Lilley agreed to advance further sums to the Company on condition he was granted security over certain assets. Following a review of the overall position regarding the loans from Mr Lilley the Company has confirmed with Mr Lilley that an amount of £12,867,683, which represents the irrecoverable loans at the time of the July 2017 agreement should be written back. This gives rise to the credit shown under the heading "Debt forgiveness" in the Consolidated profit and loss account.

A limited partnership in which a director has an interest, loaned monies totalling £nil (2017 - £244,970) to the Company and a subsidiary in the group in the year. During the year interest of £2,820,955 (2017 - £2,240,156) was charged on the balance. Included in other loans is £42,556,754 (2017 - £38,321,825) due to the limited partnership.

In relation to group undertakings, the following related party balances and transactions are applicable to the parent undertaking, Exagris Limited, unless otherwise stated.

Subsidiaries in the group

Amounts owed by group undertakings is shown in the debtors note to the accounts. These amounts are net of provisions made, which total £30,772,240 (2017 - £19,305,238) in the Company's accounts.

Transactions with group undertakings are shown below:

During the year £2,386,935 (2017 - £2,211,276) of interest was accrued on loans to subsidiaries and is included within the balance due. Interest is accruing on these loans at a rate of 7.5% and 15% per annum.

Interest is not recognised on an inter-group loan between two fellow group undertakings as it is not deemed recoverable. Had interest been charged it would have amounted to £834,783 (2017 - £807,440). The total amount not recognised do date is £5,210,403 (2017 - £4,375,620). These amounts would eliminate on consolidation within the group accounts.

Associates in the group

Amounts owed by associated undertakings are shown in the debtors note to the accounts. These amounts are net of provisions made, which total £171,541 in the Company's accounts.

EXAGRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

26. Ultimate Controlling party

The company is controlled by Mr D and Mrs C Lilley who control 100% of the share capital of Exagris Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.