ANNUAL REPORT 2017/18

Approved at the Company's Annual General meeting 6 November 2018

Johannes Burger
Chairman

INGLEBY FARMS & FORESTS APS

ADDRESS SLOTSGADE 1A, 4600 KØGE, DENMARK | **CVR-NO.** 35868062

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INGLEBY FARMS & FORESTS APS

Slotsgade 1A
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www.inglebyfarms.com

Registration no.: 35868062

Established: 30 June 1999

Registered office: Stevns

Financial year: 1 July - 30 June

BOARD OF DIRECTORS

Truels Damsgaard, Chairman
William H. Camp, Vice-Chairman
Lisbet Rausing
Johannes Burger
David Blanchard
Robert T. Wiseman
Gwyneth V. Burr
Hans Henrik Koefoed, Chief Executive Officer

EXECUTIVE BOARD

Hans Henrik Koefoed, Chief Executive Officer

AUDITORS

Ernst & Young
Godkendt Revisionspartnerselskab
Englandsgade 25
DK - 5000 Odense C

Registration no.: 30700228

ANNUAL REPORT 2017/18 - 1. EDITION

Editor and layout: Mette Bøgeløv Erichsen

Front page photo: Table grapes, Peru. Photographer: Douglas Sibbald

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS FOR THE GROUP

Key figures - USD'000	2017/18	2016/17	2015/16	2014/15
Revenue	114,111	115,585	87,923	118,289
Gross profit	31,022	39,749	24,045	38,599
Ordinary operation profit/loss	-7,362	10,703	467	18,093
Profit/loss from financial income and expense	-2,789	1,892	181	279
Profit/loss for the year	**-715**	**4,775**	**-5,256**	**2,194**
Total assets	886,657	901,334	768,079	739,809
Portion relating to investment in property, plant and equipment	712,615	682,629	595,095	570,589
Equity	**736,325**	**742,919**	**701,972**	**677,590**
Cash flows from operating activities	-319	13,297	16,802	-11,303
Net cash flows from investing activities	-48,684	-89,131	-34,409	-58,742
Cash flows from financing activities	-6,195	119,333	38,122	55,000
Total cash flows	**-55,199**	**43,499**	**20,515**	**-15,045**
Operating margin	-6.45%	9.26 %	0.53 %	15.30 %
Gross margin	27.19%	34.39 %	27.35 %	32.63 %
Equity ratio	83.04%	82.42 %	91.39 %	91.59 %
Return on equity	**-0.10%**	**0.66 %**	**-0.76 %**	**0.32 %**
Number of full-time employees	3,027	2,458	1,969	1,053

Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society. For terms and definitions, please see the accounting policies.

Bumblebee pollinating blueberries, Romania. Photographer: Andrei Govoreanu

INGLEBY WORLDWIDE

Ingleby Farms & Forests is a leading agricultural company in the production of high quality food through sustainable agriculture. We are long-term owners of land, managing pasture, arable and mixed farms in 9 countries across 4 continents.

LATVIA
6,744 ha

PRODUCTION

Milling wheat, Winter canola, Milling rye, Spring barley, Black oats, Broad beans, Peas

Grass seeds, Clover seeds

PERU
2,017 ha

PRODUCTION

Avocados, Table grapes, Blueberries

Stevia

Test crops

USA
1,825 ha

PRODUCTION

Pistachios

URUGUAY
27,217 ha

PRODUCTION

Aberdeen Angus cattle

Barley, Corn, Oats, Sorghum, Soya, Wheat

Grass seeds, Lotus seeds

ARGENTINA
12,519 ha

PRODUCTION

Barley, Canola, Corn, Sorghum, Soya, Sunflower, Wheat

Grass seeds

Aberdeen Angus cattle

As of 30 June 2018, Ingleby manages 100,565 hectares worldwide; 84,668 hectares of farmland and 7,261 hectares of production forests.

LITHUANIA

2,823 ha

PRODUCTION

Milling wheat, Winter canola, Milling rye, Spring barley, Peas, Sugar beets, Broad beans

Grass seeds, Clover seeds

ROMANIA

19,416 ha

PRODUCTION

Barley, Canola, Corn, Peas, Sorghum, Soya, Sunflower, Wheat

Grass seeds

Blueberries

Aberdeen Angus cattle

Timber (Beech, Oak, Lime, Hornbeam, Spruce, Fir, Ash, Cherry)

NEW ZEALAND

6,735 ha

PRODUCTION

Lamb, Wool, Aberdeen Angus cattle

AUSTRALIA

21,269 ha

PRODUCTION

Barley, Broccoli, Canola, Broad beans, Green peas, Potatoes, Wheat

Grass seeds, Clover seeds

Lamb, Wool, Aberdeen Angus Cattle, Milk, Dairy calves

MANAGEMENT'S STATEMENT

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Ingleby Farms & Forests ApS for the financial year 1 July 2017 - 30 June 2018.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2018 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 July 2017 – 30 June 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters and the results of the Group's and the Parent Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Køge, Denmark, 6 November 2018

EXECUTIVE BOARD

Hans Henrik Koefoed

BOARD OF DIRECTORS

Truels Damsgaard	William H. Camp	Lisbet Rausing
Johannes Burger	David Blanchard	Robert T. Wiseman
Gwyneth V. Burr	Hans Henrik Koefoed	

We are proud of our farms, and we look forward to working together in the long term as we strive for farming and forestry excellence.

Ingleby Board of Directors

INDEPENDENT AUDITORS' REPORT

To the shareholders of Ingleby Farms & Forests ApS

Opinion

We have audited the financial statements of Ingleby Farms & Forest ApS for the financial year 1 July 2017 – 30 June 2018, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2018 and of the results of the Company's operations and cash flows for the financial year 1 July 2017 – 30 June 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines 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, Management is responsible for assessing 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 in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 and additional requirements applicable in Denmark 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

> Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

> Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

> Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

> Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 6 November 2018

Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30700228

Lars Koch-Pedersen
State Authorised Public Accountant
MNE no.: mne19682

THE CHAIRMAN'S STATEMENT

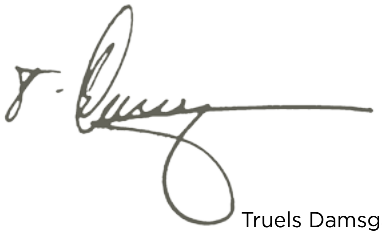
More value added in Ingleby remains the key to the strategy going forward. Our strong land base provides us with an opportunity to direct the output of the business into a healthy product mix combining traditional row crop farming with an increasing output of food and fresh produce.

Especially in the food and fresh produce segment we believe that our sustainability policies and completely traceable production history for each field, crop and season will provide a strong competitive advantage – as a matter of fact, we already experience a strong preference from a number of customers for our products. We believe that the demands of the market and focus on food safety and history going forward will strengthen this trend even further.

Financially, 2017/18 closed quite far from our budgets. Whilst this is disappointing, we notice that climatic conditions were unfavourable in most of our production areas and at the same time the prices for our product mix suffered from weak markets. Hence the Board remains confident that the strategic direction set for Ingleby is still viable and we continue to pursue the course set for the company.

The short term outlook is more positive with currently favourable climatic and production conditions. At the same time global markets are improving for our product mix of row crops and high-value food products as well as fresh produce.

On behalf of the Board of Directors I want to extend our compliments and appreciation to all our employees for the dedicated and focused job undertaken throughout a challenging year.



Truels Damsgaard
Chairman of the Board of Directors

2018 avocado harvest, Peru. Photographer: Robin Begg

Truels Damsgaard

CHIEF EXECUTIVE'S REVIEW

2017/18 has been the most challenging year in Ingleby's history. We have had severe weather events on all our farms in Argentina, Australia, Uruguay, Latvia, Lithuania and partly Romania. Prolonged droughts and sudden heavy rainfall with flooding seems the new normal. This year, our geographic diversification did not protect us against production and operating profit losses.

Our 2017/18 revenue is US$ 114.1 million, and our operating profit of US$ -7.4 million against the budgeted US$ 9.6 million is disappointing. It is the result of a small 2017 pistachio harvest at reduced prices, general disappointing harvest results caused by the extreme weather and low farm commodity prices.

On the positive side, our forests in Romania and our new farm Dobele Agro in Latvia have delivered solid results. Our investments in irrigation are also paying off. In Uruguay, our corn harvest under irrigation was the largest ever, with record yields of 12.2 tonnes per hectare. In comparison, our average corn yield under rain-fed conditions is 4.9 tonnes per hectare.

We are mitigating the increasingly volatile weather by additional contour cultivation, grass waterways, river protection and drainage as well as enhanced and new irrigation systems, latest 324 hectares in Argentina. A total of 6,166 hectares or 14% of our arable land is now under irrigation.

We also focus on more resilient crop rotations with an aim of minimum 5-7 crops per farm, soil enhancing cover crops included. In addition, we work to integrate more livestock on most of our cropping farms to help buffer any future climatic and economic volatility.

Soil is one of Ingleby's core assets and we have a continued focus on soil improvement. New technologies, such as variable rate applications in the fields, will help optimise our lime and fertiliser use, while at the same time improve our soil quality.

Another core asset is our people. We want to attract and retain skilled, motivated employees. To do this, we provide inspiring and safe work environments. As a result, we have a low full-time employee turnover. We also constantly build and strengthen our internal knowledge across farms and countries.

We have strengthened our organisation with the employment of a new Chief Financial Officer, Mr. Mats Svensson as of February 2018, as well as a Chief Commercial Officer, who will join us at the beginning of 2019 and help intensify our branding as well as enhance our marketing and sales efforts.

In 2018/19, we are budgeting on a revenue of US$ 164.1 million and an operating profit of US$ 19.8 million.

Northern Europe, in particular Scandinavia and the Baltics have experienced a severe summer drought, which will have an impact on our 2018/19 crop yields in Latvia and Lithuania. In contrast, Romania has had plenty of rain and our winter crops are well established in all our Southern Hemisphere countries.

As of 30 June 2018, grain prices were 17% above the last 3-year average. Milk prices in Australia have slightly improved. Lamb prices in New Zealand and Australia are all time high due to reduced supply. Beef prices in New Zealand, Argentina and Uruguay are stable.

We will have a large pistachio harvest in California in 2018/19, and pistachio prices are firming. However, we are concerned about any limitations on free trade.

Our expansion into more horticultural production in Peru and Romania is progressing as planned. In general, our future results will be supported by our growing production of high-value crops such as seeds, fruits and nuts.

Hans Henrik Koefoed
Chief Executive Officer

Hans Henrik Koefoed

CORPORATE SOCIAL RESPONSIBILITY

CLIMATE

As farmers, we are dependent on the weather. Changes in seasonal weather patterns and the increased frequency and severity of extreme weather events is a risk for food production. Adapting to a changing climate is becoming increasingly important.

On each farm we monitor weather conditions, to help analyse and deal with the changing and highly variable climate on a daily basis but also in the long-term. We mitigate the effects of changes in climate through investments in irrigation, drainage and erosion control measures.

We also use a variety of crops and cover crops as well as further integration of livestock in our crop production as risk mitigation. More crops, grass and cover crops in the rotation help build carbon content of our soils which makes the soil able to absorb and retain larger amounts of water. We benefit from this "sponge-effect" both in years of drought and of flooding.

We monitor and calculate our CO_2 emissions from our use of electricity, diesel, gasoline, propane and natural gas. We also include emissions from agricultural inputs such as fertilisers and pesticides. Currently, we do not measure biological sources from our livestock or ploughing. Nor do we include carbon sinks such as our forests, plantations and natural grasslands.

We maintain fertile and well-structured soils with optimum amounts of air, water, nutrients and biological activity. Healthy soils sequester carbon and reduce greenhouse gas emissions.

RESOURCE USE

We constantly work to optimise our resource use. Over a 10-year period, we want to improve our energy efficiency by 2% per year, and fertiliser and water use efficiency by 1% per year.

Energy use

We monitor energy use to help us progress into more efficient and environmentally sound systems of production.

Our energy use efficiency has been decreasing by 3% per year on average due to major construction and development projects, increased irrigation and drainage activity as well as grain drying. Improvements in this field is a priority area for the future.

Where locally available and where it makes sense, we use renewable energy. Approximately 39% of our electricity used is derived from renewable sources.

Water use

To produce 'more crop per drop', we "harvest" water in our landscapes and store it in dams to be used for our crops in times of need. For this reason, we invest in state of the art irrigation systems.

Irrigation stabilises and increases our yields, enables more crop rotations per year, builds resilience to climate change, and helps increase our fertiliser-use efficiency. We currently irrigate 14% of our arable area.

Fertiliser use

We efficiently use fertilisers in a balanced approach, adding no more or no less than what the plants need. This way we reduce the potential for build-up of nitrates in the soil, eutrophication in the aqueous environment and volatilisation into nitrous oxide (N_2O) a powerful greenhouse gas.

Ingleby's inorganic fertiliser use has increased over time due to an increase of our total hectares, increasing yields, intensifications of some of our crop production systems and increases of our area of high-value crops. The increase is always balanced to the needs of the crops.

ENVIRONMENT

Healthy natural environments support healthy farms. Ecosystems provide, regulate and support ecosystem services on which agriculture depends. Interactions between biological communities and their physical environment build soils, cycle nutrients and water, sequester carbon, purify water and air, mitigate pests and pollinate crops.

Natural habitats

As managers of large tracts of land, lack of biodiversity and natural habitats is a risk for us because of their benefits to production. Therefore, our goal is that by 2019, 10% of each of our farms' total area is in natural habitats.

To ensure that the actions we take to increase biodiversity and restore ecosystems on our farms is of mutual benefit to the farming operation, we have in 2018 initiated the project Farming with Nature. This aim to balance conservation and production, encouraging natural regeneration and small changes to the landscape that increase the quality and health of the local ecosystem without affecting productivity.

We currently protect 31%, or 30,893 hectares of our land as conservation easements or nature reserves. Some of this cannot be farmed: geological formations, steep slopes and gullies. But most, we deliberately protect from farming: wetlands, river fronts and lake sides, wild grasslands, wildwoods and native bush. We have therefore reached our goal of 10% land areas as natural habitats at the global level, but not at farm level. We constantly work to identify land which is unsuitable for production and can be returned to natural habitat. Our project, Farming with Nature, is part of this process.

We also monitor birds on our farms as indicators of biodiversity. Changes in bird populations can be a useful indicator of our farms as a habitat, but also of broader environmental change.

Freshwater bodies

Freshwater bodies are the most biodiverse habitats on our farms. We protect our freshwater bodies from fertilisers, chemicals, sediment and animal waste by establishing 10 metre unfarmed buffer strips next to all major water bodies Our goal is to have 1% of each farm's land area as water bodies by 2019.

So far, 2.0% of our total land area is in water bodies, defined as rivers, streams, springs, ponds, artificial canals and ditches as well as artificial water reservoirs. We have thus reached our goal of 1% land areas as water bodies at the global level, but not at farm level. We are continually assessing our farms for suitable locations for more water bodies.

EMPLOYEES

Labour and human rights

We support and respect internationally recognised labour standards and human rights. We do not use forced, compulsory or child labour. We uphold the freedom of association and the effective recognition of the right to collective bargaining.

We oppose all forms of discrimination, and recruit employees regardless of race, gender, nationality, religion, sexual orientation or other personal diversity indicators. We currently employ people of more than 16 different nationalities.

Gender

In many countries, farming is a male dominated profession. However, we are equal opportunity employers. We monitor the gender ratio of our employees Our target is for the underrepresented gender to reach at least 40% by 2025. Women are currently the underrepresented gender, making up 33% of our total employees.

For the senior management it is our goal to always achieve gender diversity. In 2017/18, women represented 19% of our senior management. Through recruitment and career development, we focus on attracting and retaining female employees and executives, who want a career in farming or forestry.

For our Board of Directors, we have a target for the underrepresented gender to reach at least 40%. Currently, women make up 25% of our Board of Directors. We are therefore always considering both female and male candidates when there are open positions on our Board. In 2017/18, there have been no open positions.

Health and safety

Our overall goal in Ingleby is a zero-harm work culture. Realistically, we know that this is difficult to achieve. Farming is a hazardous profession. Our farm teams work with large machinery, vehicles, chemicals and livestock. They are exposed to bad weather, noise and dust. Providing safe work environments for our teams is one of our most important responsibilities.

In 2017/18, we increased our focus on health and safety at all levels in the organisation and implemented the "Safety Colleague"-concept. We reduced the total number of accidents worldwide by 21%. But even one accident is one too many, and we will continue focusing on health and safety in 2018/19.

ANTI-CORRUPTION

Ingleby is in many countries, of which some are perceived to have a medium to high risk of corruption. We are committed to conducting our business in an honest and ethical manner. We work against corruption in all its forms, including extortion and bribery.

We abide by our Ethical Policy, Anti-Money Laundering & Anti-Corruption Policy and Supplier's Code of Conduct. Together, these constitute our Code of Business Conduct. We operate with zero tolerance towards breaches of our Code of Business Conduct.

We require our employees and business partners to comply with the expectations and policies of the Ingleby Code of Business Conduct.

We encourage our employees and business partners to report any violations or suspected breaches of our Code of Business Conduct. This is supported by our whistleblower system allowing for full anonymity.

We investigate all submissions thoroughly, take appropriate actions and report any breaches to the Board of Directors. We ensure there is no retaliation against people who report alleged breaches of the Code of Business Conduct.

In 2017/18, we had one whistleblowing case and one fraud incident.

ACCOUNTING POLICIES

The annual report of Ingleby Farms & Forests ApS for 2017/18 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

The financial statements have been prepared in accordance with the same accounting policies as last year.

The accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are the following.

Reporting currency

The financial statements are presented in USD, as the entity's most significant transactions are settled in USD. At the balance sheet date, the DKK/USD exchange rate was 6.39261 (2016/17: 6.51599).

Consolidated financial statements

The consolidated financial statements comprise the parent company, Ingleby Farms & Forests ApS, and subsidiaries in which Ingleby Farms & Forests ApS directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls.

On consolidation, intra-group income and expenses, share holdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Acquisitions of enterprises are accounted for using the purchase method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Upon the acquisition of enterprises who possess farm land or forest and who do not comply with the accounting definition of an enterprise, any excess values are recognised as costs of the assets and liabilities acquired. On initial recognition, any differences between the accounting and tax values of assets and liabilities which do not relate to the acquisition of enterprises must not be recognised in the balance sheet, but are to be recognised as contingent liabilities.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the ex-change rates at the transaction date and at the date of payment are recognised in the income statement as interest income or expense and similar items.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as interest income or expense and similar items.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in other receivables and payables, respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with fair value adjustments of the hedged asset or liability.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets or liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously recognised in equity must be transferred to the income statement in the period in which the hedged item affects the income statement.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

INCOME STATEMENT

Revenue
Revenue from the sale of goods and services is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured ex VAT, taxes and discounts in relation to the sale.

Costs of raw materials
Costs for raw materials and consumables comprise costs incurred to achieve the year's revenue.

Other operating income
Other operating income comprises items secondary to the activities of the enterprises.

Other external costs
Other operating expenses include the costs of distribution, sales, marketing, administration, facilities, bad debt, operating leases, etc.

Staff costs
Staff costs comprise wages and salaries, remuneration, pensions and other staff costs to the company's employees.

Profits/losses from investments in subsidiaries
The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

Interest income and expenses and similar items
Interest income and expenses and similar items comprise interest income and expenses, market gains and losses in respect of payables and transactions denominated in foreign currencies.

Tax on profit/loss from ordinary activities
The company is covered by the Danish rules on compulsory joint taxation of the Ingleby Group's Danish entities.

The Company is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year – due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

BALANCE SHEET

Intangible assets
Intangible assets consist of IT-software and water rights, and are measured at cost less accumulated depreciation and impairment. Depreciation is provided on a straight-line basis over the expected economical lives of the assets. The expected depreciation periods do not exceed 10 years.

Property, plant and equipment
Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately. Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Buildings	50 years
Plant and machinery	5 - 25 years
Fixtures and fittings, tools and equipment	5 - 25 years

Gains and losses on the disposal of equipment are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as impairment and depreciations of fixed assets.

Leases
Leases for non-current assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance leases) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently depreciated as the Company's other non-current assets.

The capitalised residual lease obligation is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

All other leases are considered operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed in the contingencies.

Impairment of assets
The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Investments in subsidiaries
Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the proportionate share of the enterprises' net as-set values calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method.

Investments in subsidiaries with negative net asset values are measured at USD 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under "Other provisions".

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation according to the equity method in equity to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Ingleby Farms & Forests ApS are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the purchase method is applied, see Consolidated financial statements above.

Inventories
Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale, and is determined taking into account marketability, obsolescence and development in expected selling price.

Inventories and stock at fair value
Biological assets are measured at fair value and comprise corn inventory, cut-down wood, straw and non-harvested land.

Fair value is the market value which the biological assets are expected to yield in a transaction between independent parties.

The fair value of cut-down wood is set at the value at which similar products were traded at the balance sheet date.

The fair value of land is computed at direct costs, such as seed, fertiliser, tractor station and crop protection (fences) and direct payroll costs, unless this value is deemed to differ from the fair value at the balance sheet date.

Value adjustments of biological assets are recognised as a change in inventories and stock at fair value in the income statement.

Receivables
Receivables are measured at the nominal value less write-down for bad debt losses based on an individual assessment.

Prepayments
Prepayments comprise costs incurred concerning subsequent financial years.

Other securities and investments
Other securities and investments are measured at fair value based on a calculated capital value. To the extent fair value cannot be computed, other securities and investments are measured at cost.

Equity
Reserve for net revaluation according to the equity method
Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net re-valuation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Dividends
Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.
Joint taxation contribution payable and receivable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable".

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities other than provisions
Liabilities are measured at net realisable value.

Deferred income
Deferred income, recognised under "Liabilities", comprises payments received concerning income in subsequent years.

CASH FLOW STATEMENT

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents, as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flows from acquisitions of enterprises are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of enter-prises are recognised up until the date of disposal.

Cash flows from operating activities
Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities
Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities
Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividends to shareholders.

Cash and cash equivalents
Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are subject to an insignificant risk of changes in value.

Financial ratios
The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	Operating profit x 100 / Revenue
Gross margin	Gross profit x 100 / Revenue
Equity ratio	Equity at year end x 100 / Total equity and liabilities at year end
Return on equity	Profit from ordinary activities after tax x 100 / Average equity

INCOME STATEMENT

INCOME STATEMENT

USD	Note	Consolidated 2017/18	Consolidated 2016/17	Parent company 2017/18	Parent company 2016/17
Revenue	1	**114,111,125**	**115,584,601**	**6,297,636**	**4,879,648**
Change in inventories and stock at fair value		2,649,090	4,538,082	0	0
Costs for raw materials		-72,049,852	-67,098,824	0	0
Other external costs	2	-13,688,332	-13,275,013	-2,998,240	-2,569,359
Gross profit		**31,022,033**	**39,748,846**	**3,299,396**	**2,310,289**
Staff costs	3	-21,295,805	-15,922,911	-3,491,054	-2,977,986
Impairment and depreciation of fixed assets		-17,088,259	-13,123,175	-147,679	-84,086
Operating profit/loss		**-7,362,031**	**10,702,760**	**-339,337**	**-751,783**
Share of profit/loss in subsidiaries after tax		0	0	1,248,621	7,629,363
Financial income	4	4,687,411	1,537,731	2,345,980	391,699
Financial expenses	5	-7,476,822	-3,430,170	-3,853,602	-2,367,811
Profit/loss from ordinary activities before tax		**-10,151,442**	**8,810,321**	**-598,338**	**4,901,468**
Tax on profit/loss from ordinary activities	6	9,436,824	-4,035,401	-116,280	-126,548
Profit/loss for the year		**-714,618**	**4,774,920**	**-714,618**	**4,774,920**

BALANCE SHEET - ASSETS

BALANCE SHEET - ASSETS

		Consolidated		Parent company	
USD	**Note**	**30 June 2018**	**30 June 2017**	**30 June 2018**	**30 June 2017**
Licences and software	7	1,626,391	1,759,585	289,168	276,675
Intangible assets		**1,626,391**	**1,759,585**	**289,168**	**276,675**
Land and buildings		645,833,135	623,193,905	1,491,206	1,491,206
Plant and machinery		50,961,983	43,784,181	0	0
Fixtures and fittings, tools and equipment		15,819,848	15,651,127	322,179	336,688
Property, plant and equipment	8	**712,614,966**	**682,629,213**	**1,813,385**	**1,827,894**
Investments in subsidiaries	9	0	0	779,618,648	771,928,735
Investments		**0**	**0**	**779,618,648**	**771,928,735**
Total non-current assets		**714,241,357**	**684,388,798**	**781,721,201**	**774,033,304**
Raw materials and consumables		4,445,162	4,186,636	0	0
Work in progress		30,117,252	27,923,375	0	0
Inventories and stock at fair value		43,709,686	43,298,990	0	0
Inventories		**78,272,100**	**75,409,001**	**0**	**0**
Trade receivables		19,480,860	26,480,671	0	0
Amounts owed by affiliated companies		0	0	31,020,013	6,099,056
Other receivables		23,129,056	17,232,706	400,740	300,971
Corporation tax	10	5,724,232	2,554,897	45,636	32,837
Prepayments	11	5,136,651	1,177,273	0	0
Deferred tax asset	12	1,521,373	883,775	0	0
Receivables		**54,992,172**	**48,329,322**	**31,466,389**	**6,432,864**
Securities and investments		**2,326,993**	**2,268,370**	**0**	**0**
Cash at bank and in hand		**36,823,881**	**90,938,359**	**19,389,577**	**19,236,546**
Total current assets		**172,415,146**	**216,945,052**	**50,855,966**	**25,669,410**
TOTAL ASSETS		**886,656,503**	**901,333,850**	**832,577,167**	**799,702,714**

BALANCE SHEET - EQUITY & LIABILITIES

BALANCE SHEET - EQUITY & LIABILITIES

		Consolidated		Parent company	
USD	**Note**	**30 June 2018**	**30 June 2017**	**30 June 2018**	**30 June 2017**
Share capital	13	25,686	25,200	25,686	25,200
Free reserves incl. retained earnings		736,299,255	742,893,829	736,299,255	742,893,829
Equity		**736,324,941**	**742,919,029**	**736,324,941**	**742,919,029**
Deferred tax	14	34,721,977	41,465,291	11,804	11,580
Provisions		**34,721,977**	**41,465,291**	**11,804**	**11,580**
Long-term credit institutions	15	76,930,980	2,744,570	75,995,354	0
Long-term lease contracts	15	3,166,215	2,586,729	0	0
Long-term prepayments	16	952,855	1,103,304	0	0
Non-current liabilities other than provisions		**81,050,050**	**6,434,603**	**75,995,354**	**0**
Short-term portion of long-term lease contracts	15	1,984,354	1,444,206	0	0
Credit institutions	16	2,367,141	1,235,631	103,804	0
Trade payables		11,612,572	16,069,066	325,297	518,897
Amounts owed to affiliated companies		0	0	8,956,049	14,071,100
Corporation taxes payables	10	702,132	772,136	0	0
Other payables		17,849,110	90,857,978	10,859,918	42,182,108
Prepayments	16	44,226	135,910	0	0
Current liabilities other than provisions		**34,559,535**	**110,514,927**	**20,245,068**	**56,772,105**
Total liabilities other than provisions		**115,609,585**	**116,949,530**	**96,240,422**	**56,772,105**
TOTAL EQUITY AND LIABILITIES		**886,656,503**	**901,333,850**	**832,577,167**	**799,702,714**
Contingent liabilities	17,18				
Currency and interest rate risks and use of derivative financial instruments	19				
Related parties	20				
Proposed distribution of profit/loss	21				

CAPITAL & RESERVES

CAPITAL & RESERVES

USD	Consolidated		
	Share capital	**Free reserves incl. retained earnings**	**Total**
Balance at 1 July 2017	25,200	742,893,829	742,919,029
Capital increase	0	0	0
Currency translation adjustment	486	-5,680,868	-5,680,382
Retained earnings, cf. profit appropriation	0	-714,618	-714,618
Value adjustment of hedging instrument	0	-199,088	-199,088
Balance at 30 June 2018	**25,686**	**736,299,255**	**736,324,941**

USD	Parent company		
	Share capital	**Free reserves incl. retained earnings**	**Total**
Balance at 1 July 2017	25,200	742,893,829	742,919,029
Capital increase	0	0	0
Currency translation adjustments	486	-5,680,868	-5,680,382
Capital transactions in subsidiaries	0	0	0
Retained earnings, cf. profit appropriation	0	-714,618	-714,618
Value adjustment of hedging instrument	0	-199,088	-199,088
Balance at 30 June 2018	**25,686**	**736,299,255**	**736,324,941**

CASH FLOW STATEMENT

CASH FLOW STATEMENT

		Consolidated	
USD	**Note**	**2017/18**	**2016/17**
Profit/Loss for the year		-714,618	4,774,920
Adjustments for non-cash operation items	22	10,440,846	19,051,015
Cash generated from operations (operating activities) before changes in working capital		**9,726,228**	**23,825,935**
Changes in working capital	23	-5,910,549	-3,245,844
Cash generated from operations (operating activities)		**3,815,679**	**20,580,091**
Interest received		250,028	71,119
Interest paid		-1,872,267	-468,701
Foreign exchange rate adjustments		-1,251,067	573,418
Cash generated from operations (ordinary activities)		**942,373**	**20,755,927**
Corporation tax paid		-1,261,848	-7,459,165
Cash flows from operating activities		**-319,475**	**13,296,762**
Acquisition of intangible assets, property, plant and equipment		-51,380,610	-95,607,922
Disposal of intangible assets, property, plant and equipment		2,755,524	6,476,541
Purchase of investment and securities		-58,623	0
Cash flows from investing activities		**-48,683,709**	**-89,131,381**
Loan financing:			
Loan obligations – financial institutions		75,317,920	3,566,473
Loan obligations		-80,236,297	86,749,057
Lease obligations		-1,126,609	1,614,358
Long-term prepayments		-150,449	1,103,304
Shareholders:			
Increase in share capital and share premium		0	26,300,000
Cash flows from financing activities		**-6,195,435**	**119,333,192**
Net cash flows from operating, investing and financing activities		**-55,198,619**	**43,498,573**
Cash at 30 June 2017 before foreign exchange rate adjustments		90,938,359	44,965,222
Foreign exchange rate adjustments on cash at 30 June 2017		1,084,141	2,474,564
Cash at 30 June 2018		**36,823,881**	**90,938,359**

The cash flow statement cannot be directly derived from the other components of the consolidated and parent company financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 : SEGMENT INFORMATION - REVENUE

USD	Consolidated		Parent company	
	2017/18	**2016/17**	**2017/18**	**2016/17**
Geographical				
Americas	52,707,719	64,651,347	3,039,870	2,326,101
Australasia	29,502,379	26,831,045	1,139,196	983,024
Denmark	0	0	32,850	32,228
Europe	31,901,027	24,102,209	2,085,720	1,538,295
Total	**114,111,125**	**115,584,601**	**6,297,636**	**4,879,648**
Activities				
Row crops	42,518,122	41,924,240	0	0
Horticulture	32,091,457	43,757,391	0	0
Livestock	16,007,786	15,356,675	0	0
Dairy	8,723,235	6,481,561	0	0
Timber	3,087,814	2,472,128	0	0
Other	11,682,711	5,592,606	6,297,636	4,879,648
Total	**114,111,125**	**115,584,601**	**6,297,636**	**4,879,648**

NOTE 2 : FEES PAID TO AUDITORS

USD	Consolidated		Parent company	
	2017/18	**2016/17**	**2017/18**	**2016/17**
EY				
Fee regarding statutory audit	-263,045	-188,008	-182,572	-147,406
Assurance engagements	-2,454	0	0	0
Tax assistance	-179,166	-91,684	-173,318	-91,684
Other assistance	-246,058	-272,986	-232,244	-272,986
Total fees EY	**-690,723**	**-552,678**	**-588,134**	**-512,076**
KPMG				
Fee regarding statutory audit	-256,418	-251,052		
Assurance engagements	0	-45,015		
Tax assistance	-30,401	-21,571		
Other assistance	-92,448	-92,401		
Total fees KPMG	**-379,267**	**-410,039**		
Baker Petersen Franklin				
Fee regarding statutory audit	-56,000	-56,000		
Tax assistance	-22,725	-18,000		
Other assistance	-14,500	-14,000		
Total fees Baker Petersen Franklin	**-93,225**	**-88,000**		

NOTE 3 : STAFF COSTS

USD	Consolidated		Parent company	
	2017/18	**2016/17**	**2017/18**	**2016/17**
Wages and salaries	-19,880,785	-14,306,883	-3,166,673	-2,671,466
Pensions	-475,352	-497,537	-193,199	-165,212
Other social security costs	-939,668	-1,118,491	-131,182	-141,308
Total	**-21,295,805**	**-15,922,911**	**-3,491,054**	**-2,977,986**
Average number of full-time employees	3,027	2,458	20	19

Remuneration of the Executive Board and the Board of Directors are paid from Parent company. Both are included in staff costs and in total amounts to USD 1,131 thousands (2016/17: USD 952 thousands).

NOTE 4 : FINANCIAL INCOME

USD	Consolidated		Parent company	
	2017/18	2016/17	2017/18	2016/17
Interest income from affiliated companies	0	0	566,777	115,144
Foreign exchange gains	4,437,383	1,466,612	1,699,712	258,192
Other interest income	250,028	71,119	79,491	18,363
Total	**4,687,411**	**1,537,731**	**2,345,980**	**391,699**

NOTE 5 : FINANCIAL EXPENSES

USD	Consolidated		Parent company	
	2017/18	2016/17	2017/18	2016/17
Interest expense to affiliated companies	0	0	-220,159	-57,287
Foreign exchange losses	-5,604,555	-2,961,469	-2,470,731	-2,286,316
Other financial expenses	-1,872,267	-468,701	-1,162,712	-24,208
Total	**-7,476,822**	**-3,430,170**	**-3,853,602**	**-2,367,811**

NOTE 6 : TAX ON THE PROFIT/LOSS FOR THE YEAR

USD	Consolidated		Parent company	
	2017/18	2016/17	2017/18	2016/17
Current tax for the year	2,033,319	-8,513,696	-116,280	-126,548
Change of tax prior year	20,625	0	0	0
Adjustment of deferred tax	7,382,880	4,478,295	0	0
Total	**9,436,824**	**-4,035,401**	**-116,280**	**-126,548**
Specified as follows:				
Tax on the profit/loss for the year	9,436,824	-4,035,401	-116,280	-126,548
Tax on changes in equity	0	0	0	0
Total	**9,436,824**	**-4,035,401**	**-116,280**	**-126,548**

NOTE 7 : LICENSES AND SOFTWARE

USD	Consolidated		Parent company	
	2017/18	2016/17	2017/18	2016/17
Cost at 1 July	2,437,186	2,289,074	305,814	57,138
Foreign exchange adjustments	-72,131	77,293	5,902	1,671
Additions	202,648	247,005	73,633	247,005
Transferred	24,737	0	0	0
Disposals	0	-176,186	0	0
Cost at 30 June	**2,592,440**	**2,437,186**	**385,349**	**305,814**
Impairment and amortisation at 1 July	677,601	440,504	29,139	8,577
Impairment and amortisation	308,785	231,712	68,129	19,410
Foreign exchange adjustments	-34,267	19,245	-1,087	1,152
Transferred	13,930	0	0	0
Disposals	0	-13,860	0	0
Impairment and amortisation at 30 June	**966,049**	**677,601**	**96,181**	**29,139**
Carrying amount at 30 June	**1,626,391**	**1,759,585**	**289,168**	**276,675**
Amortised over	5-10 years	5-10 years	5-10 years	5-10 years

NOTE 8 : PROPERTY, PLANT AND EQUIPMENT

USD	Consolidated			
	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 July 2017	640,815,317	60,197,661	20,650,852	721,663,830
Foreign exchange adjustments	-4,233,711	-494,191	-92,151	-4,820,053
Additions on acquisition of subsidiary	2,504,739	0	0	2,504,739
Additions	27,265,480	19,556,993	3,670,966	50,493,439
Transferred	2,280,703	237,280	-2,542,721	-24,738
Disposals	-203,649	-4,671,006	-153,243	-5,027,898
Cost at 30 June 2018	**668,428,879**	**74,826,737**	**21,533,703**	**764,789,319**
Impairment and depreciation at 1 July 2017	17,621,412	16,413,480	4,999,725	39,034,617
Foreign exchange adjustments	-426,295	-535,642	-40,726	-1,002,663
Depreciation	5,600,477	9,960,447	867,779	16,428,703
Transferred	-12,651	74,932	-76,211	-13,930
Disposals	-187,199	-2,048,463	-36,712	-2,272,374
Impairment and depreciation at 30 June 2018	**22,595,744**	**23,864,754**	**5,713,855**	**52,174,353**
Carrying amount at 30 June 2018	**645,833,135**	**50,961,983**	**15,819,848**	**712,614,966**
Property, plant and equipment include finance leases with a carrying amount totalling	0	5,151,787	0	5,151,787
Depreciated over	50 years	5-25 years	5-25 years	

USD	Parent company		
	Land and buildings	Fixtures and fittings, tools and equipment	Total
Cost at 1 July 2017	1,491,206	457,671	1,948,877
Foreign exchange adjustments	0	8,834	8,834
Additions	0	56,565	56,565
Disposals	0	-7,509	-7,509
Cost at 30 June 2018	**1,491,206**	**515,561**	**2,006,767**
Impairment and depreciation at 1 July 2017	0	120,983	120,983
Foreign exchange adjustments	0	596	596
Depreciation	0	71,803	71,803
Disposals	0	0	0
Impairment and depreciation at 30 June 2018	**0**	**193,382**	**193,382**
Carrying amount at 30 June 2018	**1,491,206**	**322,179**	**1,813,385**

NOTE 9 : INVESTMENTS IN SUBSIDIARIES

USD	Parent company	
	2017/18	**2016/17**
Cost at 1 July	815,663,975	745,940,147
Additions during the year	12,135,711	69,723,828
Disposals	0	0
Cost at 30 June	**827,799,686**	**815,663,975**
Revaluations at 1 July	-43,735,240	-61,214,642
Disposals	0	0
Foreign exchange adjustments	-5,694,419	9,850,039
Profit/Loss for the year	1,248,621	7,629,363
Capital transactions in subsidiaries	0	0
Revaluations at 30 June	**-48,181,038**	**-43,735,240**
Carrying amount at 30 June	**779,618,648**	**771,928,735**

Name	Registered office	Direct ownership	Direct & indirect ownerships
Ingleby Denmark 1 A/S	Denmark	100 %	100 %
Ingleby Denmark 2 A/S	Denmark	100 %	100 %
Ingleby Australia Holding Pty. Ltd.	Australia	100 %	100 %
Ingleby New Zealand LP	New Zealand	99.99 %	100 %
San Antonio y El Espejo S.A.	Argentina	99.99 %	99.99 %
Administracion Agricola S.A.	Argentina	0 %	100 %
Campo El Tigre S.A.	Argentina	0 %	100 %
Clovelly Tasmania Pty. Ltd.	Australia	0 %	100 %
Bowood Pastoral Pty. Ltd.	Australia	0 %	100 %
Felton Pastoral WA Pty. Ltd.	Australia	0 %	100 %
Mt. Elephant Pty. Ltd.	Australia	0 %	100 %
Ingleby Latvia Agro SIA	Latvia	0 %	100 %
Ingleby Dobele Agro SIA	Latvia	0 %	100 %
Elaco SIA	Latvia	0 %	100 %
Jaunagra SIA	Latvia	0 %	100 %
SIA JAUNBERZE AGRA	Latvia	0 %	100 %
SIA Log & S	Latvia	0 %	100 %
SIA Terraco	Latvia	0 %	100 %
Ingleby Lithuania Holding UAB	Lithuania	0 %	100 %
Ingleby Lithuania Agro UAB	Lithuania	0 %	100 %
Ingleby Lithuania 1 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 2 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 3 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 4 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 5 UAB	Lithuania	0 %	100 %
Ingleby Lithuania 6 UAB	Lithuania	0 %	100 %
Ingleby New Zealand Holding Ltd.	New Zealand	0 %	100 %
Ingleby Peru Holding S.A.C.	Peru	0 %	100 %
Plantaciones del Sol S.A.C.	Peru	0 %	100 %
Ingleby Romania S.R.L.	Romania	0 %	100 %
Campo D'Oro S.R.L.	Romania	0 %	100 %
Cinque Stelle Venete S.R.L.	Romania	0 %	100 %
Green Gate S.R.L.	Romania	0 %	100 %
Ocolul Silvic	Romania	0 %	100 %
Ingleby Uruguay S.R.L.	Uruguay	0 %	100 %
CA3 Holding S.A.	Uruguay	0 %	100 %
CAH 4 S.A.	Uruguay	0 %	100 %
Chamizal S.R.L.	Uruguay	0 %	100 %
Maria Elena Holding 2 S.A.	Uruguay	0 %	100 %
Maria Elena S.R.L.	Uruguay	0 %	100 %
ME Holding 1 S.A.	Uruguay	0 %	100 %
Brattalid Inc.	USA	0 %	100 %
Eriksson LLC	USA	0 %	100 %

NOTE 10 : CORPORATION TAX

USD	Consolidated		Parent company	
	2017/18	**2016/17**	**2017/18**	**2016/17**
Corporation tax payable at 1 July	1,782,761	3,309,790	32,837	16,392
Acquisition of subsidiary	0	3,306	0	0
Tax on taxable income for the year	1,980,492	-9,153,144	-116,280	-126,548
Corporation tax paid during the year	1,261,848	7,459,165	130,055	142,061
Foreign exchange adjustment	-3,001	163,644	-976	932
Corporation tax at 30 June	**5,022,100**	**1,782,761**	**45,636**	**32,837**
Included in assets	5,724,232	2,554,897		
Included in liabilities	-702,132	-772,136		
Corporation tax at 30 June	**5,022,100**	**1,782,761**		

NOTE 11 : PREPAYMENTS - ASSETS

Prepayments consists of prepaid expenses concerning subsequent financial year, hereof prepaid insurance premium, prepaid lease payment etc.

NOTE 12 : DEFERRED TAX ASSET

USD	Consolidated		Parent company	
	2017/18	**2016/17**	**2017/18**	**2016/17**
Deferred tax at 1 July	883,775	1,290,734	0	0
Adjustment prior year	0	0	0	0
Foreign exchange adjustments	-13,730	17,978	0	0
Adjustment of deferred tax	651,328	-424,937	0	0
Deferred tax at 30 June	**1,521,373**	**883,775**	**0**	**0**
Deferred tax asset relates to:				
Property, plant and equipment	-1,515,741	-1,691,366	0	0
Current assets	693,715	-77,175	0	0
Provisions	0	25,482	0	0
Liabilities other than provisions	582,029	650,404	0	0
Tax loss carryforward	1,761,370	1,976,430	0	0
Total	**1,521,373**	**883,775**	**0**	**0**

Based on the budgets until 2021, Management considers it likely that there will be future taxable income against which non-utilised tax losses and tax deductions can be offset.

NOTE 13 : SHARE CAPITAL

The share capital consists of 164,200 shares of nominal DKK 1 each. No shares have been ascribed special rights.
The company's share capital has increased in the following way during the last 4 years:

USD	30 June 2018	30 June 2017	30 June 2016	30 June 2015
Balance at the beginning of the year	25,200	24,439	24,435	30,000
Capital increase	0	44	44	60
Foreign currency translation adjustment	486	717	-40	-5,625
Balance at the end of the year	**25,686**	**25,200**	**24,439**	**24,435**

NOTE 14 : DEFERRED TAX

USD	Consolidated		Parent company	
	2017/18	2016/17	2017/18	2016/17
Deferred tax at 1 July	41,465,291	45,927,368	11,580	11,251
Foreign exchange adjustments	-2,151	31,319	224	329
Adjustment of deferred tax	-6,741,163	-4,493,396	0	0
Deferred tax at 30 June	**34,721,977**	**41,465,291**	**11,804**	**11,580**
Deferred tax asset relates to:				
Property, plant and equipment	23,495,313	24,147,592	11,804	11,580
Current assets	-41,891	488,217	0	0
Provisions	0	3,583,454	0	0
Liabilities other than provisions	11,733,183	15,587,777	0	0
Tax loss carryforward	-464,628	-2,341,749	0	0
Total	**34,721,977**	**41,465,291**	**11,804**	**11,580**

NOTE 15 : MORTGAGE CREDIT INSTITUTIONS AND BANKS

USD	Consolidated		Parent company	
	2017/18	2016/17	2017/18	2016/17
Credit institutions:				
0-1 year	2,367,141	1,235,631	103,804	0
1-5 years	76,930,980	2,744,570	75,995,354	0
> 5 years	0	0	0	0
Total	**79,298,121**	**3,980,201**	**76,099,158**	**0**
Lease payments:				
0-1 year	1,984,354	1,444,206	0	0
1-5 years	3,166,215	2,586,729	0	0
> 5 years	0	0	0	0
Total	**5,150,569**	**4,030,935**	**0**	**0**
Specified as follows:				
Long-term	80,097,195	5,331,299	75,995,354	0
Short-term portion of long-term	4,351,495	2,679,837	103,804	0
Total	**84,448,690**	**8,011,136**	**76,099,158**	**0**

NOTE 16 : PREPAYMENTS - LIABILITIES

Prepayments under liabilities consists of received subsidies concerning subsequent financial year.

NOTE 17 : CONTRACTUAL LIABILITIES AND CONTINGENCIES, ETC.

Parent company:

The Parent Company has signed lease contracts with non-termination periods until 30 June 2025. The total obligation is USD 1,278 thousands.

The parent company is jointly taxed with Ingleby Denmark 1 A/S and Ingleby Denmark 2 A/S. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties amounting to USD 0.

Group:

In connection with disposal of property a deferred tax liability amounting to USD 37,367 thousand should be recognised.

The group has signed non-financial lease contracts with non-termination periods until 30 June 2025. The total obligation is USD 7,173 thousand.

For a number of years, Ingleby's subsidiary Brattalid Inc., USA has had a management agreement with certain farm managers in place concerning the subsidiary's pistachio orchard in California. In September 2018, Brattalid Inc., through its operating subsidiary, initiated arbitration proceedings to terminate the agreement.

NOTE 18 : MORTGAGES AND SECURITY

USD'000	Consolidated		Parent company	
	2017/18	2016/17	2017/18	2016/17
The following assets have been placed as security for the Group's bank debt:				
Shares in subsidiaries	0	0	104,713[1]	0
Land and buildings with a carrying amount of	1,976[2]	7,706	0	0
Plant and machinery with a carrying amount of	1,211[3]	0	0	0
Cash at bank and in hand	2,100[4]	41,500	0	0

1. Shares in Ingleby Australia Holding Pty Ltd. have been provided as security for an amount off USD 175,610 thousand. Additionally the shares in Ingleby Latvia Agro, SIA, Ingleby Dobele Agro, SIA and Ingleby Lithuania Holding UAB have been provided as security for an amount of USD 6,517 thousand towards parent company's bank debt. This collateral has been provided by Ingleby Denmark 1 A/S and Ingleby Denmark 2 A/S.
2. Provided as collateral for a mortgage of USD 2,683 thousand in Latvia.
3. Provided as collateral for chattel mortgages of USD 908 thousand in Australia.
4. Of the assets recognised as "cash at bank and in hand", USD 2.1 million are deposited in respect to purchase of shares in a subsidiary company.

Parent company:

The Company has moreover provided a guarantee for a subsidiary's liabilities, amounting to maximally USD 39 thousand.

Negative pledges has been registered in respect of shares in Ingleby Denmark 1 A/S and Ingleby Denmark 2 A/S.

Group:

In Romania have there been issued commitments amounting to USD 1,568 thousand.

NOTE 19 : CURRENCY AND INTEREST RATE RISKS AND USE OF DERIVATIVE FINANCIAL INSTRUMENTS

The Company uses hedging instruments such as interest swaps to hedge non-recognised transactions.

Interest rate risks:

The Group uses interest rate swaps to hedge interest rate risks, whereby floating interest payments are rescheduled into fixed interest payments.

USD'000	2017/18			
	Notional principal	Value adjustment recognised in equity	Fair value	Term to maturity (months)
Interest rate swaps	54,868	-199	-199	25

The hedged cash flows are expected to be realised and will affect results of operations over the term to maturity of the interest rate swap.

NOTE 20 : RELATED PARTIES

The ultimate shareholder is The Ingleby Trust, represented by:

Dr. Johannes Burger, Rötibergstrasse 2, 9442 Berneck, Switzerland
Dr. Markus Summer, Stelzagass 17, 9487 Gamprin, Principality of Liechtenstein
Geoffrey Richards, Landstrasse 33, 9491 Ruggell, Principality of Liechtenstein

The company has not had transactions covered by ÅRL § 98c, 7

NOTE 21 : PROPOSED DISTRIBUTION OF PROFIT/LOSS

USD	Parent company	
	2017/18	2016/17
Retained earnings	-714,618	4,774,920
Total	**-714,618**	**4,774,920**

NOTE 22 : ADJUSTMENT FOR NON-CASH OPERATING ITEMS

USD	Consolidated	
	2017/18	**2016/17**
Depreciation, amortisation and impairment	17,088,259	13,123,175
Tax on loss for the year	-9,436,824	4,035,401
Financial income	-4,687,411	-1,537,731
Financial expenses	7,476,822	3,430,170
Total	**10,440,846**	**19,051,015**

NOTE 23 : CHANGES IN WORKING CAPITAL

USD	Consolidated	
	2017/18	**2016/17**
Change in inventories	-4,001,911	-5,046,283
Change in receivables	-2,903,115	2,344,641
Change in prepayments and trade and other payables	994,477	-544,202
Total	**-5,910,549**	**-3,245,844**

Irrigated fields, Uruguay. Photographer: Robin Begg

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