



AB Linas Agro Group
Consolidated unaudited
Financial Statements
For the 12 month period
of the financial year 2018/19

*Prepared according to
Additional Information Preparing And Presentation
Instructions issued by the Bank of Lithuania*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2019	As at 30 June 2018
ASSETS			
Non-current assets			
Intangible assets	5	1,408	1,496
Property, plant and equipment	6	127,384	122,590
Investment property	7	1,058	1,316
Animals and livestock		9,540	8,726
Non-current financial assets			
Other investments and prepayments for financial assets		16	16
Non-current receivables		1,232	1,841
Total non-current financial assets		1,248	1,857
Non-current prepayments		1,649	1,590
Deferred income tax asset		4,194	2,803
Total non-current assets		146,481	140,378
Current assets			
Crops		14,222	12,856
Livestock		2,548	2,312
Inventories		89,540	95,873
Current prepayments		6,748	12,206
Accounts receivable			
Trade receivables		111,397	117,036
Receivables from related parties	12	12	255
Income tax receivable		769	843
Other accounts receivable		6,895	7,128
Total accounts receivable		119,073	125,262
Derivative financial instruments		37	70
Other current financial assets		1,388	1,485
Cash and cash equivalents		7,676	10,495
Total current assets		241,232	260,559
Total assets		387,713	400,937

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The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	Notes	As at 30 June 2019	As at 30 June 2018
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	1	46,093	46,093
Share premium		23,038	23,038
Own shares		(448)	(453)
Legal reserve		3,611	3,419
Reserve for own share		5,000	–
Cash flow hedge reserve		–	(40)
Share-based payment		872	–
Foreign currency translation reserve		(17)	(22)
Retained earnings		88,093	102,951
Total equity attributable to equity holders of the parent		166,242	174,986
Non-controlling interest		2,054	2,088
Total equity		168,296	177,074
Liabilities			
Non-current liabilities			
Grants and subsidies		6,152	6,299
Non-current borrowings	8	21,018	27,180
Finance lease obligations		2,455	1,172
Deferred income tax liability		92	110
Non-current employee benefits		650	442
Total non-current liabilities		30,367	35,203
Current liabilities			
Current portion of non-current borrowings	8	10,738	6,835
Current portion of finance lease obligations		875	559
Current borrowings	8	113,288	118,109
Trade payables		42,242	39,079
Payables to related parties	12	242	1
Income tax payable		39	103
Derivative financial instruments		632	987
Other current liabilities		20,994	22,987
Total current liabilities		189,050	188,660
Total equity and liabilities		387,713	400,937

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 July to 30 June)

	Notes	2018/2019 12 month	2017/2018 12 month
Sales	4	745,782	634,423
Cost of sales		(714,885)	(588,575)
Gross profit		30,897	45,848
Operating (expenses)	9	(35,713)	(38,294)
Other income	10	1,712	3,537
Other (expenses)		(1,937)	(1,494)
Operating profit (loss)		(5,041)	9,597
Income from financing activities		635	503
(Expenses) from financing activities		(3,728)	(2,577)
Profit (loss) before tax		(8,134)	7,523
Income tax		1,388	1,940
Net profit (loss)		(6,746)	9,463
Net profit (loss) attributable to:			
Equity holders of the parent		(6,828)	9,036
Non-controlling interest		82	427
		(6,746)	9,463
Basic and diluted earnings per share (EUR)		(0.04)	0.06
Net profit (loss)		(6,746)	9,463
Other comprehensive income			
Net (loss)/gain on cash flow hedges		40	33
Exchange differences on translation of foreign operations		5	–
Share-based payment		872	–
Total other comprehensive income, to be reclassified to profit or (loss) in subsequent periods		917	33
Total comprehensive income, after tax		(5,829)	9,496
Total comprehensive income attributable to:			
The shareholders of the Company		(5,911)	9,069
Non-controlling interest		82	427
		(5,829)	9,496

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(for the period 1 April to 30 June)

	Notes	2018/2019 4 Q	2017/2018 4 Q
Sales		219,433	184,994
Cost of sales		(212,819)	(170,900)
Gross profit		6,614	14,094
Operating (expenses)		(10,608)	(10,978)
Other income		200	1,371
Other (expenses)		(58)	(351)
Operating profit (loss)		(3,852)	4,136
Income from financing activities		129	90
(Expenses) from financing activities		(818)	(619)
Profit (loss) before tax		(4,541)	3,607
Income tax		1,287	1,220
Net profit (loss)		(3,254)	4,827
Net profit (loss) attributable to:			
Equity holders of the parent		(3,273)	4,852
Non-controlling interest		19	(25)
		(3,254)	4,827
Basic and diluted earnings per share (EUR)		(0.02)	0.03
Net profit (loss)		(3,254)	4,827
Other comprehensive income			
Net (loss)/gain on cash flow hedges		40	–
Exchange differences on translation of foreign operations		8	–
Share-based payment		872	–
Total other comprehensive income, to be reclassified to profit or loss in subsequent periods		920	–
Total comprehensive income, after tax		(2,334)	4,827
Total comprehensive income attributable to:			
The shareholders of the Company		(2,353)	4,852
Non-controlling interest		19	(25)
		(2,334)	4,827

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent											
	Notes	Share capital	Own shares	Share premium	Legal reserve	Reserve for own share	Other reserves	Foreign currency translation reserve	Retained earnings	Subtotal	Non-control ling interest	Total
Balance as at 1 July 2017		46,093	(453)	23,038	3,186	–	(73)	(22)	95,177	166,946	2,271	169,217
Net profit for the year		–	–	–	–	–	–	–	9,036	9,036	427	9,463
Other comprehensive income		–	–	–	–	–	33	–	–	33	–	33
Total comprehensive income		–	–	–	–	–	33	–	9,036	9,069	427	9,496
Declared dividends by company		–	–	–	–	–	–	–	(1,202)	(1,202)	–	(1,202)
Reserves made		–	–	–	233	–	–	–	(233)	–	–	–
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	–	(14)	(14)
Acquisition of minority interest		–	–	–	–	–	–	–	173	173	(596)	(423)
Balance as at 30 June 2018		46,093	(453)	23,038	3,419	–	(40)	(22)	102,951	174,986	2,088	177,074
Balance as at 1 July 2018		46,093	(453)	23,038	3,419	–	(40)	(22)	102,951	174,986	2,088	177,074
Net profit (loss) for the year		–	–	–	–	–	–	–	(6,828)	(6,828)	82	(6,746)
Share –based payment		–	–	–	–	–	872	–	–	872	–	872
Other comprehensive income		–	–	–	–	–	40	–	–	40	–	40
Exchange differences on translation of foreign operations		–	–	–	–	–	–	5	–	5	–	5
Total comprehensive income		–	–	–	–	–	912	5	(6,828)	(5,911)	82	(5,829)
Disposal of own shares		–	5	–	–	–	–	–	(5)	–	–	–
Dividends declared by the subsidiaries		–	–	–	–	–	–	–	–	–	(17)	(17)
Declared dividends by company		–	–	–	–	–	–	–	(2,926)	(2,926)	–	(2,926)
Reserves made		–	–	–	192	5,000	–	–	(5,192)	–	–	–
Acquisition of minority interest		–	–	–	–	–	–	–	93	93	(99)	(6)
Balance as at 30 June 2019		46,093	(448)	23,038	3,611	5,000	872	(17)	88,093	166,242	2,054	168,296

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CONSOLIDATED CASH FLOW STATEMENT

	Notes	As at 30 June 2019	As at 30 June 2018
Cash flows from (to) operating activities			
Net profit (loss)		(6,746)	9,463
Adjustments for non-cash items:			
Depreciation and amortisation		10,154	11,203
Subsidies amortisation		(649)	(849)
(Gain) on disposal of property, plant and equipment		(408)	(834)
Change in impairment of property, plant and equipment and investment property		–	493
Change in allowance and write-offs for receivables and prepayments		167	1,255
Inventories write down to net realisable value		71	(405)
Change of provision for onerous contracts		1,014	–
Change in accrued expenses		(1,605)	3,007
Change in fair value of biological assets		(2,180)	(1,391)
Change in deferred income tax		(1,438)	(2,623)
Current income tax expenses		50	684
Accrued share – based payment		1,080	–
Expenses (income) from change in fair value of financial instruments		1,306	(1,471)
Dividend (income)		(4)	–
Interest (income)		(635)	(503)
Interest expenses		3,727	2,577
		3,904	29,609
Changes in working capital:			
Decrease in biological assets		4	2,894
Decrease (increase) in inventories		4,634	(22,191)
Decrease (increase) in prepayments		5,393	(1,598)
Decrease in trade and other accounts receivable		5,578	(15,793)
Decrease (Increase) in restricted cash		600	(710)
Increase (decrease) in trade and other accounts payable		4,255	(1,401)
Income tax (paid)		(471)	(1,824)
Net cash flows from (to) operating activities		23,897	(20,014)

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The accompanying notes are an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT (CONT'D)

	Notes	As at 30 June 2019	As at 30 June 2018
Cash flows from (to) investing activities			
(Acquisition) of intangible assets, property, plant and equipment and investment property		(15,990)	(21,273)
Proceeds from sale of intangible assets, property, plant and equipment and investment property		1,984	2,917
Loans (granted)		(147)	(130)
Repayment of granted loans		160	430
Interest received		635	503
Dividend received		4	–
Net cash flows from (to) investing activities		(13,354)	(17,553)
Cash flows from (to) financing activities			
Proceeds from loans		109,711	61,956
(Repayment) of loans		(116,736)	(18,777)
Finance lease (payments)		(1,358)	(788)
Grants received		–	990
Interest (paid)		(2,030)	(2,577)
Dividend (paid) to non-controlling shareholders		(17)	(14)
Dividend (paid)		(2,926)	(1,202)
Acquisition of non-controlling interest		(6)	(423)
Net cash flows from (to) financing activities		(13,362)	39,165
Net (decrease) increase in cash and cash equivalents		(2,819)	1,598
Cash and cash equivalents at the beginning of the year		10,495	8,897
Cash and cash equivalents at the end of the year		7,676	10,495
Supplemental information of cash flows:			
Non-cash investing activity:			
Property, plant and equipment acquisitions financed by grants and subsidies		209	–
Property, plant and equipment acquisitions financed by finance lease		1,312	884

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

AB Linas Agro Group (hereinafter the Company or the parent) is a public limited liability company registered in the Republic of Lithuania. The Company was registered on 27 November 1995.

The address of its registered office is as follows: Smėlynės Str. 2C, LT-35143 Panevėžys, Lithuania.

The principal activities of the Group are described in Note 4.

The financial year of the Group starts on 1 July of the calendar year and ends on 30 June of the following calendar year.

As at 30 June 2019 and as at 30 June 2018 the shareholders of the Company were:

	As at 30 June 2019		As at 30 June 2018	
	Number of shares held	Percentage	Number of shares held	Percentage
Akola ApS (Denmark)	109,909,167	69.15 %	109,909,167	69.15 %
Darius Zubas	17,049,995	10.73 %	17,049,995	10.73 %
Tomas Pučkis	4,785,295	3.01 %	4,359,078	2.74 %
Swedbank AS (Estonia) clients	4,048,735	2.55 %	4,472,774	2.81 %
Other shareholders (private and institutional investors)	23,147,206	14.56 %	23,149,384	14.57 %
Total	158,940,398	100.00 %	158,940,398	100.00 %

All the shares of the Company are ordinary shares with the par value of EUR 0.29 each as at 30 June 2019 (EUR 0.29 each as at 30 June 2018) and were fully paid as at 30 June 2019 and as at 30 June 2018.

The Company holds 772,972 of its own shares, percentage 0.50%, as at 30 June 2019 (781,972 as at 30 June 2018). Subsidiaries and other related companies did not hold any shares of the Company as at 30 June 2019 and as at 30 June 2018.

All of the Company's 158,940,398 ordinary shares are included in the Official list of NASDAQ OMX Vilnius stock exchange (ISIN code LT0000128092). The Company's trading ticker in NASDAQ OMX Vilnius stock exchange is LNA1L.

As at 30 June 2019 the number of employees of the Group was 2,113 (2,199 as at 30 June 2018).

No changes in share capital occurred during the years ending 30 June 2019 and 30 June 2018.

2. ACCOUNTING PRINCIPLES

These financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (hereinafter the EU), which include IAS 34. In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2017/2018 financial year.

3.GROUP STRUCTURE AND CHANGES IN THE GROUP

As at 30 June 2019 and as at 30 June 2018 the Company held these directly and indirectly controlled subsidiaries (hereinafter the Group):

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 June 2019	30 June 2018	
Investments into directly controlled subsidiaries				
AB Linas Agro	Lithuania	100%	100%	Wholesale trade of grains and oilseeds, feedstuffs and agricultural inputs
UAB Linas Agro Konsultacijos	Lithuania	100%	100%	Management of the subsidiaries engaged in agriculture
UAB Dotnuva Baltic	Lithuania	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
UAB Jungtinė Ekspedicija	Lithuania	100%	100%	Expedition and ship's agency services
ŽŪB Landvesta 1	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 2	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 5	Lithuania	100%	100%	Rent and management of agricultural purposes land
Noreikiškių ŽŪB	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Lineliai	Lithuania	100%	100%	Rent and management of agricultural purposes land
AS Putnu fabrika Kekava	Latvia	97.11%	97.09%	Broiler breeding, slaughtering and sale of products
SIA PFK Trader	Latvia	97.11%	97.09%	Retail trade of food production
SIA Lielzeltini	Latvia	100%	100%	Broiler breeding, slaughtering and sale of products, feedstuffs
SIA Cerova	Latvia	100%	100%	Egg incubation and chicken sale
SIA Broileks	Latvia	100%	100%	Chicken breeding and sale
SIA Erfolg Group (liquidated)	Latvia	–	97.09%	Not operating company
UAB Kekava Foods LT	Lithuania	97,11%	97.09%	Retail trade of food production
Investments into indirectly controlled subsidiaries (through AB Linas Agro)				
SIA Linas Agro	Latvia	100%	100%	Wholesale trade of grains and oilseeds, agricultural inputs
UAB Gerera	Lithuania	100%	100%	Not operating company
UAB Linas Agro Grūdų Centras	Lithuania	100%	100%	Management services
UAB Linas Agro Grūdų Centras KŪB	Lithuania	100%	100%	Preparation and warehousing of grains for trade
Linus Agro A/S (under liquidation)	Denmark	100%	100%	Not operating company
ŽŪB Landvesta 3	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 4	Lithuania	100%	100%	Rent and management of agricultural purposes land
ŽŪB Landvesta 6	Lithuania	100%	100%	Rent and management of agricultural purposes land
LLC LINAS AGRO UKRAINE	Ukraine	100%	–	Representative office

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

	Place of registration	Effective share of the stock held by the Group		Main activities
		30 June 2019	30 June 2018	
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Konsultacijos)				
ŽŪK KUPIŠKIO GRŪDAI	Lithuania	99.13%	98.96%	Preparation and warehousing of grains for trade
Biržai district Medeikių ŽŪB	Lithuania	98.39%	98.34%	Growing and sale of crops
Šakiai district Lukšių ŽŪB	Lithuania	98.82%	98.80%	Mixed agricultural activities
Panevėžys district Aukštadvario ŽŪB	Lithuania	99.54%	97.65%	Mixed agricultural activities
Sidabravo ŽŪB	Lithuania	95.92%	95.21%	Mixed agricultural activities
Kėdainiai district Labūnavos ŽŪB	Lithuania	98.95%	98.60%	Mixed agricultural activities
Užupės ŽŪB	Lithuania	100%	100%	Rent and management of agricultural purposes land
UAB Paberžėlė	Lithuania	100%	100%	Rent and management of agricultural purposes land
Panevėžys district Žibartonių ŽŪB	Lithuania	99.90%	99.89%	Mixed agricultural activities
Investments into indirectly controlled subsidiaries (through UAB Dotnuva Baltic)				
SIA DOTNUVA BALTIC	Latvia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
AS Dotnuva Baltic	Estonia	100%	100%	Trade of machinery and equipment for warehousing of grains, certified seeds
UAB Dotnuvos technika	Lithuania	100%	100%	Not operating company
Investments into indirectly controlled subsidiaries (through UAB Linas Agro Grūdų centras KŪB)				
Karčemos kooperatinė bendrovė	Lithuania	20%*	20%*	Preparation and warehousing of grains for trade
SIA Linas Agro Graudu centrs	Latvia	100%	100%	Preparation and warehousing of grains for trade
SIA Paleo (liquidated)	Latvia	–	100%	Warehousing activity
Investment into indirectly controlled subsidiaries (through Panevėžys district Žibartonių ŽŪB)				
Karčemos kooperatinė bendrovė	Lithuania	4.00%*	4.00%*	Preparation and warehousing of grains for trade

* The Group indirectly controls 24% of shares of Karčemos kooperatinė bendrovė (through Panevėžys district Žibartonių ŽŪB and UAB Linas Agro Grūdų centras KŪB), however, the Group has control over this entity and, therefore, it has been consolidated when preparing these financial statements.

3. GROUP STRUCTURE AND CHANGES IN THE GROUP (CONT'D)

Changes in the Group during the 12 month period ended 30 June 2019

During 12 month period, ended 30 June 2019, the Company acquired 0.02% AS Putnu fabrika Kekava share capital for EUR 2 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 4 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

The Group acquired 0.71 % ŽŪB Sidabravo share capital for EUR 5 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 32 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During 12 month period, ended 30 June 2019, the Group founded the share capital of LLC LINAS AGRO UKRAINE UAH 6,500 thousand (EUR 205 thousand).

During 12 month period, ended 30 June 2019, the Group reduced the share capital of ŽŪB Užupės by paying out EUR 140 thousand to shareholders.

During 12 month period, ended 30 June 2019, the Company increased the share capital of UAB Linas Agro Grūdų Centras KŪB by EUR 1,300 thousand, UAB Linas Agro Konsultacijos EUR 1,213 thousand, UAB Lineliai EUR 50 thousand, ŽŪB Noreikiškių EUR 30 thousand, ŽŪB Landvesta 5 EUR 45 thousand.

The Group increased the share capital of SIA Linas Agro by EUR 1,000 thousand, Panevėžys district Aukštadvario ŽŪB EUR 1,010 thousand, Kėdainiai district Labūnavos ŽŪB EUR 200 thousand, UAB Gerera EUR 30 thousand.

Changes in the Group during the year ended 30 June 2018

During 12 month period, ended 30 June 2018, the Company acquired 3.24% AS Putnu fabrika Kekava share capital for EUR 423 thousand. The shares were acquired from the non-controlling shareholders. The difference of EUR 173 thousand of gain between the consideration transferred and the carrying value of the interest acquired has been recognized within equity.

During 12 month period, ended 30 June 2018, the Company increased share capital of UAB Linas Agro Grūdų Centras KŪB, ŽŪB Landvesta 5, ŽŪB Noreikiškių, UAB Lineliai in amount EUR 2,000 thousand, EUR 35 thousand, EUR 70 thousand, EUR 80 thousand, respectively.

During the 12 month period, new company UAB Kekava Foods LT was established.

4. SEGMENT INFORMATION

For management purpose the Group is organized into five operating segments based on their products and services as follows:

- the grain and feedstuff handling and merchandising includes trade in wheat, rapeseed, barley and other grains and oilseeds, suncake and sunmeal, sugar beat pulp, soyameal, vegetable oil, rapecake and other feedstuffs, grain storage and logistics services;
- the products and services for farming segment includes sales of fertilizers, seeds, plant protection products, machinery and equipment, grain storage facilities, spare parts and other equipment to agricultural produce growers and grain storage companies;
- the agricultural production segment includes growing of grains, rapeseed and others as well as sales of harvest, breeding of livestock and sales of milk and livestock. Milk is sold to local dairy companies, other production is partly used internally, partly sold;
- food products segment includes poultry and other food final products;
- the other products and services segment includes sales of biofuel and other products and services.

The Group's chief financial officer monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transfer prices between the Group companies are based on normal selling prices in a manner similar to transactions with third parties.

4. SEGMENT INFORMATION (CONT'D)

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and elimina- tions	Total
Financial year ended 30 June 2019								
Revenue								
Third parties	507,783	140,553	20,648	77,029	(231)	–	–	745,782
Intersegment	5,521	8,180	8,741	–	–	–	(22,442) ¹⁾	–
Total revenue	513,304	148,733	29,389	77,029	(231)	–	(22,442)¹⁾	745,782
Results								
Operating expenses	(8,218)	(13,589)	(3,372)	(7,324)	411	(3,621)	–	(35,713)
Segment operating profit (loss)	(8,744)	2,510	3,199	1,249	255	(3,510)	–	(5,041)

Group	Grain and feedstuff handling and merchandising	Products and services for farming	Agricultural production	Food products	Other products and services	Not attributed to any specified segment	Adjustments and elimina- tions	Total
Financial year ended 30 June 2018								
Revenue								
Third parties	393,850	150,341	21,040	69,078	114	–	–	634,423
Intersegment	3,575	10,438	9,971	–	–	–	(23,984) ¹⁾	–
Total revenue	397,425	160,779	31,011	69,078	114	–	(23,984)¹⁾	634,423
Results								
Operating expenses	(8,637)	(13,920)	(3,414)	(5,352)	(188)	(6,782)	–	(38,293)
Segment operating profit (loss)	3,984	5,657	3,146	3,904	(92)	(7,001)	–	9,598

1) Intersegment revenue is eliminated on consolidation.

Below is the information relating to the geographical segments of the Group:

Revenue from external customers	12 month period ended	
	As at 30 June 2019	As at 30 June 2018
Lithuania	219,707	162,626
Europe (except for Scandinavian countries, CIS and Lithuania)	239,332	208,194
Scandinavian countries	118,912	77,823
Africa	51,481	29,242
Asia	88,482	144,045
CIS	27,868	12,137
Other	–	356
	745,782	634,423

The revenue information above is based on the location of the customer.

Non-current assets	As at 30 June 2019	As at 30 June 2018
Lithuania	70,606	68,245
Latvia	58,305	55,957
Estonia	914	1,200
Ukraine	25	–
	129,850	125,402

Non-current assets for this purpose consist of property, plant and equipment, investment property and intangible assets.

5. INTANGIBLE ASSETS

Group	Software	Other intangible assets	Provisional goodwill	Total
Cost:				
Balance as at 30 June 2017	949	203	1,971	3,123
Additions	246	47	–	293
Write-offs	(106)	(23)	–	(129)
Reclassifications	(50)	50	–	–
Balance as at 30 June 2018	1,039	277	1,971	3,287
Additions	51	4	–	55
Write-offs	–	(16)	–	(16)
Balance as at 30 June 2019	1,090	265	1,971	3,326
Accumulated amortization:				
Balance as at 30 June 2017	612	59	–	671
Charge for the year	100	18	–	118
Write-offs	(106)	(13)	–	(119)
Reclassifications	(25)	25	–	–
Balance as at 30 June 2018	581	89	–	670
Charge for the year	107	30	–	137
Write-offs	–	(10)	–	(10)
Balance as at 30 June 2019	688	109	–	797
Impairment losses:				
Balance as at 30 June 2017	–	–	1,121	1,121
Balance as at 30 June 2018	–	–	1,121	1,121
Balance as at 30 June 2019	–	–	1,121	1,121
Net book value as at 30 June 2019	402	156	850	1,408
Net book value as at 30 June 2018	458	188	850	1,496
Net book value as at 30 June 2017	337	144	850	1,331

The Group has no internally generated intangible assets. Amortization expenses of intangible assets are included within operating expenses in the statement of comprehensive income.

6. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and structures	Machinery and equipment	Vehicles	Other property, plant and equipment	Construction in progress and prepayments	Total
Cost:							
Balance as at 30 June 2017	17,230	89,643	52,131	5,433	5,562	8,061	178,060
Additions	2,219	30	3,327	723	407	12,728	19,434
Disposals and write-offs	(271)	(1,864)	(3,425)	(979)	(1,225)	(367)	(8,131)
Transfers from investment property	302	–	–	–	–	–	302
Transfers to investment property	(219)	–	–	–	–	–	(219)
Reclassifications	107	8,518	1,830	157	68	(10,680)	–
Balance as at 30 June 2018	19,368	96,327	53,863	5,334	4,812	9,742	189,446
Additions	2,009	1,304	3,487	486	204	9,510	17,000
Disposals and write-offs	(10)	(1,624)	(2,135)	(609)	(266)	–	(4,644)
Transfers from investment property	179	–	–	–	–	–	179
Reclassifications	10	10,405	3,155	382	346	(14,298)	–
Balance as at 30 June 2019	21,556	106,412	58,370	5,593	5,096	4,954	201,981
Accumulated depreciation:							
Balance as at 30 June 2017	37	30,480	22,440	3,170	3,578	–	59,705
Charge for the year	46	5,770	4,544	706	734	–	11,800
Disposals and write-offs	(1)	(788)	(2,833)	(903)	(1,025)	–	(5,550)
Transfers to investment property	(1)	–	–	–	–	–	(1)
Reclassifications	–	–	–	128	(128)	–	–
Balance as at 30 June 2018	81	35,462	24,151	3,101	3,159	–	65,954
Charge for the year	48	5,136	4,083	515	521	–	10,303
Disposals and write-offs	–	(291)	(1,456)	(533)	(251)	–	(2,531)
Reclassifications	–	–	5	–	(5)	–	–
Balance as at 30 June 2019	129	40,307	26,783	3,083	3,424	–	73,726
Impairment losses:							
Balance as at 30 June 2017	–	399	10	–	–	–	409
Charge for the year	–	297	154	–	42	–	493
Balance as at 30 June 2018	–	696	164	–	42	–	902
Disposals and write-offs	–	(29)	(1)	–	–	–	(30)
Balance as at 30 June 2019	–	667	163	–	42	–	872
Net book value as at 30 June 2019	21,427	65,438	31,424	2,510	1,630	4,954	127,383
Net book value as at 30 June 2018	19,287	60,169	29,548	2,233	1,611	9,742	122,590
Net book value as at 30 June 2017	17,193	58,764	29,681	2,263	1,984	8,061	117,946

7. INVESTMENT PROPERTY

Investment property of the Group consists of land and buildings leased out under the operating lease which generates lease income.

Cost:	Land	Buildings	Total
Balance as at 30 June 2017	1,376	131	1,507
Transfers to property, plant and equipment	(302)	–	(302)
Transfers from property, plant and equipment	219	–	219
Balance as at 30 June 2018	1,293	131	1,424
Disposals and write-offs	(75)	(7)	(82)
Transfers to property, plant and equipment	(179)	–	(179)
Balance as at 30 June 2019	1,039	124	1,163
Accumulated depreciation:			
Balance as at 30 June 2017	–	48	48
Charge for the year	1	7	8
Transfers from property, plant and equipment	1	–	1
Balance as at 30 June 2018	2	55	57
Charge for the year	1	3	4
Disposals and write-offs	–	(7)	(7)
Balance as at 30 June 2019	3	51	54
Impairment losses:			
Balance as at 30 June 2017	51	–	51
Balance as at 30 June 2018	51	–	51
Balance as at 30 June 2019	51	–	51
Net book value as at 30 June 2019	985	73	1,058
Net book value as at 30 June 2018	1,240	76	1,316
Net book value as at 30 June 2017	1,325	83	1,408

Investment property of the Company consists of buildings leased out under the operating lease which generates lease income.

8. BORROWINGS

	As at 30 June 2019	As at 30 June 2018
Non-current borrowings		
Bank borrowings secured by the Group assets	21,018	27,171
Other non-current borrowings	–	9
	21,018	27,180
Current borrowings		
Current portion of non-current bank borrowings	10,738	6,835
Current bank borrowings secured by the Group assets	112,613	117,110
Other current borrowings	675	999
	124,026	124,944
	145,044	152,124

Interest payable is normally settled monthly throughout the financial year.

9. OPERATING EXPENSES

	2018/2019 12 month	2017/2018 12 month
Wages and salaries and social security	(23,025)	(23,474)
Consulting expenses	(762)	(715)
Depreciation and amortization	(794)	(1,733)
Other	(11,132)	(12,372)
	(35,713)	(38,294)

10. OTHER INCOME (EXPENSES)

	2018/2019 12 month	2017/2018 12 month
Other income		
Gain from currency exchange	33	443
Rental income from investment property and property, plant and equipment	205	242
Gain from disposal of investment property and property, plant and equipment	976	934
Dividend income	4	–
Change in fair value of currency financial instruments	319	1,648
Other income	175	270
	1,712	3,537
Other (expenses)		
Direct operating expenses arising on rental and non-rental earning investment properties and property, plant and equipment	(376)	(433)
Loss from disposal of property, plant and equipment	(568)	(100)
Change in fair value of currency financial instruments	(722)	(667)
Other expenses	(271)	(294)
	(1,937)	(1,494)

11. COMMITMENTS AND CONTINGENCIES

As at 30 June 2019 the Group is committed to purchase property, plant and equipment for the total amount of EUR 1,875 thousand (EUR 4,168 thousand as at 30 June 2018).

A few Group companies (Panevėžys district Aukštadvario ŽŪB, Kėdainiai district Labūnavos ŽŪB, Šakiai district Lukšių ŽŪB, Sidabravo ŽŪB and Panevėžys district Žibartonių ŽŪB) received grants from the European Union and National Paying Agency for acquisition of agricultural equipment.

Panevėžys district Aukštadvario ŽŪB, Kėdainių district Labūnavos ŽŪB, Sidabravo ŽŪB, Panevėžys district Žibartonių ŽŪB are committed not to discontinue operations related to agricultural up to the end of 2021, 2022, Šakiai district Lukšių ŽŪB – up to 2020 and 2021. UAB Linas Agro Grūdų Centras KŪB received grants from the European Union and National Paying Agency (Lithuania) for grain handling and storage facility upgrade. UAB Linas Agro Grūdų Centras KŪB is committed not to discontinue operations related to preparation and warehousing of grains for trade agriculture up to 2020 and 2021.

SIA Lielzeltini and AS Putnu fabrika Kekava received grants from the European Union and Rural Support Service (Latvia) for poultry farm, feedstuffs production and storages upgrade. SIA Lielzeltini is committed not to discontinue broiler breeding, slaughtering and sale of products, feedstuffs up to 2020, AS Putnu fabrika Kekava – up to the end 2020, 2022 and 2023.

In case of non-compliance with the requirements the Group companies will have to return funds received to the state of Lithuania and Latvia amounting to EUR 2,504 thousand as at 30 June 2019 (EUR 3,080 thousand as at 30 June 2018).

In August 2018 the Group company AB Linas Agro received a ruling from the Customs of the Republic of Lithuania (hereafter – Customs) stating that Customs made additional calculation for the calendar year 2016 – 2017. The decision increased the taxes in EUR 644 thousand for fertilizers import in mentioned period. The AB Linas Agro management estimate the possibility to pay the taxes is 50 % and recognized as accruals in EUR 322 thousand amount and deferred tax asset in EUR 48 thousand as at 30 June 2019 and 30 June 2018. The AB Linas Agro management does not concur with Customs assessment and the decision is appealed.

12. RELATED PARTIES TRANSACTIONS

The parties are considered related when one party has the possibility to control the other or have significant influence over the other party in making financial and operating decisions.

The related parties of the Company and Group for the years ended 30 June 2019 and 30 June 2018 were as follows:

Members of the board of the Company:

Darius Zubas (chairman of the board, ultimate controlling shareholder);
 Dainius Pilkauskas;
 Arūnas Zubas;
 Andrius Prancėvičius;
 Tomas Tumėnas;
 Darius Jaloveckas from 1 June 2018;
 Jonas Bakšys from 1 June 2018;
 Vytautas Šidlauskas till 30 March 2018
 Artūras Pribušauskas till 30 March 2018;

Subsidiaries: List provided in Note 3.

Akola ApS group companies:

Akola ApS (Denmark) (controlling shareholder);
 UAB MESTILLA (same ultimate controlling shareholders).

UAB Baltic Fund Investments (Tomas Tumėnas is a director of this company).
 Lobiu Sala AS (Sweden) (Jonas Bakšys is the Member of Board of this company).
 Vividum UAB (Lithuania) (Jonas Bakšys joint community property with spouse together).

The Group's transactions with related parties in 12 month period ended 30 June 2019 were as follows:

2019 4 Q

	Purchases	Sales	Receivables		Non-current loans receivable	Payables	Payments received in advance
			Trade receivables	Other receivable			
Akola ApS group companies	1,000	19,544	12	–	–	242	1,345
Members of management board	–	–	–	–	–	–	–

Transactions with related parties include sales and purchases of goods and services, sales and purchases of property, plant and equipment as well as financing transactions in the ordinary course of business and on terms equivalent to arm's length transactions.

There were no guarantees or pledges related to the Group's payables to or receivables from related parties. Receivables and payables from / to related parties will be settled in cash or offset with the payables / receivables from / to respective related parties.

Terms and conditions of the financial assets and liabilities:

- Receivables from related parties are non-interest bearing and are normally settled on 30-day terms.
- Payables to related parties are non-interest bearing and are normally settled on 30-90-day terms.
- Interest payable is normally settled at the end of the loan term.

The Group's receivables from related parties were nor due neither impaired as at 30 June 2019 and 30 June 2018.

13. SUBSEQUENT EVENTS

On 28 August 2019 the Company signed the overdraft limit agreement with OP Corporate Bank plc Lithuanian branch. The total overdraft limit is EUR 6,5 million.

On 29 July 2019 the Company increased share capital of its subsidiaries UAB Lineliai by EUR 30 thousand and Noreikiškiū ŽŪB by EUR 35 thousands.