Origin
ENTERPRISES PLC

Origin Enterprises plc
Annual Report 2013

Nurturing future growth

Origin
At a glance

Origin Enterprises plc is a leading Agri-Services business with operations in Ireland, the UK and Poland.

The Group's focus is to be the leading provider of value added services, technologies and strategic inputs that support sustainable and profitable food production systems for primary food producers.

Origin is listed on the ESM and AIM markets of the Irish and London Stock Exchanges respectively, is headquartered in Dublin, Ireland and currently employs over 1,400 people.

We stand for:


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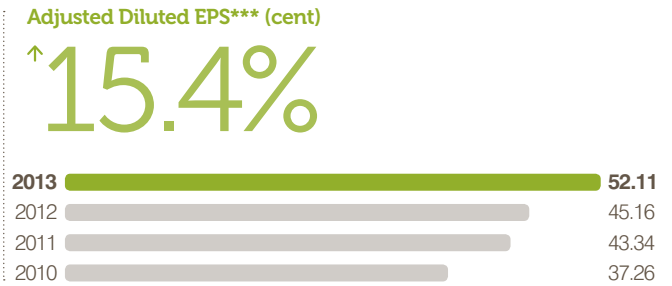
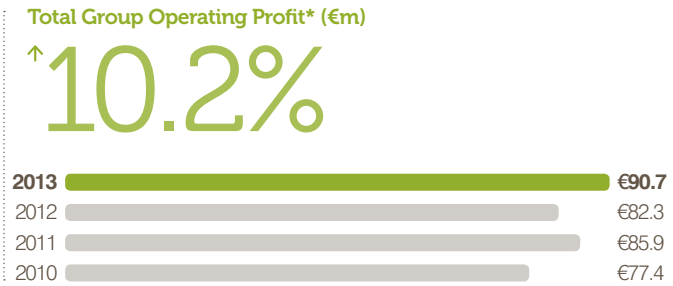
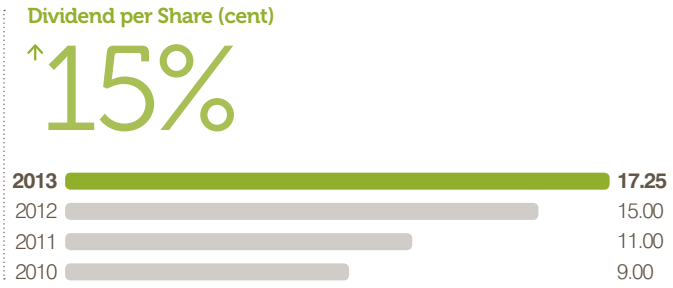
Highlights 2013

Performance highlights







Financial highlights

	Year to 31 July 2013 €m	Year to 31 July 2012 €m
Revenue		
Agri-Services	**1,418.2**	1,340.0
Group operating profit*		
Agri-Services	**68.9**	69.2
Associates and joint ventures**	**21.8**	13.1
Total Group operating profit*	**90.7**	82.3
Financing cost	**(6.1)**	(6.6)
Profit before tax*	**84.6c**	75.7c
Adjusted diluted EPS***	**52.11c**	45.16c
Dividend per share	**17.25**	15.00

* Before amortisation of non-ERP intangible assets and exceptional items.
** Profit after interest and tax before exceptional items.
*** Before amortisation of non-ERP intangible assets, net of related deferred tax (2013: €3.8 million, 2012: €4.1 million) and exceptional items, net of tax (2013: €4.7 million credit, 2012: €15.5 million charge).

Origin
A year in review

Innovation

Innovation and technology transfer are at the heart of Origin's business model. Origin is committed to ensuring that its customers can access the innovation required to meet the food production challenge in a sustainable and profitable way.

GOULDING

Avail® phosphorus fertiliser enhancer

Managing life-essential but resource-limited phosphorus efficiently is a key challenge for farmers. Origin's fertiliser businesses in Ireland and the UK are exclusive distributors for Avail®, a unique polymer coating specifically designed to increase the efficiency of phosphorus fertiliser. Extensive local trials have independently demonstrated that Avail® can improve crop establishment, plant health and yield. Avail® is one example of how Origin is benefitting agriculture by bringing crop nutrition science into everyday practice.

www.gouldings.ie

www.originfertilisers.co.uk

AVAIL®
Phosphorus Fertilizer Enhancer

Agrii

SoilQuest precision agronomy

Really getting to know a farmer's soil is an important step for enhancing crop performance and maximising the efficient use of inputs. Soilquest Precision Agronomy evaluates, consults and gathers data providing a clear understanding of the profile of a farmer's soil and enabling the creation of zones for each field. Using our agronomists' knowledge we can use the data captured from these zones to drive precision farming forwards for our farmer's business.

www.agrii.co.uk/soilquest

Innovation is the key to supporting sustainable agricultural systems. The Group is engaged in a fundamental expansion of its applied research, development, and technical support infrastructure to bridge the knowledge gap between research and practical agronomy in order to transform the breadth and scope of service offering to primary food producers. Key focus areas covering genetics, nutrition and soils, precision agronomy, crop protection and emerging technologies together with significant investment in decision support aids, such as weather monitoring and pest and disease forecasting ensure that agronomists and farmers are equipped with a suite of innovative solutions to transform crop productivity.

Origin's Business-to-Business fertiliser and amenity businesses are actively involved in the development of new and innovative nutrition applications to improve the efficiency of phosphate and nitrogen fertilisers together with technologies that promote the effective delivery of essential trace elements to animals and arable crops.

Origin
A year in review

Information

Information is a cornerstone of successful farming – whether that information is about weather, soil, seed variety, nutrition, crop protection – this all needs to be combined together and disseminated to farmers and growers with the aim of maximising yields and returns.

Origin is committed to providing innovation and technology transfer for the sustainable development of arable, vegetable and fruit horticultural enterprises of clients through application of research and research based services.

The objective is the development of more efficient production systems designed to increase the competitiveness, maximise farm profitability and improve product quality and safety, whilst affording greater protection to the environment. Crop diversification, in respect of introducing new varieties for novel uses will also be a component of the Origin research and development programme.

Agrii

Our new e-magazine

Mobile communications, apps and social media can enhance the agronomist's advice offering and keep farmers aware of topical information and news to support decision-making on-farm. Agrii have recently launched a range of digital communications, including a regular agronomy and farm business update called AgriiFacts. This digital interface delivers timely and valuable agri-intelligence which complements the personal service on-farm.

Origin
A year in review

Improvement

As an organisation we are continuously improving our systems, processes and the advice services and products we offer and supply.

As part of this improvement process Origin commenced the implementation of a new Enterprise Resource Planning ('ERP') platform, Microsoft Dynamics AX ('AX'), in 2010.

The implementation of AX across all of the Group's wholly owned operations in Ireland and UK was completed in 2013. This single IT platform has enabled Origin to drive operational and organisational synergies together with standardising on best-of-breed processes to enhance customer service and improve productivity.

Expanding our reach

The quality of Origin's ERP implementation was recognised in November 2012, when the Group won the prestigious 'ICT in Manufacturing 2012' Award from The Manufacturer magazine. The award is given annually to the organisation which has brought about the most significant improvement in their competitive positioning and operational excellence through the implementation and management of an information and communication infrastructure.

Origin
A year in review

Individuals

Origin's strategic priority is to capture growth opportunities in the technology transfer of smart agriculture solutions and crop technologies for the sustainable development of primary crop enterprises.

Origin employs over 500 motivated individuals operating in agronomy, advisory and product specialist roles who interface with farming clients throughout the growing season.

Origin is committed to providing these highly skilled people with leading edge agri-intelligence to deliver unrivalled expertise and support for sustainable and profitable farming systems in Ireland, UK and Poland.

Building relationships

It is the close farming relationships existing with our agronomists, advisors and product specialists that make the difference. We don't take that responsibility for granted.

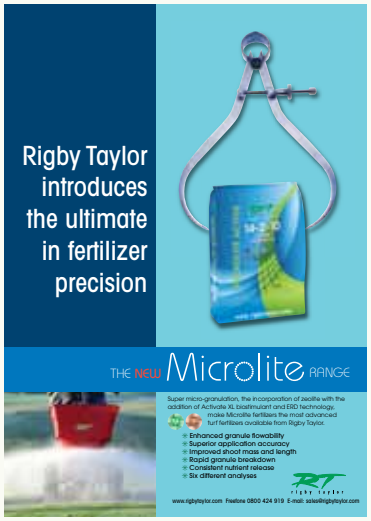
Our Business

Amenity – Rigby Taylor

In conjunction with the launch of a rebranding of the Rigby identity in the second half of the year, the business introduced new and innovative offers ranging from advanced turf fertilisers to new grass seed applications. The truly innovative and market leading range was developed with customers to provide them with the solutions, options and performance they need as turf professionals.

"Quality products, first class surface."

www.rigbytaylor.com



Origin
ENTERPRISES PLC

Agri-Services

Integrated Agronomy Services

Provides specialist agronomy services directly to arable, fruit and vegetable growers in the UK and Poland. The service encompasses varietal selection, nutrition, crop protection and application techniques necessary to ensure high performing marketable crops, which adhere to the highest levels of safety, quality, sustainability and environmental requirements.

Business-to-Business Agri-Inputs

Leading provider of blended fertiliser in Ireland and the UK and animal feed ingredients in Ireland. The UK's leading advisory and inputs provider to the professional sports turf, landscaping and amenity sectors.

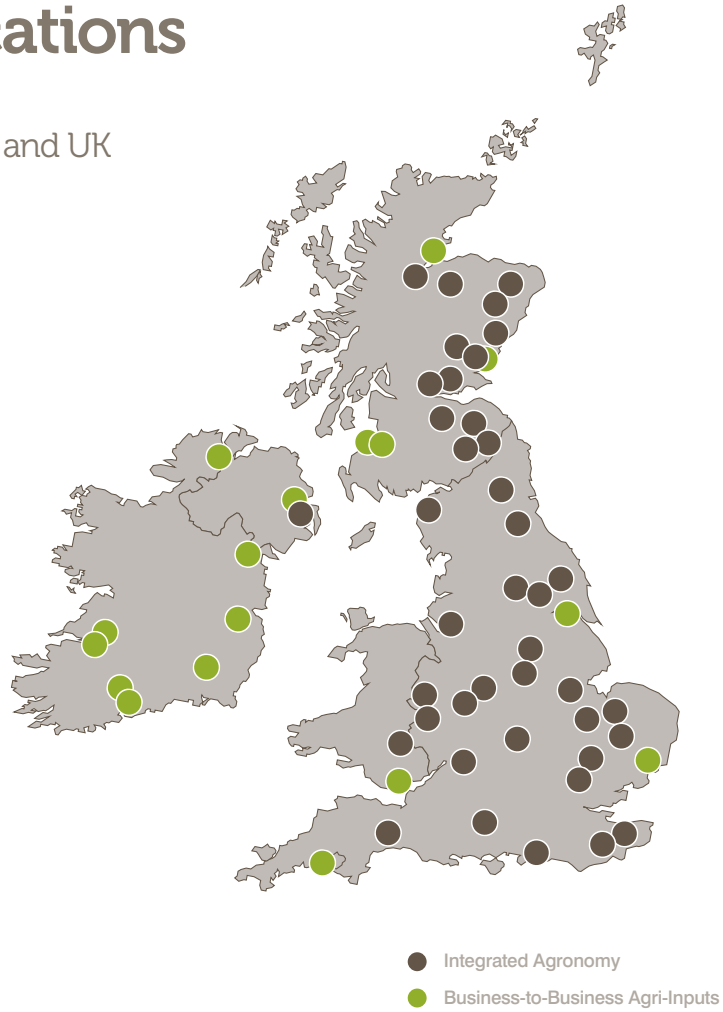
Associates and Joint Ventures

Strategic investments principally in marine proteins and oils in Europe* and in consumer foods in Ireland.

* Disposal completed on 12 August 2013.

Our Locations

Ireland and UK



Poland

- Premier provider of prescription blended fertiliser in Ireland and the UK
- **Agrii** has over **50,000** trials plots
- **24** demonstration farms
- **4** technology centres
- **Agrii** is the UK's **leading** agronomy business
- **119** weather centres
- DALGETY
  Dalgety Agra Polska is the **leading provider of specialist agronomy services** directly to farm enterprises in Poland
- Key advisory and inputs provider to the professional sports turf, landscaping and amenity sectors in the UK

Our Strategy

Origin's strategic priority is to capture growth opportunities in the technology transfer of smart agriculture solutions and crop technologies for the sustainable development of primary crop enterprises.

Origin has repositioned its business and is now focused on a capital light, advice centred and sustainable agri-services model. Having established market leading positions through acquisition and organic growth the Group is well advanced in building an integrated platform with a unique capability to support primary producers in the management of the complex and evolving requirements of modern farming. This will transform the scope and scale of the business, providing growth opportunity through an extended technological capability, delivering an enhanced range of value added services that meet the needs of primary producers for scale and complete crop solutions.

Group Revenue (€)

1.4bn ↑5.8%

Revenue from Agri-Services was €1.4 billion for the year to 31 July 2013, an increase of 5.8%.

Our Goal

Create shareholder value

Our Vision

To become the market leader in the provision of integrated agronomy solutions and sustainable agricultural technologies

Strategic Priorities

Sustainable growth

Strong cash conversion

Selective acquisitions

Build on core competencies

Deliver long-term shareholder value

Strengths

Leading market positions

Long-term customer relationships

Trusted brands

Reputation for expertise and innovation excellence

Strategically located and well invested infrastructure

Strong cash flow generation

Agronomy Explained

Origin provides agronomy advice and solutions to over 27,000 farm businesses throughout the UK and Poland.

This innovative approach delivers a fully integrated production system, based on leading edge research and detailed on-farm agronomic management. The business combines an extensive research and development capability with a major sales, marketing and distribution focus, delivering a superior advisory and inputs offering to primary food producers. The service encompasses varietal seed selection, nutrition, crop protection, application and establishment techniques necessary to ensure high performing marketable crops, which adhere to the highest levels of safety, quality, sustainability and environmental requirements.

Step 1

Research

- We invest in leading edge research to develop unique growing systems to maximise crop productivity on a sustainable basis
- Our trials teams manage over 50,000 replicated trial plots throughout the UK and Poland
- Development of strategic partnerships with the leading global seed breeders and manufacturers of crop protection and nutrition input applications

Analysis

- Farms are visited regularly throughout the growing season
- Crops are closely inspected and monitored for health and development
- Soil and tissue analysis is conducted to verify deficiencies

Step 2

Prescription

- Input programmes are recommended for achievement of yield and quality targets
- Agronomists advise across all components of crop and field management
- Environmental stewardship and compliance requirements are assured
- Computerised treatment plans are communicated to farmers

Step 3

Application

- Seed, fertiliser and crop protection technology is delivered to farms from our local distribution centres on same/next day service
- Agronomists advise on precise timing of applications to achieve maximum results
- Crops continue to be monitored through to harvest

Chairman's Statement

Origin further repositioned its business profile underlining the Group's strategic focus and investment priority on Agri-Services.

Total Group Operating Profit*

↑10.2%

2013	**€90.7 million**
2012	€82.3 million
2011	€85.9 million
2010	€77.4 million

Adjusted Diluted EPS*

↑15.4%

Adjusted diluted EPS** for the year to 31 July 2013 increased 15.4% to 52.11c.

* Before amortisation of non-ERP intangible assets and exceptional items.
** Before amortisation of non-ERP intangible assets, net of related tax (2013: €3.8 million, 2012: €4.1 million) and exceptional items, net of tax (2013: €4.7 million credit, 2012: €15.5 million charge).

Origin delivered an excellent financial and operational performance for the year, with adjusted diluted earnings per share increasing by 15.4 per cent to 52.11 cent. Net debt at year end was €29.6 million or just 0.38 times EBITDA, a reduction of €38.2 million on the previous year.

Origin further repositioned its business profile with the disposal of its 50% interest in its Marine Proteins and Oils joint venture and its holding in Continental Farmers Group plc for a combined consideration of €111 million. These transactions underline the Group's strategic focus and investment priority on Agri-Services.

The intense weather extremes experienced in 2013 brings into sharp focus the vital strategic context for sustainable food production systems and farming's central role in meeting the challenge of feeding a rising global population. The food challenge, which is wide ranging and multi-faceted, underlines the important contribution made by agricultural science and farming in adopting production systems for the effects of climate and in ensuring the sustainable use of scarce water and soil resources.

Agrii

Sustainable high output wheat

Agri-intelligence challenge
Improving wheat yields is a key objective which is why Agrii is investing in nationwide trials to equip agronomists and farmers with unique solutions.

Connecting agri-science with profitable farming
Two Agrii agronomists – Tom Goodman and Todd Jex used this resource to support Stephen Moore at Manor Farm, Wiltshire. Innovative agronomic enhancements, proven in our trials, resulted in 12.7t/Ha –some 2t/Ha better than comparable crops.

Agronomy+ delivers an additional £86/Ha gross margin
Leading agri-intelligence with Agrii's integrated farm management support helped Stephen achieve an extra £86/Ha gross margin.

£86/Ha

To learn about agri-intelligence and Agronomy + or to stay abreast of our work at Manor Farm, talk to an Agrii team member, visit our website, or scan the QR code.

www.agrii.co.uk

GOULDING

During the year the Group's fertiliser businesses rolled out a number of new branded products across Ireland and the UK. In addition to the normal Nitrogen, Phosphorus and Potash constituents, these branded products contain new advanced Micro Nutrient technologies with Phosphate enhancers as well as Nitrogen protectors developed specifically for the arable and grassland sectors.

These demands are driving an increasingly sophisticated and professionalised relationship between farmers and agri-service support providers. Agri-intelligence is being firmly placed at the heart of this relationship and is helping to create an increasing focus on the importance of precision agriculture systems and decision support systems in the management of enterprise risk. Origin has a long tradition in supporting primary food producers and with its established sector position and integrated service capability is ideally positioned to guide farming's strategic choices.

On behalf of the Board, I would like to take this opportunity to thank the entire management and staff at Origin for their commitment and dedication to their customers and shareholders during the year.

Tender Offer

Origin has announced a proposal to return up to €100 million of capital to shareholders, the same amount raised in the IPO in 2007, by way of a tender offer for Origin shares ('The Tender Offer') as a direct result of the disposal of the Marine Proteins joint venture interest. The Board believes that the Tender Offer is in the best interests of the Company and the Shareholders as a whole. The Tender Offer is subject to approval by shareholders at an Extraordinary General Meeting ('EGM') to be held on 18 November 2013.

Dividend

The Board is recommending an increase in the dividend of 2.25 cent per ordinary share to 17.25 cent per ordinary share, an increase of 15 per cent in line with the growth in earnings and represents a payout ratio of 33 per cent. Subject to shareholder approval at the Annual General Meeting, the dividend will be paid on 2 December 2013 to shareholders on the register on 20 November 2013.

Board Changes

There were no changes to the Board during the financial year.

Annual General Meeting (AGM)

The AGM will be held on Monday 18 November 2013 at 10.30am in the Westbury Hotel, Grafton Street, Dublin 2.

Outlook

The backdrop to farming and primary food production remains positive supported by favourable long term fundamentals. The Group has made substantial progress in building an integrated capability to transform the breadth and scope of service support to primary food producers and remains well positioned for further growth.

Owen Killian
Chairman
24 September 2013

Review of Business Operations
Overview

Origin has delivered an excellent performance in 2013 recording a 15.4 per cent increase in adjusted diluted earnings per share combined with continued strong cash generation.

Total Group Operating Profit*

€90.7 million

* Before amortisation of non-ERP intangible assets and exceptional items.

Financial and Operating Highlights

- 15.4 per cent increase in adjusted diluted earnings per share to 52.11 cent
- Agri-Services operating profit in line with last year reflecting a very strong final quarter countering the impact of lower on-farm activity earlier in the year
- Agri-Services business transformation establishing a fully integrated and scalable on-farm services capability now substantially progressed
- Excellent performance from Associates and Joint Ventures underpinned by favourable output price momentum in marine protein markets
- Continued strong cash generation with net debt reduction of €38.2 million to €29.6 million (net debt to EBITDA of 0.38 times)
- 15 per cent increase in proposed annual dividend to 17.25 cent per ordinary share
- Proposal to return up to €100 million of capital to shareholders by way of Tender Offer for Origin shares, following the disposal of our Marine Proteins joint venture interest

Primary producers experienced unprecedented challenges in the year as delayed crop plantings due to unseasonable weather patterns made for an extremely difficult planning environment. The performance of Agri-Services was particularly robust against this backdrop and reflects the Group's strength in technically based agronomic application together with the breadth of service offer and product portfolios available to customers.

The sale of the Group's 50 per cent interest in its Marine Proteins and Oils joint venture, Welcon Invest AS, underscores our strategic focus on Agri-Services while also providing the opportunity to crystallise value for shareholders. As a direct result of this disposal Origin is today announcing a proposal to return up to €100 million of capital to shareholders by way of a Tender Offer.

Through committed investment in infrastructure, new capability and business transformation processes the Group has the benefit of a scalable Agri-Services platform which is uniquely positioned to capitalise on the provision of innovation and technology transfer for the sustainable development of primary crop enterprises.

Origin retains a strong capacity to fund new market opportunities and we remain confident of delivering further growth in Agri Services in 2014.

Agri-Services

Agri-Services comprises integrated on-farm agronomy services and business-to-business agri-inputs (fertiliser, feed ingredients and amenity). These businesses provide customised solutions that address the efficiency, quality and output requirements of primary food producers in Ireland, the UK and Poland.

Revenue increased by 5.8 per cent to €1,418.2 million with volume growth in business-to-business agri-inputs offsetting lower volumes in on-farm agronomy services. Operating profit* decreased by 0.5 per cent to €68.9 million or 1.5 per cent on a like-for-like basis (excluding the impact of currency).

Integrated On-Farm Agronomy

United Kingdom

Agrii delivered a robust performance in the year, with a particularly strong final quarter, as unseasonably wet autumn and cold spring weather conditions significantly curtailed in-field operations and early season crop development, leading to lower year-on-year service revenues. Farm management plans were significantly impacted during the key autumn planting season with winter wheat and oil seed rape areas reduced on a national basis by approximately 20 per cent and 5 per cent respectively. Conversely the spring season saw significant catch up activity with large increases in spring barley and spring oil seed rape plantings.

A combination of highly responsive agronomy advice packages and an extensive technology and product portfolio formed the essential supports underpinning the performance of late sown crops in a highly condensed season. Seed recorded good growth in the period and continues to gain strategic importance through integrated offers that promote a proactive approach to early stage varietal management and the reduction of agronomic risk.

The core elements of Agrii's business transformation and change management programme were substantially progressed during the year. These processes support the establishment of improved structures and practices along with the introduction of new capability to foster the cultural alignment of the agronomy teams and the implementation of an integrated approach to customer management. Agrii now operates under a simplified and decentralised organisation with strong regional and local leadership capabilities supported by a comprehensive technical and commercial infrastructure. Key milestones achieved during the year, relating to technical, commercial, human resources and operations positively supported performance in the period. The implementation of Agrii's new enterprise resource planning system was also completed during the year.

The business, in conjunction with its banking partners, launched Agrii Finance to support primary producer cash flow with competitive and flexible customer financing on all agronomy inputs. This initiative builds on the strength of the relationship that exists between farming and agronomy and emphasises Agrii's 'Agronomy Plus' approach.

Infrastructure investment enhancing Agrii's precision agronomy services, to aid growers and agronomists make more informed technical, business and agronomy decisions gained momentum during the year. This investment supports the integration of modern electronic decision support capability within the overall agronomy offer to incorporate soil scanning, whole field sampling and nutrient recommendations, targeted input application, disease monitoring and performance analysis.

The design of production systems to meet growers' requirements for the management of enterprise risk, crop yield and quality actively places agri-intelligence at the heart of Agrii's business proposition. Connecting high visibility science and research application with agronomy, farm inputs, farming systems and economics, ensures early access to the latest crop technologies to drive innovative product strategies in combination with the development of best practice crop establishment techniques. Investment of €25 million over the next three years, will underpin the expansion of Agrii's crop science, applied agronomic research, and technical translation capability. Newly commissioned seed capacity will also provide opportunity for the business as technology transfer of seed becomes more strategic.

Poland

Dalgety delivered an excellent result for the year recording higher profits across all input and service portfolios. Performance was driven principally by growth in sales of high specification input and advice packages together with the continued expansion of Dalgety's direct farm grain procurement and marketing capability which services key animal feed and human consumption markets both domestically and internationally. On-farm activity was robust in the period, supported by excellent soil and crop conditions throughout the year.

Review of Business Operations (continued) Agri-Services (continued)

Dalgety made good progress in extending its market position within the larger scale and intensive farming sector through a variety of new offers promoting integrated and exclusive input technologies. The business is also successfully building its branded presence through the local independent farm input distribution sector with a total retail service offer dedicated to smaller scale farm units.

Business-to-Business Agri Inputs – Ireland and the UK

Business-to-business agri-inputs delivered a good performance in the period with operating profit marginally ahead of last year supported by higher fertiliser and feed volumes.

Increased fertiliser consumption largely reflected the requirement to accelerate grass production to produce cost effective animal feed following the depletion of fodder stocks caused by the extreme weather conditions which prevailed for much of the grass growing season. The integration of Carrs Fertilisers, completed during the 2012 financial year, positively contributed to the performance of the enlarged fertiliser business in the period, principally reflecting the benefits of product and channel harmonisation together with improved customer order fulfilment.

Primary producers are again focusing on the strategic importance of balanced nutrition planning to restore soil health and optimise crop productivity following steadily diminishing soil fertility over many years. Bespoke nutritional packages were developed in the year for arable and grassland enterprises to support primary producers' requirement for higher yielding and cost effective output. The Group's nutrition offering also continues to be enhanced with technologies that facilitate the effective delivery of essential trace elements to animals and arable crops through prescription fertiliser applications.

The Group's amenity business which delivers advice and input solutions to the professional sports turf, landscaping and amenity sectors performed satisfactorily against the backdrop of lower demand associated with unseasonable weather in the earlier part of the year. The integration of Rigby Taylor facilitated the successful realignment of the wider amenity organisation to improve customer and channel focus while building sustainable efficiencies and positioning the business for future growth.

In conjunction with the rebranding of the Rigby Taylor identity, the business introduced new and innovative offers ranging from advanced sports turf fertilisers for nutrient application accuracy to high performing grass seed mixtures.

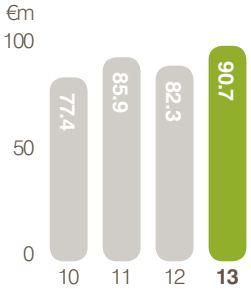
The business also launched TurfKeeper™, an online application for the sports turf industry, dedicated to professionals, providing integrated functionality to manage, track and maximise resources.

Feed Ingredients delivered an improved performance in the year. Sales volumes were higher year-on-year reflecting increased demand from primary producers as unseasonable weather required the housing of animals during normal summer grazing months as wet conditions limited grass growth.

Logistics and supply chain planning were notable challenges for the business following the dislocation of global feed ingredient supply due to the extreme weather events in 2012. This led to a combination of heightened competitive intensity and pronounced price volatility in the period. The more recent period of favourable weather has provided very welcome support to primary producers, as excellent grass growing conditions have helped to replenish conserved fodder stocks for the key winter period.

Total Group Operating Profit*

↑10.2%



* Before amortisation of non-ERP intangible assets and exceptional items.

Delivering advice and input solutions to the professional, sports turf, landscaping and amenity sectors.

Associates and Joint Ventures

Welcon Invest AS ('Welcon')

Welcon, the Group's Marine Proteins and Oils joint venture delivered a very strong performance during the year recording higher profits and margins. Demand conditions remained favourable across all feed sectors in the period, with firm selling prices, reflecting lower global production and limited unsold quantities of fishmeal and fish oil, positively supporting the overall result.

On 4 July 2013, the Group announced that it had reached conditional agreement to dispose of its 50 per cent interest in Welcon, to its joint venture partner, Austevoll Seafoods ASA for a cash consideration of NOK 740 million. As the transaction was unconditional by 26 July 2013 the disposal is accounted for in the results for the year.

The disposal was completed on 12 August 2013 and cash proceeds of €94 million were received.

Valeo Foods Group Limited ('Valeo')

Valeo, in which Origin has a 32 per cent shareholding, is a leading consumer foods company with a portfolio of some of Ireland's most iconic food brands.

Valeo performed in line with expectations in what continues to be a highly challenging and competitive environment for the Irish grocery sector. Consumers are resolutely focused on value and there is an increasing emphasis on offer buying and migration to private label.

Within this context the business has performed satisfactorily, building on market share positions across key categories during the period.

The focus for the business is to create and resource a best in class commercial structure, building joint business plans with customers, while investing in growing brands through renovation and innovation. The business is committed to driving innovation and is currently delivering significant initiatives across its brand portfolio that are both category firsts and category additive.

Valeo will continue to focus on generating operational efficiencies which release funding to invest in innovation as the key driver of its growth.

Continental Farmers Group Plc ('Continental')

Continental is a diversified agricultural producer of value added crops with large-scale farming operations in Western Ukraine and Northern Poland.

In March 2013 it was announced that Continental had reached agreement with United Farmers Holding Company ('UFHC'), a Saudi based consortium, on the terms of a cash acquisition of a 100 per cent interest in Continental by UFHC and the acquisition was approved by the shareholders of Continental in June 2013. Under the terms of the transaction Origin received €16.3 million for its 24.2 per cent shareholding in the period.

Review of Business Operations (continued)

Tender Offer

The Board is proposing to effect a return of up to €100 million of capital to shareholders by means of a tender offer (the 'Tender Offer').

Background to and Reasons for the Proposed Tender Offer

Since the IPO of Origin in 2007 the Group has been streamlining its operations to focus on building an integrated, intelligence-led and sustainable agricultural services business that is at the heart of influencing on-farm decision making. The disposal of our 50 per cent interest in Welcon is another significant step in the process of prioritising the development of the Group's Agri-Services platform. The Group is now a leading provider of value added services, technologies and strategic inputs that facilitate the delivery of sustainable and profitable food production solutions for primary producers.

Following the disposal of the Welcon interest, the Board reviewed a number of factors including:

- The cash generative nature of the Group's operations: – since the IPO in 2007 the cumulative profits after tax of the Group (€360 million) have been converted to cash;
- The Group's ongoing earnings and cash flow generation;
- The Group's optimal capital structure;
- The profile of the immediate acquisition and investment opportunities; and
- The relatively low debt of the Group at 31 July 2013.

The Board concluded that the return of up to €100 million of capital by way of the Tender Offer is in the best interests of the Group and Shareholders as a whole, as it provides Shareholders with both choice (that is, the discretion to participate in the Tender Offer) and certainty of value by providing qualifying shareholders who wish to sell their Ordinary Shares with an opportunity to do so at a fixed price. The Tender Offer is expected to have a positive effect on both the Company's earnings per share and dividend per share measures. Qualifying shareholders who do not wish to participate in the Tender Offer can retain their full existing investment in the Company. As the Group continues to be modestly geared and cash generative, the Board will keep other opportunities to return value to shareholders under consideration.

Benefits of the Tender Offer

The benefits of the Tender Offer, as compared with other available options for a return of capital to shareholders include:

- The Tender Offer provides qualifying shareholders who wish to sell their ordinary shares the opportunity to do so;
- Qualifying shareholders who do not wish to receive capital at this time can maintain their full investment in the Company;
- The Tender Offer is available to all qualifying shareholders regardless of the size of their shareholdings;
- Qualifying shareholders who tender their shares will receive their full entitlement to the final dividend proposed to be declared at the AGM on any ordinary shares tendered;
- Qualifying shareholders have the equal opportunity to sell part of their respective shareholdings and to receive their respective share of the capital which the Company is seeking to return – their Guaranteed Entitlement;
- Qualifying shareholders may also be able to participate in excess of their Guaranteed Entitlement, potentially up to their maximum shareholding in the Company, to the extent that other qualifying shareholders do not wish to participate in the Tender Offer in respect of their individual Guaranteed Entitlements; and
- The Tender Offer is expected to have a sustainable positive impact on the Company's earnings per share and dividend per share as all shares acquired under the Tender Offer will be cancelled.

Shareholder Approval

The Tender Offer will be subject to approval by Origin's shareholders at an Extraordinary General Meeting ('EGM') to be held on 18 November 2013. A notice of EGM together with additional explanatory documentation setting out further details with regard to the structure of, the terms and conditions of and instructions on how to participate in the Tender Offer will be sent to shareholders by 18 October 2013.

Outlook

The Group has made good progress in building an integrated, intelligence led and sustainable agricultural services business that is at the heart of influencing on-farm decision making. The disposal of our 50 per cent interest in Welcon increases the focus on Agri-Services with profits from Associates and Joint Ventures now expected to account for just over 12 per cent of profits going forward.

The dilutive impact of the Welcon disposal in 2014 will be offset by growth in Agri-Services and the impact from the proposed tender offer. Overall we expect adjusted diluted earnings per share for 2014 to be broadly in line with the current financial year.

Tom O'Mahony
Chief Executive Officer
24 September 2013

Principal Risks And Uncertainties

Significant time and resources have been invested in identifying specific risks across the Group and in developing a culture of balanced risk minimisation. To facilitate this, the Group has formal risk assessment processes in place through which risks and mitigating controls are evaluated. These processes are driven by business unit management who are best placed to identify the significant on-going and emerging risks facing their businesses. The outputs of these risk assessment processes are subject to review and the risks identified and associated mitigating controls are also subject to audit as part of health and safety and operational/financial audit programmes.

The principal risks identified are set out below and fall broadly into three categories: strategic/commercial, operational and financial and are not listed below in order of importance.

Risk	Impact	Mitigation
Strategic/Commercial		
Competitor activity	The Group operates in a competitive environment. Innovation and pricing policy on the part of our competitors could have an adverse affect on market share and the Group's results.	The Group aims to combine an extensive research and development capability with a major focus on sales, marketing and distribution to deliver a superior advisory and inputs offering to primary food producers. The Group has also recently implemented a new ERP system, Microsoft Dynamics AX across its businesses which helps drive substantial business efficiencies and reduce costs.
Acquisitions	The Group faces the risks and challenges associated with acquiring new businesses, including the failure to identify suitable acquisitions and to properly integrate acquisitions.	All significant acquisitions must be approved by the Board. Financial, commercial and operational due diligence is performed both by external consultants and in-house resources in advance of all acquisitions. There is substantial experience within the Group which lends itself to strong project management capability in the area of acquisitions.
Regulation and compliance	Product availability and potential changes in the regulatory environment and legislation affecting this supply could have a material impact on the Group's results.	The Group monitors closely all changes to such regulation and legislation. The Group develops diverse sources of supply and distribution capability to ensure it continues to compete effectively and to anticipate and meet customer requirements on a continuing basis.
Commodity prices	The Group is exposed to commodity price risk particularly in its agri-inputs business.	The Group prioritises margin delivery and cost management as a key focus point in mitigating commodity price risk.
Property market downturn	The Group holds investment properties which are carried on its Consolidated Statement of Financial Position at fair value. The value of these investment properties may fluctuate depending on the general economic environment.	The Group manages its investment properties centrally and engages property and valuation specialists where necessary to assess the magnitude of and address the risk.
Operational		
Environmental and Health and Safety	The Group is subject to compliance requirements in the areas of emissions, effluent control and health and safety.	The Group has well-established environmental and discharge controls which ensure product traceability. The Group also operates thorough hygiene and health and safety systems across its businesses.

Risk	Impact	Mitigation
Operational (continued)		
Loss of significant operational site	The loss of a significant site through natural catastrophe or act of vandalism or a significant IT failure both represent risks that could have a material impact on the Group.	The Group ensures the presence of robust site security measures across its locations. In addition, the Board is satisfied that significant management attention has been given to the development of comprehensive operational and IT disaster recovery plans which would be implemented in the event of a significant business interruption event. The Group also has comprehensive business interruption insurance to cover such an event.
Key management personnel	The failure to attract, retain or develop suitably qualified and experienced management throughout the Group could impact on the Group's strategy and on business performance.	The Group has a track record of attracting and retaining high quality senior management and staff. The Board addresses the risks concerned through incentivisation and retention initiatives as well as robust succession planning.
Key supplier risk	The Group sources its products from a number of significant suppliers. The loss of any or a number of these suppliers could have a material impact on the Group.	The Group endeavours to maintain close commercial relationships with all its suppliers the most significant of which are large multi-national organisations which supply across the Group's geographical markets.
Seasonality	The environment in which the Group operates is highly seasonal. As a result, the Group's earning's profile is significantly weighted towards the second half of the financial year which has an on-going impact on working capital requirements.	Investment in working capital and the management of inventories, customer receivables and current liabilities remains a key area of focus for the Group. Divisional management, in conjunction with Group treasury, closely monitor working capital performance throughout the financial year.
Financial		
Credit, liquidity and market risk	The Group is a multi-national organisation with interests outside the euro zone. As a result Origin is subject to the risk of adverse movement in foreign exchange rates as well as to fluctuations in interest rates. The Group is also exposed to credit risk arising on customer receivables and financial assets.	The Group's treasury department manages such risks under the supervision of the Chief Financial Officer. Foreign exchange rate and interest rate exposures are managed through appropriate derivative financial instruments. Credit insurance is in place to mitigate credit risk. Financial risk management objectives and policies are further discussed in Note 21 to the financial statements.
Defined benefit pension schemes	The Group operates a number of defined benefit pension schemes. The funding levels of these schemes may be adversely affected by a number of factors including, but not limited to, market values of investments and changes in interest rates.	The Group closely monitors the on-going costs of its defined benefit schemes and has closed all schemes to new members. The majority of schemes are also now closed to future accrual. Appropriate contributions are paid into each scheme and investment strategies are designed to maintain funding levels.

Board of Directors

The Board of Origin Enterprises plc ('Origin') consists of a non-executive chairman, three executive directors, and three non-executive directors.

Owen Killian (60)
Non-Executive Chairman

Owen Killian is CEO of ARYZTA AG and has been since its admission to trading in 2008. He was previously CEO of IAWS Group plc since 2003. Prior to this he held several executive positions within IAWS Group plc since it was listed in 1988.

Tom O'Mahony (51)
Chief Executive Officer

Tom O'Mahony was appointed CEO of Origin on its formation in 2006. Prior to this he held the role of Chief Operations Officer of IAWS. Tom joined IAWS in 1985 and on its public flotation in 1988 to form IAWS Group plc he held a number of senior management positions and was involved in acquisitions, disposals, business integration and financial control within the Group, until his appointment as CEO of Origin.

Declan Giblin (57)
Executive Director

Declan Giblin is Head of Corporate Development and Executive Chairman of Agrii. He was formerly Chief Executive of Masstock and has been the driving force behind the development of Agrii over a 20-year period.

Brendan Fitzgerald (50)
Chief Financial Officer

Brendan Fitzgerald joined Origin in 2006 as Chief Financial Officer. A former director with NCB Corporate Finance he has held senior financial positions with Greencore Group plc and Waterford Foods plc. He qualified as a Chartered Accountant with Arthur Andersen.

Hugh McCutcheon (59)
Non-Executive Director

Hugh McCutcheon is a Chartered Accountant and was formerly head of corporate finance at Davy. He joined Davy in 1989 from Pricewaterhouse, where he qualified as a Chartered Accountant in 1979. Hugh was appointed to the Board of Origin on 21 November 2011. Hugh is also a non-executive director and Deputy Chairman of Petroceltic International plc.

Patrick McEniff (45)
Non-Executive Director

Patrick McEniff joined IAWS Group plc after its listing on the Irish Stock Exchange in 1989 and has fulfilled various senior management roles, focused on finance and systems development. In 2004 he was appointed to the board of IAWS Group plc as its Group Finance Director. In 2008, upon the formation of ARYZTA AG, he was also appointed as CFO and member of the Board of Directors and in 2012 was also appointed as Chief Operating Officer of the Group.

Rose McHugh (49)
Non-Executive Director

Rose McHugh was appointed to the Origin board on 18 May 2012. Rose is head of Corporate Finance with Merrion Capital Group. She is a fellow of the Institute of Chartered Accountants in Ireland, an Associate of the Institute of Taxation in Ireland, holding a law degree and an MBA from University College Cork.

Financial Statements

Financial Review

Accounting policies and basis of preparation

The 2013 Group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and their interpretations issued by the International Accounting Standards Board (IASB) as adopted by the EU. Details of the significant accounting policies adopted by the Group are set out on pages 48 to 54.

Analysis of results

A comprehensive commentary on the Group's performance for 2013 is included in the review of business operations on pages 18 to 23.

Revenue

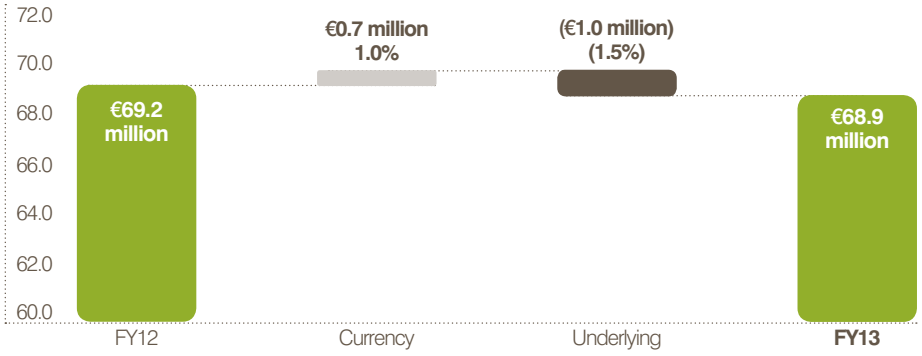
Revenue from Agri-Services was €1,418.2 million compared to €1,340.0 million in the previous year, an increase of 5.8 per cent. On a like-for-like basis (excluding the impact of currency movements) Agri-Services revenues increased by €60.8 million (4.5 per cent) principally reflecting higher nutrition volumes and increased grain marketing in Poland offset by lower sales of crop protection products in the UK.

Operating profit*

Operating profit from Agri-Services amounted to €68.9 million compared to €69.2 million in the previous year. Excluding the impact of currency, operating profit from Agri-Services decreased by €1.0 million (1.5 per cent) on a like-for-like basis. Agri-Services delivered a solid result despite lower activity levels on-farm resulting from adverse weather conditions, especially in the UK.

* Operating Profit is stated before intangible amortisation and exceptional items.

The following table shows the year-on-year movement:



Due to the adverse weather conditions experienced the seasonality of the business was even more pronounced in the current year. The increased seasonality profile of the business can be seen in the table below:

	2013		2012	
	Quarter	**Cumulative**	Quarter	Cumulative
Quarter 1	**6.3**	**6.3**	11.6	11.6
Quarter 2	**(3.9)**	**2.4**	(5.8)	5.8
Quarter 3	**20.5**	**22.9**	30.3	36.1
Quarter 4	**46.0**	**68.9**	33.1	69.2

The Group's earnings profile is significantly weighted towards the second half of the year and in the current year most notably in Quarter 4.

€66.5 million of operating profit was generated in the seasonally more important second-half of the year – an increase of €3.1 million (4.9 per cent) on the second half of 2012. During the current year, 97 per cent of operating profits were earned in the second half of the year reflecting the nature of our business, up from 92 per cent in 2012.

Associates and joint ventures

Origin's share of the profit after interest and taxation (before exceptional items) from associates and joint ventures increased by €8.7 million (66.4 per cent) to €21.9 million. The increase is principally attributable to an increased share of profit from our 50 per cent interest in Welcon, our 32 per cent interest in Valeo and our 50 per cent interest in R&H Hall, reflecting a favourable output price environment and the benefits of improved integration and scale.

Finance costs and net debt

Net finance costs amounted to €6.1 million, a decrease of €0.5 million (6.8 per cent) on the prior year reflecting the cash generative nature of the business and reduced interest costs on Group borrowings. Average net debt amounted to €207 million compared to €214 million last year.

Net debt at 31 July 2013 was €29.6 million compared with €67.8 million at the end of the previous year, the reduction of €38.2 million a clear reflection of the cash generative nature of the business and is less than 0.4 times EBITDA**.

** Earnings before interest, taxation, depreciation, amortisation and exceptional items.

A summary cash flow is presented below.

	2013 €m's	2012 €m's
Cash flow from operating activities	**70.2**	72.8
Change in working capital	**(3.5)**	14.1
Interest and taxation	**(17.1)**	(18.9)
Net cash flow from operating activities	**49.6**	68.0
Dividends received	**6.9**	10.3
Capital expenditure – Routine	**(5.7)**	(6.0)
– Investment	**(7.9)**	(5.6)
Acquisition expenditure	**–**	(7.7)
CFG Disposal	**16.3**	–
Contingent acquisition consideration	**(8.8)**	(6.1)
Dividends paid	**(20.7)**	(14.6)
Other	**(0.6)**	(0.9)
Decrease in debt	**29.1**	37.4
Opening net debt	**(67.8)**	(92.1)
Translation	**9.1**	(13.1)
Closing net debt – reduction of €38.2 million	**(29.6)**	(67.8)

The Origin businesses have a record of strong cash generation and 2013 continues the trend. Since the IPO in 2007 the cumulative profits after tax have been converted to cash.

Tender offer

As a direct result of the disposal of the Group's Marine Proteins and Oils joint venture interest for €94 million in August 2013, the Group is proposing to return up to €100 million of capital to shareholders by way of a tender offer. The tender offer is expected to have a sustainable positive impact on the Company's earnings per share and dividend per share as all shares acquired under the tender offer will be cancelled. The tender offer is subject to approval by the shareholders at an EGM in November 2013.

Financial Review (continued)

Capital structure – bank facilities

The financial structure of the Group is managed to maximise shareholder value while providing the Group with the flexibility to take advantage of opportunities to develop the business. The Group targets acquisition and investment opportunities that are value enhancing and the Group's policy is to fund these transactions in the most efficient manner.

The Group has unsecured committed banking facilities of €330 million with a syndicate of five banks with €30 million due for repayment in March 2015 and the balance of €300 million in July 2016.

Adjusted diluted earnings per share ('EPS')***

EPS amounted to 52.11 cent per share, an increase of 15 per cent from 2012. The year-on-year increase of 6.95 cent per share can be summarised as follows:

	Cent per share	%
Currency	0.57	8.2
Underlying – 14 per cent	6.38	91.8
	6.95	**100**

The key drivers of the 14 per cent underlying increase was an excellent performance from the Group's associates and joint ventures along with lower interest and taxation.

*** Before amortisation of non-ERP intangible assets, net of related deferred tax (2013: €3.8 million, 2012: €4.1 million) and exceptional items, net of tax (2013: €4.7 million credit, 2012: €15.5 million charge).

Exceptional items

An exceptional gain amounting to €4.7 million, net of tax credit, arose in the year principally relating to a gain arising on the disposal of our 50 per cent interest in Welcon (€20.6 million), a write down in the carrying value of investment properties, net of tax, of €3.8 million, impairment of property, plant and equipment no longer in use in the business of €8.6 million and rationalisation costs principally arising from a restructuring of Agri-Services in the UK (€3.8 million).

Working capital

Investment in working capital remains a key area of focus for the Group given the funding costs and the related risks in the current environment. The year end represents the low point in the working capital cycle for the Group reflecting the seasonality of the business.

Post employment benefit obligations

The Group operates a number of defined benefit pension schemes and defined contribution schemes with assets held in separate trustee administered funds. All of the defined benefit schemes have been closed to new members for a number of years and the majority are closed to future accrual.

Under IAS 19, Employee Benefits the amounts recognised in the Consolidated Statement of Financial Position as at 31 July 2013 are as follows:

	2013 €m	2012 €m
Non-current liabilities		
Deficit in defined benefit schemes	**12.4**	8.6

The movement during the year can be summarised as follows:

	2013 €m
Net liability at 1 August	**8.6**
Current service costs	0.4
Negative past service costs	(0.5)
Other finance expense	0.4
Contributions	(1.7)
Actuarial loss	5.3
Other	(0.1)
Net liability at 31 July	**12.4**

The actuarial loss of €5.3 million principally relates to a reduction in the discount rate used for the Irish schemes from 4.6 per cent to 3.7 per cent.

Our progress since establishment

The following table summarises the financial performance of the Group since flotation in June 2007. Over the period the Group has more than doubled EBITA* and delivered compound annual growth in adjusted diluted EPS of 17.7 per cent.

Cumulative cash flow over the period of almost €334 million reflects the strong cash generative nature of the business and this cash flow has funded acquisition and development expenditure of €302 million.

Over the period the Group has delivered a return on investment of circa 19 per cent, well in excess of the Group's cost of capital. With year-end net debt of €29.6 million, committed banking facilities as outlined earlier and the cash generative nature of the businesses, Origin is well positioned to pursue future development opportunities.

	2007 €m	2008 €m	2009 €m	2010 €m	2011 €m	2012 €m	**2013 €m**	**CAGR**
Year ended 31 July								
EBITA*	42.8	74.1	81.0	82.4	89.8	85.7	**97.1**	**14.6%**
Adjusted diluted EPS** (cent)	19.63	34.05	36.16	37.26	43.34	45.16	**52.11**	**17.7%**
Acquisition expenditure (cumulative)	–	157.4	193.9	195.1	274.4	288.2	**301.8**	
Cash flow after Capex (cumulative)	38.8	91.9	145.3	197.4	236.7	293.1	**333.9**	
Year end net debt	71.7	175.1	153.8	111.9	92.1	67.8	**29.6**	
Net debt/EBITDA (times)	1.42	2.13	1.77	1.33	1.17	0.81	**0.38**	
Return on investment	16.9%	19.5%	20.6%	19.4%	19.8%	18.0%	**19.1%**	

* Earnings before interest, taxation, amortisation and exceptional items including our share of the profit before tax of associates and joint ventures.

** Before amortisation of non-ERP intangible assets, net of related deferred tax (2013:€3.8 million, 2012: €4.1 million) and exceptional items, net of tax (2013: €4.7 million credit, 2012: €15.5 million charge). 2007 adjusted to reflect the current capital structure of the Group.

Taxation

The effective tax rate on ordinary activities relating to wholly owned businesses for the year ended 31 July 2013 was 18.5 per cent (2012: 19.4 per cent) principally reflecting the reduction in UK corporate tax rates.

Risk exposures

The Group's international operations expose it to different financial risks that include currency risk, credit risk, liquidity risk and interest rate risk. The Group has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Group. The Board has determined the policies for managing these risks. It is the policy of the Board to manage these risks in a non-speculative manner. Details of the Group's risk exposures and the controls in place to monitor such exposures are set out in Note 21 to the financial statements.

The Group is focussed on risk and its management. Accordingly, insurance is held for all significant insurable risks and against major catastrophes.

Financial Review (continued)

Dividends

The Board is recommending an increase in the dividend per ordinary share of 15 per cent in line with the growth in earnings to 17.25 cent per ordinary share. This represents a payout ratio of 33 per cent. Subject to shareholder approval at the Annual General Meeting, the dividend will be paid on 2 December 2013 to shareholders on the register on 20 November 2013.

Share capital

In December 2012, the issued ordinary share capital was increased by the issue of 1,212,871 ordinary shares of nominal value of €0.01 each, pursuant to a share subscription by a wholly owned subsidiary for the purposes of the Origin Long-Term Incentive Plan 2012 ('2012 LTIP plan'). Under the terms of the 2012 LTIP plan, Directors and senior management of Origin have an interest in these shares which is subject to certain financial targets being achieved over the three years to 31 July 2015 and their remaining in employment with the Group during that period.

Following the achievement of targets under the 2007 Long-Term Incentive Plan 480,345 equity entitlements were converted on a one for one basis into ordinary shares in March 2013.

Share price

The Group's ordinary shares traded in the range of €3.65 to €6.00 during the period from 1 August 2012 to 31 July 2013 as illustrated in the graph below. The Group's share price at 31 July 2013 was €6.00 (31 July 2012: €3.65).

Brendan Fitzgerald
Chief Financial Officer
24 September 2013

Directors' Report

The directors present their annual report together with the audited consolidated financial statements for the year ended 31 July 2013, which are prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU.

Principal activity and business review

The Group's principal activities comprise the supply, distribution and manufacture of agri-service products as well as the holding of a strategic investment in consumer foods. Through its subsidiaries, joint ventures and associates, the Group currently has manufacturing, trading and distribution operations based in the Republic of Ireland, the United Kingdom, Poland and Ukraine.

During the year under review, the Group continued to develop its core activities. A comprehensive review of the performance of the Group is included in the Chairman's Statement and Chief Executive's Review of Operations. The directors consider the state of affairs of the Company and the Group to be satisfactory. A list of the Company's principal subsidiaries, associates and joint venture is set out in Note 33 to the Group financial statements.

Results for the year

The results for the year are set out in the Consolidated Income Statement on page 42. Revenue for the financial year was €1,418,173,000 (2012: €1,340,023,000). The profit after tax and exceptional items for the financial year was €73,012,000 (2012: €42,909,000).

Future developments

The Group will continue to pursue new developments to enhance shareholder value, through a combination of organic growth, acquisitions and development opportunities.

Dividends

The Board is recommending a dividend of 17.25 cent (2012: 15 cent) per share in respect of the 2013 financial year. Subject to shareholder approval at the Annual General Meeting on 18 November 2013 the dividend will be paid on 2 December 2013 to shareholders on the register on 20 November 2013.

Share capital and treasury shares

At 31 July 2013, Origin's total authorised share capital comprised 240,000,000 ordinary shares of €0.01 each and 10,000,000 deferred convertible ordinary shares of €0.01 each.

At 31 July 2013, the company's total issued share capital comprised 139,712,026 (31 July 2012: 138,018,810) ordinary shares of €0.01 each. The 480,345 deferred convertible ordinary shares of €0.01 each in issue at 31 July 2012 were converted to ordinary shares during the year on a one-for-one basis.

In December 2012, the issued ordinary share capital was increased by the issue of 1,212,871 ordinary shares pursuant to a share subscription by a wholly owned subsidiary for the purposes of the Origin Long-Term Incentive Plan 2012 ('2012 LTIP plan'). Under the terms of the 2012 LTIP plan, Directors and senior management of Origin have an interest in these shares which is subject to certain financial targets being achieved over the three years to 31 July 2015 and their remaining in employment with the Group during that period. These shares are classified as treasury shares for accounting purposes pending satisfaction of the applicable terms of the 2012 LTIP plan.

The rights and obligations to the ordinary shares are set out in the Articles of Association of the company which are available on the Company's web site www.originenterprises.com.

Tender offer

As a direct result of the disposal of the Group's Marine Proteins and Oils joint venture interest for €94 million in August 2013, the Group is proposing to return up to €100 million of capital to shareholders by way of tender offer. The tender offer is expected to have a sustainable positive impact on the Company's earnings per share and dividend per share as all shares acquired under the tender offer will be cancelled. The tender offer is subject to approval by the shareholders at an EGM in November 2013.

Principal risks and uncertainties

Under Irish Company law (Regulation 37 of the European Communities (Companies: Group Accounts) Regulations 1992, as amended), Origin is required to give a description of the principal risks and uncertainties facing the Group. These are addressed in the Principal Risks and Uncertainties section on pages 24 and 25.

Directors' Report (continued)

Corporate governance

The Board recognises the importance of sound corporate governance and that it is accountable to its shareholders in this regard. While there is no distinct Irish corporate governance regime for companies whose shares are traded on the AIM and ESM markets, the directors have provided the following disclosures in relation to Corporate Governance having regard to the Company's size and the markets on which its shares are traded.

The Board

The Board is responsible for the leadership, strategic direction, control and long-term success of the Group. Its role involves ensuring the Group provides its stakeholders with an up to date understanding of the Group's current position and prospects.

The Board has reserved for itself decision making in the areas of:

> Strategic direction of the Group
> Appointment or removal of the Chief Executive Officer and recommendation for appointment or removal of any member of the Board
> Director and senior executive management succession planning
> Policy on remuneration for executive directors and senior management
> The issue of shares and debentures
> Approval of borrowing facilities
> Approval of financial statements
> Approval of budgets
> Authorisation of major capital expenditure, acquisitions and disposals
> Dividend policy

Board membership and independence

The Board currently comprises the non-executive Chairman, three executive and three other non-executive directors. The names and brief biographies of all the directors are set on page 26. The Board considers that between them, the directors have the range of knowledge, skills and experience necessary to address the various challenges facing Origin. The Board is satisfied that its size and structure reflects an appropriate balance between executive and non-executive directors. The Board has considered the relationships and circumstances that might affect a director's independence and after due regard considers all non-executive directors capable of exercising independent judgement.

Chairman and Chief Executive

Enhanced and effective governance is achieved by the separation of the roles of Chairman and Chief Executive Officer. The Board has delegated responsibility for the day-to-day management of the Group, through the Chief Executive Officer, to executive management. The Chairman is responsible for the operational efficiency of the Board and for ensuring that all directors have full and timely access to the information necessary to enable them to discharge their duties.

Company Secretary

The directors have full access to the advice and services of the Company Secretary, who also acts as secretary to all of the Board committees, is responsible to the Board for ensuring that Board procedures are followed and ensuring compliance with applicable rules and regulations. The directors also have access to independent professional advice, at the Group's expense, if and when required.

Appointments and re-election

The Board does not have a formal Nominations Committee and considerations of appointments of non-executive directors are made by the Board having given due consideration to the individual's experience, industry background, professional background, nationality and gender. On appointment to the Board, non-executive directors are provided with an introduction to the Group's operations, including the opportunity to visit the Group's operations and meet with key management. Non-executive directors are appointed for an initial three-year period and their period of service may be renewed thereafter.

All directors are required to retire by rotation in accordance with the Company's Articles of Association. At every Annual General Meeting of the Company, as nearly as possible to one-third will retire by rotation. The directors to retire are those who have been longest in office. A retiring director shall be eligible for re-election.

Board meetings

Meetings of directors are held regularly. There is regular contact as required between meetings in order to progress the Group's business. Before the beginning of the financial year, the Board sets a schedule of Board and Committee meetings to be held in following year. Prior to each meeting the directors receive a comprehensive Board pack to facilitate meaningful discussion and decision making in relation to the Group's business at each meeting. Details of the meetings held during the year, both of the Board and of the Board committees are contained in the schedule below, which also includes information on individual attendance.

Meetings held and attended in the financial year ended 31 July 2013

	Board		Audit		Remuneration	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
B. Fitzgerald	9	9	–	–	–	–
D. Giblin	8	9	–	–	–	–
O. Killian	9	9	–	–	2	2
H. McCutcheon	9	9	3	3	–	–
P. McEniff	9	9	3	3	2	2
R. McHugh	8	9	–	–	–	–
T. O'Mahony	9	9	–	–	–	–

Board committees

Certain matters are delegated to two Board committees, an Audit Committee and a Remuneration Committee, the details of which are set out below. Written terms of reference of both committees, setting out their responsibilities, have been established and are reviewed annually. These are available on the Company's web site, www.originenterprises.com.

Audit committee

The Audit Committee comprises two non-executive directors, namely Mr. H. McCutcheon (Chairman) and Mr. P. McEniff, both of whom have recent and relevant financial experience. The Audit Committee met three times during the year. The Chief Executive Officer, Chief Financial Officer, Head of Group Internal Audit, the external auditor and other directors, executives and representatives may be invited to attend meetings or parts of meetings as is required for the Audit Committee to carry out its duties.

The role and responsibilities of the Audit Committee include:

> Monitoring the integrity of the Group's annual and interim financial statements and for reviewing significant financial reporting issues and judgements, accounting principles, policies and practices contained therein;
> Reviewing the Group's preliminary results announcements and interim statements;
> Monitoring the effectiveness of the Group's internal controls and risk management systems;
> Approving the appointment and removal of the head of the internal audit function;
> Reviewing and assessing the annual internal audit plan, internal audit reports on the Group and monitoring management's responsiveness to internal audit findings;
> Monitoring the effectiveness of the external auditor and audit process;
> Approving the appointment, re-election and removal of the external auditor;
> Approving the remuneration of the external auditor and developing and implementing a policy on the supply of non-audit services by the external auditor;
> Assessing the independence of the external auditor; and
> Reviewing the Group's arrangements for its employees to raise concerns about possible improprieties in financial reporting or other matters of confidence.

These responsibilities of the Audit Committee are discharged as follows:

The Committee reviews the interim and annual statements of the Group in advance of submission to the Board. The review focuses on the consistency of accounting policies year-on-year, the accounting for significant or unusual transactions, whether the Group has followed appropriate accounting standards in the preparation of these statements, levels of disclosure contained in the statements and consistency with other information provided alongside the statements. The Committee also considers the views of the external auditors who are invited to all Audit Committee meetings.

The Committee seeks confirmation from the external auditors each year that in their professional judgement they are independent from the Group. In doing so, the Committee reviews the fees paid to the external auditors for audit and non-audit work. The Group's policy is to limit the fee for non-audit services each year to 75 per cent of the total annual audit fee. Details of amounts paid to the external auditors are set out in Note 5 on page 58 of the annual report.

Directors' Report (continued)

Remuneration committee

The Remuneration Committee comprises Mr. O. Killian (Chairman) and Mr. P. McEniff, both non-executive directors. The Remuneration Committee met twice during the year.

The role and responsibilities of the Remuneration Committee are to determine and agree with the Board a broad policy of remuneration of the Group's Chief Executive Officer, executive directors and other members of executive management it is designated to consider. The Committee then sets, within the terms of that policy, the remuneration package of these individuals which may comprise all or a combination of basic salary, performance related bonuses, pensions, incentive packages and share awards.

The remuneration of the non-executive directors is determined by the Board, and reflects the time commitment and responsibilities of the role.

The Group's policy on executive directors' remuneration recognises that employment and remuneration conditions for senior executives must properly reward and motivate them to perform in the best interests of the shareholders. Remuneration policy reflects the need to ensure that the Group can attract, retain and motivate executives to perform at the highest levels.

Basic salary of executive directors is reviewed annually with regard to personal performance, Group performance and competitive market practice. The Group pays performance related annual bonuses to executive directors which are linked to the overall performance of the Group. Pension benefits are determined solely in relation to basic salary.

Details of remuneration paid to the directors in their capacity as directors of Origin as well as their pension entitlements are given on page 59.

Under the terms of the Long-Term Incentive Plan 2012 ('2012 LTIP plan'), directors and senior management acquired an interest in new ordinary shares issued by the company which are subject to certain financial and other targets being achieved over the three years to 31 July 2015 and to those individuals remaining in employment with the Group during the period. Further details are set out Note 9 to the financial statements.

A long-term cash based incentive scheme is also in operation for senior executives. Provided certain financial targets are met and executives remain with the Group, a cash payment will be made in September 2015. The amount included as a charge in the financial statements represents an estimate of the final amount payable attributable to the year ended 31 July 2013. The amount ultimately payable will depend on the financial performance over the period to 31 July 2015.

Internal controls

The directors have overall responsibility for the Group's system of internal control and for reviewing its effectiveness. This involves an on-going process for identifying, evaluating and managing the significant risks faced by the Group and reviewing the effectiveness of the resultant system of internal control throughout the year and up to the date of approval of the Annual Report and Financial Statements. This system is designed to manage risks that may impede the achievement of the Group's business objectives rather than to eliminate these risks. The internal control system therefore provides reasonable, though not absolute, assurance against material misstatement or loss.

The directors have established a number of key procedures designed to provide an effective system of internal control. The key procedures, which are supported by detailed controls and processes, include:

Internal audit

A Group internal audit function, reporting directly to the Audit Committee, undertakes examinations of business processes on a risk basis and reports on controls throughout the Group.

Control environment

Maintaining an organisation structure with defined lines of responsibility and specified delegation of authority within which the Group's activities can be planned and monitored. The control environment is overseen by an experienced Group and divisional management teams.

Financial reporting

A comprehensive financial reporting system involving the setting of annual budgets and plans, timely monthly reporting and variance analysis and on-going review, supported by information systems developed for the purpose.

Risk management policies

Comprehensive policies and procedures are in place relating to computer security, capital expenditure, treasury risk management and credit risk management. Reputational risk management is also a key focus for the Group across all areas of the business. An internal risk and mitigating control questionnaire is compiled and reviewed annually for each division by their executive team in conjunction with the Group internal audit function. Results of the reviews are presented to the Audit Committee.

Annual review of internal controls

The directors confirm that they have conducted an annual review of the effectiveness of the system of internal control as operated up to and including the date of approval of the financial statements. This has had regard to the processes for identifying the principal business risks facing the Group, the methods of managing those risks, the controls that are in place to contain them and the procedures to monitor them.

Corporate social responsibility

Origin recognises the importance of conducting its business in a socially responsible manner. The Group understands its responsibilities as an important member of the communities in which it operates and aims to not only provide employment opportunities to the local population but to earn a positive reputation in those communities by carrying out its commercial dealings and operations with integrity and in compliance with local and national regulations.

The Group believes that its long-term success will benefit from a motivated and committed workforce and, therefore, aims to provide its employees with an environment to work safely and develop their skills and practises in a well structured manner. Health and Safety in the workplace is given high priority across the Group and is driven internally by health and safety reviews and procedures.

Communication with shareholders

Shareholder communication is given high priority by the Group. The Group has an on-going programme of meetings between its senior executives, institutional shareholders, analysts and brokers as well as general presentations at the time of the release of the annual and interim results. The Board is kept appraised of the views of shareholders, and the market in general, through feedback from the meetings programme. Analysts' reports on the Group are also circulated to the Board on a regular basis.

The Group issues its results promptly to shareholders and also publishes them on the Group's website, www.originenterprises.com. Shareholders are invited to listen in to conference calls which present the annual and interim financial results of the Group which also afford them the opportunity to raise questions on the results. Shareholders can receive the annual report in paper form, or they may elect to receive e-mailed notification stating that it is available on the Group's website.

The Company's Annual General Meeting affords each shareholder the opportunity to question the Chairman of the Board, the Chairmen of all committees and all other Board members. Notice of the AGM will be circulated to all shareholders at least 21 days in advance of that meeting. The AGM will be held on 18 November 2013 at 10.30 a.m. in the Westbury Hotel, Dublin 2.

Directors and secretary and their interests

The following directors and secretary held office as at 31 July 2013:

Directors:
B. Fitzgerald
D. Giblin
O. Killian
H. McCutcheon
P. McEniff
R. McHugh
T. O'Mahony

Secretary:
P. Morrissey

The directors and Company Secretary who held office at 31 July 2013 had no interests, other than those shown below, in the shares in, or loan stock of, the Company or in any Group company. Beneficial interests at 31 July 2013 and 31 July 2012 were as follows:

Ordinary shares in Origin Enterprises plc of €0.01 each

	2013 Number of shares	2012 Number of shares
Directors:		
B. Fitzgerald	**760,437**	800,437
D. Giblin	**227,088**	155,000
H. McCutcheon	**32,000**	32,000
T. O'Mahony	**1,595,449**	1,595,449

The increase in the shares held by D. Giblin relate to the conversion of equity entitlements as set out on the next page. There have been no changes in the interests as shown above between 31 July 2013 and 24 September 2013.

Directors' Report (continued)

Equity entitlements in Origin Enterprises plc

In addition, through Origin LTIP Trustee Limited, the directors held the following equity entitlements under the terms of the Origin Long-Term Incentive Plan.

	2013 Number of equity entitlements	2012 Number of equity entitlements
Directors:		
B. Fitzgerald	**–**	–
D. Giblin	**–**	149,845
T. O'Mahony	**–**	–

There have been no changes in the interests as shown above between 31 July 2013 and 24 September 2013. Following the achievement of targets under the 2007 Origin Long-Term Incentive Plan in March 2013, 149,845 equity entitlements in the Company held by D. Giblin were converted on a one-for-one basis into ordinary shares of €0.01 each in Origin. Following the conversion, D. Giblin sold 77,757 ordinary shares at a price of €4.80 per share.

2012 Long-Term Incentive Plan

Under the terms of the Long-Term Incentive Plan 2012 ('2012 LTIP plan'), the executive directors acquired an interest in 1,113,861 new ordinary shares issued by the company to a wholly owned subsidiary, outright ownership of all or some of which may transfer to the directors subject to certain financial targets being achieved over the three years to 31 July 2015 and to those individuals remaining in employment with the Group during the period. T. O'Mahony acquired an interest in 544,554, B. Fitzgerald acquired an interest in 445,545 and D. Giblin acquired an interest in 123,762 of these ordinary shares, respectively.

Interests in ARYZTA AG

Directors' and Company Secretary's interests in the Ordinary Shares of ARYZTA AG at 31 July 2013:

	2013 Number of shares	2012 Number of shares
Directors:		
O. Killian	**823,731**	823,731
H. McCutcheon	**1,500**	1,500
P. McEniff	**500,006**	500,006
T. O'Mahony	**15,882**	15,882
Company Secretary:		
P. Morrissey	**130,251**	130,251

Directors' and Company Secretary's interest in equity instruments in ARYZTA AG at 31 July 2013:

(a) Matching Plan

	1 August 2012	Granted/ (exercised) during the year	**31 July 2013**
Directors:			
O. Killian	150,000	–	**150,000**
P. McEniff	120,000	–	**120,000**
Company Secretary:			
P. Morrissey	60,000	–	**60,000**

(b) Option Equivalent Plan

	1 August 2012	Granted/ (exercised) during the year	**31 July 2013**
Directors:			
O. Killian	750,000	–	**750,000**
P. McEniff	610,000	–	**610,000**
Company Secretary:			
P. Morrissey	200,000	(100,000)	**100,000**

There have been no changes in the interests as shown between 31 July 2013 and 24 September 2013.

Details of the terms and conditions attaching to the equity instruments in ARYZTA AG are set out in the ARYZTA AG Annual Report, a copy of which is available on the ARYZTA AG website at www.ARYZTA.com.

Substantial holdings

As at 24 September 2013 the directors have been notified of the following shareholdings which amount to three per cent or more of the Company's issued ordinary share capital:

	Number of shares	**%**
ARYZTA AG	95,000,000	68.6

Accounting records

The directors believe that they have complied with the requirement of Section 202 of the Companies Act, 1990 with regard to books of account by employing personnel with appropriate expertise and by providing adequate resources to the finance function. The books of account of the Company are maintained at the Company's registered office at 151 Thomas Street, Dublin 8.

Political donations

No political donations were made in the current year (2012: €Nil).

Going concern

The directors have a reasonable expectation, having made appropriate enquiries that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Auditors

The auditors, PricewaterhouseCoopers, continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the Board

Owen Killian
Director
24 September 2013

Tom O'Mahony
Director
24 September 2013

Statement of Directors' Responsibilities

The directors are responsible for preparing the annual report and the Group and Company financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under that law and in accordance with the Rules of the AIM and ESM exchanges issued by the London and Irish Stock Exchanges, the directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU ('EU IFRS') and have elected to prepare the Company financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable law and the financial reporting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The Group financial statements are required by law and EU IFRS to present fairly the financial position and performance of the Group. The Companies Acts 1963 to 2012 provide in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view, are references to their achieving a fair presentation. The Company financial statements are required by law to give a true and fair view of the state of affairs of the Company.

In preparing each of the Group and Company financial statements, the directors are required to:

> Select suitable accounting policies and then apply them consistently;
> Make judgements and estimates that are reasonable and prudent; and
> Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that its financial statements comply with the Companies Acts 1963 to 2012. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and the requirements of the AIM and ESM Rules, the directors are also responsible for preparing a directors' report that complies with that law and those rules.

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

On behalf of the Board

Owen Killian
Director
24 September 2013

Tom O'Mahony
Director
24 September 2013

Independent Auditors' Report
to the Members of Origin Enterprises plc

We have audited the financial statements of Origin Enterprises plc for the year ended 31 July 2013 which comprise the Consolidated Income Statement, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Group Accounting Policies and the related notes, the Company Accounting Policies, the Company Balance Sheet and the related notes. The financial reporting framework that has been applied in the preparation of the Group financial statements is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Company financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 40, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Section 193 of the Companies Act, 1990 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

> The Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 July 2013 and of its profit and cash flows for the year then ended;
> The Company Balance Sheet gives a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland of the state of the Company's affairs as at 31 July 2013; and
> The financial statements have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2012.

Matters on which we are required to report by the Companies Acts 1963 to 2012

> We have obtained all the information and explanations which we consider necessary for the purposes of our audit;
> In our opinion proper books of account have been kept by the Company;
> The Company Balance Sheet is in agreement with the books of account;
> In our opinion the information given in the Directors' Report is consistent with the financial statements; and
> The net assets of the Company, as stated in the Company Balance Sheet, are more than half of the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 July 2013 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Martin Freyne

Martin Freyne
for and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
Dublin
24 September 2013

Consolidated Income Statement
Year ended 31 July 2013

	Notes	Pre-exceptional 2013 €'000	Exceptional 2013 €'000	Total 2013 €'000	Pre-exceptional 2012 €'000	Exceptional 2012 €'000	Total 2012 €'000
Revenue	1	**1,418,173**	**–**	**1,418,173**	1,340,023	–	1,340,023
Cost of sales		**(1,225,557)**	**–**	**(1,225,557)**	(1,148,965)	–	(1,148,965)
Gross profit		**192,616**	**–**	**192,616**	191,058	–	191,058
Operating costs and other income	2, 3	**(129,416)**	**2,769**	**(126,647)**	(128,235)	(12,073)	(140,308)
Share of profit of associates and joint ventures	3, 7	**21,856**	**(311)**	**21,545**	13,138	(6,384)	6,754
Gain on dilution of interest in associate	3	**–**	**–**	**–**	–	2,305	2,305
Operating profit	5	**85,056**	**2,458**	**87,514**	75,961	(16,152)	59,809
Finance income	4	**6,868**	**–**	**6,868**	7,285	–	7,285
Finance expense	4	**(13,011)**	**–**	**(13,011)**	(13,879)	–	(13,879)
Profit before tax		**78,913**	**2,458**	**81,371**	69,367	(16,152)	53,215
Income tax (expense)/credit	3, 10	**(10,555)**	**2,196**	**(8,359)**	(10,929)	623	(10,306)
Profit attributable to equity shareholders		**68,358**	**4,654**	**73,012**	58,438	(15,529)	42,909

	Notes	2013	2012
Basic earnings per share	11	**52.84c**	31.86c
Diluted earnings per share	11	**52.72c**	30.98c

On behalf of the Board

Owen Killian
Director

Tom O'Mahony
Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Year ended 31 July 2013

	2013 €'000	2012 €'000
Profit for the year	**73,012**	42,909
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Group/associate defined benefit pension obligations		
– actuarial loss on Group's defined benefit pension schemes	**(5,258)**	(6,039)
– deferred tax effect of actuarial loss	**711**	1,143
– actuarial loss on associate's defined benefit pension scheme, net of deferred tax	**(4,552)**	(4,379)
Deferred tax effect of change in tax rates	**(462)**	(858)
Items that may be reclassified subsequently to profit or loss:		
Group/associate foreign exchange translation details		
– foreign currency net investments	**(8,280)**	8,008
– share of associates and joint ventures foreign exchange translation effects	**(2,035)**	1,639
– recycling on disposal of joint venture (Note 3)	**(3,653)**	–
Group/associate cash flow hedges		
– effective portion of changes in fair value to cash flow hedges	**2,487**	(1,683)
– fair value of cash flow hedges transferred to income statement	**(535)**	(1,033)
– deferred tax effect of cash flow hedges	**(344)**	313
– share of associates and joint ventures cash flow hedges, net of deferred tax	**339**	(1,275)
Other comprehensive expense for the year, net of tax	**(21,582)**	(4,164)
Total comprehensive income for the year attributable to equity shareholders	**51,430**	38,745

On behalf of the Board

Owen Killian
Director

Tom O'Mahony
Director

Consolidated Statement of Financial Position
As at 31 July 2013

	Notes	2013 €'000	2012 €'000
ASSETS			
Non-current assets			
Property, plant and equipment	12	**80,647**	91,148
Investment properties	13	**7,575**	13,308
Goodwill and intangibles	14	**129,812**	142,642
Investments in associates and joint ventures	15	**45,235**	124,839
Receivables	17	**39,433**	37,223
Deferred tax assets	22	**4,504**	4,720
Total non-current assets		**307,206**	413,880
Current assets			
Inventory	16	**108,366**	106,316
Trade and other receivables	17	**261,980**	273,239
Amount due from disposal of joint venture	3	**94,002**	–
Derivative financial instruments	21	**492**	95
Cash and cash equivalents	19	**125,484**	95,299
Total current assets		**590,324**	474,949
TOTAL ASSETS		**897,530**	888,829

Consolidated Statement of Financial Position
As at 31 July 2013 (continued)

	Notes	2013 €'000	2012 €'000 Restated (Note 32)
EQUITY			
Called up share capital	25	**1,397**	1,385
Share premium		**160,399**	160,399
Retained earnings and other reserves		**112,790**	80,806
TOTAL EQUITY		**274,586**	242,590
LIABILITIES			
Non-current liabilities			
Interest-bearing borrowings	20	**150,503**	156,245
Deferred tax liabilities	22	**15,238**	20,703
Other payables	18	**3,549**	1,019
Post employment benefit obligations	24	**12,385**	8,559
Derivative financial instruments	21	**2,136**	2,008
Total non-current liabilities		**183,811**	188,534
Current liabilities			
Interest-bearing borrowings	20	**4,540**	6,862
Trade and other payables	18	**417,985**	423,294
Corporation tax payable		**13,228**	10,464
Provision for liabilities	23	**3,309**	15,235
Derivative financial instruments	21	**71**	1,850
Total current liabilities		**439,133**	457,705
TOTAL LIABILITIES		**622,944**	646,239
TOTAL EQUITY AND LIABILITIES		**897,530**	888,829

On behalf of the Board

Owen Killian
Director

Tom O'Mahony
Director

Consolidated Statement of Changes in Equity
Year ended 31 July 2013

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cash flow hedge reserve €'000	Revaluation reserve €'000	Share-based payment reserve €'000	Re-organisation reserve (Note 1) €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000
2013											
At 1 August 2012	**1,385**	**160,399**	**–**	**1**	**(4,894)**	**14,836**	**1,332**	**(196,884)**	**(8,344)**	**274,759**	**242,590**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**73,012**	**73,012**
Other comprehensive income/(expense) for the year	**–**	**–**	**–**	**–**	**1,947**	**–**	**–**	**–**	**(13,968)**	**(9,561)**	**(21,582)**
Total comprehensive income/(expense) for the year	**–**	**–**	**–**	**–**	**1,947**	**–**	**–**	**–**	**(13,968)**	**63,451**	**51,430**
Issue of shares (Note 25)	**12**	**–**	**(12)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Share-based payment charge	**–**	**–**	**–**	**–**	**–**	**–**	**1,269**	**–**	**–**	**–**	**1,269**
Dividend paid to shareholders (Note 26)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(20,703)**	**(20,703)**
Transfer of revaluation reserve to retained earnings	**–**	**–**	**–**	**–**	**–**	**(1,993)**	**–**	**–**	**–**	**1,993**	**–**
Transfer of share-based payment reserve to retained earnings	**–**	**–**	**–**	**–**	**–**	**–**	**(1,540)**	**–**	**–**	**1,540**	**–**
At 31 July 2013	**1,397**	**160,399**	**(12)**	**1**	**(2,947)**	**12,843**	**1,061**	**(196,884)**	**(22,312)**	**321,040**	**274,586**

	Share capital €'000	Share premium €'000	Treasury shares €'000	Capital redemption reserve €'000	Cash flow hedge reserve €'000	Revaluation reserve €'000	Share-based payment reserve €'000	Re-organisation reserve (Note 1) €'000	Foreign currency translation reserve €'000	Retained earnings €'000	Total €'000
2012											
At 1 August 2011	1,385	160,399	–	1	(1,216)	16,741	3,665	(196,884)	(17,991)	251,718	217,818
Profit for the year	–	–	–	–	–	–	–	–	–	42,909	42,909
Other comprehensive income/(expense) for the year	–	–	–	–	(3,678)	–	–	–	9,647	(10,133)	(4,164)
Total comprehensive (expense)/income for the year	–	–	–	–	(3,678)	–	–	–	9,647	32,776	38,745
Share-based payments	–	–	–	–	–	–	659	–	–	–	659
Dividend paid to shareholders (Note 26)	–	–	–	–	–	–	–	–	–	(14,632)	(14,632)
Transfer of revaluation reserve to retained earnings	–	–	–	–	–	(1,905)	–	–	–	1,905	–
Transfer of share-based payment reserve to retained earnings	–	–	–	–	–	–	(2,992)	–	–	2,992	–
At 31 July 2012	1,385	160,399	–	1	(4,894)	14,836	1,332	(196,884)	(8,344)	274,759	242,590

Note 1: Details of the reorganisation and other reserves are set out in Note 27 of the financial statements.

Consolidated Statement of Cash Flows
Year ended 31 July 2013

	Notes	2013 €'000	2012 €'000
Cash flows from operating activities			
Profit before tax		**81,371**	53,215
Exceptional items		**(2,458)**	16,152
Finance income		**(6,868)**	(7,285)
Finance expense		**13,011**	13,879
Share of profit of associates and joint ventures	15	**(21,856)**	(13,138)
Depreciation of property, plant and equipment	12	**5,369**	5,189
Amortisation of intangible assets	14	**7,366**	6,856
Employee share-based payment charge		**1,269**	659
Pension contributions and payments in excess of service costs	24	**(1,834)**	(2,719)
Payment of exceptional rationalisation costs	23	**(5,152)**	–
Operating cash flow before changes in working capital		**70,218**	72,808
(Increase)/decrease in inventory		**(10,709)**	6,866
Increase in trade and other receivables		**(10,404)**	(29,204)
Increase in trade and other payables		**17,635**	36,478
Cash generated from operating activities		**66,740**	86,948
Interest paid		**(7,410)**	(7,532)
Income tax paid		**(9,664)**	(11,459)
Cash inflow from operating activities		**49,666**	67,957
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**367**	440
Proceeds from sale of investment property		**–**	485
Purchase of property, plant and equipment		**(7,893)**	(5,584)
Additions to intangible assets		**(6,121)**	(6,667)
Acquisition of subsidiary undertakings		**–**	(279)
Disposal of associate undertakings		**16,319**	–
Payment of contingent acquisition consideration	23	**(8,846)**	(6,099)
Investment in/loans to associates and joint ventures, net		**–**	(7,742)
Dividends received from associates and joint ventures		**6,908**	10,340
Cash inflow/(outflow) from investing activities		**734**	(15,106)
Cash flows from financing activities			
Drawdown/(repayment) of bank loans		**10,517**	(5,490)
Payment of dividends to equity shareholders		**(20,703)**	(14,632)
Payment of finance lease obligations		**(352)**	(519)
Cash outflow from financing activities		**(10,538)**	(20,641)
Net increase in cash and cash equivalents		**39,862**	32,210
Translation adjustment		**(7,624)**	6,485
Cash and cash equivalents at start of year		**88,822**	50,127
Cash and cash equivalents at end of year	19, 20	**121,060**	88,822

Group Accounting Policies

Origin Enterprises plc (the 'Company') is a company domiciled and incorporated in Ireland. The Group's financial statements for the year ended 31 July 2013 consolidate the individual financial statements of the Company and its subsidiaries (together referred to as 'the Group') and show the Group's interest in associates and joint ventures using the equity method of accounting.

The individual and Group financial statements of the Company were authorised for issue by the directors on 24 September 2013.

Statement of compliance

As permitted by Company law and as required by the Rules of the AIM and ESM exchanges the Group financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRSs') and their interpretations issued by the International Accounting Standards Board ('IASB') as adopted by the EU.

The IFRSs adopted by the EU applied by the Group in the preparation of these financial statements are those that were effective for accounting periods beginning on or after 1 August 2012.

The Group has not applied the following IFRS's and International Financial Reporting Interpretations Committee ('IFRIC') Interpretations that have been issued and adopted by the EU but are not yet effective.

New IFRS accounting standards and interpretations not yet adopted

Origin has yet to adopt the following standards and interpretations which are effective for future financial periods.

> IFRS 9 'Financial Instruments'
> IFRS 10 'Consolidated financial statements'
> IFRS 11 'Joint arrangements'
> IFRS 12 'Disclosure of interests in other entities'
> IFRS 13 'Fair value measurement'
> IFRS 19R 'Employee benefits'
> IAS 16 'Property, Plant & Equipment'
> IAS 28 'Investments in Associates and Joint Ventures'
> IAS 32 'Financial Instruments: Presentation'
> IAS 34 'Interim Financial Reporting'

The Group estimates that the impact of IFRS 19R 'Employee benefits' will be to increase finance costs by approximately €100,000 in the year ending 31 July 2014 compared to the current year. The other standards are not expected to have a significant impact on the Group financial statements.

New IFRS accounting standards and interpretations adopted in 2012/13

During the year ended 31 July 2013, the Company adopted the following amendments to International Financial Reporting Standards (IFRS), International Accounting Standards ('IAS') and the International Financial Reporting Interpretation Committee pronouncements (IFRIC). None of these had a material impact on the consolidated results or financial position of the Group:

Amendment to IAS 1 'Financial Statements Presentation'
Amendment to IAS 12 'Income Taxes'

While the above standards and interpretations adopted by the Group modify certain disclosure requirements, these requirements are not significantly different than information presented as part of the 31 July 2012 year end financial statements and have no impact on the consolidated results or financial position of the Group. The Group has not applied early adoption of any standards for which the effective date is not yet required.

Basis of preparation

The Group financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment properties and derivative financial instruments. The accounting policies have been applied consistently over both years. The financial statements are presented in euro, rounded to the nearest thousand, which is the functional currency of the parent.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group financial statements, relate primarily to accounting for defined benefit pension schemes, financial instruments, investment properties, share-based payments, intangible assets, goodwill impairment and deferred tax. The relevant assumptions and estimates have been discussed in the notes to the financial statements.

Basis of consolidation

The Group financial statements reflect the consolidation of the results, assets and liabilities of the parent undertaking, the Company and all of its subsidiaries, together with the Group's share of profits/losses of associates and joint ventures. Where a subsidiary, associate or joint venture is acquired or disposed of during the financial year, the Group financial statements include the attributable results from, or to, the effective date when control passes, or, in the case of associates, when significant influence is obtained or ceases.

Subsidiary undertakings

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Associates and joint ventures

Associates are those entities in which the Group has significant influence over, but not control of, the financial and operating policies. Joint ventures are those entities over which the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial and operating decisions. Investments in associates and joint ventures are accounted for using the equity method of accounting.

Under the equity method of accounting, the Group's share of the post-acquisition profits or losses of its associates and joint ventures is recognised in the income statement. The income statement reflects, in profit before tax, the Group's share of profit after tax of its associates and joint ventures in accordance with IAS 28, 'Investments in Associates' and IAS 31, 'Interests in Joint Ventures'.

The Group's interest in their net assets is included as investments in associates and joint ventures in the Consolidated Statement of Financial Position at an amount representing the Group's share of the fair value of the identifiable net assets at acquisition plus the Group's share of post acquisition retained income and expenses. The Group's investment in associates and joint ventures includes goodwill on acquisition. The amounts included in the financial statements in respect of the post acquisition income and expenses of associates and joint ventures are taken from their latest financial statements prepared up to their respective year ends, together with management accounts for the intervening periods to the Group's year end. The fair value of any investment retained in a former subsidiary is regarded as a cost on initial recognition of an investment in an associate or joint venture. Where necessary, the accounting policies of associates and joint ventures have been changed to ensure consistency with the policies adopted by the Group.

Group Accounting Policies (continued)

Basis of consolidation (continued)

Transactions eliminated on consolidation

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the Group financial statements. Unrealised gains and income and expenses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that they do not provide evidence of impairment.

Revenue

Revenue represents the fair value of the sale consideration received for the goods supplied to third parties, after deducting discounts estimated based on individual customer arrangements and historical experience and exclusive of value added tax. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker, being the Board, to make decisions about resources to be allocated to segments and to assess performance, and for which discrete financial information is available.

The Group has two operating segments: Agri-Services and Associates and joint ventures (see Note 1 for further information). Segment assets and liabilities consist of property, plant and equipment, goodwill and intangible assets and other assets and liabilities that can be reasonably allocated to the reported segment. Unallocated assets and liabilities principally include current and deferred income tax balances together with financial assets and liabilities.

Employee benefits

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee administered funds, determined by periodic actuarial calculations.

Pension obligations

Obligations for contributions to defined contribution pension plans are recognised as an expense in the Consolidated Income Statement as the related employee service is received. The Group's net obligation in respect of defined benefit pension plans is calculated, separately for each plan, by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the year end date on high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. Fair value is based on market price information, and in the case of quoted securities is the published bid price. Actuarial gains and losses are recognised in other comprehensive Income. Current and past service costs, interest on scheme liabilities and expected return on assets are recognised in the Consolidated Income Statement.

Long-Term Incentive Plan

The Group has established the 'Origin Enterprises Long-Term Incentive Plan' ('the Origin Plan').

All equity instruments issued under the Origin Plan are equity settled share-based payments as defined in IFRS 2, 'Share-based Payments'. The fair value of equity instruments issued is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the equity instrument. The fair value of the equity instruments issued is measured taking into account the vesting conditions under which the equity instruments were issued. The plan is subject to non-market vesting conditions and, therefore, the amount recognised as an expense is adjusted to reflect the actual number of equity instruments that vest.

Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement except to the extent that it relates to items recognised directly in other comprehensive income, in which case the related tax is also recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates and laws that have been enacted or substantially enacted at the year end date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the year end date. If a temporary difference arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction does not affect accounting or taxable profit or loss, no deferred tax is recognised. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be recovered. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end date are translated to functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Consolidated Income Statement.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to euro at the foreign exchange rates ruling at the year end date. The revenues and expenses of foreign operations are translated to euro at the average exchange rates. Foreign exchange differences arising on translation of the net assets of a foreign operation are recognised directly in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, in a translation reserve.

Exchange gains or losses on long-term intra-group loans that are regarded as part of the net investment in non-euro denominated operations, are taken to the translation reserve to the extent that they are neither planned nor expected to be repaid in the foreseeable future.

Dividends

Dividends are recognised in the period in which they are approved by the Company's shareholders, or in the case of an interim dividend, when it has been approved by the Board of Directors and paid.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure including repairs and maintenance costs is recognised in the income statement as an expense as incurred.

Depreciation is calculated to write off the cost less estimated residual value of property, plant and equipment, other than freehold land, on a straight line basis, by reference to the following estimated useful lives:

Buildings	25 to 50 years
Plant and machinery	3 to 15 years
Motor vehicles	3 to 7.5 years

The residual value of assets, if significant, and the useful life of assets is reassessed annually.

Gains and losses on disposals of property, plant and equipment are recognised on the completion of sale. Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount and are included in operating profit.

Group Accounting Policies (continued)

Investment properties

Investment property, principally comprising land, is held for capital appreciation. Investment property is stated at fair value. The fair value is based on market value, being the estimated amount for which a property could be exchanged in an arms length transaction. Any gain or loss arising from a change in fair value is recognised in the Consolidated Income Statement. When property is transferred to investment property following a change in use, any difference arising at the date of transfer between the carrying amount of the property immediately prior to transfer and its fair value is recognised in equity if it is a gain. Upon disposal of the property, the gain would be transferred to retained earnings in equity. Any loss arising in this manner, unless it represents the reversal of a previously recognised gain, would be recognised immediately in the Consolidated Income Statement.

Discontinued operations and non-current assets held for sale

A discontinued operation is a component of an entity that either has been disposed of, abandoned, or is classified as held for sale and:

> Represents a separate major line of business or geographical area of operation; or
> Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or
> Is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal, abandonment, or when the operations meet the criteria to be classified as held for sale.

Non-current assets and disposal groups classified as held for sale are measured at the lower of the carrying amount and the fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than continued use. This condition is regarded as satisfied only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year of the date of classification. Property, plant and equipment and intangible assets, once classified as held for sale, are not depreciated or amortised.

Leased assets

Leases, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments made under operating leases are charged to the Consolidated Income Statement on a straight line basis over the lease term.

Leases, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in interest-bearing loans and borrowings. The interest element of the payments is charged to the Consolidated Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The asset acquired under the finance lease is depreciated over the shorter of the useful life of the asset or the lease term.

Business combinations and goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries, associates and joint ventures. In respect of acquisitions that have occurred since 1 August 2005, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, i.e. original cost less accumulated amortisation from the date of acquisition up to 31 July 2005, which represents the amount recorded under Irish GAAP. Goodwill is now stated at cost or deemed cost less any accumulated impairment losses. In respect of associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment.

Intangible assets

Intangible assets acquired as part of a business combination are initially recognised at fair value being their deemed cost as at the date of acquisition. These generally include brand and customer related intangible assets. Computer software that is not an integral part of an item of computer hardware is also classified as an intangible asset. Where intangible assets are separately acquired, they are capitalised at cost. Cost comprises purchase price and other directly attributable costs.

Intangible assets with finite lives are amortised over the period of their expected useful lives in equal annual instalments, as follows;

Brands	3 to 10 years
Customer related	5 to 20 years
Supplier agreements	4 to 10 years
Computer related	3 to 7 years

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and impairment losses incurred.

Impairment

The carrying amounts of the Group's assets, other than inventories (which are carried at the lower of cost and net realisable value), deferred tax assets (which are recognised based on recoverability), investment properties (which are carried at fair value), and those financial instruments, which are carried at fair value, are reviewed to determine whether there is an indication of impairment when an event or transaction indicates that there may be. If any such indication exists, an impairment test is carried out and the asset is written down to its recoverable amount. An impairment test is carried out annually on goodwill.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Consolidated Income Statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then, to reduce the carrying amount of the other assets in the unit on a pro rata basis. An impairment loss, other than in the case of goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Inventory

Inventory is stated at the lower of cost on a first in, first out basis and net realisable value. Cost includes all expenditure, which has been incurred in the normal course of business in bringing the products to their present location and condition. Net realisable value is the estimated selling price of inventory on hand less all further costs to completion and all costs expected to be incurred in marketing, distribution and selling.

Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at bank and in hand and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Consolidated Statement of Cash Flows.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Financial assets and liabilities

Trade and other receivables

Trade and other receivables are initially measured at fair value and are, thereafter, measured at amortised cost using the effective interest method, less any provision for impairment. Trade and other receivables are discounted when the time value of money is considered material.

A provision is established for irrecoverable amounts when there is objective evidence (including a customer going into liquidation or receivership, the commencement of legal proceedings or poor payment history) that amounts due under the original payment terms will not be collected.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group have transferred substantially all risks and rewards of ownership. Where risks associated with receivables are transferred out of the Group under receivables purchase agreements, such receivables are recognised in the Consolidated Statement of Financial Position to the extent of the Group's continued involvement and retained risk.

Short-term bank deposits

Short-term bank deposits of greater than three months maturity which do not meet the definition of cash and cash equivalents are classified as loans and receivables within current assets and stated at amortised cost in the Consolidated Statement of Financial Position.

Trade and other payables

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost, using the effective interest method.

Derivatives

All derivatives are initially recorded at fair value on the date the contract is entered into and subsequently, at reporting dates remeasured to their fair value. The gain or loss arising on remeasurement is recognised in the income statement except where the instrument is a designated hedging instrument.

Derivative financial instruments are used to manage the Group's exposure to foreign currency risk and interest rate risk through the use of forward currency contracts and interest rate swaps. These derivatives are generally designated as cash flow hedges in accordance with IAS 39. The Group does not enter into speculative derivative transactions.

Group Accounting Policies (continued)

Financial assets and liabilities (continued)

Cash flow hedges

Subject to the satisfaction of certain criteria, relating to the documentation of the risk, objectives and strategy for the hedging transaction and the on-going measurement of its effectiveness, cash flow hedges are accounted for under hedge accounting rules. In such cases, any unrealised gain or loss arising on the effective portion of the derivative instrument is recognised in the cash flow hedging reserve, a separate component of equity. Unrealised gains or losses on any ineffective portion of the derivative are recognised in the income statement. When the hedged transaction occurs the related gains or losses in the hedging reserve are transferred to the Consolidated Income Statement.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are stated at amortised cost using an effective interest rate method.

Finance lease liabilities

Fair value for disclosure purposes is based on the present value of future cash flows discounted at appropriate current market rates.

Exceptional items

The Group has adopted an income statement format which seeks to highlight significant items within the Group results for the year. The Group believes that this presentation provides a more informative analysis as it highlights one off items. Such items may include significant restructuring costs, profit or loss on disposal or termination of operations, profit or loss on disposal of property, plant and equipment, profit or loss on disposal of investments, claims and significant impairment of assets. Judgement is used by the Group in assessing the particular items, which by virtue of their scale and nature, should be disclosed in the Consolidated Income Statement and related notes as exceptional items.

Borrowing costs

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the Consolidated Income Statement using the effective interest method.

Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Contingent acquisition consideration

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured and its subsequent settlement is accounted for within equity. To the extent that contingent acquisition consideration is payable after more than one year from the date of acquisition, it is discounted at an appropriate loan interest rate and, accordingly, carried at net present value on the Consolidated Statement of Financial Position. An appropriate interest charge, at a constant rate on the carrying amount adjusted to reflect market conditions, is reflected in the Consolidated Income Statement over the earnout period, increasing the carrying amount so that the obligation will reflect its settlement at the time of maturity.

Finance income

Finance income is recognised using the effective interest method.

Notes to the Group Financial Statements

1 Segment information

IFRS 8, 'Operating Segments', requires operating segments to be identified on the basis of internal reports that are regularly reviewed by the Chief Operating Decision Maker (CODM) in order to allocate resources to the segments and to assess their performance. Two operating segments have been identified; Agri-Services and Associates and joint ventures.

Origin's Agri-Services segment comprises integrated agronomy services and agri-inputs. The associates and joint ventures operating segment is comprised of our existing investments in Valeo, John Thompson & Son Limited and R&H Hall. The segment results and revenue from the associates and joint ventures operating segment also included our investments in Continental Farmers Group plc and Welcon prior to their disposal in June and July 2013, respectively.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit as included in the internal management reports that are reviewed by the Group's CODM, being the Origin Board of Directors. Segment operating profit is used to measure performance, as this information is the most relevant in evaluating the results of the Group's segments. Segment results, assets and liabilities include all items directly attributable to a segment.

Segment capital expenditure is the total amount incurred during the period to acquire segment assets that are expected to be used for more than one accounting period.

	Agri-Services		Associates and joint ventures		Total Group	
	2013 €'000	2012 €'000	**2013 €'000**	2012 €'000	**2013 €'000**	2012 €'000
(a) Analysis by segment						
(i) Segment revenue and results						
Total revenue	**1,418,173**	1,340,023	**594,692**	475,611	**2,012,865**	1,815,634
Less revenue from associates and joint ventures	**–**	–	**(594,692)**	(475,611)	**(594,692)**	(475,611)
Revenue	**1,418,173**	1,340,023	**–**	–	**1,418,173**	1,340,023
Segment result	**68,889**	69,224	**21,856**	13,138	**90,745**	82,362
Amortisation of non-ERP intangible assets					**(5,689)**	(6,401)
Total operating profit before exceptional items					**85,056**	75,961
Exceptional items					**2,458**	(16,152)
Operating profit					**87,514**	59,809

	2013 €'000	2012 €'000
(ii) Segment earnings before financing costs and tax is reconciled to reported profit before tax and profit after tax as follows:		
Segment earnings before financing costs and tax	**87,514**	59,809
Finance income	**6,868**	7,285
Finance expense	**(13,011)**	(13,879)
Reported profit before tax	**81,371**	53,215
Income tax expense	**(8,359)**	(10,306)
Reported profit after tax	**73,012**	42,909

Notes to the Group Financial Statements (continued)

1 Segment information (continued)

	Agri-Services		Associates and joint ventures		Total Group	
	2013 €'000	2012 €'000	**2013 €'000**	2012 €'000	**2013 €'000**	2012 €'000
(iii) Segment assets						
Segment assets excluding investment in associates and joint ventures and investment properties	**580,805**	613,345	**94,002**	–	**674,807**	613,345
Investment in associates and joint ventures (including other financial assets)	**–**	–	**84,668**	162,062	**84,668**	162,062
Segment assets	**580,805**	613,345	**178,670**	162,062	**759,475**	775,407
Reconciliation to total assets as reported in Consolidated Statement of Financial Position						
Cash and cash equivalents					**125,484**	95,299
Investment properties					**7,575**	13,308
Derivative financial instruments					**492**	95
Deferred tax assets					**4,504**	4,720
Total assets as reported in Consolidated Statement of Financial Position					**897,530**	888,829

	Agri-Services		Associates and joint ventures		Total Group	
	2013 €'000	2012 €'000	**2013 €'000**	2012 €'000	**2013 €'000**	2012 €'000
(iv) Segment liabilities						
Segment liabilities	**437,228**	448,107	**–**	–	**437,228**	448,107
Reconciliation to total liabilities as reported in Consolidated Statement of Financial Position						
Interest-bearing loans and liabilities					**155,043**	163,107
Derivative financial instruments					**2,207**	3,858
Current and deferred tax liabilities					**28,466**	31,167
Total liabilities as reported in Consolidated Statement of Financial Position					**622,944**	646,239

	Agri-Services		Associates and joint ventures		Total Group	
	2013 €'000	2012 €'000	**2013 €'000**	2012 €'000	**2013 €'000**	2012 €'000
(v) Other segment information						
Depreciation	**5,369**	5,189	**–**	–	**5,369**	5,189
Intangible amortisation	**7,366**	6,856	**–**	–	**7,366**	6,856
Exceptional gain/(loss) (Note 3)	**2,769**	(12,073)	**(311)**	(4,079)	**2,458**	(16,152)
Capital expenditure – property, plant and equipment	**7,964**	5,768	**–**	–	**7,964**	5,768
Capital expenditure – ERP and computer intangibles	**5,826**	5,987	**–**	–	**5,826**	5,987
Total capital expenditure	**13,790**	11,755	**–**	–	**13,790**	11,755

	Ireland		UK		Rest of world		Total	
	2013 €'000	2012 €'000	**2013 €'000**	2012 €'000	**2013 €'000**	2012 €'000	**2013 €'000**	2012 €'000
(b) Analysis by geography								
Revenue	**174,418**	148,598	**948,267**	988,539	**295,488**	202,886	**1,418,173**	1,340,023
Assets	**153,772**	134,085	**559,316**	582,308	**46,387**	59,014	**759,475**	775,407
IFRS 8 non-current assets	**123,140**	129,950	**177,725**	260,508	**1,837**	18,702	**302,702**	409,160

2 Operating costs and other income

	2013 €'000	2012 €'000
Distribution expenses	**66,919**	67,017
Administration expenses	**56,808**	54,817
Amortisation of non-ERP related intangible assets	**5,689**	6,401
	129,416	128,235
Exceptional items (Note 3)	**(2,769)**	12,073
	126,647	140,308

3 Exceptional items

Exceptional items are those that, in management's judgement, should be separately presented and disclosed by virtue of their nature or amount. Such items are included within the Consolidated Income Statement caption to which they relate. The following exceptional items arose during the year:

	2013 €'000	2012 €'000
Gain on disposal of interest in joint venture (i)	**20,631**	–
Fair value adjustment on investment properties (Note 13)	**(6,333)**	(9,665)
Impairment of property, plant and equipment (ii)	**(8,612)**	–
Rationalisation costs (iii)	**(3,819)**	(2,408)
Release of Rigby Taylor contingent consideration (Note 23)	**579**	–
Gain on disposal of interest in associate (Note 15 (i))	**323**	–
Gain on dilution of interest in associate (iv)	**–**	2,305
Arising in associates and joint ventures (v)	**(311)**	(6,384)
Total exceptional items before tax	**2,458**	(16,152)
Tax credit on exceptional items	**2,196**	623
Total exceptional items after tax	**4,654**	(15,529)

(i) Gain on disposal of interest in joint venture

On 4 July 2013, Origin announced that it had reached conditional agreement to dispose of its 50 per cent interest in Welcon, to its joint venture partner, Austevoll Seafoods ASA for a cash consideration of 740 million NOK. As all conditions were fulfilled by 31 July 2013 the disposal has been reflected in the financial year ended 31 July 2013. The consideration receivable of 740 million NOK – €94 million at year end exchange rates, is shown as a receivable in the Consolidated Statement of Financial Position at 31 July 2013. The transaction completed on 12 August 2013 and the proceeds were received in full. A gain of €20.6 million arose on the disposal as follows:

	2013 €'000
Consideration receivable from disposal of interest in Welcon	**94,002**
Carrying value of investment (Note 15)	**(73,873)**
Foreign exchange differences previously taken to comprehensive income	**3,653**
Disposal related costs	**(3,151)**
Gain arising on disposal of joint venture	**20,631**

Notes to the Group Financial Statements (continued)

3 Exceptional items (continued)

(ii) Impairment of property, plant and equipment

During the year, the Directors commissioned an independent valuations expert to conduct a valuation of a property in Ireland held within property, plant and equipment in light of its anticipated future use and against the background of the current conditions in the Irish property market. The valuation was on the basis of the RICS Red Book – RICS Valuation – Professional Standards published in March 2012. The valuation resulted in a write down in the carrying value of €8.6 million.

(iii) Rationalisation costs

Rationalisation costs include termination payments and property exit costs primarily arising from a restructuring of agri-services in the UK.

(iv) Gain on dilution of interest in associate

During the prior year, the Group recorded a gain of €2.3 million on the dilution of its investment in Valeo Foods Group Limited ('Valeo') from 44.1 per cent to 32 per cent as a result of the issue of equity by Valeo to part finance the acquisition of Jacob Fruitfield Food Group.

(v) Arising in associates and joint ventures

The exceptional loss arising in associates and joint ventures in the current year relates to the Group's share of redundancy costs arising in Valeo. During the prior year the exceptional loss resulted from the Group's share of acquisition costs of €1.4 million and rationalisation costs of €5.0 million (principally asset write downs and redundancy costs) in Valeo.

4 Finance income and expense

	2013 €'000	2012 €'000
Recognised in the Consolidated Income Statement		
Finance income		
Interest income on bank deposits	**489**	700
Interest receivable on vendor loan note (Note 17)	**2,210**	2,210
Defined benefit pension obligations: expected return on scheme assets (Note 24)	**4,169**	4,375
Total finance income	**6,868**	7,285
Finance expenses		
Interest payable on bank loans and overdrafts	**(8,297)**	(8,887)
Finance charge on contingent acquisition consideration (Note 23)	**(187)**	(480)
Defined benefit pension obligations: interest cost on scheme liabilities (Note 24)	**(4,527)**	(4,512)
Total finance expenses	**(13,011)**	(13,879)
Finance costs, net	**(6,143)**	(6,594)
Recognised directly in Other Comprehensive Income		
Effective portion of changes in fair value of interest rate swaps	**987**	(3,122)

5 Statutory and other information

	2013 €'000	2012 €'000
Group operating profit before exceptional items is stated after charging:		
Raw materials and consumables used	**1,218,488**	1,142,771
Amortisation of intangible assets	**7,366**	6,856
Depreciation of property, plant and equipment	**5,369**	5,189
Operating lease rentals	**6,196**	7,389
Auditors' remuneration:		
– statutory audit of Group accounts	**239**	275
– other assurance services	**24**	24
– tax advisory services	**–**	6
– other non-audit services	**6**	10

6 Directors' emoluments

The remuneration paid to the directors in their capacity as directors of Origin Enterprises plc for the year ended 31 July 2013 is as follows:

	Fees €'000	Salary €'000	Performance related bonus €'000	Benefit in kind €'000	Pension €'000	**2013 Total €'000**	2012 Total €'000
Non-executive directors							
H. Cooney	–	–	–	–	–	**–**	50
A. Gray	–	–	–	–	–	**–**	21
O. Killian	50	–	–	–	–	**50**	50
H. McCutcheon	70	–	–	–	–	**70**	49
P. McEniff	50	–	–	–	–	**50**	50
R. McHugh	50	–	–	–	–	**50**	8
Executive directors							
B. Fitzgerald	–	350	350	–	145	**845**	737
D. Giblin	–	325	325	24	20	**694**	687
T. O'Mahony	–	420	420	26	147	**1,013**	940
	220	**1,095**	**1,095**	**50**	**312**	**2,772**	2,592

	2013 Number	2012 Number
Average number of non-executive directors	**4**	4
Average number of executive directors	**3**	3

	2013 Total €'000	2012 Total €'000
Share based payment charge – 2007 Plan	**50**	190
Share based payment charge – 2012 Plan	**884**	–
Accrual for cash based deferred bonus scheme, not payable until 2015	**955**	267
	1,889	457

The non-executive directors do not participate in any of the Origin long-term incentive plans.

Pension entitlements

The aggregate pension benefits attributable to directors under defined benefit schemes for the year were as follows:

	2013 €'000	2012 €'000
Increase in accrued pension (excluding inflation)	**–**	–
Transfer value of increase (excluding inflation)	**1**	1
Accrued annual pension at 31 July	**52**	56

Notes to the Group Financial Statements (continued)

7 Share of profit after tax of associates and joint ventures

	2013 €'000	2012 €'000
Joint ventures		
Group share of:		
Revenue	**341,720**	241,018
Profit after tax	**14,436**	6,038
Associates		
Group share of:		
Revenue	**252,972**	234,593
Profit after tax	**7,109**	716
Total		
Group share of:		
Revenue	**594,692**	475,611
Profit after tax*	**21,545**	6,754

* After charging exceptional costs of €311,000 (2012: €6,384,000).

8 Employment

The average number of persons (including executive directors) employed by the Group during the year was as follows:

	2013 Number	2012 Number
Sales and distribution	**827**	826
Production	**262**	260
Management and administration	**339**	372
	1,428	1,458

Aggregate employment costs of the Group are analysed as follows:

	2013 €'000	2012 €'000
Wages and salaries	**79,598**	78,276
Social welfare costs	**7,869**	8,741
Pension costs (Note 24):		
– defined benefit schemes – current service cost	**441**	362
– defined benefit schemes – negative past service cost	**(536)**	–
– defined contribution schemes	**2,288**	2,461
Share-based payment (Note 9)	**1,269**	659
	90,929	90,499
Pension costs (Note 24):		
– defined benefit schemes – actuarial loss	**5,258**	6,039
– defined benefit schemes – finance cost/expected return	**358**	137
Termination benefits	**3,204**	1,880
	99,749	98,555

9 Long-Term Incentive Plans

(i) 2007 Long-Term Incentive Plan

Senior executives of the Group acquired 5,555,270 equity entitlements of €0.01 each in Origin at par value during 2007 and 2008. For these equity entitlements to be converted into ordinary shares, the senior executives had to remain with the Group for five years and specified financial targets had to be achieved.

In the five years to 31 July 2011 the compound growth in earnings per share, as defined under the scheme, was 16.9 per cent. As a result, on 17 April 2012 the vesting conditions were met and 5,003,238 equity entitlements were converted on a one-for-one basis into ordinary shares.

In the five years to 31 July 2012 the compound growth in earnings per share, as defined under the scheme, was 18.1 per cent. As a result, on 11 March 2013 the vesting conditions were met and the remaining 480,345 equity entitlements were converted on a one-for-one basis into ordinary shares (Note 25).

The table below shows the movement in equity entitlements:

Details of equity entitlements granted under the Origin Long-Term Incentive Plan

	2013 Weighted conversion price	**2013 Number of equity entitlements**	2012 Weighted conversion price	2012 Number of equity entitlements
Equity entitlements outstanding at beginning of year	**0.01**	**480,345**	0.01	5,483,583
Converted to ordinary shares during the year	**0.01**	**(480,345)**	0.01	(5,003,238)
Equity entitlements outstanding at end of year	**–**	**–**	0.01	480,345

The equity entitlements issued were equity-settled share-based payments as defined in IFRS 2. The IFRS requires that a recognised valuation methodology be employed to determine the fair value of share-based payments issued and stipulates that this methodology should be consistent with methodologies used for the pricing of financial instruments. The expense reported in the Consolidated Income Statement in respect of these equity entitlements for the year ended 31 July 2013 was €208,000 (2012: €659,000).

(ii) 2012 Long-Term Incentive Plan

During the year the 2012 LTIP Plan was established under the terms of the Origin Long-Term Incentive Plan 2012 approved by the shareholders on 21 November 2011. The details are as follows:

	Number of equity entitlements	**Actual remaining vesting period (years)**
LTIP		
Equity entitlements issued		
Outstanding at beginning of year	–	–
Issued during the year	1,212,871	2.0
Outstanding at the end of the year	**1,212,871**	**2.0**

Notes to the Group Financial Statements (continued)

9 Long-Term Incentive Plans (continued)

(ii) 2012 Long-Term Incentive Plan (continued)

Plan description
The equity instruments granted under the Origin 2012 LTIP are equity-settled share-based payments, as defined in IFRS 2, Share-based Payment. The Group has no legal or constructive obligation to repurchase or settle the matching plan equity entitlement in cash.

Vesting is determined by reference to underlying adjusted diluted EPS growth.

> None of the 1,212,871 shares will transfer to the executives if growth in EPS in the three years to 31 July 2015 is less than 7.5 per cent per annum compound.
> Interest in 404,290 shares will transfer to the executives if growth in EPS in the three years to 31 July 2015 is 7.5 per cent per annum compound.
> Interest in all of the 1,212,871 shares will transfer to the executives if growth in EPS in the years to 31 July 2015 is 12.5 per cent per annum or greater.
> If growth in EPS in the three years to 31 July 2015 is between 7.5 per cent and 12.5 per cent per annum compound vesting will occur on a fractional pro rata basis (up to a maximum of 1,212,871 shares).

Awards are subject to additional conditions, including notably: (a) the requirement to remain in service throughout the performance period; (b) the requirement to hold recognised qualifying shares in Origin throughout the performance period (404,290 in aggregate); (c) the requirement that the Origin Group's return on invested capital over the expected performance period is not less than its weighted average cost of capital (currently 10.8 per cent) and (d) the requirement that annual dividends to shareholders are at least 33 per cent of the underlying EPS during the performance period.

The 2012 LTIP Plan awards can be exercised as of the time the performance conditions described above have been met, but no later than 31 July 2021.

In addition to the 1,212,871 shares outlined above, a conditional award over a further 123,762 shares was made on similar terms.

The value assigned to equity entitlements issued under the 2012 LTIP Plan was €3.51 representing the fair value of an ordinary share on the date of grant, adjusted for the estimated lost dividend between date of issue and vesting date and adjusted for the nominal value of the shares.

The equity entitlements issued were equity-settled share-based payments as defined in IFRS 2. The IFRS requires that a recognised valuation methodology be employed to determine the fair value of share-based payments issued and stipulates that this methodology should be consistent with methodologies used for the pricing of financial instruments. The expense reported in the Consolidated Income Statement in respect of these equity entitlements for the year ended 31 July 2013 was €1,061,000 (2012: €Nil).

(iii) Cash based Long-Term Incentive Plan

The Group has also established a long-term cash based incentive plan for Executive directors. The plan is based on annual targets over the period to 31 July 2015 and is earned on an annual basis but is only payable if the executive director is an employee of the Group at 31 July 2015. €955,000 has been accrued in relation to this scheme during the year ended 31 July 2013 bringing the total to €1,212,000. The amount ultimately payable will depend on the financial performance over the period to 31 July 2015.

10 Income tax

	2013 €'000	2012 €'000
Current tax	**12,011**	11,718
Deferred tax	**(3,652)**	(1,412)
Income tax expense	**8,359**	10,306
Reconciliation of average effective tax rate to Irish corporate tax rate:		
Profit before tax	**81,371**	53,215
Share of profits of associates and joint ventures	**(21,545)**	(6,754)
	59,826	46,461
Taxation based on Irish corporate rate of 12.5 per cent	**7,478**	5,808
Effect of deferred tax rate change	**(829)**	(962)
Expenses not deductible for tax purposes	**1,108**	609
Higher rates of tax on overseas earnings	**3,918**	4,752
Changes in estimates:		
– Current tax	**(175)**	(501)
– Deferred tax	**(317)**	227
Non-taxable income	**(2,518)**	–
Other	**(306)**	373
	8,359	10,306
Movement on deferred tax asset/(liability) recognised directly in the Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Relating to Group employee benefit schemes	**(711)**	(1,143)
Relating to tax rate changes	**462**	858
Derivative financial instruments and other	**344**	(313)
	95	(598)

11 Earnings per share

Basic earnings per share

	2013 €'000	2012 €'000
Profit for the financial year attributable to equity shareholders	**73,012**	42,909
	'000	'000
Weighted average number of ordinary shares for the year	**138,179**	134,683
	Cent	Cent
Basic earnings per share	**52.84**	31.86

Notes to the Group Financial Statements (continued)

11 Earnings per share (continued)

Diluted earnings per share

	2013 €'000	2012 €'000
Profit for the financial year attributable to equity shareholders	**73,012**	42,909

	'000	'000
Weighted average number of ordinary shares used in basic calculation	**138,179**	134,683
Effect of convertible shares with a dilutive effect	**320**	3,816
Weighted average number of ordinary shares (diluted) for the year	**138,499**	138,499

	Cent	Cent
Diluted earnings per share	**52.72**	30.98

Adjusted basic earnings per share

	2013 '000	2012 '000
Weighted average number of ordinary shares for the year	**138,179**	134,683

	2013 €'000	2012 €'000
Profit for the financial year	**73,012**	42,909
Adjustments		
Amortisation of non-ERP related intangible assets (Note 14)	**5,689**	6,401
Tax on amortisation of non-ERP related intangible assets	**(1,873)**	(2,288)
Exceptional items, net of tax	**(4,654)**	15,529
Adjusted earnings	**72,174**	62,551

	Cent	Cent
Adjusted basic earnings per share	**52.23**	46.44

Adjusted diluted earnings per share

	2013 '000	2012 '000
Weighted average number of ordinary shares used in basic calculation	**138,179**	134,683
Effect of convertible shares with a dilutive effect	**320**	3,816
Weighted average number of ordinary shares (diluted) for the year	**138,499**	138,499

	2013 €'000	2012 €'000
Adjusted earnings as above	**72,174**	62,551

	Cent	Cent
Adjusted diluted earnings per share	**52.11**	45.16

12 Property, plant and equipment

	Land and buildings €'000	Plant and machinery €'000	Motor vehicles €'000	Total €'000
Cost				
At 1 August 2012	78,993	46,128	5,149	130,270
Impairment (Note 3)	(8,612)	–	–	(8,612)
Additions	724	6,525	715	7,964
Disposals	(401)	(5,860)	(1,205)	(7,466)
Transfer to investment property (Note 13)	(600)	–	–	(600)
Translation adjustments	(2,565)	(2,434)	(285)	(5,284)
At 31 July 2013	**67,539**	**44,359**	**4,374**	**116,272**
Accumulated depreciation				
At 1 August 2012	7,379	28,215	3,528	39,122
Depreciation charge for year	951	3,859	559	5,369
Disposals	(289)	(5,750)	(1,060)	(7,099)
Translation adjustments	(411)	(1,121)	(235)	(1,767)
At 31 July 2013	**7,630**	**25,203**	**2,792**	**35,625**
Net book amounts				
At 31 July 2013	**59,909**	**19,156**	**1,582**	**80,647**
At 31 July 2012	71,614	17,913	1,621	91,148
Cost				
At 1 August 2011	81,875	43,079	4,912	129,866
Additions	1,481	3,582	705	5,768
Disposals	(88)	(3,296)	(717)	(4,101)
Transfer to investment property (Note 13)	(7,456)	–	–	(7,456)
Translation adjustments	3,181	2,763	249	6,193
At 31 July 2012	**78,993**	**46,128**	**5,149**	**130,270**
Accumulated depreciation				
At 1 August 2011	6,135	26,272	3,203	35,610
Depreciation charge for year	926	3,642	621	5,189
Disposals	(72)	(3,050)	(539)	(3,661)
Translation adjustments	390	1,351	243	1,984
At 31 July 2012	**7,379**	**28,215**	**3,528**	**39,122**
Net book amounts				
At 31 July 2012	**71,614**	**17,913**	**1,621**	**91,148**
At 31 July 2011	75,740	16,807	1,709	94,256

Assets held under finance leases

The net book value in respect of assets held under finance leases and accordingly capitalised in property, plant and equipment is as follows:

	Plant and machinery €'000	Motor vehicles €'000	Total €'000
At 31 July 2013	**802**	**21**	**823**
At 31 July 2012	1,239	70	1,309

Notes to the Group Financial Statements (continued)

13 Investment properties

	2013 €'000	2012 €'000
At 1 August	**13,308**	16,002
Disposals	**–**	(485)
Fair value adjustment (Note 3)	**(6,333)**	(9,665)
Transfer from property, plant and equipment (Note 12)	**600**	7,456
At 31 July	**7,575**	13,308

Investment property principally comprises land located in Ireland in areas designated for future development and regeneration.

Against the background of the current conditions in the Irish property market the directors commissioned an independent valuations expert to conduct a valuation of the Group's investment properties in July 2013. The valuation was on the basis of fair value and complies with the requirements of the RICS Red Book – RICS Valuation – Professional Standards published in March 2012. This valuation resulted in a writedown in the carrying value of investment properties of €6.3 million and a release of the related deferred tax liability of €2.5 million. The net non-cash charge of €3.8 million has been shown as an exceptional item in the Consolidated Income Statement for the year ended 31 July 2013.

Any previous revaluation surpluses relating to the fair value adjustments to investment properties have been transferred from the revaluation reserve to retained earnings. The total amount transferred is €2.0 million.

As some of the Group's land and buildings were no longer used in the Group's businesses the directors concluded that these items should be transferred to investment property.

14 Goodwill and intangible assets

		Intangible assets					
	Goodwill €'000	Brand €'000	Customer related €'000	Supplier agreements €'000	Computer related €'000	ERP related €'000	Total €'000
Cost							
At 1 August 2012	81,921	11,782	55,531	805	871	9,766	160,676
Additions	–	225	70	–	187	5,639	6,121
Translation adjustment	(7,351)	(1,066)	(4,527)	(70)	(71)	–	(13,085)
At 31 July 2013	**74,570**	**10,941**	**51,074**	**735**	**987**	**15,405**	**153,712**
Accumulated amortisation							
At 1 August 2012	–	3,834	12,319	771	719	391	18,034
Amortisation	–	969	4,634	–	86	1,677	7,366
Translation adjustment	–	(338)	(1,043)	(71)	(48)	–	(1,500)
At 31 July 2013	**–**	**4,465**	**15,910**	**700**	**757**	**2,068**	**23,900**
Net book amounts							
At 31 July 2013	**74,570**	**6,476**	**35,164**	**35**	**230**	**13,337**	**129,812**
At 31 July 2012	81,921	7,948	43,212	34	152	9,375	142,642

14 Goodwill and intangible assets (continued)

		Intangible assets					
	Goodwill €'000	Brand €'000	Customer related €'000	Supplier agreements €'000	Computer related €'000	ERP related €'000	Total €'000
Cost							
At 1 August 2011	75,009	10,565	49,555	727	1,427	3,921	141,204
Additions	219	–	795	–	142	5,845	7,001
Disposals	–	–	–	–	(734)	–	(734)
Translation adjustment	6,693	1,217	5,181	78	36	–	13,205
At 31 July 2012	**81,921**	**11,782**	**55,531**	**805**	**871**	**9,766**	**160,676**
Accumulated amortisation							
At 1 August 2011	–	1,867	6,906	560	1,365	–	10,698
Amortisation	–	1,694	4,569	138	64	391	6,856
Disposals	–	–	–	–	(734)	–	(734)
Translation adjustment	–	273	844	73	24	–	1,214
At 31 July 2012	**–**	**3,834**	**12,319**	**771**	**719**	**391**	**18,034**
Net book amounts							
At 31 July 2012	**81,921**	**7,948**	**43,212**	**34**	**152**	**9,375**	**142,642**
At 31 July 2011	75,009	8,698	42,649	167	62	3,921	130,506

Cash generating units (CGUs)

Goodwill acquired through business combination activity has been allocated to cash-generating units ('CGUs') that are expected to benefit from the business combination. The carrying amount of goodwill allocated to cash generating units across the Group is summarised as follows (all relate to UK acquisitions):

	Pre-tax discount rate 2013	Pre-tax discount rate 2012	Projection period	Growth rate	2013 €'000	2012 €'000
Agri-Services						
Agrii	**10.8%**	11.6%	**3 years**	**2%**	**62,070**	68,186
Amenity	**10.8%**	11.6%	**3 years**	**2%**	**4,895**	5,379
Fertiliser	**10.8%**	11.6%	**3 years**	**2%**	**7,605**	8,356
					74,570	81,921

Impairment testing of goodwill

No impairment losses have been recognised by the Group in respect of goodwill in either financial year. The recoverable amounts of cash generating units are based on value in use computations. The cash flow forecasts employed for this computation are extracted from the 2014 budget document formally approved by the Board of Directors. The cash flow projections are based on current operating results of the individual cash generating units and a conservative assumption regarding future organic growth. For the purposes of the calculation of value in use, management have approved that the cash flows are projected over a three-year period with additional cash flows in subsequent years calculated using a terminal value methodology. In calculating the terminal value similar assumptions regarding growth have been used.

The cash flows are discounted using appropriate risk adjusted discount rates as disclosed in the table above. The weighted average of those rates is 10.8 per cent, reflecting the risk associated with the individual future cash flows and the risk-free rate. Any significant adverse change in the expected future operational results and cash flows may result in the value in use being less than the carrying value of a business unit and would require that the carrying value of the business unit be impaired and stated at the greater of the value in use or the fair value less costs to sell of the business unit. However, the results of the impairment testing undertaken at 31 July 2013 indicates sufficient headroom, such that any reasonable realistic movement in any of the underlying assumptions would not cause the cash generating unit's carrying amount to exceed its recoverable amount. The overall weighted average cost of capital of the Group pre-tax is 10.8 per cent and post-tax is 8.6 per cent.

Key assumptions include management's estimates of future profitability, discount rates, replacement capital expenditure requirements and trade working capital investment needs. These assumptions are based on management's past experience. Capital expenditure requirements and profitability are based on the Group's budgets and broadly assume that historic investment patterns will be maintained. Working capital requirements are forecast to increase in line with activity.

Notes to the Group Financial Statements (continued)

15 Investments in associates and joint ventures

	2013 €'000	2012 €'000
At 1 August	**124,839**	119,081
Share of profits after tax, before exceptional items	**21,856**	13,138
Share of acquisition and rationalisation costs, net of tax	**(311)**	(6,384)
Dividends received	**(6,908)**	(10,340)
Investment in Valeo (Note 3 (iv))	**–**	7,815
Loans to/interest from associates	**–**	(70)
Gain on dilution of investment in Valeo (Note 3 (iv))	**–**	2,305
Disposal of interest in Continental Farmers Group (i)	**(16,587)**	–
Disposal of interest in Welcon (Note 3 (i))	**(73,873)**	–
Share of other comprehensive expense	**(6,248)**	(4,015)
Translation adjustment	**2,467**	3,309
At 31 July	**45,235**	124,839
Split as follows:		
Total associates	**33,890**	52,378
Total joint ventures	**11,345**	72,461
	45,235	124,839

(i) In June 2013, Continental Farmers Group ('Continental') was acquired by United Farmers Holding Company. As a result Origin no longer has an investment in Continental. This gave rise to a gain on disposal of €323,000 which is recorded in the Consolidated Income Statement as an exceptional gain for the year ended 31 July 2013 (Note 3).

The investment in associates and joint ventures is analysed as follows:

	Associates €'000	Joint ventures €'000	Total €'000
The investment in associates and joint ventures as at 31 July 2013 is analysed as follows:			
Non-current assets	19,255	7,273	26,528
Current assets	62,840	41,361	104,201
Non-current liabilities	(62,408)	(18,252)	(80,660)
Current liabilities	(44,053)	(19,037)	(63,090)
Net (liabilities)/assets	**(24,366)**	**11,345**	**(13,021)**
Goodwill	58,256	–	58,256
At 31 July 2013	**33,890**	**11,345**	**45,235**

	Associates €'000	Joint ventures €'000	Total €'000
The investment in associates and joint ventures as at 31 July 2012 is analysed as follows:			
Non-current assets	34,315	53,704	88,019
Current assets	70,976	75,583	146,559
Non-current liabilities	(68,138)	(32,845)	(100,983)
Current liabilities	(43,000)	(42,679)	(85,679)
Net (liabilities)/assets	**(5,847)**	**53,763**	**47,916**
Goodwill	58,225	18,698	76,923
At 31 July 2012	**52,378**	**72,461**	**124,839**

The amounts included in these financial statements in respect of the income and expenses of associates and joint ventures are taken from their latest financial statements prepared up to their respective year ends together with management accounts for the intervening periods to the Group's year end. Both Continental and Welcon have 31 December year ends. Valeo has a year end of 31 March. The year end of all other associates is 31 July.

16 Inventory

	2013 €'000	2012 €'000
Raw materials	**49,865**	37,234
Finished goods	**57,084**	66,209
Consumable stores	**1,417**	2,873
	108,366	106,316

17 Receivables

	2013 €'000	2012 €'000
Other financial assets		
Non-current		
At 1 August	**37,223**	35,013
Interest receivable (Note 4)	**2,210**	2,210
At 31 July (Note 29)	**39,433**	37,223
Trade and other receivables		
Current		
Trade receivables	**246,589**	262,143
Amounts due from related parties	**2,591**	1,706
Value added tax	**3,781**	1,747
Other receivables	**823**	516
Prepayments and accrued income	**8,196**	7,127
	261,980	273,239

18 Trade and other payables

	2013 €'000	2012 €'000
Non-current		
Other payables	**3,549**	1,019
Current		
Trade payables	**328,110**	338,747
Accruals and other payables	**82,587**	71,967
Amounts due to ARYZTA AG and subsidiaries	**879**	734
Amounts due to other related parties	**1,204**	1,512
Income tax and social welfare	**2,112**	1,956
Value added tax	**3,093**	8,378
	417,985	423,294

Notes to the Group Financial Statements (continued)

19 Cash and cash equivalents

In accordance with IAS 7, 'Cash Flow Statements,' cash and cash equivalents comprise cash balances held for the purposes of meeting short-term cash commitments and investments which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Where investments are categorised as cash equivalents, the related balances have a maturity of three months or less from the date of acquisition. Bank overdrafts are classified as current interest-bearing borrowings in the Consolidated Statement of Financial Position.

	2013 €'000	2012 €'000
Cash at bank and in hand	**125,484**	95,299
Bank overdrafts (Note 20)	**(4,424)**	(6,477)
Included in the Consolidated Statement of Cash Flows	**121,060**	88,822

Cash at bank and in hand earns interest at floating rates based on daily deposit bank rates.

Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

20 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost.

	2013 €'000	2012 €'000
Included in non-current liabilities:		
Bank loans	**150,225**	155,825
Finance leases	**278**	420
Non-current interest-bearing loans and borrowings	**150,503**	156,245
Included in current liabilities:		
Bank overdrafts	**4,424**	6,477
Finance leases	**116**	385
Current interest-bearing loans and borrowings	**4,540**	6,862
Total interest-bearing loans and borrowings	**155,043**	163,107

Analysis of net debt

	2012 €'000	Cash flow €'000	Non-cash movements €'000	Translation adjustment €'000	**2013 €'000**
Cash	95,299	38,009	–	(7,824)	**125,484**
Overdraft	(6,477)	1,853	–	200	**(4,424)**
Cash and cash equivalents	**88,822**	**39,862**	**–**	**(7,624)**	**121,060**
Finance lease obligations	(805)	352	–	59	**(394)**
Loans	(155,825)	(10,517)	(631)	16,748	**(150,225)**
Net debt	**(67,808)**	**29,697**	**(631)**	**9,183**	**(29,559)**

20 Interest-bearing loans and borrowings (continued)

The details of outstanding loans are as follows:

	Currency	Nominal value €'000	Carrying amount €'000
2013			
Unsecured loan facility:			
– revolving credit facility maturing in July 2016	£	34,764	34,530
– term facility maturing in July 2016	£	86,330	85,751
– term facility maturing in March 2015	€	30,000	29,944
		151,094	**150,225**
2012			
Unsecured loan facility:			
– revolving credit facility maturing in July 2016	£	38,197	37,779
– term facility maturing in July 2016	£	89,127	88,150
– term facility maturing in March 2015	€	30,000	29,896
		157,324	**155,825**

At 31 July 2013, the average interest being paid on the Group's borrowings was 2.98 per cent (2012: 3.16 per cent).

	2013 €'000	2012 €'000
Repayment schedule – loans, overdrafts and finance leases		
Within one year	**4,540**	6,862
Between one and five years	**150,503**	156,245
Loans and overdrafts	**155,043**	163,107

Guarantees

Group borrowings are secured by guarantees from Origin Enterprises plc and certain of the principal operational entities of the Group.

Notes to the Group Financial Statements (continued)

21 Financial instruments and financial risk

	Fair value hierarchy	Derivatives €'000	Loans and receivables €'000	Liabilities at amortised cost €'000	Total carrying value €'000	Fair value €'000
2013						
Other financial assets		–	39,433	–	39,433	39,433
Trade and other receivables		–	250,003	–	250,003	250,003
Amount due from disposal of joint venture		–	94,002	–	94,002	94,002
Derivative financial assets	Level 2	492	–	–	492	492
Cash and cash equivalents		–	125,484	–	125,484	125,484
Total financial assets		**492**	**508,922**	**–**	**509,414**	**509,414**
Trade and other payables		–	–	(415,450)	(415,450)	(415,450)
Bank overdrafts		–	–	(4,424)	(4,424)	(4,424)
Bank borrowings		–	–	(150,225)	(150,225)	(150,225)
Finance lease liabilities		–	–	(394)	(394)	(394)
Derivative financial liabilities	Level 2	(2,207)	–	–	(2,207)	(2,207)
Total financial liabilities		**(2,207)**	**–**	**(570,493)**	**(572,700)**	**(572,700)**
2012						
Other financial assets		–	37,223	–	37,223	37,223
Trade and other receivables		–	264,365	–	264,365	264,365
Derivative financial assets	Level 2	95	–	–	95	95
Cash and cash equivalents		–	95,299	–	95,299	95,299
Total financial assets		**95**	**396,887**	**–**	**396,982**	**396,982**
Trade and other payables		–	–	(413,245)	(413,245)	(413,245)
Bank overdrafts		–	–	(6,477)	(6,477)	(6,477)
Bank borrowings		–	–	(155,825)	(155,825)	(155,825)
Finance lease liabilities		–	–	(805)	(805)	(805)
Derivative financial liabilities	Level 2	(3,858)	–	–	(3,858)	(3,858)
Total financial liabilities		**(3,858)**	**–**	**(576,352)**	**(580,210)**	**(580,210)**

Estimation of fair values

Set out below are the major methods and assumptions used in estimating the fair values of the financial assets and liabilities disclosed in the preceding table.

Trade and other receivables/payables

For any receivables and payables with a remaining life of less than six months or demand balances, the carrying value less impairment provision, where appropriate, is deemed to reflect fair value. All other receivables and payables are discounted to fair value on initial recognition.

Cash and cash equivalents including short-term bank deposits

For short-term bank deposits and cash and cash equivalents, all of which have a remaining maturity of less than three months, the carrying amount is deemed to reflect fair value.

Derivatives – forward foreign exchange contracts

Forward foreign exchange contracts are marked to market using quoted forward exchange rates at the reporting date.

The absolute principal amount of the outstanding forward foreign exchange contracts at 31 July 2013 was €38,733,000 (2012: €43,798,000).

The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 12 months. Gains and losses recognised in the hedging reserve in equity on forward foreign exchange contracts as of 31 July 2013 are recognised in the Consolidated Income Statement in the period or periods during which the hedged transaction affects the Consolidated Income Statement. This is generally within 12 months of the end of the reporting period.

21 Financial instruments and financial risk (continued)

Estimation of fair values (continued)

Derivatives – Interest Rate Swaps

The fair value of interest rate swaps is calculated as the present value of the expected future cash flows based on observable yield curves.

The notional principal amounts of the outstanding interest rate swap contracts at 31 July 2013 were €135,879,000 (2012: €134,591,000).

At 31 July 2013, the average fixed interest rate on the swap portfolio was 1.55 per cent. The main floating rates are EURIBOR and LIBOR. Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as of 31 July 2013 will be continually released to the Consolidated Income Statement within finance cost until the maturity of the relevant interest rate swap.

Interest-bearing loans and borrowings

For interest-bearing loans and borrowings with a contractual repricing date of less than six months, the nominal amount is deemed to reflect fair value. For loans with repricing dates of greater than six months, the fair value is calculated based on the present value of the expected future principal and interest cash flows discounted at interest rates effective at the year end date and adjusted for movements in credit spreads.

Finance lease liabilities

Fair value is based on the present value of future cash flows discounted at market rates at the year end date.

Fair value hierarchy

The tables at the beginning of this note summarise the financial instruments carried at fair value, by valuation method, as of 31 July 2013. Fair value classification levels have been assigned to the Group's financial instruments carried at fair value. The different levels assigned are defined as follows:

Level 1: Price quoted in active markets
Level 2: Valuation techniques based on observable market data
Level 3: Valuation techniques based on unobservable input

Risk exposures

The Group's international operations expose it to different financial risks that include currency risk, credit risk, liquidity risk, commodity price risk and interest rate risk. The Group has a risk management programme in place which seeks to limit the impact of these risks on the financial performance of the Group. The Board has determined the policies for managing these risks. It is the policy of the Board to manage these risks in a non-speculative manner.

The Group has exposure to the following risks from its use of financial instruments:

> credit risk
> liquidity risk
> market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing the risk. Further quantitative disclosures are included throughout this note.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group has established a strong internal audit function under the direction of the Audit Committee. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Board, through its Audit Committee, has reviewed the process for identifying and evaluating the significant risks affecting the business and the policies and procedures by which these risks will be managed effectively. The Board has embedded these structures and procedures throughout the Group and considers these to be a robust and efficient mechanism for creating a culture of risk awareness throughout the business.

Credit risk

Exposure to credit risk

Credit risk arises from credit to customers arising on outstanding receivables and outstanding transactions as well as cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions. The Group uses credit insurance where appropriate to limit the exposure.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. There is no concentration of credit risk by dependence on individual customers or geographically. While a high proportion of receivables are located in the UK, the risk is mitigated due to the geographic spread throughout the UK, rather than an isolated geographic region.

Notes to the Group Financial Statements (continued)

21 Financial instruments and financial risk (continued)

Credit risk (continued)

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables based on experience, customers' track record and historic default rates. Individual risk limits are generally set by customer and risk is only accepted above such limits in defined circumstances. The utilisation of credit limits is regularly monitored and credit insurance is used where appropriate. Impairment provisions are used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point the amount is considered irrecoverable and is written off directly against the trade receivable.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

Cash and short-term bank deposits

Group surplus cash is invested in the form of short-term bank deposits with financial institutions. Deposit terms are for a maximum of three months. Cash and short-term deposits are invested with institutions within Origin's bank financing syndicate, with limits on amounts held with individual banks or institutions at any one time.

Exposure to credit risk

The carrying amount of financial assets, net of impairment provisions represents the Group's maximum credit exposure. The maximum exposure to credit risk at year end was as follows:

	Carrying amount 2013 €'000	Carrying amount 2012 €'000
Other financial assets	**39,433**	37,223
Trade and other receivables	**250,003**	264,365
Amount due from disposal of joint venture	**94,002**	–
Cash and cash equivalents	**125,484**	95,299
Derivative financial assets	**492**	95
	509,414	396,982

Trade receivables

The Group has detailed procedures for monitoring and managing the credit risk related to its trade receivables. Trade receivables are monitored by geographic region and by largest customers. The maximum exposure to credit risk for trade receivables at the reporting date by geographic region based on location of customers was as follows:

	Carrying amount 2013 €'000	Carrying amount 2012 €'000
Ireland and United Kingdom	**209,085**	226,447
Continental Europe	**37,504**	35,696
	246,589	262,143

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Carrying amount 2013 €'000	Carrying amount 2012 €'000
Agri-Services customers	**246,589**	262,143

21 Financial instruments and financial risk (continued)

Credit risk (continued)

At 31 July 2013 trade receivables of €58,810,000 (2012: €64,769,000) were past due but not impaired. These relate to customers for which there is no recent history of default. The following table details the ageing of gross trade receivables, and the related impairment provisions in respect of specific amounts expected to be irrecoverable:

	2013		2012	
	Gross €'000	**Impairment €'000**	Gross €'000	Impairment €'000
Not past due	**177,633**	**–**	178,591	–
Past due 0-30 days	**58,810**	**–**	64,769	–
Past due 31-120 days	**17,154**	**(7,008)**	25,061	(6,278)
Past due +121 days	**2,806**	**(2,806)**	3,081	(3,081)
At 31 July	**256,403**	**(9,814)**	271,502	(9,359)

An analysis of movement in impairment provisions in respect of trade receivables was as follows:

	Trade receivables 2013 €'000	Trade receivables 2012 €'000
1 August	**(9,359)**	(9,530)
(Charge)/credit to the Consolidated Income Statement	**(1,226)**	387
Receivables written off as uncollectable	**360**	145
Translation adjustments	**411**	(361)
31 July	**(9,814)**	(9,359)

During the year, under a debt purchase agreement with a financial institution, the Group transferred credit risk and retained late payment risk on certain trade receivables, amounting to €11.6 million (2012: €11.7 million). The Group has continued to recognise an asset of €164,000 (2012: €117,966) representing the extent of its continuing involvement and an associated liability of a similar amount.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Group's reputation.

The Group's objective is to maintain a balance between flexibility and continuity of funding. Short-term flexibility is achieved through the availability of overdraft facilities. The Group's policy is that not more than 40 per cent of bank facilities should mature in the 12-month period following the year end. As at 31 July 2013, 91 per cent of the Group's total bank facilities other than bank overdrafts at the year end will mature between two and five years.

The contractual maturities of the Group's loans and borrowings are set out in Note 20.

Notes to the Group Financial Statements (continued)

21 Financial instruments and financial risk (continued)

Liquidity risk (continued)

The contractual maturities of the other financial liabilities are set out below:

	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 - 12 months €'000	1 - 2 years €'000	2 - 5 years €'000
2013						
Variable rate bank loans	(150,225)	(162,129)	(2,238)	(2,238)	(34,171)	(123,482)
Trade and other payables	(415,450)	(415,450)	(411,901)	–	(3,549)	–
Derivative financial liabilities						
Interest rate swaps used for hedging	(2,136)	(2,136)	–	–	(1,002)	(1,134)
Currency forward contracts used for hedging						
– Inflows	6,522	6,522	6,522	–	–	–
– Outflows	(6,593)	(6,593)	(6,593)	–	–	–
	(2,207)	**(2,207)**	**(71)**	**–**	**(1,002)**	**(1,134)**

	Carrying amount €'000	Contractual cash flows €'000	6 months or less €'000	6 - 12 months €'000	1 - 2 years €'000	2 - 5 years €'000
2012						
Variable rate bank loans	(155,825)	(173,304)	(2,369)	(2,369)	(4,736)	(163,830)
Trade and other payables	(413,245)	(413,245)	(412,226)	–	(1,019)	–
Derivative financial liabilities						
Interest rate swaps used for hedging	(3,112)	(3,112)	(560)	(544)	(1,026)	(982)
Currency forward contracts used for hedging						
– Inflows	38,195	38,195	38,195	–	–	–
– Outflows	(38,941)	(38,941)	(38,941)	–	–	–
	(3,858)	**(3,858)**	**(1,306)**	**(544)**	**(1,026)**	**(982)**

Accounting for derivatives and hedging activities

The fair value of derivative financial assets and liabilities at the year end date is set out in the following table:

	2013		2012	
	Assets €'000	**Liabilities €'000**	Assets €'000	Liabilities €'000
Cash flow hedges				
Currency forward contracts	**474**	**(71)**	89	(746)
Interest rate swaps	**18**	**(2,136)**	6	(3,112)
At 31 July	**492**	**(2,207)**	95	(3,858)

Cash flow hedges

Cash flow hedges are those of highly probable forecasted future income or expenses. In order to qualify for hedge accounting, the Group is required to document the relationship between the item being hedged and the hedging instrument and demonstrate, at inception, that the hedge relationship will be highly effective on an on-going basis. The hedge relationship must be tested for effectiveness on subsequent reporting dates.

There is no significant difference between the timing of the cash flows and income statement effect of cash flow hedges.

21 Financial instruments and financial risk (continued)

Market risk

Market risk is the risk that changes in market prices and indices, such as foreign exchange rates, and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of the Group's risk management strategy is to manage and control market risk exposures within acceptable parameters, while optimising the return earned by the Group. The Group has two types of market risk being currency risk and interest rate risk, each of which is dealt with as follows:

Currency risk

In addition to the Group's operations carried out in euro zone economies, it also has significant operations in the United Kingdom. In addition, the Group also purchases from suppliers denominated in US dollars. As a result the Consolidated Statement of Financial Position is exposed to currency fluctuations in sterling and US dollar. The Group manages its Consolidated Statement of Financial Position having regard to the currency exposures arising from its assets being denominated in different currencies. To this end, where foreign currency assets are funded by borrowing, such borrowing is generally sourced in the currency of the related assets.

Transactional exposures arise from sales or purchases by an operating unit in currencies other than the unit's functional currency. The Group uses forward currency contracts to eliminate the currency exposures on certain foreign currency purchases. The Group requires all its operating units to use forward currency contracts to eliminate the currency exposures on certain foreign currency purchases. The forward currency contracts must be in the same currency as the hedged item.

Exposure to currency risk

The Group's exposure to transactional foreign currency risk at the year end date is as follows:

	Euro €'000	Sterling €'000	US dollar €'000	Total €'000
2013				
Trade receivables	732	22	17	771
Cash and cash equivalents	178	(1,351)	105	(1,068)
Other payables	(554)	(62)	24	(592)
	356	**(1,391)**	**146**	**(889)**
2012				
Trade receivables	846	21	2	869
Cash and cash equivalents	(388)	(666)	633	(421)
Other payables	(1,119)	–	(16)	(1,135)
	(661)	**(645)**	**619**	**(687)**

Hedged items are excluded from the tables above.

Currency sensitivity analysis

A ten per cent strengthening/weakening of the euro against the following currencies at 31 July would have affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2012.

A positive number below indicates an increase in profit where the euro strengthens or weakens ten per cent against the relevant currency.

	10% strengthening income statement €'000	10% weakening income statement €'000
2013		
Dollar	(15)	15
Sterling	139	(139)
At 31 July 2013	**124**	**(124)**
2012		
Dollar	62	(62)
Sterling	(65)	65
At 31 July 2012	**(3)**	**3**

Notes to the Group Financial Statements (continued)

21 Financial instruments and financial risk (continued)

Interest rate risk

The Group's debt bears both floating and fixed rates of interest per the original contracts. Fixed rate debt is achieved through the use of interest rate swaps.

At 31 July, the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	Carrying amount 2013 €'000	Carrying amount 2012 €'000
Fixed-rate instruments		
Finance lease liabilities	**(394)**	(805)
At 31 July	**(394)**	(805)
Variable rate instruments		
Interest-bearing borrowings	**(150,225)**	(155,825)
Bank overdraft	**(4,424)**	(6,477)
Cash and cash equivalents	**125,484**	95,299
At 31 July	**(29,165)**	(67,003)
Total interest-bearing financial instruments	**(29,559)**	(67,808)

Cash flow sensitivity analysis for variable rate instruments

The sensitivity analysis below is based on the exposure to interest rates for both derivatives and non-derivative instruments. A change of 50 basis points in interest rates at the reporting date would have increased/decreased profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2012.

A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

	Principal amount €'000	**Income statement 50 bp increase €'000**
2013		
Unhedged variable rate instruments	**(14,346)**	**(72)**
Bank overdraft	**(4,424)**	**(22)**
Cash flow sensitivity (net)	**(18,770)**	**(94)**
2012		
Unhedged variable rate instruments	(21,233)	(106)
Bank overdraft	(6,477)	(32)
Cash flow sensitivity (net)	(27,710)	(138)

A 50 basis points decrease in interest rates at the reporting date would have had the equal but opposite effect on the above.

22 Deferred tax

The deductible and taxable temporary differences at the year end dates in respect of which deferred tax has been recognised are analysed as follows:

	2013 €'000	2012 €'000
Deferred tax assets (deductible temporary differences)		
Pension related	**3,007**	2,733
Property, plant and equipment	**16**	114
Hedge related	**195**	539
Other deductible temporary differences	**1,286**	1,499
	4,504	4,885
Deferred tax asset available for offset	**–**	(165)
Total	**4,504**	4,720
Deferred tax liabilities (taxable temporary differences)		
Property, plant and equipment	**(4,606)**	(5,090)
Investment property	**(927)**	(3,155)
Pension related	**(237)**	(190)
Intangibles	**(8,023)**	(10,795)
Other	**(1,445)**	(1,638)
	(15,238)	(20,868)
Deferred tax liability available for offset	**–**	165
Total	**(15,238)**	(20,703)
Net deferred tax liability	**(10,734)**	(15,983)

Movement in deferred tax assets and liabilities, during the year, were as follows:

	Property, plant and equipment €'000	Investment property €'000	Hedge related €'000	Pension related €'000	Intangibles €'000	Other €'000	Total €'000
2013							
At 1 August 2012	(4,976)	(3,155)	539	2,543	(10,795)	(139)	(15,983)
Recognised in the Consolidated Income Statement	105	2,479	–	(188)	1,873	(617)	3,652
Recognised in Other Comprehensive Income	(211)	(251)	(344)	711	–	–	(95)
Foreign exchange and other	492	–	–	(296)	899	597	1,692
At 31 July 2013	**(4,590)**	**(927)**	**195**	**2,770**	**(8,023)**	**(159)**	**(10,734)**
2012							
At 1 August 2011	(6,032)	(1,516)	225	2,442	(11,813)	254	(16,440)
Recognised in the Consolidated Income Statement	645	223	–	(1,338)	2,288	(406)	1,412
Acquisitions	–	–	–	–	(53)	–	(53)
Recognised in Other Comprehensive Income	(622)	(236)	313	1,143	–	–	598
Transfer to investment property	1,626	(1,626)	–	–	–	–	–
Foreign exchange and other	(593)	–	1	296	(1,217)	13	(1,500)
At 31 July 2012	**(4,976)**	**(3,155)**	**539**	**2,543**	**(10,795)**	**(139)**	**(15,983)**

Temporary differences have not been recognised in respect of withholding taxes and other taxes that would be payable on the unremitted earnings of foreign subsidiaries, as the Group is in a position to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. As the Group can rely on participation exemptions and tax credits that would be available in the context of the Group's investments in subsidiaries in the majority of the jurisdictions in which the Group operates, the aggregate amount of temporary differences in respect of which deferred tax liabilities have not been recognised would not be material.

Notes to the Group Financial Statements (continued)

23 Provision for liabilities

The estimate of provisions is a key judgement in the preparation of the financial statements.

	Contingent acquisition consideration €'000 (i)	Rationalisation €'000 (ii)	Other €'000 (iii)	Total €'000
2013				
At beginning of year	9,766	2,205	3,264	15,235
Provided in year	–	3,334	–	3,334
Paid in year	(8,846)	(5,152)	–	(13,998)
Released in year	(579)	–	(335)	(914)
Unwind of discount to present value in the year	187	–	–	187
Currency translation adjustment	(528)	–	(7)	(535)
At end of year	**–**	**387**	**2,922**	**3,309**
Current	**–**	**387**	**1,178**	**1,565**
Non-current	**–**	**–**	**1,744**	**1,744**
2012				
At beginning of year	14,129	–	4,155	18,284
Provided in year	–	2,067	–	2,067
Paid in year	(6,099)	–	–	(6,099)
Released in year	–	–	(904)	(904)
Unwind of discount to present value in the year	480	–	–	480
Currency translation adjustment	1,256	138	13	1,407
At end of year	**9,766**	**2,205**	**3,264**	**15,235**
Current	9,766	2,205	1,225	13,196
Non-current	–	–	2,039	2,039

(i) Contingent acquisition consideration relates to the acquisition of Masstock Group Holdings ('Masstock') in February 2008 and Rigby Taylor Limited ('Rigby') on 9 March 2011. A payment of €8.8 million was made during the year relating to Masstock. The amount attributable to the Rigby Taylor acquisition of €0.6 million was released to the Consolidated Income Statement as an exceptional item (Note 3) in the year to 31 July 2013 as the conditions surrounding the payment were not met.

(ii) Rationalisation costs relate to termination payments and property exit costs primarily arising from a restructuring of Agri-Services in the UK.

(iii) Other provisions relate to various operating and employment related costs.

24 Post employment benefit obligations

The Group operates a number of defined benefit pension schemes and defined contribution schemes with assets held in separate trustee administered funds. All of the defined benefit schemes are closed to new members. Under IAS 19, 'Employee Benefits', the total deficit in the Group's defined benefit schemes at 31 July 2013 was €12,385,000 (2012: €8,559,000).

The pension cost expensed in the Consolidated Income Statement for the year in respect of the Group's defined benefit schemes was €263,000 (2012: €499,000) and €2,288,000 (2012: €2,461,000) in respect of the Group's defined contribution schemes.

Employee benefits included in the Consolidated Statement of Financial Position comprises the following:

	2013 €'000	2012 €'000
Deficit in defined benefit schemes	**12,385**	8,559

The valuations of the defined benefit schemes used for the purposes of the following disclosures are those of the most recent actuarial valuations carried out at 31 July 2013 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

The main assumptions used by the actuary were as follows:

	2013	2012
Republic of Ireland schemes		
Rate of increase in salaries	**0.00%-2.75%**	0.00%-2.75%
Discount rate on scheme liabilities	**3.70%**	4.60%
Inflation rate	**2.00%**	2.00%
UK schemes		
Rate of increase in salaries	**0.00%-3.40%**	0.00%-2.80%
Rate of increases in pensions in payment and deferred benefits	**0.00%-3.00%**	0.00%-2.45%
Discount rate on scheme liabilities	**4.65%**	4.50%
Inflation rate	**2.90%**	2.30%

Sensitivity analysis for principal assumptions used to measure scheme liabilities

There are inherent uncertainties surrounding the financial assumptions adopted in calculating the actuarial valuation of the Group's defined benefit pension schemes. The following table analyses, for the Group's Irish and UK pension schemes, the estimated impact on the plan liabilities resulting from changes to key actuarial assumptions, whilst holding all other assumptions constant.

Republic of Ireland schemes

Assumption	**Change in assumption**	**Impact on plan liabilities**
Discount rate	Increase/decrease 0.50%	Decrease/increase by 8.6%
Price inflation	Increase/decrease 0.50%	Increase/decrease by 2.1%
Salary	Increase/decrease 0.50%	Increase/decrease by 0.1%
Mortality	Increase/decrease by one year	Decrease/increase by 2.6%

UK schemes

Assumption	**Change in assumption**	**Impact on plan liabilities**
Discount rate	Increase/decrease 0.50%	Decrease/increase by 8.5%
Price inflation	Increase/decrease 0.50%	Increase/decrease by 3.0%
Salary	Increase/decrease 0.50%	Increase/decrease by 0.6%
Mortality	Increase/decrease by one year	Decrease/increase by 2.6%

Notes to the Group Financial Statements (continued)

24 Post employment benefit obligations (continued)

Sensitivity analysis for principal assumptions used to measure scheme liabilities (continued)
Assumptions regarding future mortality experience are set based on advice from published statistics and experience in both geographic regions. The mortality assumptions imply the following life expectancies in years of an active member on retiring at age 65, 20 years from now:

Republic of Ireland schemes	2013	2012
Male	**25.8**	25.7
Female	**26.8**	26.7

UK schemes	2013	2012
Male	**23.9**	23.6
Female	**26.3**	26.0

The mortality assumptions imply the following life expectancies in years of an active member, aged 65, retiring now:

Republic of Ireland schemes	2013	2012
Male	**23.2**	23.0
Female	**24.6**	24.5

UK schemes	2013	2012
Male	**22.1**	21.9
Female	**24.5**	24.2

The expected long-term rates of return on the assets of the schemes were as follows:

Republic of Ireland schemes	2013	2012
Equities	**7.50%**	7.50%
Bonds	**3.50%**	4.00%
Property	**6.50%**	6.50%
Other	**2.50%**	2.50%

UK schemes	2013	2012
Equities	**7.34%**	7.32%
Bonds	**3.50%**	2.79%
Property	**6.50%**	6.53%
Other	**3.38%**	4.53%

In determining the expected long-term rate of return on assets consideration was given to the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

24 Post employment benefit obligations (continued)

Sensitivity analysis for principal assumptions used to measure scheme liabilities (continued)

	2013 ROI €'000	2013 UK €'000	2013 Total €'000
Net pension liability			
Market value of scheme assets:			
Equities	**5,514**	**25,377**	**30,891**
Bonds	**14,552**	**31,945**	**46,497**
Property	**3,317**	**1,038**	**4,355**
Other	**4,421**	**8,075**	**12,496**
Total market value of assets	**27,804**	**66,435**	**94,239**
Present value of scheme obligations	**(40,866)**	**(65,758)**	**(106,624)**
(Liability)/asset in the schemes	**(13,062)**	**677**	**(12,385)**

	2012 ROI €'000	2012 UK €'000	2012 Total €'000
Net pension liability			
Market value of scheme assets:			
Equities	6,913	22,469	29,382
Bonds	12,932	37,929	50,861
Property	3,193	1,519	4,712
Other	3,935	7,475	11,410
Total market value of assets	26,973	69,392	96,365
Present value of scheme obligations	(35,830)	(69,094)	(104,924)
(Liability)/asset in the schemes	(8,857)	298	(8,559)

	2013 €'000	2012 €'000
Movement in the fair value of scheme assets		
Fair value of assets at 1 August	**96,365**	83,199
Expected return on scheme assets	**4,169**	4,375
Employer contributions	**1,739**	3,081
Employee contributions	**281**	308
Benefit payments	**(3,621)**	(3,914)
Experience adjustment on scheme assets	**1,672**	2,235
Translation adjustments	**(6,366)**	7,081
Fair value of assets at 31 July	**94,239**	96,365

The expected contributions from the Group for the year ending 31 July 2014 are €3,476,000.

As at 31 July 2013 and 2012 the pension schemes held no shares in Origin Enterprises plc.

Notes to the Group Financial Statements (continued)

24 Post employment benefit obligations (continued)

Sensitivity analysis for principal assumptions used to measure scheme liabilities (continued)

	2013 €'000	2012 €'000
Movement in the present value of scheme obligations		
Value of scheme obligations at 1 August	**(104,924)**	(88,456)
Current service costs	**(441)**	(362)
Negative past service cost	**536**	–
Interest on scheme obligations	**(4,527)**	(4,512)
Employee contributions	**(281)**	(308)
Benefit payments	**3,621**	3,914
Experience adjustment on scheme liabilities	**(1,513)**	908
Effect of changes in actuarial assumptions	**(5,417)**	(9,181)
Translation adjustments	**6,322**	(6,927)
Value of scheme obligations at 31 July	**(106,624)**	(104,924)

	2013 €'000	2012 €'000
Movement in net liability recognised in the Consolidated Statement of Financial Position		
Net liability in schemes at 1 August	**(8,559)**	(5,257)
Current service cost	**(441)**	(362)
Negative past service cost	**536**	–
Contributions	**1,739**	3,081
Other finance expense	**(358)**	(137)
Actuarial loss	**(5,258)**	(6,039)
Translation adjustments	**(44)**	155
Net liability in schemes at 31 July	**(12,385)**	(8,559)

	2013 €'000	2012 €'000	2011 €'000	2010 €'000	2009 €'000
Historical information					
Present value of the scheme obligation	**(106,624)**	(104,924)	(88,456)	(63,270)	(87,302)
Fair value of plan assets	**94,239**	96,365	83,199	55,772	64,249
Deficit in schemes	**(12,385)**	(8,559)	(5,257)	(7,498)	(23,053)

	2013 €'000	2012 €'000
Analysis of defined benefit expense recognised in the Consolidated Income Statement		
Current service cost	**441**	362
Negative past service cost	**(536)**	–
Total recognised in operating profit	**(95)**	362
Expected return on scheme assets	**(4,169)**	(4,375)
Interest cost on scheme liabilities	**4,527**	4,512
Included in financing costs	**358**	137
Net charge to Consolidated Income Statement	**263**	499

24 Post employment benefit obligations (continued)

Defined benefit pension expense recognised in Other Comprehensive Income

	2013 €'000	2012 €'000
Actual return less expected return on scheme assets	**1,672**	2,234
Experience (losses)/gains on scheme liabilities	**(1,513)**	908
Changes in demographical and financial assumptions	**(5,417)**	(9,181)
Actuarial loss	**(5,258)**	(6,039)
Deferred tax	**711**	1,143
Actuarial loss recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**(4,547)**	(4,896)

The cumulative loss recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income is €23,835,000 (2012: €19,288,000).

The actual return on the plan assets was €5,841,000 (2012: €6,609,000).

History of experience gains and losses

	2013	2012	2011	2010	2009
Difference between expected and actual return on assets:					
– amount (€'000)	**1,672**	2,234	2,220	3,154	(9,801)
– % of scheme assets	**1.77%**	2.30%	2.67%	5.66%	(15.5%)
Experience (losses)/gains on scheme liabilities:					
– amount (€'000)	**(1,513)**	908	365	(1,532)	(2,968)
– % of scheme liabilities	**(1.4%)**	0.9%	0.4%	(2.4%)	(3.5%)
Total actuarial (loss)/gain recognised in statement of comprehensive income:					
– amount (€'000)	**(5,258)**	(6,039)	221	(509)	(3,805)
– % of scheme liabilities	**4.9%**	5.7%	0.2%	0.8%	4.4%

25 Share capital

	2013 €'000	2012 €'000
Authorised		
Ordinary shares of €0.01 each	**2,400**	2,400
Deferred convertible ordinary shares of €0.01 each	**100**	100
Total	**2,500**	2,500
Allotted, called up and fully paid		
Ordinary shares of €0.01 each (i)	**1,397**	1,380
Deferred convertible ordinary shares of €0.01 each (ii)	**–**	5
Total	**1,397**	1,385

(i) Ordinary shareholders are entitled to dividends as declared and each ordinary share carries equal voting rights at meetings of the Company.

(ii) In December 2012, the issued ordinary share capital was increased by the issue of 1,212,871 ordinary shares of nominal value of €0.01 each, at an issue price of €4.04 each, pursuant to a share subscription by a wholly owned subsidiary for the purposes of the Origin Long-Term Incentive Plan 2012 ('2012 LTIP plan'). Under the terms of the 2012 LTIP plan, Directors and senior management of Origin have an interest in these shares which is subject to certain financial targets being achieved over the three years to 31 July 2015 and their remaining in employment with the Group during that period (Note 9). These shares are classified as treasury shares for accounting purposes pending satisfaction of the applicable terms of the 2012 LTIP plan.

Notes to the Group Financial Statements (continued)

25 Share capital (continued)

Allotted, called up and fully paid

	No. of ordinary shares	**Ordinary shares €'000**	No. of deferred convertible ordinary shares	**Deferred convertible ordinary shares €'000**	**Total €'000**
At 1 August 2012	138,018,810	**1,380**	480,345	**5**	**1,385**
Issue of shares (ii)	1,212,871	**12**	–	**–**	**12**
Converted during the year (iii)	480,345	**5**	(480,345)	**(5)**	**–**
At 31 July 2013	**139,712,026**	**1,397**	**–**	**–**	**1,397**

(ii) In December 2012, the issued ordinary share capital was increased by the issue of 1,212,871 ordinary shares of nominal value of €0.01 each, at an issue price of €4.04 each, pursuant to a share subscription by a wholly owned subsidiary for the purposes of the Origin Long-Term Incentive Plan 2012 ('2012 LTIP plan'). Under the terms of the 2012 LTIP plan, Directors and senior management of Origin have an interest in these shares which is subject to certain financial targets being achieved over the three years to 31 July 2015 and their remaining in employment with the Group during that period (Note 9). These shares are classified as treasury shares for accounting purposes pending satisfaction of the applicable terms of the 2012 LTIP plan.

(iii) The deferred convertible ordinary shares, which do not rank for dividend, were issued to directors and senior management of Origin as part of the 2007 Origin Long-Term Incentive Plan (Note 9). During the year all remaining 480,345 deferred convertible ordinary shares were converted on a one for one basis into ordinary shares.

26 Dividends

The Board is recommending a dividend of 17.25 cent per ordinary share (2012: 15 cent per ordinary share). Subject to shareholders' approval at the Annual General Meeting, the dividend will be paid on 2 December 2013 to shareholders on the register on 20 November 2013. In accordance with IFRS, this dividend has not been provided for in the Consolidated Statement of Financial Position as at 31 July 2013.

27 Consolidated Statement of Changes in Equity

Capital redemption reserve

The capital redemption reserve was created in the prior year and arose on the redemption of deferred convertible ordinary shares.

Cash flow hedge reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Revaluation reserve

The revaluation reserve relates to revaluation surpluses arising on revaluations of property, plant and equipment.

Share-based payment reserve

This reserve comprises amounts credited to reserves in connection with equity awards less the effect of any exercises of such awards.

Reorganisation reserve

The difference between the fair value of the investment recorded in the Company balance sheet and the carrying value of the assets and liabilities transferred in 2007 on the formation of Origin has been recognised as a reorganisation reserve in other reserves within equity together with the currency translation reserve, cash flow reserve and revaluation reserve.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences from 1 August 2005, arising from the translation of the net assets of the Group's non-euro denominated operations, including the translation of the profits of such operations from the average exchange rate for the year to the exchange rate at the year end date. Exchange gains or losses on long-term intra-group loans that are regarded as part of the net investments in non-euro denominated operations, are taken to the translation reserve to the extent that they are neither planned nor expected to be repaid in the foreseeable future.

27 Consolidated statement of changes in equity (continued)

Capital management

The capital managed by the Group consists of the consolidated equity and net debt. The Group has set the following goals for the management of its capital:

> To maintain a prudent net debt (as set out in Note 20) to EBITDA and interest cover ratio (interest as a percentage of EBIT) to support a prudent capital base and ensure a long term sustainable business.
> To comply with covenants as determined by debt providers.
> To achieve an adequate return for investors.
> To apply a dividend policy which takes into account the level of peer group dividends, the Group's financial performance and position, the Group's future outlook and other relevant factors including tax and other legal considerations.

The Group employs two target ratios to monitor equity and to be compliant with its bank covenants:

> The Group's net debt to EBITDA ratio is below 3.50. The ratio is 0.38 times at 31 July 2013 (2012: 0.81); and
> The Group's interest cover (EBITDA to interest) is above 3.00. The ratio is 13.15 times at 31 July 2013 (2012: 12.02).

28 Commitments

Non-cancellable operating lease rentals are payable as set out below. These amounts represent minimum future lease payments, in aggregate, that the Group are required to make under existing lease agreements.

	2013 €'000	2012 €'000
Within one year	**3,560**	5,497
In two to five years	**6,961**	11,203
After more than five years	**5,551**	4,700
	16,072	21,400

The Group leases a number of properties under operating leases. The leases typically run for a period of 15 to 25 years. Rents are generally reviewed every five years.

Future purchase commitments for property, plant and equipment

	Land and buildings €'000	**Plant and machinery €'000**	**Motor vehicles €'000**	**Total 2013 €'000**
At 31 July 2013				
Contracted for but not provided for	**4,096**	**937**	**–**	**5,033**

	Land and buildings €'000	Plant and machinery €'000	Motor Vehicles €'000	Total 2012 €'000
At 31 July 2012				
Contracted for but not provided for	–	386	–	386

	Total 2013 €'000	Total 2012 €'000
Future purchase commitments: Software Development		
Contracted for but not provided for	**1,069**	4,557
Total	**1,069**	4,557

Notes to the Group Financial Statements (continued)

29 Related party transactions

In the normal course of business, the Group undertakes trading transactions with its associates, joint venture and other related parties. Related parties include ARYZTA AG and its subsidiaries. A summary of transactions with these related parties during the year is as follows:

	Sale of goods €'000	Purchase of goods €'000	Receiving services from €'000	Rendering services to €'000	Total €'000
Transactions with joint ventures	54,851	(144,886)	(18)	336	**(89,717)**
Transactions with associates	110,592	(413)	(2,998)	419	**107,600**
Transactions with ARYZTA AG and its subsidiaries	–	–	(357)	–	**(357)**

The trading balances owing to the Group from related parties were €2,591,000 (2012: €1,706,000) and the trading balances owing from the Group to these related parties were €1,204,000 (2012: €1,512,000). Other financial assets on the Consolidated Statement of Financial Position comprise €39,433,000 in relation to a vendor loan note receivable from Valeo, an associate undertaking. The coupon rate attaching to the vendor loan note is 5 per cent compounding. Unless previously repaid, redeemed or repurchased the vendor loan note will be repaid in full on 26 November 2020.

Compensation of key management personnel

For the purposes of the disclosure requirements of IAS 24, 'Related Party Disclosures', the term 'key management personnel' (i.e. those persons having authority and responsibility for planning, directing and controlling the activities of the Group), comprises the Board of Directors, the Head of the operating segments and their reporting teams, who manage the business and affairs of the Group.

	2013 €'000	2012 €'000
Salaries and other employee benefits	**4,481**	4,234
Post employment benefits	**483**	309
Share-based payments	**995**	375
Other long-term employee benefits	**1,367**	469
Total	**7,326**	5,387

30 Accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:

Note	Name
Note 9	Long-Term Incentive Plans
Note 13	Investment properties
Note 14	Goodwill and intangible assets-measurement of the recoverable amounts of CGUs
Note 21	Financial instruments and financial risk
Note 22	Deferred tax
Note 23	Provision for liabilities
Note 24	Retirement benefit obligations

Impairment testing of assets, particularly of goodwill, involves estimating the future cash flows for a cash generating unit and an appropriate discount rate to determine a recoverable value as set out in Note 14.

The estimation of employee benefit costs requires the use of actuaries and the determination of appropriate assumptions such as discount rates and expected future rates of return as set out in Note 24.

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts for financial reporting purposes of assets and liabilities and the amounts used for taxation purposes and for tax loss carry forwards. The valuation of tax loss carry forwards, deferred tax assets and the Company's ability to utilise tax losses is based upon management's estimates of future taxable income in different tax jurisdictions. For further detailed information, please refer to Note 22.

31 Controlling party

At 31 July 2013 the Group's ultimate controlling party was ARYZTA AG.

32 Comparative information

A number of comparative amounts have been reclassified in order to maintain comparability of periods. The amount of each item reclassified is as follows:

	31 July 2012 €'000	31 July 2012 Restated €'000
Trade and other payables	427,325	423,294
Other payables – current	596	–
Other payables – non-current	–	1,019
Contingent acquisition consideration	9,170	–
Post employment benefit obligations – current	2,039	–
Post employment benefit obligations – non-current	8,977	8,559
Provision for liabilities	–	15,235
Total	**448,107**	**448,107**

33 Principal subsidiary undertakings

At 31 July 2013 the Group had the following significant subsidiaries, associates and joint ventures:

Name	Nature of business	Group % share	Registered office
Subsidiaries – Ireland			
Goulding Chemicals Limited	Fertiliser blending and distribution	100	1
Torrox Limited	Holding company	100	1
Subsidiaries – United Kingdom			
Hall Silos Limited	Grain handling	100	4
R&H Hall Trading Limited	Grain and feed trading	100	4
Origin UK Operations Ltd (formerly Origin Fertilisers UK Limited)	Fertiliser blending and distribution	100	2
Masstock Group Holdings Limited	Specialist agronomy products and services	100	6
United Agri Products Limited	Specialist agronomy products and services	100	6
Rigby Taylor Limited	Turf management services	100	2
Subsidiaries – Poland			
Dalgety Agra Polska	Specialist agronomy products and services	100	7
Joint venture			
R&H Hall	Grain and feed trading	50	8
Associates			
Valeo Foods Group Limited	Food distribution	32	5
BHH Limited	Provender milling	50	3
West Twin Silos Limited	Silo operation	50	4

Registered offices

1 151 Thomas Street, Dublin 8, Ireland
2 Orchard Road, Royston, Hertfordshire SG8 5HW, England
3 35/39 York Road, Belfast BT15 3GW, Northern Ireland
4 4A Campsie Real Estate, McLean Road, Londonderry, BT47 3PF, Northern Ireland
5 Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG
6 Andoversford, Cheltenham, Gloucestershire, GL54 4LZ, England
7 Ul. Heleny Szafran 6, 60-693 Poznań, Poland
8 La Touche House, Custom House Dock, IFSC, Dublin 1, Ireland

The country of registration is also the principal location of activities in each case.

Company Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2012. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in Ireland.

Historic cost convention

The financial statements are prepared under the historic cost convention, modified by the revaluation of certain land and buildings.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost or valuation of tangible assets, other than freehold land, on a straight line basis, by reference to the following estimated useful lives:

Fixtures and fittings	10 years

Investment properties

Investment properties are stated at open market value. Changes in the value of the investment properties are shown in the investment revaluation reserve unless a deficit below original cost, or its reversal, is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Financial fixed assets

Financial fixed assets are carried at cost less provision for impairment. Income from financial assets is recognised in the profit and loss account in the year to which it relates.

Retirement benefits

For the Company's defined benefit schemes, the difference between the market value of the scheme's assets and the actuarially assessed present value of the scheme's liabilities, calculated using the projected unit credit method, is disclosed as an asset/liability in the balance sheet, net of deferred tax to the extent that it is deemed to be recoverable.

The amount charged to operating profit is the actuarially determined cost of pension benefits promised to employees and earned during the year plus the cost of any benefit improvements granted to members during the period.

The expected return on the pension scheme's assets during the year and the increase in the scheme's liabilities due to the unwinding of the discount during the year are included as financing costs in the profit and loss account. Any difference between the expected return on assets and that actually achieved, and any changes in the liabilities due to changes in assumptions or because actual experience during the period was different to that assumed, are recognised as actuarial gains and losses in the statement of total recognised gains and losses.

In determining the expected long-term rate of return on assets, consideration was given to the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

Taxation

Current tax is provided on the Company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, as required by FRS 19, 'Deferred Tax.' Provision is made at the rates expected to apply when the timing differences reverse.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account.

Cash flow statement

Under the provisions of FRS 1, 'Cash Flow Statements', a cash flow statement has not been prepared as the published Group financial statements, in which the Company's results are consolidated, include a cash flow statement.

Long-Term Incentive Plan

The Company grants Equity Entitlements under the Origin Enterprises Long-Term Incentive Plan 2012. All disclosures relating to the plan are made in Note 9 to the Group financial statements.

Company Balance Sheet
As at 31 July 2013

	Notes	2013 €'000	2012 €'000
Fixed assets			
Investment properties	1	**1,925**	550
Tangible assets	2	**11,422**	11,516
Financial assets	3	**26,997**	26,997
		40,344	39,063
Current assets			
Debtors	4	**478,374**	520,389
Cash at bank and in hand		**32,814**	15,064
		511,188	535,453
Creditors (amounts falling due within one year)	5	**(288,483)**	(290,088)
Net current assets		**222,705**	245,365
Total assets less current liabilities		**263,049**	284,428
Retirement benefit obligations	7	**(11,845)**	(8,168)
Net assets		**251,204**	276,260
Capital and reserves			
Called up share capital	8	**1,397**	1,385
Share premium	9	**165,287**	160,399
Profit and loss account and other reserves	9	**84,520**	114,476
Shareholders' funds	9	**251,204**	276,260

Notes to the Company Balance Sheet

1 Investment properties

	2013 €'000	2012 €'000
At 1 August	**550**	9,100
Revaluation adjustment	**1,375**	(8,550)
At 31 July	**1,925**	550

Investment property principally comprises land located in Ireland in areas destined for future development and regeneration. Against the background of the current conditions in the Irish property market, the lack of transactions and the general economic environment in Ireland, the directors commissioned an independent valuations expert to conduct a valuation of the Company's investment properties in July 2013. The valuation was on the basis of market value and complies with the requirements of the Valuation and Appraisal Standards issued under the auspices of the Society of Chartered Surveyors. This valuation resulted in an increase in the carrying value of investment properties of €1.4 million.

2 Tangible fixed assets

	Land €'000	Fixtures and fittings €'000	Total €'000
Cost			
At 31 July 2013	**11,215**	**609**	**11,824**
Accumulated depreciation			
At 1 August 2012	–	308	308
Depreciation charge for year	–	94	94
At 31 July 2013	**–**	**402**	**402**
Net book amounts			
At 31 July 2013	**11,215**	**207**	**11,422**
At 31 July 2012	11,215	301	11,516

3 Financial assets

	2013 €'000	2012 €'000
Investment in subsidiaries	**2,014**	2,014
Investment in associate undertakings	**24,983**	24,983
	26,997	26,997

The principal subsidiaries are set out on Note 33 to the Group financial statements.

Notes to the Company Balance Sheet (continued)

4 Debtors

	2013 €'000	2012 €'000
Amounts owed by subsidiary undertakings	**475,130**	517,955
Corporation tax	**1,501**	820
Other debtors	**637**	595
Deferred tax (Note 6)	**1,106**	1,019
	478,374	520,389

Amounts owed by subsidiaries are unsecured and are repayable on demand.

5 Creditors (amounts falling due within one year)

	2013 €'000	2012 €'000
Amounts owed to subsidiary undertakings	**276,190**	279,005
Amounts owed to subsidiaries of ARYZTA AG	**581**	418
Trade creditors	**936**	1,081
Accruals and other payables	**9,032**	7,545
Pension and related liabilities	**1,744**	2,039
	288,483	290,088

Amounts owed to subsidiaries are unsecured and are payable on demand.

6 Deferred tax

	2013 €'000	2012 €'000
At 1 August	**2,126**	1,046
Credit for the year	**613**	1,080
At 31 July	**2,739**	2,126
Deferred tax asset:		
Other (Note 4)	**1,106**	1,019
Pension (Note 7)	**1,633**	1,107
Total	**2,739**	2,126

7 Retirement benefit obligations

The Company operates a number of defined benefit pension schemes which are all closed to new members.

Under FRS 17 calculations, the total deficit in the Company's defined benefit scheme at 31 July 2013 was €13,062,000 (2012: €8,857,000). The pension charge in the profit and loss account for the period in respect of the Company's defined benefit scheme was €482,000 (2012: €262,000).

The expected contributions from the Company for the year ending 31 July 2014 is €3,027,000. The valuations of the defined benefit schemes used for the purposes of the following disclosures are those of the most recent actuarial valuations carried out at 31 July 2013 by an independent, qualified actuary. The valuations have been performed using the projected unit method.

Retirement benefits included in the Company Balance Sheet comprises the following (after deferred tax asset):

	2013 €'000	2012 €'000
Deficit in defined benefit schemes (see analysis below)	**11,429**	7,750
Provision to meet unfunded pensions	**416**	418
Total	**11,845**	8,168

	2013 %	2012 %
The main assumptions used by the actuary were as follows:		
Rate of increase in salaries	**0.00%-2.75%**	0.00%-2.75%
Discount rate in scheme liabilities	**3.70%**	4.60%
Inflation rate	**2.00%**	2.00%
The expected long-term rate of return on the assets of the schemes were:		
Equities	**7.50%**	7.50%
Bonds	**3.50%**	4.00%
Property	**6.50%**	6.50%
Other	**2.50%**	2.50%

Notes to the Company Balance Sheet (continued)

7 Retirement benefit obligations (continued)

	2013 €'000	2012 €'000
Net pension liability		
Market value of scheme assets:		
Equities	**5,514**	6,913
Bonds	**14,552**	12,932
Property	**3,317**	3,193
Other	**4,421**	3,935
Total market value of assets	**27,804**	26,973
Present value of scheme liabilities	**(40,866)**	(35,830)
Deficit in the scheme	**(13,062)**	(8,857)
Related deferred tax asset	**1,633**	1,107
Net pension liability	**(11,429)**	(7,750)
Movement in value of scheme assets		
Value of assets at 1 August	**26,973**	23,307
Expected return on scheme assets	**1,145**	1,236
Actuarial (loss)/gain	**(345)**	1,062
Employer contributions	**1,385**	2,685
Benefit payment	**(1,400)**	(1,370)
Employee contributions	**46**	53
Value of assets at 31 July	**27,804**	26,973
Movement in the present value of scheme obligations		
Value of scheme obligations at 1 August	**(35,830)**	(31,607)
Current service costs	**(133)**	(89)
Interest on scheme obligations	**(1,494)**	(1,409)
Actuarial loss	**(4,763)**	(4,042)
Benefit payment	**1,400**	1,370
Employee contributions	**(46)**	(53)
Value of scheme obligations at 31 July	**(40,866)**	(35,830)
Movement in net liability recognised in the balance sheet		
At 1 August	**(8,857)**	(8,300)
Current service cost	**(133)**	(89)
Contributions	**1,385**	2,685
Other finance expense	**(349)**	(173)
Actuarial loss	**(5,108)**	(2,980)
Net liability in scheme at 31 July	**(13,062)**	(8,857)
Analysis of defined benefit expense recognised in the profit and loss account		
Current service cost	**133**	89
Total recognised in operating profit	**133**	89
Expected return on scheme assets	**(1,145)**	(1,236)
Interest cost on scheme liabilities	**1,494**	1,409
Included in financing costs	**349**	173
Net charge to Company's profit and loss account	**482**	262

7 Retirement benefit obligations (continued)

	2013 €'000	2012 €'000	2011 €'000	2010 €'000	2009 €'000
Historical information					
Present value of the scheme obligation	**(40,866)**	(35,830)	(31,607)	(7,878)	(35,240)
Fair value of plan assets	**27,804**	26,973	23,307	4,894	21,057
Deficit in schemes	**(13,062)**	(8,857)	(8,300)	(2,984)	(14,183)
Defined benefit pension expense recognised in the statement of total recognised gains and losses					
Actual return less expected return on scheme assets	**(345)**	1,062	(833)	476	(6,362)
Experience adjustment on scheme liabilities	**1,280**	(534)	447	787	1,214
Changes in demographical and financial assumptions	**(6,043)**	(3,508)	(799)	(471)	1,084
Actuarial (loss)/gain	**(5,108)**	(2,980)	(1,185)	792	(4,064)
Deferred tax credit/(charge)	**639**	373	148	(99)	508
Actuarial (loss)/gain recognised in statement of recognised gains and losses	**(4,469)**	(2,607)	(1,037)	693	(3,556)
History of experience gains and losses					
Difference between expected and actual return on assets:					
– amount (€'000)	**(345)**	1,062	(833)	476	(6,362)
– % of scheme assets	**(1.2%)**	3.9%	(3.6%)	9.7%	(30.2%)
Experience adjustment on scheme liabilities:					
– amount (€'000)	**1,280**	(534)	447	787	1,214
– % of scheme liabilities	**3.1%**	(1.5%)	1.4%	9.9%	3.4%
Total actuarial (loss)/gain recognised in statement of total recognised gains and losses:					
– amount (€'000)	**(5,108)**	(2,980)	(1,185)	792	(4,064)
– % of scheme liabilities	**(12.5%)**	(8.3%)	(3.7%)	10.1%	(11.5%)

The cumulative loss recognised in the statement of total recognised gains and losses is €16,281,000 (2012: €11,812,000).

8 Share capital

	2013 €'000	2012 €'000
Authorised		
Ordinary shares of €0.01 each	**2,400**	2,400
Deferred convertible ordinary shares of €0.01 each	**100**	100
Total	**2,500**	2,500
Allotted, called up and fully paid		
Ordinary shares of €0.01 each (i)	**1,397**	1,380
Deferred convertible ordinary shares of €0.01 each (ii)	**–**	5
Total	**1,397**	1,385

(i) Ordinary shareholders are entitled to dividends as declared and each ordinary share carries equal voting rights at meetings of the Company.

(ii) In December 2012, the issued ordinary share capital was increased by the issue of 1,212,871 ordinary shares of nominal value of €0.01 each, at an issue price of €4.04 each, pursuant to a share subscription by a wholly owned subsidiary for the purposes of the Origin Long-Term Incentive Plan 2012 ('2012 LTIP plan'). Under the terms of the 2012 LTIP plan, Directors and senior management of Origin have an interest in these shares which is subject to certain financial targets being achieved over the three years to 31 July 2015 and their remaining in employment with the Group during that period (Note 9). These shares are classified as treasury shares for accounting purposes pending satisfaction of the applicable terms of the 2012 LTIP plan.

Notes to the Company Balance Sheet (continued)

8 Share capital (continued)

Allotted, called up and fully paid

	No. of ordinary shares	**Ordinary shares €'000**	No. of deferred convertible ordinary shares	**Deferred convertible ordinary shares €'000**	**Total €'000**
At 1 August 2012	138,018,810	**1,380**	480,345	**5**	**1,385**
Issue of shares (i)	1,212,871	**12**	–	**–**	**12**
Converted during the year (ii)	480,345	**5**	(480,345)	**(5)**	**–**
At 31 July 2013	**139,712,026**	**1,397**	**–**	**–**	**1,397**

(ii) In December 2012, the issued ordinary share capital was increased by the issue of 1,212,871 ordinary shares of nominal value of €0.01 each, at an issue price of €4.04 each, pursuant to a share subscription by a wholly owned subsidiary for the purposes of the Origin Long-Term Incentive Plan 2012 ('2012 LTIP plan'). Under the terms of the 2012 LTIP plan, Directors and senior management of Origin have an interest in these shares which is subject to certain financial targets being achieved over the three years to 31 July 2015 and their remaining in employment with the Group during that period.

(iii) The deferred convertible ordinary shares, which do not rank for dividend, were issued to directors and senior management of Origin as part of the 2007 Origin Long-Term Incentive Plan in prior years. During the year all remaining 480,345 deferred convertible ordinary shares were converted on a one for one basis into ordinary shares.

9 Movement on reserves

	Share capital €'000	**Share premium €'000**	**Capital redemption reserve €'000**	**LTIP reserve €'000**	**Profit and loss €'000**	**Total €'000**
2013						
At 31 July 2012	1,385	160,399	1	1,332	113,143	276,260
Issue of shares	12	4,888	–	–	–	4,900
Loss for the period	–	–	–	–	(5,871)	(5,871)
Actuarial loss on post employment liabilities	–	–	–	–	(5,108)	(5,108)
Deferred tax on actuarial loss	–	–	–	–	639	639
Dividend paid	–	–	–	–	(20,885)	(20,885)
Transfer of share based payment reserve to retained earnings	–	–	–	(1,540)	1,540	–
Share based payments	–	–	–	1,269	–	1,269
At 31 July 2013	**1,397**	**165,287**	**1**	**1,061**	**83,458**	**251,204**

The loss for the year attributable to shareholders dealt with in the financial statements of the holding company for the year ended 31 July 2013 was €5,871,000 (2012: profit €42,838,000). As permitted by Section 148 (8) of the Companies Act, 1963 and Section 7(1A) of the Companies (Amendment) Act 1986, the income statement of the Company has not been separately presented in these financial statements.

	Share capital €'000	**Share premium €'000**	**Capital redemption reserve €'000**	**LTIP reserve €'000**	**Profit and loss €'000**	**Total €'000**
2012						
At 31 July 2011	1,385	160,399	1	3,665	84,552	250,002
Profit for the period	–	–	–	–	42,838	42,838
Actuarial loss on post employment liabilities	–	–	–	–	(2,980)	(2,980)
Deferred tax on actuarial loss	–	–	–	–	373	373
Dividend paid	–	–	–	–	(14,632)	(14,632)
Transfer of share based payment reserve to retained earnings	–	–	–	(2,992)	2,992	–
Share based payments	–	–	–	659	–	659
At 31 July 2012	**1,385**	**160,399**	**1**	**1,332**	**113,143**	**276,260**

10 Contingent liabilities

In order to avail of the exemption under Section 17 of the Companies (Amendment) Act, 1986 the Company has guaranteed the liabilities of all of its subsidiaries registered in Ireland. The Company has given guarantees to secure the obligations of certain subsidiaries on all sums due in respect of bank loans and bank advances.

11 Share-based payment

All disclosures relating to the Long-Term Incentive Plan are set out in Note 9 to the Group financial statements.

12 Statutory and other information

	2013 €'000	2012 €'000
Auditors' remuneration:		
– statutory audit	**20**	20
– other assurance services	**243**	279
– tax advisory services	**–**	6
– other non-audit services	**6**	10
(Loss)/profit for the financial year	**(5,870)**	42,838

All of the Group audit fee was recharged by the Company to its subsidiaries in the current year.

13 Employment

	2013 Number	2012 Number
The average number of persons employed by the Company during the year was as follows:		
Management and administration	**17**	25

	2013 €'000	2012 €'000
Aggregate employment costs of the Company are analysed as follows:		
Wages and salaries	**5,427**	4,481
Social welfare costs	**276**	234
Pension costs:		
– defined benefit schemes – statement of total recognised gains and losses	**5,109**	2,980
– defined benefit schemes – profit and loss account	**482**	262
Share based payment	**1,269**	659
	12,563	8,616

Notes to the Company Balance Sheet (continued)

14 Related party transactions

In the normal course of business, the Company undertakes arms-length transactions with its associates and other related parties. A summary of transactions with these related parties during the year are as follows:

	Sale of goods €'000	Purchase of goods €'000	Rendering services to €'000	Receiving services from €'000	Total €'000
Transactions with joint venture	–	–	336	(14)	322
Transactions with associates	–	–	419	(12)	407
Transactions with subsidiaries of ARYZTA AG and its subsidiaries	–	–	–	(357)	(357)

15 Approval of financial statements

These financial statements were approved by the Board on 24 September 2013.

Company Information

Board of Directors

O. Killian	(Chairman)
T. O'Mahony	(Chief Executive Officer)
B. Fitzgerald	(Chief Financial Officer)
D. Giblin	(Executive Director)
H. McCutcheon	(Non-Executive Director)
P. McEniff	(Non-Executive Director)
R. McHugh	(Non-Executive Director)

Secretary and Registered Office

P. Morrissey
151 Thomas Street
Dublin 8

Syndicate Bankers

Allied Irish Banks plc
Bank of Ireland
HSBC Bank plc
Rabobank Ireland plc
Ulster Bank Group

Auditors

PricewaterhouseCoopers
Chartered Accountants and Statutory Audit Firm
One Spencer Dock
North Wall Quay
Dublin 1

Registrars

Capita Asset Services
Shareholder Solutions (Ireland)
2 Grand Canal Square
Dublin 2

ESM Adviser and Stockbroker

Goodbody Stockbrokers
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