The Responsible Choice

FRONTIER AGRICULTURE LIMITED
ANNUAL REPORT & ACCOUNTS JUNE 2024

COMPANY NUMBER 05288567

WHO WE ARE

Frontier Agriculture is the UK's leading crop production and grain marketing business, recognised for its close relationships with arable farmers and grain customers.

At a glance – Page 7
Business model – Page 19

CONTENTS

> **"Despite a challenging year, we invested responsibly in exciting long-term growth opportunities for our business and sector.**
>
> **Mark Aitchison**
> Group Managing Director

Harvesting solar energy – Page 6

Assuring food and feed safety and quality – Page 38

REPORTING PERIOD

Information in this annual report and accounts relates to the year ended 26 June 2024, unless otherwise stated.

STRATEGIC REPORT

The Strategic report comprises pages 1 to 57 and is signed off on page 57.

Further information about Frontier can be found on our corporate website **www.frontierag.co.uk**

Images from left to right: Frontier, David Hares

WELCOME FROM OUR CHAIR

Our purpose is to create a better future for UK agriculture. We will uphold this by championing **The Responsible Choice** for our industry in everything we do.

Agriculture is a cyclical industry with ever-changing political, economic, financial and weather-related influences. Mark, Diana and James talk about the impact of these on our sector and business on pages 9 to 16.

Our financial resilience allowed us to continue to invest in growth opportunities in a challenging year and demonstrates our commitment to our purpose: creating a better future for agriculture. Our purpose guides decision-making and encourages us to consider wider stakeholder views.

Underpinning our purpose is the bedrock of how we do business – our non-negotiable focus on health and safety, our ICE values (Integrity, Customer First and Expertise), and our 'The Responsible Choice' approach to everything we do. Cycles come and go, but how we do business – responsibly – is a constant. As we continue to grow, we will not lose sight of this ethos that preserves our culture and differentiates us within our sector.

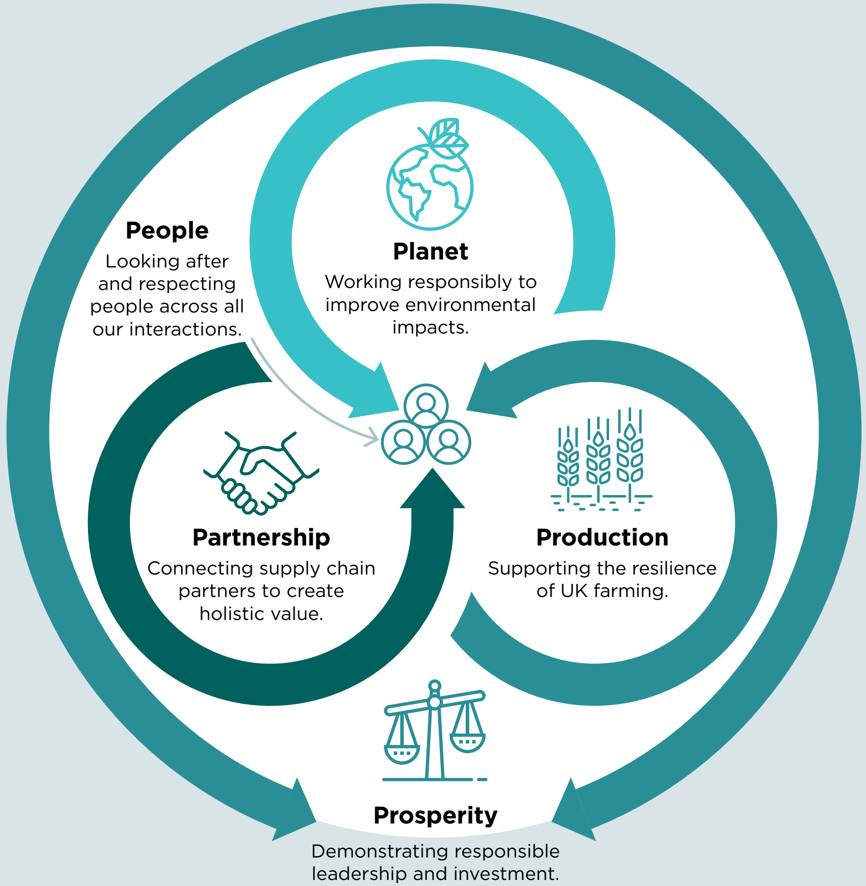
José Nobre

José Nobre
Chair

The Responsible Choice review – Page 24
ICE values – Page 59
Our stakeholders – Page 8

THE RESPONSIBLE CHOICE FRAMEWORK AT A GLANCE

The Responsible Choice (TRC) is a natural extension of our ICE values and was launched over ten years ago. It was refreshed in November 2023 with each of its five focus areas being given a defined mission and goals, aligned to the United Nations' Sustainable Development Goals (see page 24). These focus areas – People, Production, Partnership, Planet and Prosperity – dovetail naturally, with actions in one area supporting outcomes in others. Through our framework, we aim to provide greater clarity about how we do business as well as where we are focusing our efforts to make the most positive impacts.



In the following pages, we share some examples of our actions and initiatives in three TRC areas.

Production.

"Our recent investment in CCm Technologies and our ongoing trial work with them demonstrates how agricultural by-products can be repurposed to support a holistic approach to crop nutrition.

Edward Downing
National Crop Nutrition Technical Manager

INVESTING IN NOVEL LOWER-IMPACT FERTILISERS

Organo-mineral fertiliser CCm Growth® captures carbon dioxide and recycles nutrients from agricultural waste such as livestock manure and digestates. This means that as well as improving soil health, it has a positive environmental impact.

Our investment follows three years of collaboration to trial CCm Growth® and also secures an exclusive distribution agreement across Great Britain for available CCm Growth® products.

BUSINESS IMPACT

24

SITE TRIALS FOR CCm GROWTH® OVER PAST THREE YEARS

The Responsible Choice review: Production – Page 30
2024 Strategic review – Page 9

Partnership.

> **"By working closely with our grain and farmer customers along our integrated supply chains, we can help meet the increasing demand for sustainability by demonstrating practices that will have a positive impact on the farmed environment.**
>
> **Simon Christensen**
> Grain Director

PROMOTING LOWER-CARBON CROPS

We are working with our grain customer, Boortmalt, and a growers' group to produce lower-carbon malting barley and improve biodiversity. Frontier is analysing crop inputs and outputs, focusing on known key emissions and environmental measures, while farmers commit to sharing specific data and participating in trials to further reduce impacts. To promote continuous improvement, the group is rewarded through premium pricing for their involvement in this sector-leading initiative.

BOORTMALT
MASTERS OF MALT

BUSINESS IMPACT

4

KEY BARLEY GROWING REGIONS, WITH UP TO 34,000 METRIC TONNES OF GRAIN TARGETED

The Responsible Choice review: Partnership – Page 32
2024 Strategic review – Page 9

Image courtesy of Boortmalt

Planet.

“

We continue to build on nine years of strategic investment in renewable energy generation to become more self-sufficient. We currently have 4 MW of solar capacity and continue to develop appropriate and sustainable energy solutions.

David Alliston
Group Operations and Supply Chain Director

HARVESTING SOLAR ENERGY

In April 2023, we became the founding customer partner of the Octopus Energy for Business Electric Match programme. We currently have 16 solar arrays at 12 sites and, by combining our electricity usage into one portfolio, we can utilise surplus renewable energy generated at one site to offset other sites in real time and at an affordable price. If we need more energy than we produce, we cover this with Octopus' standard 100% green electricity – which ensures that only REGO-backed renewable energy is used in our owned sites.

BUSINESS IMPACT

750,000 kWh

OF ELECTRICITY ‘MATCHED’ IN 2024, ACCOUNTING FOR 10% OF TOTAL ENERGY CONSUMED

The Responsible Choice review: Planet – Page 34
Environmental review – Page 56

Main source ref: https://octopus.energy/blog/business-frontier-harvesting-solar-electric-match/

Ground-mounted solar panels at Frontier Saddlebow site, Pete Jackson

AT A GLANCE

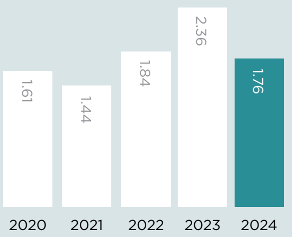
Our vision is to be the first-choice partner for crop production and grain marketing, and the first-choice employer in UK agriculture.

FINANCIAL KEY FIGURES

TURNOVER, £M

£1.76 BN

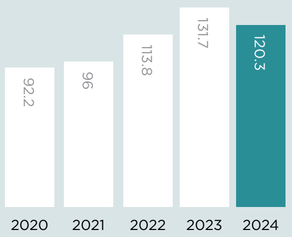
2023: £2.36 billion



GROSS PROFIT, £M

£120.3 M

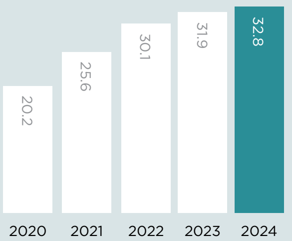
2023: £131.7 million



PROFIT AFTER TAX, £M

£32.8 M

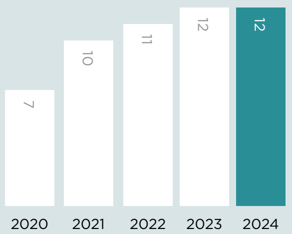
2023: £31.9 million



RETURN ON CAPITAL EMPLOYED (ROCE), %

12%

2023: 12%



NON-FINANCIAL KEY FIGURES

SCOPE 1 AND 2 CARBON REDUCTION 2024

19% VERSUS 2021 (MARKET-BASED)

2021 is our baseline year

TOTAL NUMBER OF EMPLOYEES

1,200+

2023: 1,100+

QUALITY ASSURANCE

17

laboratories for grain and seed sample testing

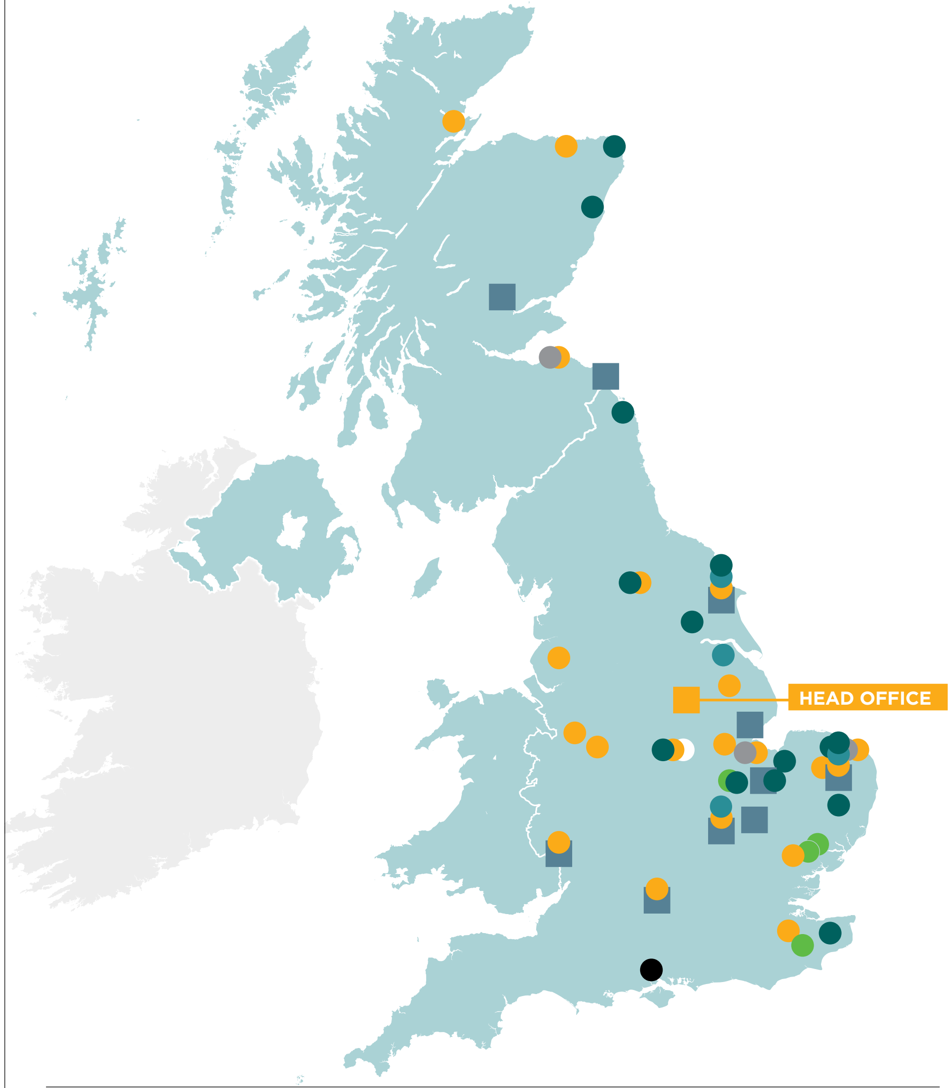
SUSTAINABLE SUPPLY CHAIN CONTRACTS

47,000+ HECTARES

harvest 2024

The Responsible Choice review: Planet – Page 34
2024 Financial review – Page 14

WHERE WE OPERATE[1]



- Head office
- Main offices (10)
- Grain storage and drying facilities (14)
- Seed plants (4)
- Crop protection facilities (20)
- Contracting services facilities (3)
- Mobile seed treatment and cleaning (4)
- Shipping terminal (1)
- Processing (1)

1 Please note that several of our 42 sites have multiple facilities.

OUR STAKEHOLDERS

To make responsible choices, we engage with our stakeholders and use their insights to shape our decision-making for the long term along our integrated supply chain.

KEY STAKEHOLDERS

Our key stakeholders are those who are more directly affected by the actions and decisions we take. Their views and actions also impact us considerably. We interact frequently with these stakeholders in the course of business. Key insights from our engagement with our stakeholders are reported regularly to our senior leadership team and the Frontier Agriculture Limited Board.

OTHER STAKEHOLDERS

Several other stakeholder groups are also important to us and can influence our decisions. However, we engage with these stakeholders less frequently in the day-to-day running of our business.

OUTPUTS AND OUTCOMES

Examples of learnings from engagement with our key stakeholders and how we have responded to these can be found in our S172 statement on pages 39 to 41.

Business model – Page 19
S172 statement – Page 39

- **People (1,200+ employees)**
- **Suppliers**
- **Professional partners (legal, financial advisors and auditors)**
- **Other professional advisors**

- **Policymakers, e.g. Defra in England, Scottish and Welsh governments**
- **Other local government bodies**
- **Shareholders (see page 58)**
- **Communities (see page 29)**
- **Industry bodies (see page 37)**

CUSTOMERS ALONG OUR INTEGRATED SUPPLY CHAIN

Farmer customers 14,000+ | **Primary processors** | **Secondary processors** | **Food and feed manufacturers** | **Retail outlets**

Grain customers c.100

2024 STRATEGIC REVIEW

"Despite a challenging trading year, we continued to look to the future, strengthening our business for the long term, exploring ways to increase earnings and building on our leadership position in the industry.

Mark Aitchison
Group Managing Director

"We demonstrated the resilience of our inputs-outputs business model and the dedication of our employees. We remained profitable, protected by our strong balance sheet, and invested in better understanding our customers.

Diana Overton
Deputy Group Managing Director

RETURN ON CAPITAL EMPLOYED

12%

2023: 12%

CUMULATIVE APPROVED CAPITAL EXPENDITURE SINCE 2005, £M

£135M

2023: £109 million

1

BUSINESS ACQUISITION

2024

2024 Financial review – Page 14
Key performance indicators – Page 17

David Hares

GROUP PERFORMANCE

Overview

Our business was profitable and performed with tenacity in a very challenging operating environment. In a tough year, our employees worked hard to keep our supply chains moving – supplying vital inputs to our farmer customers and outputs to our grain customers. After reporting strong top and bottom line growth last year, Group turnover reduced from £2.36 billion in 2023 to £1.76 billion in 2024 and Group operating profit (EBIT) decreased from £52.1 million in 2023 to £37.0 million. Due to unrealised gains relating to our investment in Oxbury Bank, reported Group profit after tax was £32.8 million (2023: £31.9 million). More information can be found in the 2024 Financial review on page 14.

Challenging environment

The main challenges that we faced – weather-related, economic, political and financial influences – affected the whole sector. This year ended our 19th year of trading and during that time we have managed many different cycles, but this year we experienced multiple pressures.

56%

OF THE GROUP'S GROSS PROFITS WERE MADE UP OF CROP INPUTS AND ADVISORY SERVICES

2023: 55%

Of these, the most significant challenge was the impact of the exceptional, prolonged wet weather cycle that broke many historic records. This led to a 25% reduction in the acreage of winter-drilled crops, with wheat – the UK's largest crop by acreage – affected particularly badly. This negatively impacted the crop inputs side of our business.

Along with the wider UK economy, we were exposed to inflation that remained higher and lasted longer than expected, leading to increased costs for services, insurance, IT licences and wages. No base interest rate reductions occurred throughout the year, as had been predicted, which meant that financing costs were higher than anticipated. Additionally, there was an ongoing sentiment of uncertainty given the UK national election and transition period at the end of our previous financial year.

In the background, global socio-economic and political uncertainties continued. These have a knock-on impact on our trading business as they disconnect grain price fluctuations from normal supply and demand dynamics and instead create trading volatility relating to specific political events including, for example, military strikes in the Black Sea and international trading boycotts. This made reading and reacting to ongoing grain trading volatility very difficult. Nevertheless, our closeness to domestic grain customers and farmer customers enabled us to focus on domestic supply chains and provide risk protection for our customers along the supply chain.

CROP INPUTS AND ADVISORY ACTIVITIES

Reduced drilling led to a lower demand for crop input products and we estimate that the crop protection market fell by 20%. We fared better than the market, closing the gap marginally with higher fungicide sales during spring and benefiting from an early summer planting season. However, the damage had been done earlier in the year and we were unable to compensate for the lost plantings in autumn 2023.

Conversely, fertiliser margins were better than expected and our seed performance was buoyed by the increased uptake in Sustainable Farming Incentive mixtures and the increased plantings of spring seed following the poor autumn. This year, 56% of gross profits were generated through the crop inputs and advisory side of our business.

2024 Financial review – Page 14
Key performance indicators – Page 17

Legume fallow (rotational) supporting NUM3 Sustainable Farming Incentive. Image courtesy of Boston Seeds

Widening our seed portfolio and distribution capabilities through the acquisition of Boston Seeds.

GRAIN-RELATED ACTIVITIES

As explained above, the unstable global political landscape made the grain markets difficult to read, with normal supply- and demand-led price volatility overshadowed by geopolitical events. Despite these challenges, our grain trading activities performed strongly, supported by a market share of over 25% and our strong balance sheet. Overall, our grain business accounted for 43% of gross profits in the period.

Throughout the year, we responded to increasing interest from our grain customers – both grain processors and branded food companies – in the provenance of grain supply, especially relating to sustainability, regenerative agriculture and wider ESG aspects. Earlier in the year, for example, we created a sustainable crop production department – an expert team dedicated to developing and piloting initiatives in these areas to leverage our knowledge further across our supply chain. More information can be found on pages 30 to 31.

43%

OF THE GROUP'S GROSS PROFITS WERE MADE UP OF GRAIN-RELATED ACTIVITIES

2023: 41%

ADJACENCY BUSINESSES

Our adjacency businesses continued to perform well. Typically, these include investments in start-up subsidiaries or joint venture enterprises with growth opportunities that complement our core business activities.

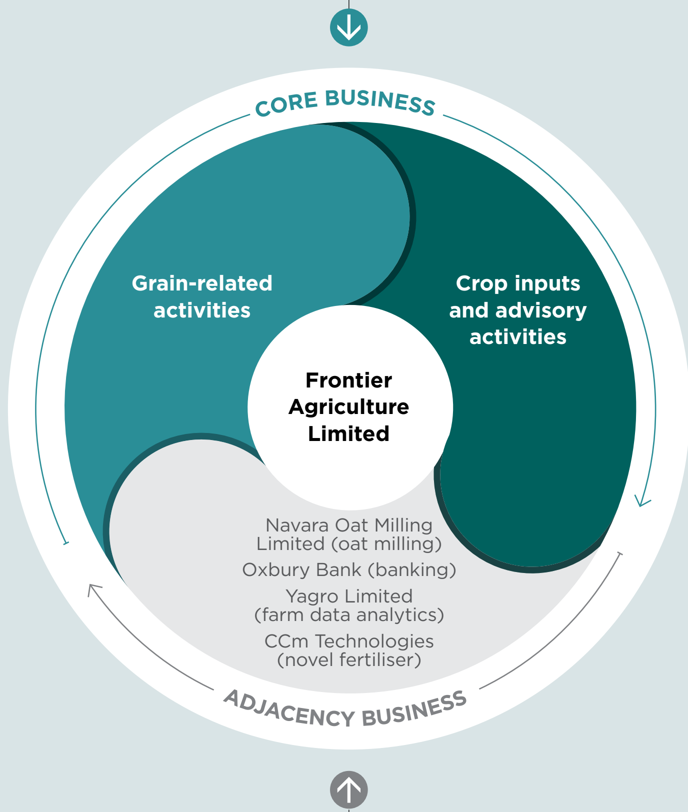
Oxbury Bank provides banking services focused on the needs of the farming community and we are delighted by its rapid growth in turnover and trading profit performance. Oxbury is fast gaining a reputation for excellent service, agility, responsiveness and an unparalleled understanding of farmers' needs for flexible financing and investment funding to respond to the changing subsidy environment.

Navara Oat Milling Limited ('Navara') is a joint venture company and its oat mill – Europe's largest – was successfully commissioned in spring 2024. Navara's management is currently onboarding new customers who are attracted to the finished product quality and the benefits of dealing with an integrated oat supply chain that connects farmers, processors, food manufacturers and retailers.

Our independent software and data analytics subsidiary, Yagro Limited, continued to develop its suite of crop performance reporting tools, which are used in several industry advisory businesses as well as MyFarm – our crop reporting and management platform.

Our core business investments are typically made to strengthen our grain marketing and crop inputs activities.

Recent investment
In March 2024, we acquired Boston Seeds to strengthen our online and wholesale seed services operation.



Our adjacency business investments are typically made in complementary businesses that trade under their own names.

Recent investment
In June 2024, we invested in the environmental technology company CCm Technologies and also secured an exclusive distribution agreement for a novel innovative organo-mineral fertiliser.

CAPITAL EXPENDITURE AND STRATEGIC INVESTMENT

Consistent with our selective and disciplined investment approach in previous years, we are always prepared to invest capital in acquisitions where we can gain additional market share or access to complementary products and services. To bolster our core businesses, we completed the acquisition of Boston Seeds – adding to our specialist seed sales business by securing an exciting e-commerce capability. Additionally, as we approached the year end, we entered into discussion to buy a major grain storage and handling facility, which will enable us to physically handle an additional c.90,000 metric tonnes of crops in the Cambridgeshire area.

We also expanded our adjacency business portfolio by investing in CCm Technologies – a business with intellectual property in high-quality organic fertiliser. Additional insight into this business can be found on page 4.

During the period, £25.4 million (2023: £14.7 million) was approved for new capital expenditure including software. Since April 2005, cumulative approved capital investment exceeds £135 million and we continue to enjoy sector-leading returns.

This year, we delivered returns on total capital employed of 12% (2023: 12%).

STRATEGIC DEVELOPMENTS

We also continued to move our business forward, responding to the changing trends in UK agriculture by progressing several key strategic projects, as outlined below.

Customer value proposition

Last year we reported on the work we were undertaking to review our customer value proposition. This significant workstream continued throughout the year, and we look forward to reporting on the outcome in 2025.

Digital transformation programme

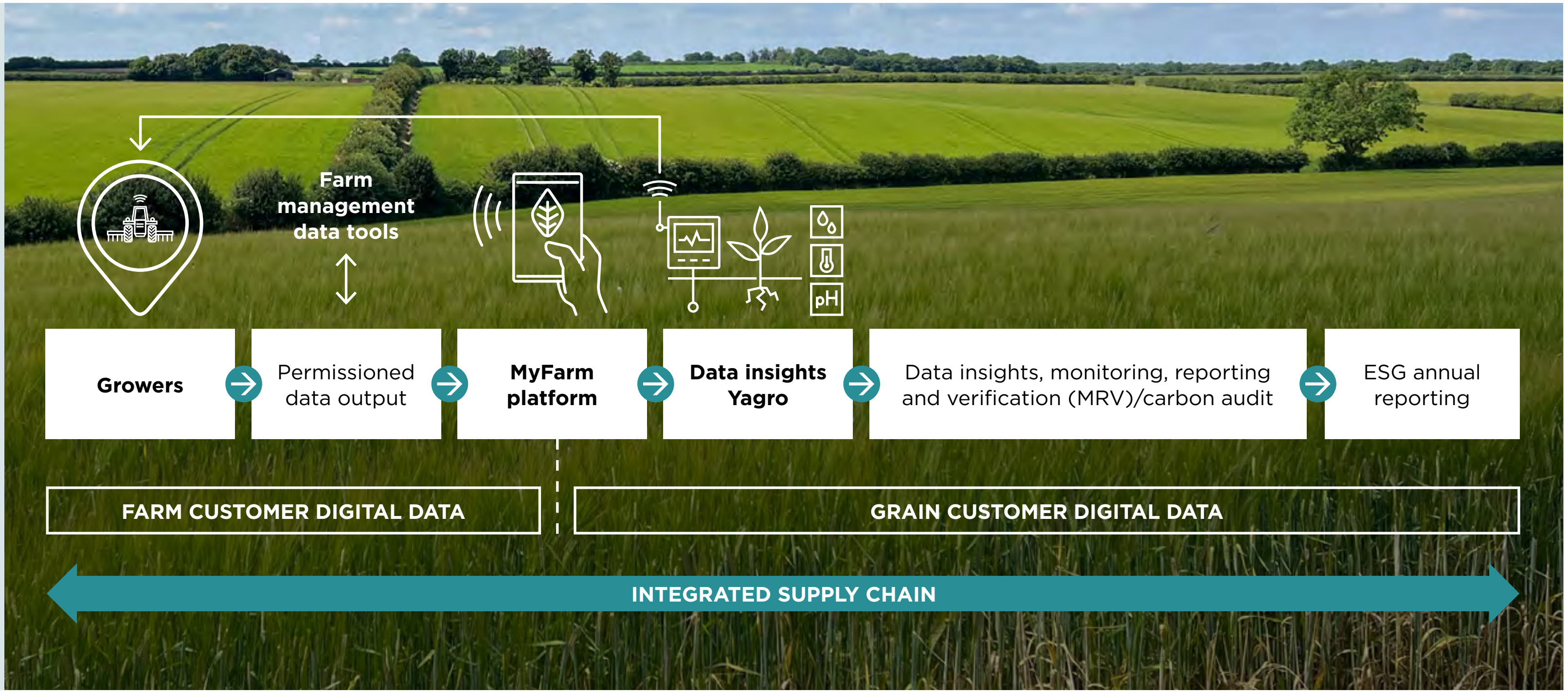
We marked the third year of our digital transformation initiative. This work is radically modernising our operating systems to improve productivity, agility and customer satisfaction. Our experience to date has been very positive and we expect to extend this investment in future years to fully capitalise on the competitive advantage we believe it can deliver.

DATA DIGITISATION

Our ongoing investment in digitisation and automation is fundamental to streamlining and verifying fragmented data from over 14,000 farm customers in a consistent and disciplined way.

Through the development and integration of farm management tools via our MyFarm platform, we can link more robust information across the supply chain.

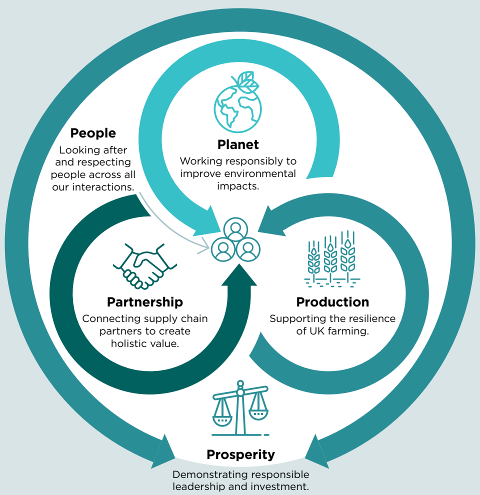
We also provide information and insights to our farmer customers that help them to optimise their farming practices, as well as to improve the quality of data and reporting.



Richard Barnes

‘The Responsible Choice’

‘The Responsible Choice’ (TRC) is Frontier’s Group commitment to sustainability and environmental, social and governance (ESG) considerations and we have been evolving our TRC framework for several years. This year, the TRC gained significant traction as we embedded it more formally in the business, with a new TRC governance framework that better links and engages senior leaders and in-house experts across the Group to inform our decision-making. Our TRC covers five focus areas – People, Production, Partnership, Planet and Prosperity – and an update on our activity in each area can be found on pages 24 to 38.



SENIOR LEADERSHIP TEAM UPDATE

We are very proud of the quality of our senior leadership team (SLT). Since Frontier’s inception, we have built a sector-leading team with the skills and experience to navigate day-to-day challenges and pursue strategic growth opportunities (see page 61). During the year, Mark was delighted to promote Diana Overton to Deputy Group Managing Director and James Cameron to Group Finance Director. Diana joined the business over 12 years ago and has been an Executive Director of the Frontier Agriculture Limited Board since 2017. James joined the business in 2005 and is now a member of the SLT and Frontier Agriculture Limited Board. These changes evidence our strong pipeline of talent and our commitment to learning and development to promote from within whenever possible.

OUR EMPLOYEES

Our number one priority is safety – to protect our employees and other people who interact with us in the course of business. We remain focused on maintaining and improving our high standards of health and safety training and performance in a sector that has the poorest safety performance record in the UK. More information can be found on page 25.

78%

OF OUR EMPLOYEES AGREE THAT FRONTIER IS “A GREAT PLACE TO WORK”

As a service business, we are defined not by ‘what we do’ but by ‘how we behave’. We employ over 1,200 people who operate and bring to life our distinctive culture of Integrity, Customer First and Expertise – our ICE values. The quality of our people allows us to navigate the ongoing complexity and challenges in our operating environment with agility, flexibility and resilience. We thank everyone for their hard work, dedication and professionalism in a tough period.

In 2024, we undertook our 12th employee engagement survey. We were delighted that 78% of employees agreed that Frontier is “a great place to work”, with many recognising our strong commitment to employee welfare, health screening, and mental health awareness and support; but we know we can do more. The survey results were discussed with our SLT and we have agreed to focus on three areas to improve employee experience. One commitment is to listen more to our employees and enable them to share their ideas and concerns with us more systematically. More details can be found in The Responsible Choice review: People on page 25.

The Responsible Choice review: People – Page 25

OUTLOOK

Our industry is changing and we are in a prime position to help lead the way. Our balanced inputs–outputs business helps mitigate the cyclical volatility of the sector in the long term; it also gives us a privileged oversight of entire grain supply chains. With privilege comes the responsibility of ‘doing the right thing’ and we aim to be the responsible choice in our industry.

We are seeing and responding to, for example, the increased desire from the food industry for supply chain connectivity – including the need to monitor and share robust data – particularly in the area of ESG. We also understand the importance of promoting sustainable on-farm practices and are helping our farmer customers navigate the redesign of the UK subsidy regime and embed sustainable crop production protocols.

We are already invested in services, knowhow and technology to address these industry shifts and commercial opportunities – and will continue to do so.

In summary, we are changing with the times, planning ahead and listening more to our supply chain customers as well as our employees – to ensure we are in the best position to be ‘creating a better future for agriculture’. We are a high-performing, industry-leading company, focused on continuous improvement and strategic investment – and we remain committed to pursuing profitable and sustainable growth opportunities in our modernising and challenging sector.

Mark Aitchison
Group Managing Director

Diana Overton
Deputy Group Managing Director

2024 FINANCIAL REVIEW

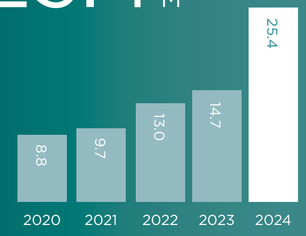
“We continued to invest in strategic and customer-focused projects that underpin business growth opportunities, while supporting our sector. This reinforces our position as a reliable, secure and long-term partner for customers across our supply chains.

James Cameron
Group Finance Director

Financial statements – Page 68
2024 Strategic review – Page 9

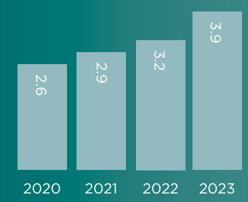
CAPITAL EXPENDITURE (INCLUDING SOFTWARE), £M

£25.4 M



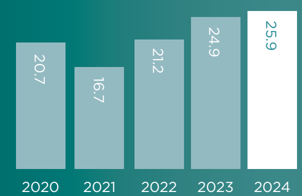
RESEARCH AND DEVELOPMENT-RELATED EXPENDITURE 2023, £M

£3.9 M



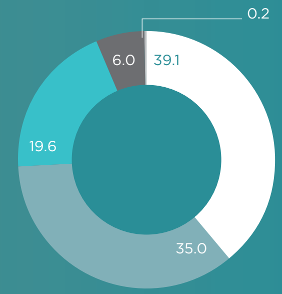
DIVIDENDS PAID, £M

£25.9 M



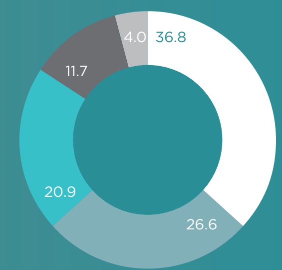
CAPITAL EXPENDITURE 2024 BY CATEGORY, %

- Plant and machinery
- Software
- Land and buildings
- Fixtures and fittings
- Motor vehicles



RESEARCH AND DEVELOPMENT-RELATED EXPENDITURE 2023 BY CATEGORY, %

- Technical agronomy
- Crop trials
- Technology
- Biostimulants
- Precision farming



Note. Our research and development-related expenditure is based on annual tax returns which are submitted one year in arrears.

David Hares

TURNOVER

All turnover is generated by operations based solely in the United Kingdom, and 95% of turnover (2023: 89%) was realised from sales in the UK in the period under review.

During the year, Group turnover amounted to £1.76 billion (2023: £2.36 billion). Adverse weather conditions in the autumn and winter of 2023 affected crop planting across the UK and, in turn, lowered demand for our crop input products and advisory services. Turnover generated from our grain trading and marketing business was lower than in 2023. This was partly attributable to lower commodity prices than in the previous year and the impact of specific geopolitical events that created trading volatility outside normal supply- and demand-led market pricing movements. Mark and Diana talk in more detail about the pressures facing the business and our sector on pages 9 to 13.

PROFIT

Our Group operating profit was £37.0 million in 2024 (2023: £52.1 million) and underlying profit for the year on ordinary activities after taxation ('PAT') was £16.0 million (2023: 31.9 million). Our reported PAT was £32.8 million (2023: £31.9 million) due to unrealised investment gains of £16.8 million from our shareholding in Oxbury Bank. Whilst it is disappointing to report a decline in some key metrics, overall our ability to remain profitable in challenging market conditions demonstrates the strength and diversity of our business model and investment strategy, and our ability to utilise a strong balance sheet.

INTEREST COSTS

During the year, the Frontier Agriculture Limited Board approved an overall reduction in total working capital facilities from £430 million to £400 million. This decision reflected the stabilisation of grain and fertiliser prices in the period, following the unprecedented high-priced environment experienced in the previous financial year. At year end, our total facilities stood at £350 million (2023: £430 million). A further £50 million uncommitted facility was approved in the financial reporting period but did not complete until September 2024.

With interest rates remaining at higher than anticipated levels throughout the financial year, our annual net interest costs increased to £13.6 million (2022: £11.3 million) – despite the decrease in working capital.

TAXATION

We are fully domiciled in the UK and committed to full compliance with all statutory obligations and full disclosure to tax authorities, consistent with our Integrity value.

Our tax strategy sets out the principles governing the management of our tax affairs across all Frontier Group companies and our strategy for delivering against those principles.

Our tax strategy can be viewed on our corporate website
www.frontierag.co.uk/taxstrategy

The tax rate applicable in the year ended 26 June 2024 is 25% (2023: 20.5%, blended rate). Cash tax paid was £6.8 million (2023: £7.5 million).

CAPITAL EXPENDITURE

As covered in the 2024 Strategic review on pages 9 to 13, we continue to invest in strategic projects that support our core business activities, with ongoing IT investment to support our digital transformation initiative driving higher capital expenditure levels. We also continue to allocate capital to help us meet our goals under our 'The Responsible Choice' approach. In 2024, for example, we furthered our investment in electric car fleets, EV charging facilities and solar generation. We recorded a total capital investment of £25.4 million in 2024 (2023: £14.7 million).

ACQUISITIONS AND INVESTMENTS

Our continuing acquisitive activity allows us to protect and grow our core business of farm inputs, related advisory services and grain marketing, as well as to invest in adjacent areas that complement and reinforce our overall business. In 2024, we strengthened our core business activities by acquiring Boston Seeds, a company with a strong e-commerce platform, wholesale capabilities and a niche range of environmental stewardship products that complement our existing seeds business and offer. Since 2020, our overall seed turnover has increased by around 38%, reaching £101.6 million in 2024.

Adding to our adjacency business portfolio, we invested in CCm Technologies and also secured an exclusive distribution agreement for its novel fertiliser products (see page 4). We further invested in Navara Oat Milling Limited and in Oxbury Bank – a specialised agricultural bank that supports and advises many of our customers and suppliers. At year end, we had a 15.36% shareholding in its

PROMOTING FROM WITHIN

James Cameron joined the senior leadership team (SLT) and Frontier Agriculture Limited Board in early April 2024, following his promotion to Group Finance Director. He took over this role from Diana Overton who was promoted to Deputy Group Managing Director at the same time.

James is a chartered accountant with a strong background in financial-related disciplines and has worked for Frontier since 2005. His financial expertise and pragmatic approach give him an excellent foundation to help run and grow the business successfully.

James is the SLT sponsor of the TRC Prosperity focus area.

> **"James' knowledge of Frontier and his depth of relationships with internal and external stakeholders will be invaluable during our next phase of growth.**

Mark Aitchison
Group Managing Director

David Hares

operations and, due to the recent improvements in Oxbury Bank's profitability, growth prospects and net worth, we recognised an unrealised gain on our original investment, as explained on page 15.

NET ASSETS

Group net assets stood at £294.5 million at year end (2023: £282.7 million), an increase of 4.33%, reflecting the continuing reinvestment in our business.

BANKING AGREEMENTS

During the financial year, and aligned with our planned reduction in overall working capital facility levels as explained on page 15, we entered into a new syndicated arrangement for our main revolving credit facility with three of our existing lenders: Lloyds Bank Plc, HSBC UK Bank Plc and Rabobank. This facility took effect in April 2024. As explained above, shortly after the year end we entered into a new £50 million uncommitted Company facility that took our overall working capital facilities to £400 million, as approved by the Frontier Agriculture Limited Board.

RETURN ON CAPITAL EMPLOYED

We typically generate healthy returns on total capital employed in our sector. This year was no exception and we recorded 12% (2023: 12%).

DIVIDEND

The Frontier Agriculture Limited Board approved a dividend payment of £15.2 million (2023: £25.9 million) to A.B.F.Holdings Limited and Cargill PLC. Our track record of dividend payments made to our shareholders can be found on page 14.

OUTLOOK

To lead the way in 'creating a better future for agriculture', we anticipate a similar level of capital investment – focusing on digitisation, the implementation of our customer value proposition and furthering 'The Responsible Choice' activities. These will shore up our commitment to support our customers along our supply chains in a changing industry. We will also continue to investigate acquisition opportunities to strengthen our core business while pursuing our growth aspirations.

As summarised in the 2024 Strategic review on pages 9 to 13, we performed well in a sector that was exposed to multiple pressures – many of which are continuing in our current reporting period. We remain confident in our ongoing ability to demonstrate financial and strategic resilience, underpinned by our strong balance sheet, balanced business model and financial discipline.

James Cameron
Group Finance Director

FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks that include commodity price and trading position risk, credit risk, interest rate risk and foreign exchange risk. Senior leaders and Board members regularly review financial risks against established policies.

Commodity price and trading position risk

The trading activities of the business necessitate that we take forward trading positions to meet supply requirements in the ordinary course of business. Trading positions are operated, by agreement from the Board, within duly authorised limits relative to each commodity. Senior leaders and Board members regularly review these trading positions compared to those limits.

Exposure to commodity price fluctuations is controlled by the operation of position limits and by the use of approved futures markets.

Credit risk

Credit checks are performed, where appropriate, on potential customers before sales are transacted. The amount of exposure to any individual customer is controlled by means of a credit limit that is monitored regularly by management and, in the case of a financially material value, by senior leaders.

In addition, the Company has in place credit insurance to manage any potential financial loss relating to customers in the grain, agricultural merchant and farmer buying group sectors.

Interest rate risk

The Company is exposed to movements in interest rates. Bank debt liabilities are maintained on a floating rate basis. Senior leaders and Board members regularly review the level of bank debt and the cost of finance.

Foreign exchange risk

Trading activities include the import/export of grain and the import of fertiliser, which create exposures to movements in foreign exchange (FX) rates, principally relating to EUR and USD. This exposure risk is managed through matching FX contracts.

Authorisation levels for FX contracts are in place for both the amount and period of forward cover and are subject to regular review by senior leaders.

Principal risks and uncertainties – Page 45

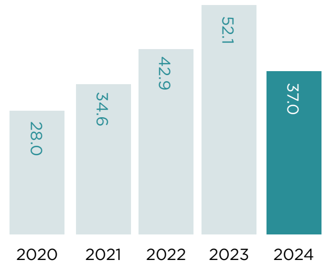
KEY PERFORMANCE INDICATORS

We use a range of financial and non-financial key performance indicators (KPIs) which our Board consider to be the most relevant for tracking and managing our Group performance. These metrics cover all businesses within the Group.

2024 Strategic review – Page 9

FINANCIAL KPIs

OPERATING PROFIT, £M



Why this indicator is important

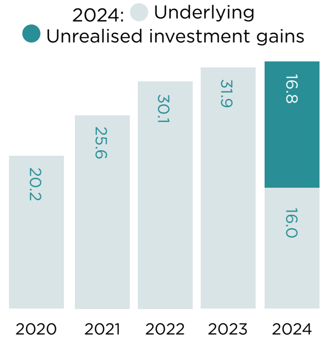
This is our most important indicator of profit across the Group and is used to measure our productivity and our market growth. It is also used as a key bonus calculation measure for our employees.

Performance

Operating profit in the period decreased to £37.0 million (2023: £52.1 million) due to challenging environmental conditions – particularly in the crop inputs side of our business.

The Responsible Choice review: Prosperity – Page 36

PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION (PAT), £M



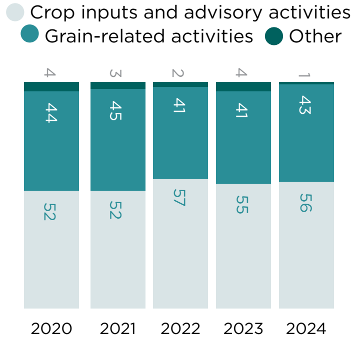
Why this indicator is important

This is our key measure for shareholders, as PAT performance determines the level of dividend payments. Dividend payment information can be found on page 14.

Performance

Underlying PAT in the period decreased by £15.9 million to £16.0 million (2023: £31.9 million) due to our operating profit performance along with higher interest costs. However, our reported PAT was £32.8 million due to an unrealised gain on investments relating to our shareholding in Oxbury Bank (see page 15 for more details).

GROSS PROFIT BY BUSINESS ACTIVITY, %



Why this indicator is important

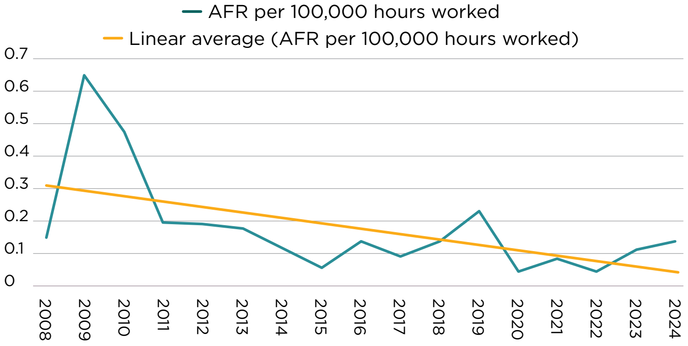
Our gross profit by business activity underlines the importance of our balanced 'inputs–outputs' business model that is not reliant on just one supply chain activity.

Performance

In 2024, 56% of our gross profits related to our crop inputs and advisory activities (2023: 55%), and 43% to our grain-related activities (2023: 41%), demonstrating the balanced and resilient nature of our business model.

NON-FINANCIAL KPIs

ACCIDENT FREQUENCY RATE (AFR), PER 100,000 HOURS WORKED



Why this indicator is important

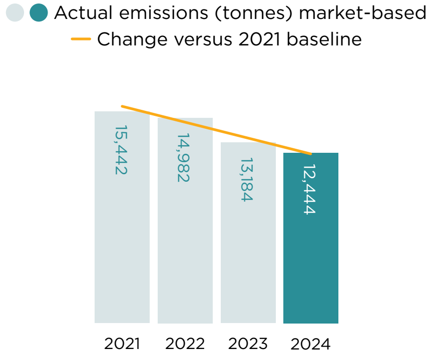
Health and safety (HAS) is our number one priority and is embedded in our ways of working. HAS indicators are reported as a standing agenda item at each Frontier Agriculture Limited Board meeting and senior leadership team meeting.

Performance

In 2024, our AFR increased from 0.11 to 0.13 per 100,000 hours worked against a target of zero. Since our inception, we have monitored our AFR and can demonstrate a downward trend as illustrated above. We continue to focus on ways to raise awareness of HAS across the business and to implement Group-wide initiatives – see page 25.

The Responsible Choice review: People – Page 25

SCOPE 1 AND 2 CO2e EMISSIONS, TONNES



Why this indicator is important

We are committed to reducing carbon emissions (Scopes 1 and 2, market-based) within our direct operations by 59% by 2034 against a 2021 baseline of 15,442 tonnes. This new reduction target year was approved after the 2024 financial reporting year and is Science Based Targets initiative (SBTi)-aligned (see panel for more detail).

Performance

In 2024, our year-on-year combined Scope 1 and 2 emissions (market-based) decreased by 740 tCO_2e to 12,444 tCO_2e. Against our 2021 baseline year, we recorded a decrease of 2,998 tCO_2e. More details – including our reporting methodology – can be found in the Environmental review on page 56 and in 'The Responsible Choice review: Planet' section on page 34.

The Responsible Choice review: Planet – Page 34

CLIMATE-RELATED METRICS

In June 2024, we ran a working session with our external climate consultants, ClimatePartner UK Limited, and key internal stakeholders to support how we set appropriate climate-related metrics and targets in line with climate science.

The discussions resulted in an agreement to set an absolute 59% reduction target in greenhouse gas emissions (Scopes 1 and 2) by 2034. This was based on further analysis of industry net zero trends and our goal to adopt a target that is SBTi-aligned. Our approach has been verified by ClimatePartner UK Limited and our revised target was approved by the Frontier Agriculture Limited Board in December 2024.

> **Resetting our Scope 1 and Scope 2 carbon reduction goal to be SBTi-aligned has made us more determined to focus on material carbon-saving opportunities in our business and sector.**

David Alliston
Group Operations and Supply Chain Director
SLT sponsor of the TRC Planet focus area

David Hares

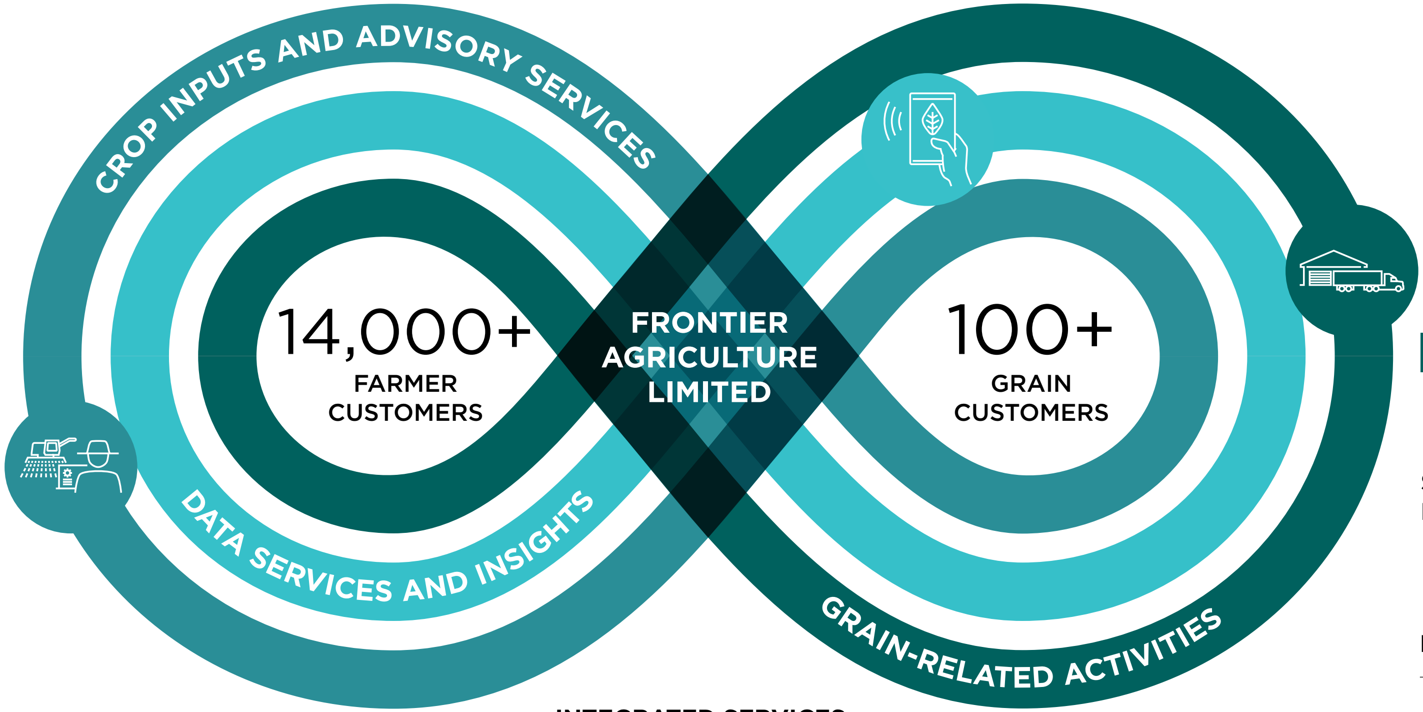
BUSINESS MODEL

Our balanced inputs–outputs business model gives us a unique insight into the UK's arable supply chain, allowing us to develop value-added products and services, including integrated data services, to support our farm and grain customers' businesses.

INPUTS

c.27%

SHARE OF UK CROP INPUTS MARKET



OUTPUTS

c.25%

SHARE OF UK GRAIN MARKET

INTEGRATED SERVICES

> Farm trading

> Commodity trading
> Risk management
> Storage and logistics
> Import/export services

> Grain marketing

END CONSUMERS

Humans

Animals

Non-food industrial use

CREATING A BETTER FUTURE FOR AGRICULTURE

Crop inputs and advisory services

We provide arable farmers with crop inputs and crop protection products, alongside expert advice covering risk management, agronomy, the use of technology and regenerative agriculture techniques.

FARMER CUSTOMER INPUTS

Products

- Seeds (combinable crops, environmental and biodiversity mixes), fertilisers, crop protection (e.g. herbicides, fungicides and biostimulants).

Advice and services

- Grain marketing.
- Agronomy and technical support.
- Soil health and regenerative agriculture.
- Price risk management.
- Precision farming services.
- Legislative and assurance compliance.
- Implementation and management of agri-environmental schemes.

FARM CUSTOMER OUTPUTS

Products

- Wheat, barley (malting and feed), oilseeds, oats and pulses.

c.135k TONNES
OF SEED PROCESSED BY FRONTIER IN 2024

Grain-related activities

We are the nation's largest grain store-keeper. We buy c.25% of all grain that is harvested in the UK and store, sell and move it, providing an efficient fulfilment service.

GRAIN CUSTOMER INPUTS

Products

- Wheat, barley (malting and feed), oilseeds, oats and pulses for onward processing.

Advice and services

- Quality control, sampling and testing.

GRAIN CUSTOMER OUTPUTS

Products

Finished and semi-finished products distributed to a variety of sectors including:

- Human-grade food and beverages.
- Animal food.
- Non-food industrial use.
- Ethanol.

c.4 MILLION TONNES
OF GRAIN TRADED BY FRONTIER IN 2024

Data services and insights

Our ongoing investment in digitisation and automation enables us to streamline and verify data to help create more sustainable and commercial value for customers along our integrated supply chain.

FARMER CUSTOMER DATA AND INSIGHTS

- Carbon data.
- Farm data analytics.
- Biodiversity data.
- Farm practice data.
- Regulatory data between UK government and farmers.
- Incentive-linked data for private and public funding.

GRAIN CUSTOMER DATA AND INSIGHTS

- Monitoring, reporting and verification of carbon data to support net zero commitments.
- Monitoring of additional ESG data to support social and governance reporting.

c.3,000
CUSTOMERS ENGAGING REGULARLY WITH FRONTIER'S MYFARM DATA PLATFORM

CREATING A BETTER FUTURE FOR AGRICULTURE

MARKET TRENDS

We closely monitor macro and micro developments that affect our business, our people and the UK agriculture sector – and we share in the following pages six key trends that we keep front of mind.

USING MARKET TRENDS TO INFORM STRATEGY

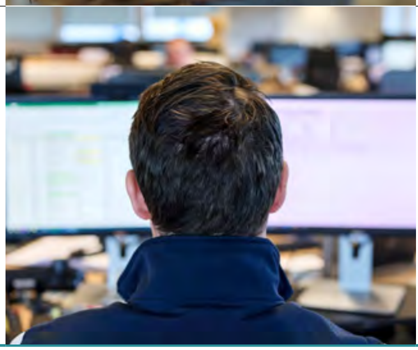
Our knowledge of market trends informs our risk management and strategy development work, including our growth pillars, which are presented in more detail on page 23.

The Responsible Choice review: People – Page 25
Risks and risk management – Page 42

> **We take our responsibility as market leader very seriously – reviewing our position regularly to improve our understanding of the key market trends that influence our customers and sector. These insights enable us to develop 'Customer First' opportunities to grow our business over the long term.**
>
> **Diana Overton**
> Deputy Group Managing Director

		Overview	How we are responding
Trend 1: Productivity		The land area dedicated to UK arable farming is in decline, and in recent years unpredictable weather has disrupted productivity. Farmers are balancing challenging economic trade-offs – maximising food production while under increased pressure to address climate change impacts. However, the uptake of sustainable and regenerative agriculture practices, including reduced tillage and use of cover crops, could make soils more resilient and reduce costs in the longer term. Improvements in crop genetics have been made but are not yet commercially viable.	> Continue to invest in expertise to support growers in this changing environment. > Develop industry understanding of sustainable crop production methodologies. > Focus on developing solutions to improve productivity, profitability and sustainability through Group-wide initiatives. > Focus on quality trials to support evidence-based, optimised crop production strategies. > Invest in new technologies, e.g. low-carbon fertiliser production and data capture/analytics, to improve decision-making for farmers.
Trend 2: Digital evolution		There is an established acceptance and use of data and digitisation to inform decision-making across our supply chains, with increasing adoption of artificial intelligence tools. The uptake of smart customer-facing digital solutions and the digitisation of labour-intensive manual activities are leading to overall efficiency gains. While related cost-saving, health and safety, and job satisfaction benefits are welcomed, there is some concern about the potential impact of digitisation on jobs and livelihoods.	> Design and deploy digital solutions and insight tools based on our customer value proposition. > Invest in digitisation and automation to drive internal productivity that benefits both customers and Frontier's business. > Take leading position in on-farm analytics and invest in improving data aggregation, reporting and customer access across the supply chain to improve efficiencies and support profitable decision-making.

Images from top to bottom: Richard Barnes and Frontier

Trend		Overview	How we are responding
Trend 3: Regulatory environment		The regulatory environment for agriculture across the devolved nations is complex and evolving, influenced by both national and international frameworks. Specific challenges include direct payment changes, differing global food and animal welfare standards and the need to adhere to both UK and EU regulations to supply certain customers. Indirect pressures come from the banking sector, which is required to increase funding for sustainable projects, and the increasing public awareness of the agricultural sector's role in tackling climate challenges.	> Continue to invest in our services and tools to help farmers develop management plans that include sustainable practices and to support legislative and assurance requirements. > Provide advice and expertise to policymakers in the development and implementation of agricultural policy, including the Sustainable Farming Incentive (SFI). > Use our voice through active involvement with key trade bodies and our unique position between farmers and grain customers to better understand the opportunities for and implications of regulations on the whole supply chain.
Trend 4: People		Changing demographics and consumer attitudes are impacting our agricultural supply chains significantly. Farmers are facing succession challenges, particularly on family-owned and -controlled farms, and shortfalls in labour availability. Grain customers are responding to changing consumption and employment choices, especially among younger ('Gen Z' and 'Millennial') customers and urban populations who favour products and businesses that demonstrate high sustainability and ethical credentials. Overall, the agricultural sector is predicted to become more diverse and inclusive, which will bring longer-term benefits.	> Adopt leadership role in promoting an innovative and professional agricultural industry to attract the best new talent from farming and other backgrounds. > Develop deeper relationships with farmers to support them in building resilience as they adapt to change. > Build capability in our people to meet the future needs of our farmer customers and grain customers. > Attract and invest in the development of talent for our industry from a diverse range of backgrounds.
Trend 5: Sustainability		Demand for sustainability creates longer-term opportunities, alongside short-term pressures given the speed of change required. Farmers need to maintain farm income and commercial food production, while embracing sustainable practices, including regenerative agriculture. Grain customers are increasingly influenced by ESG goals and seek to engage more with farmers to achieve Scope 3 reduction and regenerative targets. The agricultural sector is recognised as both a significant contributor to CO2e emissions and a solutions provider through its ability to reduce and sequester carbon.	> Promote Frontier's 'The Responsible Choice'. > Invest in a 'whole-farm' approach to give advice and customer support via our unified sustainable crop production proposition. > Support farmer customers in natural capital management, whilst responding to the need for healthy food production. > Work with supply chain partners to use new technology to improve productivity more sustainably.
Trend 6: Risk management		There is significant pressure to manage and mitigate intensifying supply chain risks, which include diverse factors that drive price volatility, more complex demands from grain customers, and the need to protect food security. Distributors have an increasing responsibility to anticipate and finance the availability of inputs in an environment with reduced access to low-cost financial products. Conversely, technological advances allow 24/7 access to market and supply chain information that facilitates the transparency, accuracy and speed of decision-making.	> Leverage our grain contracts/risk management tools to help growers offset input costs, lock in margins and secure end markets. > Manage extreme price volatility to secure inputs and forward grain contracts and help growers to manage cash flow. > Support growers to make informed decisions with better access to market information through our MyFarm platform. > Focus on total supply chain understanding and participation to improve certainty of outcomes.

Images from top to bottom: David Hares, Frontier, Frontier and David Hares

GROWTH PILLARS

We use our knowledge of market trends to inform the development of our growth pillars, which also consider the five missions of our 'The Responsible Choice' approach.

1 Leverage our unique inputs-outputs business model

How we are growing
Make our integrated supply chains more sustainable and valuable by using data and expertise to inform practical change.

Data digitisation – Page 12

2 Develop our industry-leading customer value proposition

How we are growing
Build unrivalled teams to deliver expert solutions for our farmer customers and grain customers.

Business model – Page 19

3 Invest in continuous improvement and innovation

How we are growing
Evolve, innovate and digitise our business to continue to lead our industry.

2024 Strategic review – Page 9

4 Cultivate the potential of our people

How we are growing
Invest in attracting, empowering and retaining the best talent, supported by our inclusive culture.

The Responsible Choice review: People – Page 25

5 Raise our voice on behalf of our industry

How we are growing
Use our leadership position responsibly to collaborate with regulators, legislators and industry bodies on policy development and practical implementation for our customers.

The Responsible Choice review: Prosperity – Page 36

THE RESPONSIBLE CHOICE

People | **Production** | **Partnership** | **Planet** | **Prosperity**

Images from left to right: Frontier, Frontier, David Hares, Frontier and David Hares

THE RESPONSIBLE CHOICE REVIEW

> **Our sense of social purpose and responsibility is guided by our approach to environmental, social and governance matters, which is set out in our 'The Responsible Choice' framework. We use this to guide our decision-making and strategic direction. It helps us grow our business responsibly, making a positive difference for our stakeholders and industry.**

Andrew Flux
Group Commercial Strategy Director

TRC GOVERNANCE

During the year, we strengthened the governance of our TRC framework by designating leads and senior team leadership sponsors for each area (see page 60).

Governance – Page 58

THE RESPONSIBLE CHOICE: MISSIONS

Each of our five focus areas has a clearly defined mission that links Frontier to longer-term challenges facing our stakeholders and industry. We are part of the solution.

People

We look after and respect people across all interactions that Frontier has.

Production

We work with UK farmers to support long-term, viable farming systems that increase the longevity of farming businesses, encourage high-quality crop production and help our farmed environment to become more resilient.

Partnership

We work to build strong, long-term relationships and create value and profitability across all partnerships.

Planet

We are dedicated to ensuring our operations and relationships contribute to an overall positive environmental impact.

Prosperity

We help to create a better future for agriculture; demonstrating responsible leadership and creating prosperity that enables us to add value in all our relationships.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS
Our 'The Responsible Choice' missions are aligned with many of the United Nations Sustainable Development Goals, as illustrated here.

David Hares

THE RESPONSIBLE CHOICE REVIEW: PEOPLE

> “Building on high levels of engagement, we plan to enhance employee experience and the positive impact that our people create in our communities.
>
> **Stuart Benham**
> Group Head of HR
> TRC People Lead

David Hares

GOALS

- Look after and empower our employees.
- Support local communities where we interact/operate.

KEY ACTIVITIES SUPPORTING OUR MISSION AND GOALS

- Keeping health and safety top priority and reinforcing our values.
- Promoting learning and development, health and financial wellbeing, and our employee support groups.
- Linking charitable initiatives to our industry and communities.

27.7%
MEAN GENDER PAY GAP
(2023: 29.2%)

LOOKING AFTER AND EMPOWERING OUR PEOPLE

Health and safety

We work in the high-risk agriculture sector where our farmer customers, employees, visitors and contractors may encounter hazards such as moving machinery and vehicles, noise and dust pollution, chemical handling and storage, and heavy lifting.

Since Frontier’s inception, health and safety (HAS) has remained our top priority. HAS performance is discussed at each senior leadership team (SLT) and Frontier Agriculture Limited Board meeting, and HAS is the first agenda point for all operational and senior manager team meetings. Our HAS incident target is zero. In 2024 our accident frequency rate per 100,000 hours worked was 0.13 (2023: 0.11).

Whilst we fare well against sector standards and can demonstrate a downward trend since our inception (see page 18), there is no room for complacency.

We expect all employees, contractors and visitors to respect our risk-assessed HAS procedures whether operating in our offices and sites, working from home or visiting other business premises and farms, and we encourage our employees to act as HAS ambassadors for our farmer customers. Every Frontier employee can stop tasks and challenge practices if they see something unsafe, and can access an escalation process which could ultimately lead to ceasing business dealings if HAS concerns cannot be resolved.

We actively cultivate and instil a strong HAS ethos. We assess candidates’ approach to HAS at the interview stage and give mandatory training during onboarding as well as ongoing refresher training. We reinforce our HAS focus through internal campaigns, best practice sharing and regular training and monitoring. We also recognise employees who demonstrate HAS excellence through an internal awards programme.

AGREED OUTCOMES FROM 2024 EMPLOYEE ENGAGEMENT SURVEY

Focus area	Key actions
Employee wellbeing	Build on existing, and implement new, mechanisms to continue to provide industry-leading support to our people.
Teamwork and business connectivity	Deliver and reinforce teamwork and connectivity through our customer value proposition work, which is being developed to improve customer service and employee satisfaction.
Leadership visibility and approachability	Embed our newly implemented mechanisms and events – e.g. monthly business performance updates, regular all-employee ‘townhall’ meetings and enhanced employee interaction with SLT members – in our learning and development programmes.

Employee engagement

We undertook our latest employee engagement survey in early 2024, recording a 77% response rate and a 78% positive response to the statement "Taking everything into account, I would say this is a great place to work". We scored highly on our approach to HAS and how secure and supported our employees feel in their working environment, including having a strong sense of belonging and feeling able to speak up when they need care, support or advice. We discussed the results with our SLT and chose three improvement areas to focus on, summarised in the table on page 25, including new ways to engage with our employees.

Health and wellbeing

We continue to expand and promote access to employee health and wellbeing support mechanisms. These include talking to line managers and HR team members, contacting our network of 18 mental health first aiders and members of our health and wellbeing steering group (see page 29), or accessing our confidential employee assistance programme (EAP) run by an independent third-party provider. Our internal employee hardship policy provides grants or loans for employees in significant financial hardship, and we have improved childcare support for lower earners.

5
EMPLOYEE-LED SUPPORT GROUPS CREATED

We partnered with HSBC and Scottish Widows across the year to deliver online webinars to support employees with personal financial management and planning. Topics covered included retirement planning, investing for beginners, advice for first-time home buyers, debt management and signposting to external resources such as the UK government's MoneyHelper website and the Pension Tracing Service. However, we know we can still do more in this area so we work closely with our health and wellbeing network group to help us stay close to employee concerns and ideas.

Diversity and inclusion

We are committed to upholding a respect-based culture. This builds on our Integrity value that supports our aim to treat people fairly and equitably and allow people to be themselves in our workplace. Alongside our strong culture, we continue to develop systems and processes to attract and retain the diverse workforce that is key to our long-term business success. Our respect, diversity and equality policy is available to all employees, and our directors and managers are responsible for sharing and implementing practices that promote diversity, respect and equality within each department. In recent years, we have established employee-led network groups that raise awareness of issues that employees may be facing and provide additional support (see page 29).

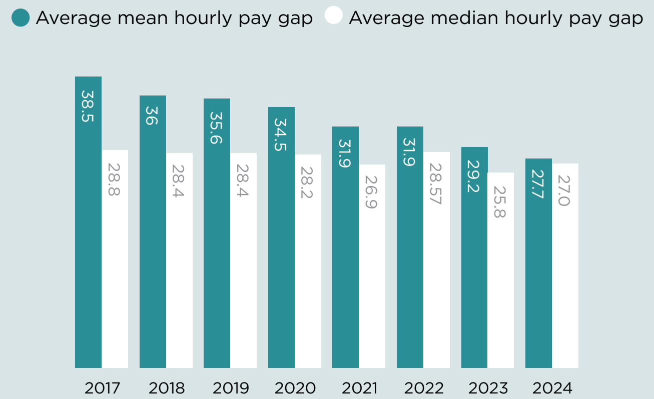
Gender pay

We publish our Gender pay gap statement each April on our corporate website. In our latest statement, which reports on figures as of April 2024, our mean gender pay gap was 27.7% (2023: 29.2%) and our median gap was 27.0% (2023: 25.9%). We pay equally for equal roles.

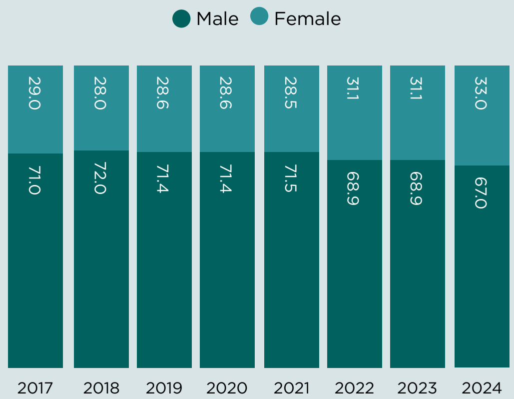

David Hares

Health and welbeing group meeting.

GENDER PAY GAP, % 2017 TO 2024



GENDER SPLIT, % 2017 TO 2024



Frontier's SLT is committed to closing our gender pay gap by taking action that enables and drives change, including:

- Attracting more women to senior roles and predominantly male areas of our business by differentiating our attraction, recruitment and selection process.
- Ongoing support of our women's network group (see page 29).
- Evolving our family-friendly policies, aspiring to have the most forward-thinking approach in the industry.
- Leveraging our influence in our sector to increase the attractiveness of agriculture as a career for women by sponsoring key partners and events, including a Returnership programme to support women returning to agriculture after a career break.
- Our ongoing sponsorship and involvement in *Farmers Weekly* magazine's diversity initiative, 'Level the Field', which aims to make agriculture fairer, more equitable and more inviting. Frontier is a founding member, sits on the steering group and contributes to many articles and think pieces.

LEVEL THE FIELD
Working for a more equitable farming industry

c.120

EMPLOYEES TO BE TRAINED IN THE FIRST PHASE OF OUR 'PATHWAY TO LEADERSHIP' PROGRAMME IN 2025

Since we started reporting our gender pay gap in 2017, we have reduced our average mean and median hourly pay gaps by 10.8 and 1.8 percentage points respectively. More details, including calculations, definitions and commentary on actions taken can be found in our gender pay gap statements on our corporate website.

Learning and development (L&D)

In 2024, we adopted a structured and strategic 'Pathway to leadership' programme to improve employee job satisfaction, create greater business impact and achieve a higher return on learning and development (L&D) investment. Our approach increases the breadth of targeted L&D opportunities and makes them easier to access through improved technology.

The first two stages of our new programme target people whose career trajectory is heading towards leadership and we are scheduled to deliver training to around 120 employees in 2025. Recognising that people are at different career stages and have various learning styles, our six-stage programme is flexible and includes online self-development modules with over 3,000 pieces of content on people skills, a one-day introduction to leadership, and a four-day 'Leadership essentials' session.

Our quarterly 'master class' for executive leaders aims to encourage debate and reflection, referencing the most up-to-date thought leadership on topics relevant to our business.

Our new programme will link more efficiently to our succession planning, and we will evolve and refine content and delivery through data-driven feedback.

Ethics and values

In 2024, we updated our Employee Code of Conduct, our whistleblowing policy and our compliance and induction training. From autumn 2024, for example, we hold corporate induction sessions on a fixed date each month and invite senior leaders to talk about Frontier's history, The Responsible Choice, our ICE values (see page 59) and the agricultural sector, aiming to improve employee understanding and the sharing of experiences first hand at this important touchpoint. We have also rolled out more topic-based compliance training (using online content and toolbox talks for modern-day slavery and risk management, for example) and we monitor attendance against a new calendar of compliance events on our portal.

The Responsible Choice review:
Prosperity – Page 36

Reinforcing teamwork, connectivity and employee interaction in our learning and development programmes.

Frontier

SUPPORTING LOCAL COMMUNITIES

We are committed to community engagement and charitable investment. We support many charities and, in 2024, our donations amounted to £27,000 (2023: £40,000). We run an employee matching scheme, which encourages employees to let us know of causes that are meaningful to them so we can acknowledge these and help.

Many of our chosen charities support people with mental and physical health challenges in our agricultural communities and more widely – this year we supported MIND, Alzheimer's Society, Dementia UK and the Motor Neurone Disease Society, as well as local hospices and air ambulance services. Our Group Deputy Managing Director is a trustee and honorary treasurer of the Royal Agricultural Benevolent Institution (RABI) – a charity that we have supported for many years.

Additionally, we spent c.£60,000 on the sponsorship of local events such as farming and county shows, agricultural society meetings and lectures, ploughing competitions, Young Farmers' Clubs and National Farmers' Union (NFU) activities. We also supported various adult and youth sports teams, including football, hockey, rugby and golf, and we made in-kind donations to food banks.

We also sponsor larger events, agricultural conferences and industry campaigns. For example, we are a principal sponsor of Open Farm Sunday, a nationwide industry event hosted by LEAF (Linking Environment and Farming), and we also support *Farmers Weekly* magazine's cross-industry diversity and sustainability campaigns – 'Level the Field' and 'Transition'.

c.£200k

DONATIONS AND SPONSORSHIPS IN 2024

LOOKING AHEAD INTO 2025

- Rolling out new leadership programmes.
- Planning an employee value proposition workstream.
- Increasing focus on health and wellbeing, teamwork and leadership accessibility.
- Developing a more centralised community and charitable giving policy.

HANDS-ON FARM EXPERIENCE

Since June 2022, Frontier has been involved in the long-standing 'Discover Warburtons Wheat' partnership between the Country Trust charity and grain customer Warburtons.

This free learning programme connects disadvantaged children with food and farming and is delivered through a number of activities. One such example is educational day visits to working farms, which help children understand food systems by giving them hands-on experiences and insight. These visits are complemented by school curriculum information that is free to download. Between May and June 2024, 29 farm visits took place, involving 878 children, 22 different schools and 15 farms.

Frontier contributed £20,000 to the programme and 116 hours of on-farm engagement.

> **"The visit reaffirmed the children's learning about plants, the history of farming, product evaluations and farm diversity – topics that we have covered in the classroom this year.**
>
> Participating teacher

Warburtons

Country Trust
Connecting children with the land that sustains us all

Employees from our Hermitage site taking part in outdoor activities during Mental Health Awareness Week 2024.

Frontier

EMPLOYEE-LED SUPPORT GROUPS

> **Treating all people fairly and with respect, as well as putting in place systems, policies and processes that ensure we attract and retain a diverse workforce, is a key part of our approach to people within 'The Responsible Choice'.**

Nick Heald
Group Commercial Director
SLT sponsor of the TRC People focus area

EQUITY, DIVERSITY AND INCLUSION AT FRONTIER

This work supports our ICE value of Integrity because it ensures we treat people fairly and enables anyone who works at Frontier to be themselves in the workplace regardless of their gender, sexuality or other characteristics.

Health and wellbeing group

Established: 2022

> Open to all employees.
> 10 employees on steering group.

This network group aims to create a workplace where everyone advocates for health and wellbeing. In 2024, it raised awareness on topics including mental health, prostate cancer, menopause and financial and physical wellbeing. All related information is updated on a new, dedicated SharePoint site.

Women's network group

Established: 2022

> 151 members.
> 8 employees on steering group.

Over 40% of women at Frontier are involved in this group, which has set its purpose, goals and community principles and has created a SharePoint site to connect group members and allies. At on-site events in 2024, members were polled on priority topics and the feedback has been used to determine event themes for the coming year.

Menopause support group

Established: 2021

> 36 members.
> 3 employees on steering group.

This group aims to foster a supportive culture for women experiencing menopause by raising awareness and improving knowledge. Members contributed to Frontier's menopause policy and toolbox talk. The group celebrated World Menopause Day 2024 by inviting expert speakers.

LGBTQ+ community network

Established: 2023

> 34 members.
> 8 employees on steering group.

Open to all, this community network group raises awareness of LGBTQ+ issues, while providing a confidential safe space for LGBTQ+ identifiers. It hosts monthly activities and supports specific events such as LGBTQ+ History month and Pride month. It now also collaborates each month with the Pride network of AB Agri (our parent company's agricultural division).

Neurodiversity awareness group

Established: 2024

> 20 members.

Our newest group, launched to promote neurodiversity awareness and understanding, aims to provide a safe space for people to meet, discuss and share experiences. It has created an online hub to give access to resources, information and peer support.

Images from left to right: David Hares, Frontier, Frontier and Frontier

Note: Numbers in table as at annual report publication date.

THE RESPONSIBLE CHOICE REVIEW: PRODUCTION

David Hares

> **"We aim to create long-term commercial value for our farmer customers, supporting them with all aspects of sustainable crop production to help create resilient farming systems and sustainable supply chains.**
>
> **James Moldon**
> Head of Sustainable Crop Production
> TRC Production Lead

GOALS

- Champion sustainable crop production.
- Optimise yields with reduced impact.
- Realise the full potential of land by advancing sustainable agriculture.

KEY ACTIVITIES SUPPORTING OUR MISSION AND GOALS

- Using our expertise to provide advice on all aspects of sustainable crop production to our farmer customers, on a whole-farm basis.
- Supporting the access to and implementation of public and private on-farm funding.
- Designing and delivering sustainable supply chain programmes.

217,000

HECTARES MANAGED USING FRONTIER'S PRECISION CROP MANAGEMENT

CHAMPIONING SUSTAINABLE CROP PRODUCTION

Our approach to sustainable crop production helps to balance food production and the need to maintain and increase natural capital. By working with farmers across all aspects of sustainable crop production, we can optimise their productivity, profitability and sustainability.

Our priorities include:

- Replicated trials to support the selection of seed varieties and nutrition strategies, increasing crop resilience.
- Drawing on dedicated in-house innovation and research to improve the application of inputs and to support our agronomists and advisors.
- Using satellite biomass imagery to help farmers understand their field crop performance and optimise nitrogen use, resulting in more targeted application of inputs and savings in costs and carbon.
- Improving soil health and management techniques through soil testing, management plans, advice on crop establishment, the use of conservation crops and the adoption of regenerative agricultural practices.
- Supporting farmers with the implementation and management of environmental actions.
- Supporting farmers to comply with agricultural regulations and demonstrate best practice against farm assurance standards.
- Providing farm data insights, including budget yield and cost analysis, to allow informed decision-making (via Yagro).
- Providing a platform (MyFarm) to allow farmer customers access to a range of management and efficiency tools to collect data and provide insights into their farm and the benefits of adopting sustainable crop production practices.
- Supporting the whole supply chain to better understand public and private funding opportunities and requirements (for example, Sustainable Farming Incentive (SFI) in England).
- Designing and delivering private funding schemes which financially reward farmers whilst supporting supply chain ESG goals.
- Developing and maintaining expertise covering all areas of sustainable crop production through continued professional development.

The seven areas covering our approach to sustainable crop production

1. Optimised crop production
2. Soil health and function
3. Water quality and management
4. Biodiversity and environmental management
5. Energy and carbon management
6. Business insight
7. Legislative compliance

Market trends – Page 21

FUTURE FUNDING

Leading and influencing

With the shift in funding focus towards environmental and public outcomes, there are opportunities for our farmer customers to access both public and private funding for sustainable practices. Securing funds requires a holistic approach that looks at strategic direction, optimises production and reviews the whole farm. We support farmers to make the best decision for their business.

Rewarding behavioural change

We have also developed a bespoke, tiered programme, funded by our grain customers, that encourages farmers to adopt regenerative agriculture practices such as reduced tillage, variable rate nitrogen application and use of companion cropping. Growers are rewarded based on the number and type of practices implemented. Practices are monitored and verified, meaning that the data reported can support our grain customers' ESG goals including carbon, biodiversity and regenerative agriculture. This work also supports our TRC Partnership area.

The Responsible Choice review: Partnership – Page 32

LOOKING AHEAD INTO 2025

- Advancing our sustainable crop production services, making them widely accessible to all customers.
- Supporting industry leaders and stakeholders with technical expertise in the delivery of sustainable crop production.

PROMOTING ON-FARM BIODIVERSITY

Each year Frontier exhibits at the flagship regenerative agriculture event Groundswell, where we display a range of opportunities that growers and land managers can undertake to enhance biodiversity on their farms.

These include plots of cover crops, winter bird-food mixes, flower-rich areas and hedgerows. We advocate the recognition of existing habitats and environmental features; we also offer advice on establishing and managing areas that deliver key requirements for biodiversity, such as the provision of year-round food for wildlife and support for the life cycles of beneficial insects and natural predators – which in turn fulfil roles in agriculture such as pollination and integrated pest management.

We also help farmers identify opportunities from agri-environmental schemes and provide them with mixes that meet the requirements of the schemes, as well as advising on management approaches that deliver for the farm environment while supporting biodiversity.

Frontier

THE RESPONSIBLE CHOICE REVIEW: PARTNERSHIP

"Partnerships and collaboration are a key part of our sustainability strategy. We champion innovation and industry collaboration to find value-adding solutions that improve sustainable practices.

Samantha Brooke
Seed Director
SLT sponsor of the TRC Partnership focus area

GOALS

- Collaborate and innovate in our supply chains.
- Strengthen partnerships in our supply chain.

KEY ACTIVITIES SUPPORTING OUR MISSION AND GOALS

- Using our grain trading expertise to bring us closer to downstream food and supply chain participants.
- Strengthening relationships with crop production input suppliers (such as seed breeders and nutrition experts) to support the long-term success of farming and crop production.

600+

FARMERS ENGAGED IN GROWING CROPS FOR SUSTAINABLE FOCUSED CONTRACTS (HARVEST 2024)

David Hares

COLLABORATING AND INNOVATING

Our balanced inputs-outputs business model means that we can support the UK arable supply chain holistically – bringing together participants along our supply chain networks and breaking down barriers to advance agriculture for the long term.

Promoting farm clusters

Farm clusters are groups of farmers who work together voluntarily across farm borders to improve sustainable farming practices or meet specific goals – and their numbers are increasing. Frontier is involved in many farm clusters across the UK, each with different aims and structures. Our approach brings various supply chain partners together – including competitors – from within and outside the agricultural sector to shape ideas and to further collaboration.

For example, through our involvement with 14 farmers growing wheat, barley, sugar beet and oilseed rape in the High Suffolk Farm Cluster (HSFC), we worked with other agronomy and seed suppliers to help secure funding from the cross-industry research group Landscape Enterprise Networks (LENs). The successful bid has allowed the HSFC to survey all hedgerows on their collective estate of 5,500 hectares, document natural capital and provide information to unlock further funding, for example under the Sustainable Farming Incentive (SFI). HSFC members also received input from organisations such as Natural England, Operation Turtle Dove and the Norfolk Rivers Trust. Furthermore, through our grain customer contacts, we facilitated dialogue between HSFC growers and customers further up the supply chain – allowing farmers to discuss future crop requirements directly.

"Through our involvement with farm clusters, we aim to develop sustainable products at a farm scale. This means working with other businesses who provide advice and agronomy services, and linking up with other supply chains. It is important to understand the aims and motivations of the clusters, and work collaboratively to help them achieve their goals.

Jasmine Utting
Technical Advisor (East of England)

David Hares

STRENGTHENING PARTNERSHIPS IN OUR SUPPLY CHAIN

We are also involved in grower groups. These groups typically support large-scale grain contracts for our grain customers and many were originally formed to secure the supply of large commodity volumes with high-quality specifications. However, through our recent customer value proposition research we know that our grain customers are also looking to incorporate more ESG-related information – especially on Scope 3 emissions – into industry contracts. This is one of the major market trends we have identified that is changing expectations of the UK agricultural sector (see page 21).

At Frontier, we are increasingly bringing together relevant supply chain partners and data – including through grower groups – to support our grain customers in these developing areas. We share on this page an example of our grower group activities, which also supports our TRC Production focus area.

The Responsible Choice review: Production – Page 30

220
GROWERS INVOLVED IN WARBURTONS WHEAT MILLING CONTRACT

Milling wheat

We are currently working with 220 growers as part of a milling wheat contract with Warburtons. Our approach fosters a strong and open working relationship across several supply chain participants. For example, we draw on our in-house crop production, seed and nutritional expertise, we leverage our relationships with seed breeders and crop protection suppliers, and we engage directly with our grain customers' research and development and quality departments.

By working along the supply chain, we provide added-value information and insights, while understanding first hand the innovative opportunities available at each stage to promote more sustainable solutions.

> **This growers' group is an industry-leading supply chain that produces high-quality bread-making wheat. By sharing data insights, best practice amongst growers and Frontier's expertise, we allow our customer to benefit from increased innovation, transparency and communication across their supply chain.**
>
> **James Maguire**
> Sales Leader

LOOKING AHEAD INTO 2025

- Developing and promoting further sustainable grain contract opportunities.
- Linking food-sector buyers and agricultural products suppliers through sustainable opportunities.


Richard Barnes

Promoting a holistic approach that links our farmer and grain customers.


David Hares

Improving the resilience of wheat varieties.

THE RESPONSIBLE CHOICE REVIEW: PLANET

> **Operational efficiencies and environmental impact reduction projects often go hand in hand, and we increasingly consider non-financial as well as financial factors in our decision-making.**
>
> **Louise Fordham**
> Head of Business Development
> TRC Planet Lead

David Hares

GOALS

- Reduce our impact on climate.
- Advance circularity of resources in our operations.

KEY ACTIVITIES SUPPORTING OUR MISSION AND GOALS

- Creation of project team dedicated to reducing Scope 1 and 2 emissions.
- Progressing solar electricity generation and low-carbon liquid fuels.
- Focusing on Scope 3 'hotspot' areas and product circularity solutions.

16
SOLAR ARRAYS ACROSS 12 SITES

REDUCING OUR IMPACT ON CLIMATE

New carbon reduction target

During the year, we reassessed our net zero target parameters with ClimatePartner UK Limited, our climate consultants. Our revised target of a 59% reduction in greenhouse gas emissions by 2034 is SBTi-aligned. In 2024, our Scope 1 and 2 emissions (market-based) decreased year on year by 740 tCO2e to 12,444 tCO2e, and decreased by 2,998 tCO2e against our 2021 baseline; more information can be found on page 56. Work in our Production and Partnership focus areas also helps supply chain decarbonisation activities for Scope 3 reductions in our identified hotspot areas of grain and fertiliser.

Renewable energy generation

In 2024, we increased our total number of solar arrays to 16 in various locations across 12 Frontier sites. Our commercial agreement with Octopus Energy to 'time-match' our solar-generated energy across our sites was a UK first (see page 6). Our approach is to install solar arrays on the roofs of our buildings where appropriate and also on surplus non-productive land surrounding our operational sites. We are now at a preliminary stage in analysing the opportunities and returns on investment for wind-generated power across our sites to complement solar-generated energy.

Own and contracted fleets

We continue to evaluate and trial alternative fuels for our fleet. Unfortunately, during the year we encountered issues with the supply of drop-in hydrotreated vegetable oil (HVO), which affected our HVO rollout programme; we continue to engage with other suppliers.

In 2024, we invested in 20 more fuel-efficient 'new generation' tractor units, which now represent 23% of our heavy truck fleet and deliver an estimated saving of 7 metric tonnes of CO2e emissions per vehicle. Drivers of the new units receive manufacturer-led training, which encourages them to use the advanced in-vehicle technology available to optimise fuel efficiency. Fuel economy performance is measured each month and has superseded our telematics-based driving style assessments as a measure for calculating bonuses.

We continue to transition to electric vehicles. Around half of our forklift trucks (FLTs) are electric, for example, and our purchasing policy is for all new FLTs to follow suit. Since April 2024, we have moved 370 tonnes of grain through Voltloader – a company with electric bulk haulage trucks and ultra-rapid charging points. We will continue to engage with Voltloader as its fleet and network develop.

We are also on target to fully transition our company car fleet – just 4% are still petrol vehicles. However, around 35% of our vehicle fleet are diesel pick-ups.

Environmental review – Page 56
Climate-related financial disclosures – Page 51

ADVANCING CIRCULARITY OF RESOURCES IN OUR OPERATIONS

Our operational waste volumes are low and diverse and are expertly managed to find the most appropriate and responsible routes for treatment. In addition, we strive to support our industry by looking at innovative ways to reduce waste in our supply chains, particularly the plastic containers that we distribute to our farmer customers.

Operational waste management

Our operational team monitors and manages waste across our 42 sites. As volumes vary considerably by type, season and site, we use a variety of waste management routes. We send organic waste (for example, grain dust and screenings) directly to local anaerobic digestion plants, and use specialists to dispose of asbestos and certain plastics. Most of our waste is handled by our contracted partner, Axil, and moving to a single partner has allowed us to analyse and improve waste management procedures – for example, by optimising bin sizes and collections. In 2025, Axil will audit individual sites to evaluate further opportunities to reduce our operational waste footprint.

At year end 2024, we generated 535.9 tonnes of operational waste (2023: 494.1 tonnes). This increase was partly due to two large asbestos removal programmes. We diverted 99.6% from landfill against a target of 100%, with asbestos removal accounting for the difference. Our largest operational waste stream by tonnage is general waste, followed by dry mixed recycling. In July 2024, we set up a 'green champion' network of volunteers within Frontier to raise awareness of waste recycling and to share reduction initiatives across the Group.

Supply chain waste management

We promote the use of intermediate bulk containers (IBCs), closed transfer systems and, more recently, bulk tank deliveries. These all bring on-farm benefits such as improved operator safety, less plastic use and a lower risk of agrochemical spillage. Bulk tank deliveries can also reduce carbon emissions.

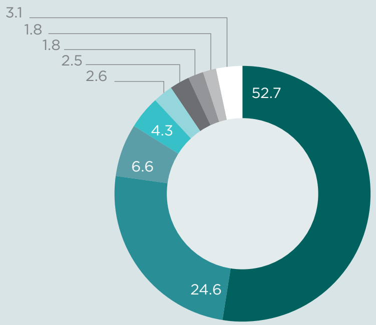
This year, ClimatePartner UK Limited assessed the product carbon footprint of our foliar nitrogen product, Nutrino Pro, supplied by our IntraCrop business. For every 20,000 litres of product delivered in bulk tanks rather than 1,000-litre IBCs, ClimatePartner UK Limited estimates that 6.6 tCO_2e is avoided. In 2024, we distributed over 140,000 litres of Nutrino Pro in bulk tanks.

The Responsible Choice review:
Production – Page 30

LOOKING AHEAD INTO 2025

- Educating employees on the potential to reduce internal carbon emissions.
- Investing further in more efficient bulk fleets, electric company cars and electric car chargers.
- Reducing waste further through improved recycling and reduced use of consumables.
- Investigating further low-carbon supply.

OPERATIONAL WASTE ANALYSIS, % MATERIAL BY TONNAGE 2024



- General waste 52.7%
- Dry mixed recycling 24.6%
- Grain 6.6%
- Green waste 4.3%
- Hazardous mixed load 2.6%
- Interceptor waste 2.5%
- General waste (bulky) 1.8%
- Metal waste 1.8%
- Other (pesticides, soil, confidential waste) 3.1%

Source: Axil and Frontier data.

REDUCING ENERGY IN THE GRAIN DRYING PROCESS

Although usage levels vary each year with weather conditions, the fuel we use to power our grain storage and drying equipment typically accounts for around 25% of our annual CO_2e emissions.

To reduce these and improve our operational efficiency, we have invested £1.3 million in a brand-new grain dryer facility installed at our Topcliffe site in Yorkshire. The model has been custom-designed for Frontier by specialist supplier Tornum, with built-in operational flexibility. For example, the dryer can be run in full heat-recovery mode – which can reduce energy use by around 30% – but it can also be operated in standard (or partial) mode, depending on the condition of the grain, to allow faster processing while guaranteeing food and feed safety.

In July 2024, we finalised the commissioning process and started to train operators following our first grain intake. The new dryer runs on hydrotreated vegetable oil; this alone reduces emissions by up to 99% compared to using standard fuel oil.

Overall, combined with its energy-efficient heat-recovery option, we anticipate an overall carbon emissions saving of c.95% compared to our previous model.

THE RESPONSIBLE CHOICE REVIEW: PROSPERITY

> **"Our ability to run a profitable business for the long term allows us to invest in our industry and key stakeholders. Our insistence on operating compliantly and ethically is an enabler that supports our leadership aspirations.**
>
> **Amanda Chesshire**
> Group Compliance Manager
> TRC Prosperity lead

David Hares

GOALS

- Deliver compliant, transparent and impactful business.
- Demonstrate responsible industry leadership, growth and investment.

KEY ACTIVITIES SUPPORTING OUR MISSION AND GOALS

- Understanding our compliance requirements and making best use of them to create opportunities.
- Managing risk across all activities, including in our supply chain.
- Investing for the benefit of our industry, customers and partners.

77%
ELIGIBLE EMPLOYEES COMPLETING RISK TRAINING

DELIVERING COMPLIANT, TRANSPARENT AND IMPACTFUL BUSINESS

We handle staple food products that provide nutrition in the UK – for human consumption and animal feed. We are responsible for keeping these vital supply chains moving and functioning by maintaining the highest health and safety, food safety, operational, legal and HR standards. As we can demonstrate compliance in these critical areas, our farmer customers trust us to provide inputs and handle their outputs, our grain customers trust us to supply safe, legal and compliant products, and we create value and prosperity not only for our business, but also UK agriculture and the wider economy.

Monitoring and engagement

Our group compliance team is responsible for horizon-scanning and monitoring current and emerging compliance requirements. At Group level, this team is supported by our Risk and Resilience Steering Group (RRSG) which reviews and prioritises Group-wide risks and mitigation strategies.

The Responsible Choice Steering Group (see page 60) directs the TRC Strategy Group – a group of heads of function who work to deliver our Group TRC goals, which align to risk mitigation and opportunity strategies. These various working groups and committees monitor compliance in specific business areas, drawing on in-house functional expertise from across the business. In response to increasing requests for ESG compliance information from our grain customers, shareholders and the UK government, we have improved how we coordinate, capture and disseminate this key information. Three senior leadership team members sit on our Supply Chain Compliance Group, chaired by our QA Manager. This group stays close to those matters that are a priority for our key customers and feeds this information into the appropriate business functions.

We have migrated our quality assurance (QA) activities to the group compliance team. This has raised the profile of our important QA work both internally and externally. Together with our HR department and health and safety (HAS) team, we pool key compliance training and onboarding modules – using technology to improve access via our learning and management system, and to better monitor attendance and employee understanding.

The Responsible Choice review: People – Page 25

DEMONSTRATING RESPONSIBLE INDUSTRY LEADERSHIP

Frontier employees are represented on over ten leading industry bodies and assurance schemes. In this way we make sure that our voice is heard, our expertise and practical experiences are shared and our learnings are brought back to the business for further consideration and development. Our involvement allows us to stay up to date with proposed changes in standards and legislation and to advise and shape policy.

We believe we demonstrate the most responsible leadership by engaging with industry bodies where we can add value:

Assuring food and feed safety and quality – Page 38

currently, over 20 employees serve on industry bodies that align with our core business areas.

We have been involved in some organisations for many years and we respond to consultations on high-profile legislation. Members of our sustainable crop production team are working with industry stakeholders and policymakers, for example, to support the development and implementation of agricultural policy. We are also members of the UK agricultural supply industry's leading trade association, the Agricultural Industries Confederation (AIC), with five employees – including from our senior leadership team – attending meetings throughout the year.

Our involvement in other leading industry bodies includes:

- Brand Reputation Certification Global Standard (BRCGS)
- British Standards Institute (BSI)
- European Seed Treatment Assurance (ESTA)
- UK Grain Testing Network (UKGTN)
- Universal Feed Assurance Scheme (UFAS).
- Trade Assurance Scheme for Combinable Crops (TASCC)

LOOKING AHEAD INTO 2025

- Expanding online compliance training modules.
- Collating compliance information and updates onto The Responsible Choice SharePoint site.
- Extending Frontier employee collaboration in third-party industry, UK government and assurance scheme working groups.

Frontier

PROMOTING OILSEED RAPE CROPPING THROUGH SUSTAINABLE AGRONOMY AND FINANCIAL DE-RISKING

Oilseed rape (OSR) can be a profitable break crop for growers. However, its success is dependent on good crop establishment. This has become increasingly challenging in recent seasons given the impact of difficult weather and continued threats such as cabbage stem flea beetle.

Given the risks around growing OSR, Frontier launched an industry-leading contract that helps farmers to grow the crop without the typical financial risks they would normally face should it fail.

The scheme allows farmers to benefit from initial upfront savings, as the payment date for any successfully established OSR and companion crop seed will be delayed to 12 months following delivery. If the crop fails, the OSR seed cost will be waived altogether.

The contract is tailored to give growers access to a range of solutions so they stand the greatest chance of their OSR crop being a success. Through our agronomy service, growers will be supported with everything from variety selection to suit the geography of the farm through to rotational planning, establishment considerations, and timing and management strategies.

The OSR crop needs to be sown with a companion crop, which can aid establishment through complementary rooting, providing a distractive canopy or even encouraging natural enemies of cabbage stem flea beetle into the crop.

There are also both public and private funding options available for companion crops – with the Sustainable Farming Incentive (SFI) 2023 'IPM3' or 2024 'CIPM3' actions paying £55/ha for companion crop planting; these funding streams can be accessed alongside the de-risking partnership.

With our agronomist and seed experts supporting growers with rotational planning, establishment considerations, timing and input strategies, together with the additional financial security provided by our de-risking contract, we are helping to improve both the survival rate of this important crop for the supply chain and the resilience of our farm customers' businesses.

ASSURING FOOD AND FEED SAFETY AND QUALITY

> **We quality-assure samples – either in one of our 17 in-house laboratories or via approved third-party laboratories – for combinable crops destined for the food, feed, or bio-fuels markets. We offer a proficiency testing scheme to meet the requirements of the TASCC standard to third-party laboratories for 167 customers including growers, store-keepers, grain customers and other grain merchants.**

Sarah Cox
Quality Assurance Manager
Supply Chain Compliance Group Chair

We ensure we have fully resourced laboratories with up-to-date equipment by trialling and using the latest technology with equipment manufacturers. We also run in-depth training programmes, annual internal audits and routine horizon-scanning exercises for food and feed safety and security threats.

We make food safety and quality checks at each stage of our business – not just in the laboratory. We insist on strict procedures for seed treatments and fertiliser handling, and around 95% of our growers participate in specific assurance schemes. We vet all third-party hauliers, merchants and store suppliers and ensure they sign contractual terms and conditions. Only QA team members can approve these third-party suppliers.

We strive for continuous improvement in our own and third-party practices by providing support, advice, auditing and training.

Food and feed safety and grain quality remain top-priority requirements for our grain customers. However, we are also seeing more interest in other ESG compliance areas – for example, enhanced background checks for employees in positions of trust, requirements for sites to sign up to SEDEX, and environmental queries.

36,800+
SAMPLES TESTED DURING 2023 HARVEST

KEY FOOD/FEED SAFETY AND QUALITY REQUIREMENTS AND CHECKS ALONG THE SUPPLY CHAIN

Seed

- Seed treatments can only be applied in approved seed treatment facilities by personnel trained to ESTA standards.

Farm

- 95% of growers participate in either the Red Tractor or Scottish Quality Crops (SQC) assurance schemes.
- Guidance on chemical usage and customer demands are included in our annual terms and conditions.
- Frontier oversees farm assurance queries and food safety rejections.

Grain merchants

- All grain merchants are TASCC-certified to supply combinable crops for food and animal feed.
- Frontier is also UFAS-certified for the selling of animal feed compound.
- Our bespoke IT systems enable us to track the assurance status of the supply chain from end to end.

Transport

- For our own fleet, we educate and support drivers and office staff in food and feed safety, and grain customer requirements.
- We operate and audit our bulk fleet to the TASCC standard.
- We maintain an approved third-party haulier list and advise on fertiliser transportation.

Storage

- In our own grain stores, we train employees to TASCC standards, develop manuals for handling specific crops and carry out internal audits.
- We only use TASCC-certified third-party grain stores that are approved and signed up to our store agreements.

Trading

- As a TASCC-certified merchant, we ensure that our commercial teams are trained in food and feed safety, TASCC and HACCP standards.
- Our commercially independent QA team produces reports for senior management that document audits, assessments, non-conformances, training records and customer information requests.

Laboratories

- We run the UK's largest grain proficiency scheme, whose users include grain customers, grain stores and other grain merchants.
- We also have four Defra-licensed seed testing laboratories.

S172 STATEMENT

S172 STATEMENT AND STAKEHOLDER ENGAGEMENT

On page 8 we list our key and other stakeholders. In this section, we explain in more detail why and how we engage with each stakeholder group and what they expect from us. We also share examples of some key outcomes (or work in progress) resulting from our engagement. This information forms part of our Section 172 UK Companies Act 2006 ('S172') statement.

As a Board, we recognise the value of better understanding what matters to our key stakeholders, how this can inform our decision-making and how our decisions may impact them. Engagement gives us deeper insights, allows us to think more about longer-term impacts and, ultimately, makes us a stronger business. We welcome, therefore, the S172 reporting requirement that is aimed at helping stakeholders better understand how we, as directors, have discharged our duty to promote the success of Frontier, while having regard to the matters set out in Section 172(1) (a) to (f) ('S172 matters') of the Act. We summarise our approach below.

a) The likely consequences of any decision in the long term

As we enter our 20th year of trading and look to celebrate our profitable track record to date, we recognise the ongoing benefits of taking a long-term view to support our growing business. Our sustainability approach, The Responsible Choice, focuses our business on action in five key areas – People, Production, Partnership, Planet and Prosperity – and is being used more systematically in our decision-making (see page 60) to support our aim to generate long-term, responsible business growth.

Risks and risk management – Page 42
Going concern statement – Page 74
The Responsible Choice review – Page 24

b) The interests of the Company's employees

Refer to the People commentary on page 40 and 'The Responsible Choice review: People' section on page 25.

c) The need to foster the Company's business relationships with suppliers, customers and others

Refer to Customers, Suppliers, Professional partners and Policymakers commentary on pages 40 to 41.

d) The impact of the Company's operations on the community and the environment

For communities, refer to the commentary on page 41. The long-term success of our business is increasingly impacted by risks and opportunities associated with a changing climate. These considerations are being factored with more rigour into our decision-making.

Climate-related financial disclosures – Page 51
The Responsible Choice review: People – Page 25

e) The desirability of the Company maintaining a reputation for high standards of business conduct

Our business approach is underpinned by our ICE values – Integrity, Customer First and Expertise – and our focus on The Responsible Choice which drive our behaviour and culture and are key to our success. Additionally, we develop policies and guidelines to reinforce our expected high standards of professionalism and ethical conduct (see also page 59).

Our Board and business leaders model these behaviours and set the tone from the top to help maintain our reputation for high standards of business conduct and good governance. The Board also promotes accountability and transparency with all external stakeholders and is committed to influencing our industry positively.

The Responsible Choice review: Prosperity – Page 36
Governance – Page 58

f) The need to act fairly between the members of the Company

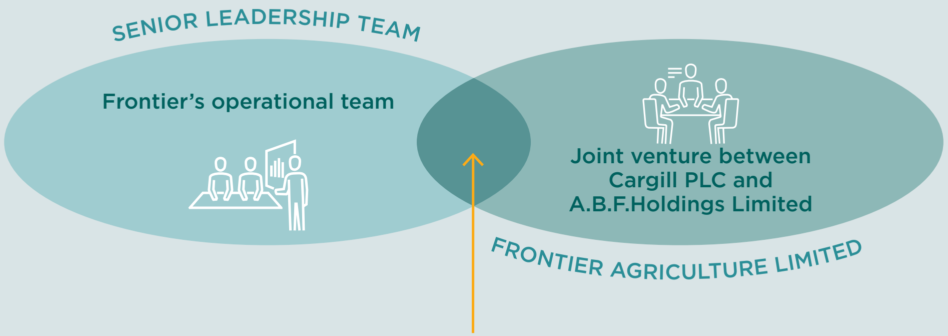
Refer to Shareholders commentary on page 40.

For the year ended 26 June 2024, the directors of Frontier Agriculture Limited confirm that they continued to exercise their duties while having regard to S172 matters, and to other relevant factors, as they governed the Company through the Board and its sub-committees.

Signed for and on behalf of the Board

Mark Aitchison
Director
18 December 2024

ACTING FAIRLY BETWEEN THE MEMBERS OF THE COMPANY



Three SLT members sit on the Frontier Agriculture Limited Board, alongside shareholder members, facilitating the fair discussion and communication of information affecting the business.

Key stakeholders	Overview	Why they are important to us	How we engage with them	What they expect of us	Key activities and outcomes in 2024
Customers	We have two key customer groups: farmer customers (UK-based arable farmers) and grain customers (typically, large national and global manufacturers of food and drink for human consumption, feed for pets and other animals, and bio-fuels).	Having customers at both ends of our supply chains supports our balanced inputs-outputs business model and value creation. By improving crop yields and quality at the farm customer level, we are able to better manage and finance the onward trading, risk management, storing, processing and distribution of bulk and added-value grain products to our grain customers. Equally, our grain customers create the pull-through demand which allows us to better guide our farmer customers to meet complex and changing requirements.	**Farmer customers:** > High-intensity contact through several mechanisms, e.g. personal visits by agronomists, phone calls/ emails from farm traders, technology-enabled data collection. **Grain customers:** > Key engagement led by trading team, supported by sustainability team. > Wider Frontier team links grain customers with farmer suppliers.	**Farmer customers:** > Good agronomic and farm business advice. > Most appropriate input products to improve long-term crop yields and quality. > Long-term trust-based and personal relationships. > Data and insight; particularly in supporting regenerative agriculture. **Grain consumer customers:** > High-quality output products at right specification, price and volumes, delivered at the right time. > Sound risk management advice and execution. > Data and insight, including increasingly in ESG areas.	Major engagement undertaken with both customer groups, as part of our ongoing customer value proposition work.
People	Over 1,200 employees, based at 42 sites across the UK.	We place considerable value on the engagement, involvement and development of our people, recognising that the long-term success of our business depends on their skills, expertise and commitment as well as our ability to recruit high-quality talent.	Various communication tools used to inform employees on factors affecting them and the performance of the Group.	> Safe (both physical and mental wellbeing), ethical and inclusive working environment. > Fair reward and recognition and financial wellbeing support. > A business that lives up to its values and culture. > Opportunity to learn and progress careers. > A responsible business committed to reducing its environmental impact and creating social value.	In 2024 we carried out our latest employee engagement survey and agreed to expand employee engagement opportunities to capture information more consistently. See pages 25 and 26
Shareholders	Our shareholders are two joint venture (JV) partners who own Frontier Agriculture Limited. See page 58.	Our shareholders are well-known global companies with expertise in food commodity and arable markets. They provide stability, advice, guidance and equity.	Three of Frontier's senior leadership team (SLT) are executive directors of Frontier Agriculture Limited and the Board meets every quarter.	> Transparent, accurate financial and non-financial information to aid decision-making. > Strategy development. > Regular and fair dividend payments. > Focus on long-term returns.	Met with senior representatives from parent company shareholders – in addition to Board meetings – to discuss, among others, ESG and strategy.

Key stakeholders	Overview	Why they are important to us	How we engage with them	What they expect of us	Key activities and outcomes in 2024
Communities	Local communities in and around our 42 sites and our farmer customers' premises, including local schools, clubs and charities (e.g. agriculture-related charities such as RABI).	By being 'good neighbours' we can build our reputation as a business that our communities value having in their neighbourhood, supporting our social licence to operate. We also recognise our responsibility to support the wider agricultural community.	Engagement at business planning stages, and ongoing engagement through employee-led initiatives.	> Respectful business behaviour (e.g. low air/light pollution, minimising traffic noise and safe driving). > Financial and in-kind support for community projects and initiatives. > Local investment and employment opportunities. > Charitable donations and fundraising activities.	New centralised community and charitable giving policy, including volunteer hour targets, to be launched by 2025.
Suppliers	We have a diverse group of suppliers, ranging from product input and equipment suppliers to service providers.	Building relationships with trusted suppliers is important to us, particularly as we expand our customer service offer.	> Non-commercial teams, including operations, transport, IT, finance, marketing and HR. > Representation on relevant industry associations, for example the Road Haulage Association.	> Fair and timely payments. > Clear terms and conditions. > Ability to develop long-standing relationships/partnerships. > Improved understanding of the agricultural supply chain. > Regulatory compliance and integrity, for example commitment to raising awareness of modern slavery.	We helped trial the industry's first electric bulk vehicles with Voltloader and remain engaged in their development. See page 34
Professional partners	Banking partners, pensions providers, insurers and other professional advisors.	We rely on good relationships with our financial and legal partners to support funding, liquidity and credit lines and to help our business to meet its fiduciary and reporting requirements.	> Group Managing Director, Deputy Group Managing Director, Group Finance Director, finance team, treasury team and HR team. > Specific project teams (e.g. for acquisitions and disposals).	> Transparent, accurate information to aid decision-making. > Consistent returns. > Regulatory compliance and integrity.	> New syndicated arrangement for our main revolving credit facility with three existing lenders agreed. > Additional £50 million uncommitted facility confirmed after the year end. See pages 14 and 15
Policymakers	Department for Environment, Food and Rural Affairs (Defra) in England.	Our activities and those of our farmers and grain customers are governed by Defra in England, supported by other agencies and public bodies.	> Ongoing liaison regarding the practical impact of policies. > We provide support on the development and implementation of agri-environmental policy on behalf of our farmer customers. See page 37.	> Transparent, accurate information to aid policy development. > Ability to develop long-standing relationships. > Improved understanding of the agricultural supply chain.	In January 2024, we ran a joint workshop at the Oxford Farming Conference, hosting Defra and other partners.

2024 Financial review – Page 14

RISKS AND RISK MANAGEMENT

Managing risk effectively is essential to developing our successful business strategy.

APPROACH TO RISK

Our risk management processes, which form part of both our day-to-day activities and our strategic planning, are designed to help us achieve our stated objectives without detriment to the health and safety of our employees, or our financial performance or reputation.

Our risk management approach and responsibilities are documented within the business and summarised below.

Our approach is underpinned by our values of Integrity, Customer First and Expertise (ICE), with our senior leadership team (SLT) setting an appropriate tone and showing leadership in the authenticity of our operations and expected behaviours.

Additionally, our sense of purpose and responsibility to do the right thing is directed and brought together by Frontier's Company-wide approach to ESG, The Responsible Choice (TRC). Our TRC initiative has five focus areas – People, Production, Partnership, Planet and Prosperity – and more information can be found on page 24. To support our employees and protect our business further, we have developed policies, procedures and training protocols (see page 43) to help us manage the risks we face in our day-to-day operations.

RISK MANAGEMENT PROCESS

Our systematic process helps our employees (in all divisions and subsidiaries) to identify, assess, manage and control risks to give us the very best chance of achieving our commercial aims, whilst meeting our legal, ethical and health and safety responsibilities and maintaining our reputation.

Risk identification

Each of Frontier's functions is responsible for identifying risks and opportunities for the organisation to manage where appropriate and to control. Where possible, we apply a common approach to risk identification. This considers risks posed to legal status, budget and the future strategy by: our assets; people (employees and visitors); customers and suppliers; and data (the accuracy, availability and security of information upon which critical business decisions are based). Sources used to identify risks may include (but are not limited to): regular control reviews, horizon-scanning activities, project management, internal and external audit recommendations, incidents and whistleblowing.

New and emerging risks are discussed in group compliance meetings and are identified in one or more of the following ways: monitoring markets and market trends, competitor activity in our sector (or similar industry sectors), trade association information, current affairs and parent company monitoring.

EMBEDDING POLICY AND RAISING AWARENESS

In February 2024, our group compliance function released a new risk management policy and ran awareness training programmes to reinforce and embed key points with over 120 line managers. A recorded webinar was also provided to help them cascade information to their teams. Working with the HR team, a new learning and development module has been created on our in-house training platform where additional risk management information is shared with the business.

> **We had a positive feedback following the rollout of our risk management policy. It allowed us to raise awareness of our principal risks and to start more conversations about risk around the business.**

Yvette McGinn
Organisational Resilience Lead

David Hares

Risk assessment

Our group compliance function assesses risks using our standardised approach that ranks risks within individual businesses and across Frontier as a whole. Identified risks are linked to existing mitigations and controls and the effectiveness of these is considered.

We evaluate risks by likelihood and impact both with existing controls applied and after the application of additional mitigation/control measures. These are plotted on a risk heat map (see page 45).

Risk management reporting

Our group compliance function is responsible for maintaining the risk register and ensuring that the appropriate SLT member or department is aware of any significant risk issues facing the business.

Following the initial assessment by the group compliance function, any risks deemed to be principal risks to the overall business (as listed on page 45) are formally reviewed and monitored by the Risk and Resilience Steering Group (RRSG) twice a year and reported to our shareholders on an annual basis. Other risks are managed by individual functions and the group compliance function.

Both principal and other risks are considered for treatment options. These options range from accepting the risk ('monitor') to various levels of treating the risk ('apply remedial controls'). If opportunities arising from the risk evaluation are identified, treatments considered may be categorised under 'enhance' (increase the likelihood of the opportunity occurring) or a range of decreasing interventions down to 'monitor'. The review and assessment of risks (and associated opportunities) is a continuous process based on information available from internal and external sources (as listed above).

Risk treatment options	
Accepting the risk	Monitor
Treating the risk	Apply remedial controls

Opportunity treatment options	
Increase likelihood of opportunity enhancing	Enhance
Maintain status quo	Monitor

Risk control

The implementation of risk management controls for principal risks is the responsibility of named owners (typically functional management) as listed on pages 45 to 50. However, we consider risk management to be a Group-wide responsibility and encourage employees to identify risks as early as possible and escalate for action to assess and manage them. All employees are required to adhere to the resultant controls which link, where possible, with existing Company guidelines or policies.

HOW WE VIEW RISK LIKELIHOOD

We rank risk likelihoods from unlikely (1) where risks are not expected to occur and have not occurred since the inception of Frontier to inevitable (4) – for risks that either occur at least once a year or have a high chance of occurring.

HOW WE VIEW RISK IMPACT

Risk impacts are ranked as small, moderate, large or severe, based on their impact on specific stakeholders (e.g. customers, employees, regulators, shareholders etc.) or the business (reputation, financial, brand, opportunity). For each impact area, we have defined scales of concern.

KEY POLICIES AND PROCEDURES

We have a range of policies that help inform and guide our employees. Some of the key ones are summarised below.

Key documents	Owner
Anti-bribery policy	Compliance
Anti-fraud policy	Compliance
Employee Code of Conduct	HR
Data protection policy	Technology
Environmental policy	Operations
Grain trading policy	Commercial
Health and safety policy	Operations
IT acceptable use policy	Technology
Modern slavery and human trafficking policy	HR
Privacy policy	Marketing
Quality policy	Compliance
Respect, diversity and equality policy	HR
Risk management policy	Compliance
Whistleblowing policy	HR
Sanctions procedure	Compliance

EFFECTIVE RISK MANAGEMENT PROCESSES AND INTERNAL CONTROLS

We continuously seek to improve our risk management processes to ensure that the quality and integrity of information support our ability to respond swiftly to direct risks. The Frontier Agriculture Limited Board is satisfied that the internal controls during the financial period under review were properly maintained, and that principal and emerging risks are being appropriately identified and managed.

Principal risks and uncertainties – Page 45

Compliance awareness and training

All staff are requested to review policies on induction and at the time of release of any new policy. We aim to use our learning management system to ensure that policies are better understood (for example, through online quizzes) and to track employee engagement. All policies are available to all staff on our intranet (or via line managers for employees with limited system access).

- Mandatory anti-bribery and corruption training takes place every two years for personnel in relevant roles.
- Competition training has taken place this year and repeats every two years for relevant roles.
- Annual cyber awareness training and regular internal phishing campaigns are mandatory for all staff and are delivered via our 'Cyber Savvy' programme of continuous testing and training. We have also delivered over 20 targeted team-based sessions to increase awareness in this area.
- Our modern slavery and human trafficking policy and related awareness training are mandatory for all new starters, with periodic refresher training and enhanced training for certain roles.
- Health and safety training is provided on induction and ongoing training is a mandatory requirement.
- Commodity trader training took place after the year end in November 2024.
- Our first Employee Code of Conduct was released.

RISK MANAGEMENT FRAMEWORK AND RESPONSIBILITIES

Risk management is a Group-wide responsibility

Frontier Agriculture Limited Board	Ultimate accountability for our risk management programme sits at Board level with our Group Managing Director, Deputy Group Managing Director and Group Finance Director, who are members of the Board.
Group Finance Director	Our Group Finance Director ensures that risk is discussed at senior leadership team meetings and attends the Risk and Resilience Steering Group.
Risk and Resilience Steering Group	The Risk and Resilience Steering Group comprises our Deputy Group Managing Director, Group Finance Director, Group Operations and Supply Chain Director and two members of our group compliance function, who are all individuals with wide-ranging knowledge, skills and perspectives. It meets twice a year to review and prioritise risk register items, including risks identified as new and emerging, and agrees which of the risks identified within the business are principal risks.
Group compliance function	Our group compliance function ensures that all risks of sufficient scale in terms of likelihood and/or impact are included and updated on the risk register for the Frontier Group and/or divisions. It also interfaces with our auditors to ensure that risk controls are appropriate and operational.
Functional management	Functional management is responsible for: ensuring that risk identification and management is discussed; advising the group compliance function of new or modified risks; and agreeing suitable controls. All central function managers are responsible for identifying key risks pertaining to their area.
All staff	Employees are expected to notify management of any new or potential risks to the business that they observe.

Governance – Page 58

PRINCIPAL RISKS AND UNCERTAINTIES

We report below our ten principal risks, i.e. those which we believe are likely to have the greatest near-term impact on our strategic and operational plans and reputation.

Our principal risks are grouped into external risks, which may occur in markets or the environment in which we operate, and operational risks, which we encounter in our operations and internal activities. We review, debate and refine our risks each year. In 2024 this led to us splitting out Climate change risk and Extreme weather risk as separate risks.

Our principal risks are plotted by impact and likelihood in the risk heat map below, after the application of existing controls. We use the same likelihood and impact definitions and scales for our climate-related financial risk and opportunities disclosure (see page 51).

YEAR-ON-YEAR CHANGES TO OUR PRINCIPAL RISKS

During the year under review, owing to their heightened risk profile, we increased our focus on two risks (IT failure and Breach of cyber security). The remainder were considered to have remained relatively stable. In 2024, we evolved how we reviewed our risks and extrapolated Extreme weather as a separate risk from our overall Climate change risk, given the speed at which the former could materialise.

An explanation of key changes to individual risks and our mitigation approach is provided by risk below.

OVERVIEW 2024 VERSUS 2023

Stable

- Third-party liquidity
- Regulatory change
- Human resources – attraction, development and retention
- Geopolitical uncertainty
- Product safety and quality
- Workplace health and safety
- Climate change

Increased

- IT failure
- Breach of cyber security
- Extreme weather

COMMENTARY ON FINANCIAL INSTRUMENTS

Further information on financial risks, as required by the Companies Act 2006 Sch 7.6(1) (a)/(b), can be found in the 2024 Financial review on page 16.

RISK HEAT MAP (AFTER APPLICATION OF EXISTING CONTROLS)

Principal risk	Page
1 IT failure	48
2 Human resource – attraction, development and retention	49
3 Geopolitical uncertainty	46
4 Third-party liquidity	46
5 Product safety and quality	49
6 Extreme weather	47
7 Climate change	47
8 Breach of cyber security	50
9 Workplace health and safety	50
10 Regulatory change	48

Key:
● = Operational ● = External

EXTERNAL RISKS

3 GEOPOLITICAL UNCERTAINTY

Risk description
Geopolitical threats, such as the inflationary impact of pandemics and war, result in economic uncertainty in the markets in which we operate. The risk of rising costs of commodities, inputs, finance, energy and salaries could each erode overall profitability. However, despite ongoing conflicts, an unsettled UK government and other global political developments, we judge that this risk has remained stable over the year.

Key mitigation approach
Frontier purchases a range of commodities in the ordinary course of business. We constantly monitor the markets in which we operate and manage certain of our exposures with exchange-traded contracts and hedging instruments.

Board-approved policies require the business to hedge all commodity currency exposures and committed long-term supply or purchase contracts that are denominated in a foreign currency, using foreign exchange forward contracts. The commercial implications of commodity price movements are continually assessed and, where appropriate, reflected in the pricing of our products. We monitor geopolitical situations closely and are agile in our ability to take appropriate mitigation measures as challenges arise. We also manage this risk through our diversified business model, ongoing cost-/funding-efficiency initiatives such as energy procurement, and our digital transformation programme.

Year-on-year change
Stable

Risk owner
Senior leadership team

More information
2024 Strategic review – Page 10

Impact
Medium

Likelihood
Possible

4 THIRD-PARTY LIQUIDITY

Risk description
If any of our supply chain participants delay payment or are unable to obtain credit, this could lead to the risk of direct loss in our earnings from non-payment exposure. We continue to analyse this risk in relation to farmer customers, grain customers and suppliers. In aggregate over the year, this risk remained stable.

Key mitigation approach
We actively monitor sector trends that could influence this risk and our SLT members establish and maintain strong working relationships with our main grain customers and farmer customers.

Our inputs–outputs business model offers a natural offset opportunity that our farm customers can utilise if necessary. We also encourage our farmer customers to consider customers to Oxbury Bank – an agricultural lender working directly with the farming community that offers a variety of funding products to best suit farmers' unique requirements. Further, we have insurance provisions in place that provide some protection against both farmer customers and grain customers.

Year-on-year change
Stable

Risk owner
Group Finance Director

More information
Business model – Page 19

Impact
Small

Likelihood
Possible

EXTERNAL RISKS

6 EXTREME WEATHER

Risk description
As explained above, this year's risk review led us to consider extreme weather as a separate risk to climate change risk given the speed at which this risk could materialise. Extreme weather-related events (for example, low or high temperatures and/or rainfall) can happen at critical points in the crop cycle, and these can and do adversely affect arable farming and impact our core activities at speed.

We recognise that the increase in extreme weather events – exacerbated by climate change – represents a material risk throughout our supply chain and can cause disruption to our operations.

Key mitigation approach
We mitigate disruptions to our core activities from extreme weather events in several ways. For example, we have invested in upgrading our grain storage and buildings to withstand extreme weather events. We also have an insurance programme for physical damage to property.

Our geographical spread of operational sites and sourcing locations across the UK means that we are not reliant on specific growing areas. Additionally, our export business, and strong relationships with multiple suppliers and haulage companies, give us the flexibility to keep our grain supply chains operational by balancing supply and demand.

Year-on-year change
Increased

Risk owner
Senior leadership team

More information
Climate-related financial disclosures – Page 51
The Responsible Choice review: Planet – Page 34

Impact
Small

Likelihood
Unlikely

7 CLIMATE CHANGE

Risk description
Our business and supply chains rely on a secure supply of finite natural resources, some of which are vulnerable to climate change. In our experience, UK weather is generally temperate; however, we recognise that long-term climate change is likely to impact both agricultural crops and the availability of workers. This year, we have split out the risk of extreme weather (such as low or high temperatures and/or rainfall events) as a separate principal risk (see Extreme weather risk). With this element removed, we consider our overall climate change risk to have remained stable.

Key mitigation approach
We operate a balanced business model and work with farmer customers across the UK, which helps to reduce potential over-exposure to regional climatic impacts. We continually seek ways to improve the efficiency of our operations, using technologies and techniques to reduce our use of natural resources, and to minimise waste and its impact on the environment.

The Board has received specific briefings on climate change matters and on our approach to achieving climate-related financial disclosures (CFD) compliance. We have engaged external experts to support our CFD implementation and our The Responsible Choice Steering Group (see page 60) oversees the governance of these disclosures.

Through this approach and our CFD work we systematically identify climate change risks and opportunities (see page 51) and act on our findings.

Year-on-year change
Stable

Risk owner
Senior leadership team

More information
Climate-related financial disclosures – Page 51
Environmental review – Page 56

Impact
Medium

Likelihood
Possible

EXTERNAL RISKS

10 REGULATORY CHANGE

Risk description
Frontier faces many regulatory changes, with new requirements already in force or in consultation. There is a reputational risk to our business and our ‘licence to operate’ if we do not keep up with changing regulation. An associated risk is how the extent of these changes impacts the capacity of staff who are managing these additional requirements. We consider this risk to have reduced marginally year on year.

Key mitigation approach
Our group compliance function regularly scans the horizon to ensure compliance with any regulatory change that could impact our operations. If required we use external consultants to support business initiatives that are underway to meet specific regulatory requirements, and we also draw on support from our two parent companies as appropriate.

Recent regulatory changes include: climate-related financial disclosures (CFD) reporting; developing ESG reporting requirements; and extended producer responsibility regarding packaging and plastics. These are in addition to industry-specific changes affecting the UK such as assurance bodies being accepted for the EU’s Renewable Energy Directive (RED), which impacts our ability to merchant commodities as RED-compliant in the UK.

For our grain trading business, we are required to evidence our adherence to MiFID II, the UK Market Abuse Regulation (MAR) and the European Market Infrastructure Regulation (EMIR), among others.

Year-on-year change
Stable

Risk owner
Group Finance Director

More information
The Responsible Choice review: Prosperity – Page 36

Impact
Small

Likelihood
Unlikely

OPERATIONAL RISKS

1 IT FAILURE

Risk description
A major failure in IT systems could lead to an interruption of trading activities – a risk that is exacerbated in volatile markets – and operational activities, impacting our ability to execute our contracts to agreed terms. During the year, this risk was reassessed as being of greater likelihood due to the age and nature of some of our technology estate. We are already heavily investing in improvements to address this risk as part of our digital transformation programme. Once this project is completed we anticipate this risk will reduce considerably.

Key mitigation approach
We have an in-house technology function, with regularly updated policies, technologies and processes, which are all audited regularly. Robust disaster recovery plans are in place for business-critical applications and are adequately tested. We continue to invest in our infrastructure and digital transformation programme and are migrating pertinent applications and technologies to the cloud, software-as-a-service or external data centres to improve our system resilience.

We have established crisis management and business continuity plans to support the business should such an incident (including IT failure) occur.

As we invest in our digital transformation, we are delivering changes and improvements to customers via our MyFarm application and putting that service onto a modern secure platform in the cloud. For example, we have delivered new applications to process orders more efficiently – making the order process faster and more seamless for colleagues and customers.

We have also invested in new network capabilities across all our sites which make our communications internally and externally more secure and easier to manage, as well as improving connectivity for colleagues, customers and site visitors.

Year-on-year change
Increased

Risk owner
Group Managing Director
Deputy Group Managing Director

Impact
Small

Likelihood
Possible

OPERATIONAL RISKS

2 HUMAN RESOURCES – ATTRACTION, DEVELOPMENT AND RETENTION

Risk description

We employ around 1,200 people, who are central to our success. If we fail to attract, develop and retain engaged and committed people we will be unable to meet our business growth aspirations and achieve our ambition to be the first-choice employer in UK agriculture.

During the year, the likelihood of this risk increased marginally owing to the need to accelerate the development of in-house expertise in some specialist areas, but the average impact score decreased. Overall, we consider this risk to have remained stable.

Key mitigation approach

Employee engagement is at the heart of our activities and our culture supports open dialogue across the business. To ensure our employees are listened to, and feedback is acted upon, all staff are regularly invited to complete our employee engagement survey, and leadership teams implement initiatives around resulting prevalent themes (see page 25).

We run annual performance development reviews and all staff are eligible to receive our Company bonus payment, dependent on the financial performance of the business. We have learning and development programmes and network groups that support our commercial employees, team leaders, leaders, women and other communities in the business; these run alongside student placements, function-specific apprenticeships, and support to gain professional qualifications and to apply for accreditation schemes. Our employee-facing systems are constantly evolving to deliver a better employee experience and provide information and guidance to employees during their career with Frontier.

Year-on-year change

Stable

Risk owner

Head of Human Resources

Deputy Group Managing Director

More information

The Responsible Choice review: People – Page 25

Impact

Small

Likelihood

Possible

5 PRODUCT SAFETY AND QUALITY

Risk description

As a key supplier to the human and animal food chain, it is vital that we manage the safety and quality of the commodities that we source and handle throughout our activities to minimise the risk of contaminants entering the food chain. If we do not, our business reputation could be jeopardised and we could incur financial penalties. For these reasons, product safety is always placed ahead of economic considerations.

Due to certain new business ventures, some products (e.g. oats and beans) are packaged directly for human consumption, leading to a slight increase in the potential impact of this risk. Conversely, given our focus on associated controls the likelihood of occurrence decreased slightly over the year and, overall, this risk has remained stable.

Key mitigation approach

We operate strict food safety and traceability policies within an organisational culture that places high importance on hygiene and product safety. These ensure that we set consistently high standards in our operations and in the sourcing and handling of raw materials. Food quality and safety audits are conducted across all operational sites by independent third parties and by our grain customers. Our sites comply with international food safety and quality management standards, and our businesses conduct regular mock product incident exercises.

We set clear expectations for our suppliers, making relevant third-party certification and other assessments a condition of doing business – and these are written into our terms and conditions. Product testing and trials are undertaken as required and, where bespoke raw materials are purchased, the businesses will work closely with the supplier to ensure quality parameters are suitably specified and understood.

Year-on-year change

Stable

Risk owner

Group Finance Director

Group Operations and Supply Chain Director

More information

The Responsible Choice review: Prosperity – Page 36

Assuring food and feed safety and quality – Page 38

Impact

Medium

Likelihood

Unlikely

OPERATIONAL RISKS

8 BREACH OF CYBER SECURITY

Risk description
Our IT infrastructure needs to be flexible, reliable and secure to allow us to interact through technology. Our delivery of efficient and effective operations is enhanced by using relevant technologies and the sharing of information. We are therefore subject to cyber threats such as social engineering attacks, computer viruses, and the loss or theft of data. This could lead to significant loss to some or all of our systems. During the year, the likelihood of a malicious attack to businesses operating in the agricultural sector has increased – as witnessed in the USA – and we have significantly increased investment, resources and our focus in this area.

Key mitigation approach
We mitigate this risk by developing our technology systems and investing in the IT skills and capabilities of our people across our businesses. We have increased our monitoring of cyber threats and suspicious IT activity and continue to raise internal awareness of this risk through cyber security awareness training. During the year, the Board agreed to run an independent assessment of overall cyber security to validate that our recent investment and focus are appropriate for the business. We continue to develop, monitor and audit policies, technologies and processes. Access to sensitive data is restricted and closely monitored. Robust disaster recovery plans are in place for business-critical applications and are tested. Technical security controls are in place for key IT platforms. Our security and operations function is bolstered by the implementation of a security operations centre (SOC) that is focused on people, process, partners and technology, with policies aligned to the UK's National Cyber Security Centre (NCSC) industry best practice security guidelines. The SOC provides 24/7 security coverage of our IT technology and new processes and applications with the goal of providing secure and stable IT operations to the business. These include improved incident management processes and regular security scans of all our applications. Our team is trained to ITILv4 (an industry-wide systemic approach to service management) and we follow Certified Information Security Manager (CISM) principles to underpin our security approach. The Head of Security and Operations is tasked with identifying and responding to potential security risks.

Year-on-year change
Increased

Risk owner
Group Managing Director
Deputy Group Managing Director

Impact
Small

Likelihood
Unlikely

9 WORKPLACE HEALTH AND SAFETY

Risk description
Some of our operations, by their nature, have the potential for loss of life or workplace injuries to employees, contractors and visitors. Our inability to mitigate this risk effectively could lead to loss of reputation and financial penalties. However, given our ongoing investment and focus on health and safety (HAS) across the business, the likely impact reduced slightly; overall this risk remained relatively stable year on year.

Key mitigation approach
HAS is our number one priority at Frontier. We have been running an internal HAS communications campaign for over ten years and this is well embedded across the business with high visibility – see page 25.

Members of our senior leadership team, who lead by example, are accountable for the safety performance of the business. We also have a continuous HAS audit programme to verify the implementation of safety management and we support a culture of continuous improvement. Best practice safety and occupational health guidance is shared across the Group, coordinated from the centre.

We monitor and analyse accidents through our HAS audit process and comply fully with Control of Major Accident Hazards (COMAH) regulations issued by the UK's Health and Safety Executive, as well as our own HAS and operations policies. We train staff in crisis management, fire and rescue procedures, safe driving practices and farm safety, and ensure that we have adequate insurance provision.

Year-on-year change
Stable

Risk owner
Senior leadership team

More information
Key performance indicators – Page 17

Impact
Small

Likelihood
Unlikely

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT (CLIMATE-RELATED FINANCIAL DISCLOSURES)

We present our second Climate-related financial disclosures (CFD) report, fulfilling our corporate reporting requirements as a large private company operating in the UK.

OUR APPROACH TO CLIMATE-RELATED RISKS AND OPPORTUNITIES

Our business and supply chains rely on a secure supply of finite natural resources, some of which are vulnerable to external factors, including climate change and extreme weather events. Through our extensive work in UK arable farming and engagement with the UK farming community, we experience first-hand the challenging physical impacts that our changing climate is having in areas such as crop yields, quality and costs, and how extreme weather events can suddenly disrupt crops, our supply chain and core business activities.

This year, Climate change risk and Extreme weather risk have been recognised as separate climate-related principal risks in our risk register. This reflects the different timeframes (immediate or longer term) that these impacts could have on our business model and balance sheet. Our principal risks and mitigation treatments are explained in more detail on pages 42 to 50.

We seek to mitigate risks to our business model and pursue opportunities for our stakeholders along our supply chain: for example, through our work in sustainable crop production (see page 30), by developing on-farm technology, and by our strategic investment in low-/no-carbon fertiliser alternatives. Many of these initiatives are spearheaded and monitored through our The Responsible Choice (TRC) Steering Group and TRC Strategy Group. Further information about TRC and its governance can be found on pages 24 and 60 respectively.

OVERVIEW OF KEY CLIMATE-RELATED ACTIVITIES FOR THE YEAR ENDING JUNE 2024

We published our first CFD report in March 2024. Given publication timings, we made our disclosures as up to date as possible, sharing activities from this current reporting period (year ending June 2024). These included educating our business further on the impacts of climate change; and working with our external climate change consultants (ClimatePartner UK Limited) to identify material climate-change-related risks and opportunities and to develop climate scenario modelling, material risk mitigation strategies and future recommendations.

Since the publication of our first CFD report, we have:

- Embedded Frontier's new risk programme published in March 2024 through a new risk policy and associated training (see page 42).
- Reviewed the annual update of principal risks in May 2024 with the senior leadership team (SLT) and other employees to test and hone risk descriptions and mitigation strategies before formal sign-off by the Frontier Agriculture Limited (FAL) Board.
- Discussed in June 2024 (including with the SLT, FAL Board members and the TRC Steering Group and TRC Strategy Group) selected strategic projects that offer opportunities within our supply chain to support innovation in climate resilience – for example sustainable crop production (see page 30) and greater use of solar-generated power. We are also continuously exploring new opportunities – for example working with seed breeders to access more climate-resilient seed varieties and technologies.
- Conducted a workshop in June 2024 with ClimatePartner UK Limited and key internal stakeholders to discuss our approach to setting SBTi-aligned climate metrics and targets, which resulted in setting a new net zero reduction target and establishing our initial SBTi-aligned target (see page 18).

In summary, during the year we have successfully continued to refine and raise awareness of our overall risk programme, evaluated climate-related opportunities for the business more strategically and improved our understanding of SBTi-aligned climate-related metrics. We have included climate risk discussions in our onboarding packs for new joiners and are looking to develop more targeted training in this area through our learning and development programmes.

STATEMENT OF COMPLIANCE

We report below on climate-related financial disclosures consistent with the climate-related financial disclosure requirements (a) to (h) under the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2021 for the year ending June 2024.

These mandatory disclosures closely follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We map our disclosures against the four TCFD pillars to help chart our progress against this recognised framework, which is adopted by many of our key stakeholders (including some of our grain customers and our shareholders). For each disclosure, we share our response and next steps.

We consider that we comply with each disclosure (a) to (h) for the year ending June 2024.

OUR RESPONSE AND NEXT STEPS

Governance

(a) a description of the governance arrangements of the company or LLP in relation to assessing and managing climate-related risks and opportunities;

The Frontier Agriculture Limited Board has delegated to the Risk and Resilience Steering Group (RRSG) the twice-yearly review and prioritisation of risk register items (including climate-related risks). The RRSG met in May 2024 and carried out this exercise. Before reporting on its outcome to the FAL Board, the RRSG engaged Frontier's SLT and other employees to review and refine the scoring, risk descriptions and mitigation strategies.

ABOUT OUR RISK AND RESILIENCE STEERING GROUP

Our RRSG comprises five members: our Deputy Group Managing Director and Group Finance Director (both also FAL Board members), and our Group Operations and Supply Chain Director, Group Compliance Manager and Organisational Resilience Lead. The RRSG meets twice a year.

Since December 2023, the discussion of climate-related risks and opportunities is a twice-yearly standing agenda point (once in June and once in December) for the Frontier Agriculture Limited Board. The updated principal risks and risk mapping with corresponding commentary were presented to the FAL Board at its June 2024 meeting, for review and approval, by Diana Overton Deputy Group Managing Director and members of the RRSG. In June 2024, our group compliance function provided an update on CFD reporting to the Frontier Agriculture Limited Board that included a strategic update on key climate-related opportunities projects.

As reported in last year's CFD report, in the first quarter of 2024 Frontier published a new risk management programme. In March 2024, the group compliance team carried out training to launch the new policy and engaged with employees to reinforce their understanding of how Frontier monitors and manages risk, and the important role of each employee in this work. More information can be found in the 'Principal risks and uncertainties' section on pages 45 to 50.

Risk management

b) a description of how the company or LLP identifies, assesses, and manages climate-related risks and opportunities;

As described on pages 42 to 44, during the year under review we identified, assessed and managed risks facing the business (including climate-related risks) as part of our risk management programme. This process includes capturing relevant risks in our risk register and assessing each risk, using our risk matrix, against financial impact and likelihood criteria. In addition to Climate change risk (identified as a principal risk in 2023) the RSSG discussed and agreed the categorisation of Extreme weather risk as a separate climate-related risk in May 2024, given the immediacy of its potential impact on our day-to-day operations and balance sheet.

Risk identification is an ongoing process as part of our risk management programme, and climate-related risks and opportunities are discussed regularly given their importance to our business and sector. Frontier management also routinely feeds back new and modified risks to the group compliance function. As noted above, since December 2023 risks are considered formally twice a year by the Frontier Agriculture Limited Board.

(c) a description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the company or LLP;

Risk identification is an integral component of our risk management programme as described on page 42 and above in disclosure (b). To ensure that climate-related risks and opportunities are actively identified and reviewed, our Group Compliance Manager attends TRC Strategy Group meetings and is involved in key TRC workstreams. She is responsible for reporting identified climate-related risks for further consideration and evaluation as part of the main risk management process.

Strategy

(d) a description of (i) the principal climate-related risks and opportunities arising in connection with the operations of the company or LLP, and (ii) the time periods by reference to which those risks and opportunities are assessed;

We describe and disclose our principal climate-related risks and opportunities in Tables 1 and 2 (on pages 54 and 55) against our selected time periods. A description of these time periods and our rationale for choosing them is in the accompanying notes on page 53.

(e) a description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the company or LLP;

As part of our risk management programme described on pages 42 to 44, we capture all known relevant risks in our risk register and assess each risk, using our risk matrix, against financial impact and likelihood criteria. In Tables 1 and 2 on pages 54 and 55, we describe the actual and potential business impact for each climate-related risk and opportunity and outline our ongoing mitigation or development strategy for each.

We have assessed each risk impact post treatment as high, medium or low, and our risk scoring methodology follows the same likelihood and impact analysis that we use for all business and principal risk evaluation (see the risk heat map on page 45), with impact assessed from small to severe. We also indicate each climate-related opportunity as high, medium or low post development. Further details can be found in our methodology information on page 53 and in the 'Principal risks and uncertainties' section on pages 45 to 50.

(f) an analysis of the resilience of the business model and strategy of the company or LLP, taking into consideration different climate-related scenarios;

We have assessed the effectiveness of current mitigation strategies against climate model scenarios as set out in Table 1 on page 54, and these are included in our risk register. On page 53 we explain the climate scenarios that we have used and the rationale for choosing these.

Metrics and targets

(g) a description of the targets used by the company or LLP to manage climate-related risks and to realise climate-related opportunities, and of performance against those targets; and

h) the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities, and a description of the calculations on which those key performance indicators are based.

We disclose carbon emissions from our direct operations (Scopes 1 and 2) as well as relevant metrics related to our Streamlined Energy and Carbon Reporting (SECR) disclosure on page 57. A statement of Scope 1 and 2 definitions and the methodology used for our SECR calculation can also be found on page 57.

In June 2024, we ran a working session with ClimatePartner UK Limited and key internal stakeholders to support how we set appropriate climate metrics and targets. The discussions resulted in a commitment to a Scope 1 and 2 SBTi-aligned carbon emissions reduction target of 59% by 2034 from a 2021 baseline year. This was approved by the Frontier Agriculture Limited Board in December 2024.

This working session also kick-started a cross-functional project to determine the most appropriate metrics and targets to monitor and manage our key climate-related risks and opportunities. We are committed to disclosing any updated metrics and targets in our next annual report and accounts, as well as our progress against these metrics and targets.

Environmental review – Page 56

The Responsible Choice review: Planet – Page 34

METHODOLOGY

1. CLIMATE-RELATED SCENARIO PLANNING

The development of climate-related risks and opportunities in Table 1 on page 54 and Table 2 on page 55 has been assessed against two climate scenarios:

> Delayed transition (1.6°C).
> Current policies (3°C+).

We have chosen these two widely used climate scenarios (taken from the Network for Greening the Financial System scenario list) as they allow for the greatest 'stress-testing' of Frontier's resilience against two opposing climate scenarios.

Description of Frontier's selected climate scenarios

Delayed transition (1.6°C)
This climate scenario models a world where global temperature rise is kept to 1.6°C, but global policies are delayed and diverse. This model allows Frontier to test its climate-related risks and opportunities against the most stressful transition scenario.

Current policies (3°C+)
This climate scenario models a hothouse world, which assumes only current global policies will be implemented, and consequently predicts a 3°C+ rise in global temperatures. This model enables Frontier to evaluate its climate-related risks and opportunities against the most extreme physical changes to global climate.

2. RISK IMPACT ASSESSMENT

In Table 1 we have assessed our post-mitigated risk impacts as high, medium or low.

Our risk scoring methodology follows the same likelihood and impact analysis that we use for all business and principal risk evaluation (see page 43), with impact assessed from small to severe and translated as below.

Risk impact assessment

Low (small)
Projected impacts from scenario analysis are judged to be positive or not significant.

Medium (moderate)
Projected impacts from scenario analysis are judged not to be significant once mitigating actions are considered.

High (large to severe)
Projected impacts from scenario analysis are still judged to be significant once mitigating actions have been considered.

3. TIME PERIODS

We have selected the time periods listed below as we consider these to be relevant to the way we run our business: for example, our short-term time period aligns with our strategic planning cycle.

When setting our long-term time period, we agreed that this should not be extended beyond 2040 as we wanted to give a clear signal to all key stakeholders of the urgency for action to mitigate climate-related risks and to develop climate-related opportunities.

Definition of short-term and long-term time periods

Short term – Up to 2030

Long term – From 2030 to 2040

TABLE 1: FRONTIER'S PRINCIPAL CLIMATE-RELATED RISKS

Having evaluated our physical and transition risks against climate scenarios, we disclose below those that we believe to be most material to our business and of most interest to our stakeholders.

Risk	Type	Description	Business impact	Mitigation	Timeframe	Climate scenario
Increased cost of raw materials	Transition risk	Energy costs (especially gas) are projected to increase in the short term, with uncertainty in the long term.	Increased energy costs and associated impact on crop input and fertiliser costs.	> Strategic engagement with energy providers. > Strategic engagement with fertiliser suppliers, (see page 4). > Exploration of raw material alternatives. > Exploration of low-carbon alternatives. **Post mitigation we consider the risk impact as MEDIUM.**	Short to long	Delayed transition (1.6°C)
Access to working capital	Transition risk	Financial markets are increasingly rewarding companies which demonstrate good ESG performance (including on climate-related factors).	Frontier's cost of capital may increase and the Company's ability to access funding may decrease if ESG performance expectations are not met. Short-term investment is being made to develop internal ESG resources and to investigate new technology.	> Strategic engagement with funders to develop a strong, diverse funding base. > Increased focus on embedding our TRC approach (see page 60) and developing related targets. **Post mitigation we consider the risk impact as MEDIUM in the short term and LOW in the long term.**	Short to long	Delayed transition (1.6°C) and Current policies (3°C+)
Long-term weather patterns	Physical risk	Intensity of weather patterns such as excess rainfall and drought is likely to increase, affecting UK cropping patterns and the availability of crop commodities.	The projected increase in intensity of weather patterns is likely to make planting and harvesting more difficult, impacting crop yields, supply and price. It could also lead to an increased use of fossil fuels to dry crops. As a business we need to respond to the changes in UK cropping patterns.	> Geographical spread of sourcing locations across UK. > Ongoing development of sustainable crop production expertise (see page 30). > Crop harvests fall typically within our financial year. > Investment in supply chain relationships to develop and trial new crop varieties and production techniques to better withstand the impact of changing weather patterns. **Post mitigation we consider the risk impact as MEDIUM.**	Short to long	Current policies (3°C+)
Severe weather events (leading to crop, logistics and/or operational damage)	Physical risk	River flooding is expected to increase modestly, with surface runoffs affecting croplands more significantly. Coastal flooding is likely to increase, particularly in southern and eastern England. Storms may increase, but only with a medium confidence within modelling. Heatwaves are projected to increase, with a high confidence.	Extreme weather events and worsening flood risks could lead to crop damage and reduced viability of growing regions that are already under pressure from reduced chemistry to control weeds and pests in specific crops.	> Geographical spread of operational sites and sourcing locations across UK. > Strong relationships with multiple suppliers and haulier companies. > Robust insurance programme in place for physical damage to property. > Support for farmers adopting regenerative agriculture practices that will result in flood mitigation activities. **Post mitigation we consider the risk impact as MEDIUM.**	Short to long	Current policies (3°C+)

TABLE 2: FRONTIER'S PRINCIPAL CLIMATE-RELATED OPPORTUNITIES

Having evaluated our opportunities against climate scenarios, we disclose below those that we believe to be most material to our business and of most interest to our stakeholders.

Opportunity	Type	Description	Business impact	Development	Timeframe	Climate scenario
Shift in consumer preferences	Opportunity	Increasing demand for products with low emissions/high sustainability credentials in the short to long term.	Positive financial impacts expected from Frontier's development of low-carbon-emission products, including those that support growth of emerging food markets.	> Development of lower-impact crops in food supply chains, including those produced under a regenerative agriculture regime. > Ongoing investment in Frontier's oat mill plant. **Post development we consider the opportunity impact to be HIGH.**	Short to long	Delayed transition (1.6°C)
Development and/or expansion of low-emission goods and services	Opportunity	The biological crop protection market is projected to grow, alongside a long-term decrease in conventional fertiliser use. Market growth is also expected in the areas of renewable fuel, soil precision technology, voluntary carbon (insetting) markets and carbon sequestration.	Frontier is well positioned to benefit financially from these trends, given its foothold in these developing markets.	> Ongoing development of on-farm biostimulant and nutrition strategies, and soil precision technology. > Development of lower-impact crops, including those produced under a regenerative agriculture regime. **Post development we consider the opportunity impact to be HIGH.**	Short to long	Delayed transition (1.6°C)
Use of new technologies	Opportunity	Significant increase in use of smart technology in the agriculture sector. This is projected to grow further, with increasing connectivity.	Frontier is well positioned to benefit financially from these trends, given its developing agritech services. Technological and operational advances are also expected to bring efficiency gains.	> Ongoing development of agritech services, such as soil precision technology and nutrition services. > Ongoing investment in in-house data analytics portal (e.g. through our MyFarm software). **Post development we consider the opportunity impact to be MEDIUM in the short term and HIGH in the long term.**	Short to long	Delayed transition (1.6°C)
Use of lower-emission sources of energy	Opportunity	Fossil fuel energy prices are projected to increase. There is uncertainty as to how electricity prices will evolve.	Frontier has the opportunity to move towards self-sufficiency using alternative fuels. This will reduce carbon emissions, lower energy costs (in the longer term) and improve business resilience.	> Expansion of on-site solar photo-voltaic panels to reduce reliance on the National Grid. > Development of renewable energy to support fuel self-sufficiency (e.g. hydrotreated vegetable oil and biomass). **Post development we consider the opportunity impact to be HIGH in the short term and MEDIUM in the long term**	Short to long	Delayed transition (1.6°C)

ENVIRONMENTAL REVIEW

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The diverse nature of Frontier's business and the intrinsic link between energy use and the size and condition of the UK's combinable arable crop each harvest creates significant year-on-year fluctuations in our energy consumption. In years where we experience a very wet harvest – in 2024 for example – the use of energy in arable farming increases due to the requirement to reduce moisture from crops before storage. The increasingly unpredictable climate is also contributing to greater variations in grain weight, moisture content and prices at harvest. This has an inevitable impact on the carbon intensity (the emission rate) of agricultural businesses like Frontier.

As outlined on pages 34 to 35, we continue to work on projects which will contribute towards reducing our Scope 1 and 2 carbon emissions, and we have created a roadmap to understand the current options to achieve our carbon targets through energy-efficiency measures, lower-carbon technology and renewable energy sourcing. In 2024, we reviewed our Scope 1 and 2 carbon emissions target and have committed to a Scope 1 and 2 SBTi-aligned carbon emissions reduction target of 59% by 2034 from a 2021 baseline year.

PERFORMANCE SUMMARY AGAINST 2021 BASELINE

Against our baseline of 2021, we have made a 19% saving on carbon emissions (Scope 1 and 2) as a result of the following investments:

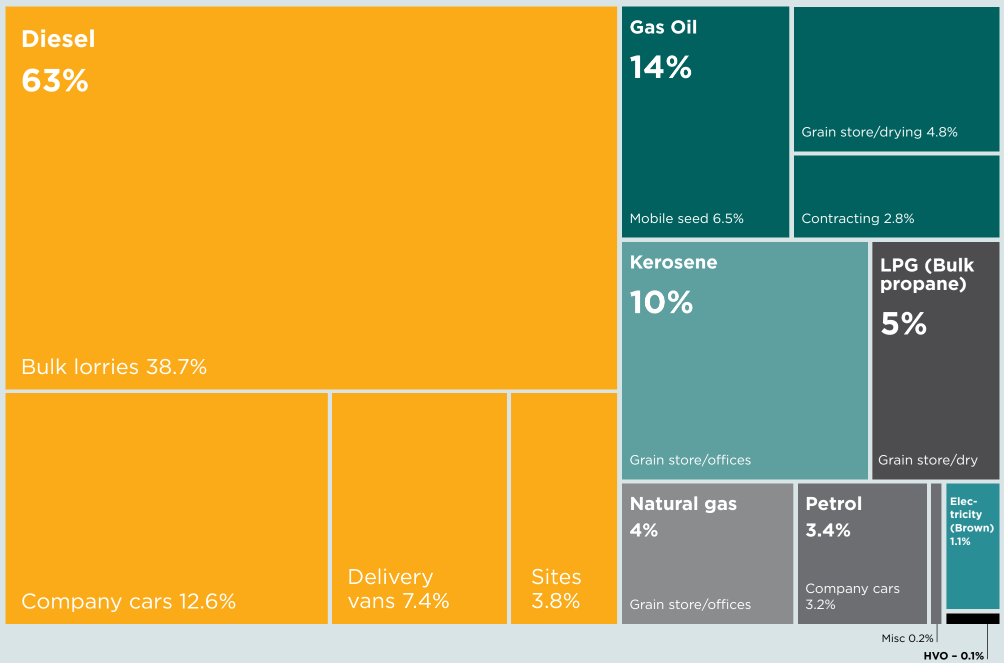
- Purchase of hydrotreated vegetable oil (HVO), which replaced 17% of our diesel fuel in 2023 and 10% in 2024.
- Solar capacity of 4 MW, providing renewable energy across the business.
- Increasing the percentage of electric or hybrid cars in our car fleet from 20% in 2021 to 54% at 2024 year end.
- Installing electric vehicle charging points (currently in six sites).
- Investing in a REGO-backed renewable electricity tariff, which has reduced our Scope 2 (market-based) electricity carbon emissions by 93% between 2021 and 2024.

2024 PERFORMANCE

In 2024, Frontier's Scope 1 and 2 carbon emissions decreased by 740 tCO_2e (market-based) compared to 2023. Factors affecting this performance are summarised below:

- In 2024, we dried a total of 140,258 tonnes of grain (2023: 88,061 tonnes) due to harvest 2023 being much wetter than harvest 2022. This resulted in a year-on-year increase in carbon emissions of 6%, relating to the increased use of natural gas, diesel, petrol, liquefied petroleum gas and fuel oils.
- Although our underlying consumption increased, a reduction of 676,908 kWh of electricity was achieved in 2024 compared with 2023. 560,962 kWh of this reduction relates to ship-loading activities at our shipping terminal in Southampton that typically use a high level of electricity. In 2024, we experienced a lower throughput of vessels compared to 2023 and this translated to a significant reduction in carbon emissions.
- According to the market-based calculation methodology, the carbon emissions related to our electricity consumption reduced due to our increased use of renewable electricity. Our total electricity consumption (part of our overall energy consumption) for the year was 5,973,557 kWh, with 5,602,208 kWh of the total being accounted for by our Octopus grid/matching arrangement, which is explained in more detail on page 6.
- Solar-generated electricity production for 2024 was 3,231,702 kWh compared with 2,730,953 kWh in 2023:
  - 751,575 kWh was matched and used by our other sites.
  - 1,768,720 kWh was used at the sites where the electricity was generated.
  - 711,407 kWh was exported to the National Grid.
- During the year, we decreased our use of HVO due to supply issues and the subsequent impact on HVO prices in the marketplace. This resulted in a year-on-year increase in diesel use. However, we are constantly reviewing HVO market prices and availability as we are committed to bringing HVO back into our fuel mix.

SCOPE 1 AND 2 CO_2e EMISSIONS ANALYSIS 2024 (MARKET-BASED)



METHODOLOGY

Frontier Agriculture calculates its carbon emissions based on a financial control approach.

- Scope 1 (direct) includes heating of buildings, processing plants, company cars, vans, LGVs and HGVs. Diesel from the Company's vehicles makes up the majority of its carbon footprint.
- Scope 2 (indirect) includes purchased electricity.
- Scope 3 (indirect) includes business travel using a mixture of mileage and spend reports from the Company's expense system.

DATA QUALITY

Ninety-nine per cent of the carbon emissions calculation is covered by high-quality activity data. The remaining 1% is covered by lower-quality spend data (e.g. private mileage and mileage reimbursements). The 2024 conversion factors set by the UK Department for Environment, Food and Rural Affairs (Defra) have been used to calculate greenhouse gas (GHG) emissions in Frontier's Streamlined Energy and Carbon Reporting (SECR).

ClimatePartner UK Limited has reviewed Frontier's calculations and methodology pertaining to its Scope 1 and 2 emissions relevant to its SECR for the 2024 financial year.

SELECTED RATIO

Frontier has selected the '£million of turnover to CO2e carbon' ratio when setting its environmental targets and measuring performance. This measurement best reflects carbon intensity (emission rate) over a number of years.

EXPLANATION OF LOCATION-BASED VERSUS MARKET-BASED EMISSIONS

Location-based emissions refer to what is physically consumed at our operational sites and business facilities. Under this methodology, emissions are calculated solely by using the average emission intensity of the local grid where power is sourced; for Frontier the National Grid.

The location-based methodology (unlike market-based) does not factor in any green measures we are adopting, for example the use of REGO-backed energy sources. By contrast, emissions calculations using the market-based methodology focus on the individual company and its direct purchasing decisions – for example choosing a green energy tariff. A dual reporting approach is recommended by the GHG Protocol.

> **"ClimatePartner UK Limited has reviewed Frontier's updated Scope 1 and 2 emissions target and can confirm these targets are aligned with the latest SBTi guidance to meet the goals of the Paris Agreement. The methodologies used to calculate Frontier's emissions are robust, aligning to the GHG Protocol and grounded in high-quality data. ClimatePartner UK Limited is confident that this updated target reflects a well-informed approach to target setting and emission reduction.**

Ellie Stirk
Lead Consultant,
ClimatePartner UK Limited

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

	2024	2023	2022	2021 (baseline year)
Scope 1 (tCO2e)	**12,303**	10,994	12,227	13,350
Scope 2, location-based (tCO2e)	**1,081**	1,359	1,517	1,390
Scope 3 (tCO2e)	**235**	29	102	-
Scope 1, 2 and 3, location-based (tCO2e)	**13,619**	12,382	13,846	14,740
Energy consumption (kWh)	**64,035,712**	59,728,603	68,213,657	58,319,983
Energy and transport fuel consumed (tCO2e)				
Diesel	**7,907**	7,384	7,738	10,109
Petrol	**462**	359	310	289
Biogas	**–**	–	–	-
Natural gas	**514**	167	872	326
Liquefied petroleum gas (LPG)	**616**	504	816	-
Fuel oils	**3,027**	2,588	2,570	2,626
Coal	**–**	–	–	-
Brown electricity	**77**	1,184	1,517	1,390
REGO-backed electricity	**1,004**	175	–	-
Heat and steam	**–**	–	–	-
Hydrotreated vegetable oil (HVO)	**12**	21	23	-
TOTAL*	**13,619**	12,382	13,846	14,740
Tonnes of CO2e per £1m of Group turnover	**7.76**	5.24	7.51	10.25

* Includes owned cars and fleet vehicles and excludes third-party transportation as these fall under Scope 3.
Source: Company financial data/ClimatePartner UK Limited

MARKET-BASED ANALYSIS

Scope 2, market-based (tCO2e)	**141**	2,191	2,754	2,092
Scope 1, 2 and 3, market-based (tCO2e)	**12,679**	13,213	15,083	15,442

STRATEGIC REPORT

The Strategic report, from pages 1 to 57, was reviewed and signed by order of the Board.

K M Aitchison
Director
18 December 2024

K Mark Aitchison

GOVERNANCE

We are committed to governing our business with integrity and transparency.

FRONTIER AGRICULTURE LIMITED BOARD

Composition and size

Frontier Agriculture Limited's Board of directors comprises eight directors and the Company Secretary. Mark Aitchison (Frontier's Group Managing Director), Diana Overton (Frontier's Deputy Group Managing Director) and James Cameron (Frontier's Group Finance Director) represent Frontier.

The Board can appoint up to six non-executive directors, with three representatives from each of our two shareholders. A summary of the current officers of the Company is provided in the table. This composition ensures the Board remains balanced and allows for insightful debate, constructive challenge and effective decision-making. Currently, two non-executive directors represent A.B.F.Holdings Limited and three represent Cargill. The Chair of the Board, José Nobre, is a non-executive director representing A.B.F.Holdings Limited.

Skills and experience

Our external Board members work for very large companies with interests in global agricultural markets, food and ingredient processing and the associated supply chains. They are all senior leaders of large divisions and bring their wealth of experience and skills to bear on Board discussions and decision-making.

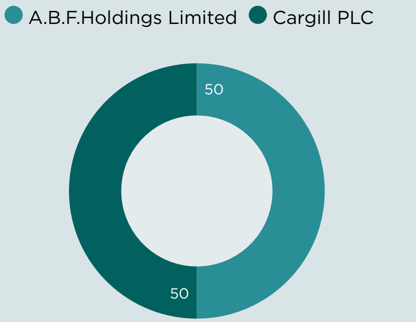
Related party transactions

Transactions with subsidiaries of Cargill Incorporated (including Cargill PLC) and Associated British Foods plc (including A.B.F.Holdings Limited), participating interests and companies controlled by Company directors are set out in note 24 to the consolidated financial statements.

ABOUT OUR SHAREHOLDERS

Frontier Agriculture Limited ('Frontier') was formed in 2005 as a joint venture, owned by Cargill PLC and A.B.F.Holdings Limited.

FRONTIER'S SHAREHOLDERS, %



A.B.F.HOLDINGS LIMITED

Our shareholder A.B.F.Holdings Limited is part of Associated British Foods plc – a highly diversified group, with a range of food and ingredients businesses as well as its retail brand, Primark. It is listed on the London Stock Exchange and is a FTSE100 constituent.[1]

Associated British Foods plc

CARGILL PLC

Our shareholder Cargill PLC is part of Cargill Incorporated – a global business with over 160,000 team members, operating in 70 countries, selling to 125 markets and with 159 years of experience. Cargill provides food, ingredients, agricultural solutions and industrial products to nourish the world in a safe, responsible and sustainable way.[2]

Cargill

1 Source: www.abf.co.uk/about-us/abf-at-a-glance

2 Source: www.cargill.com/about/cargill-at-a-glance

FRONTIER AGRICULTURE LIMITED – OFFICERS OF THE COMPANY

The directors of Frontier Agriculture Limited who held office at the date of approval of this annual report and accounts were as follows:

Name	Appointed	Nationality	Gender	Role
Mark Aitchison	23 March 2005	British	Male	Group Managing Director, Frontier Agriculture Limited
James Cameron	2 April 2024	British	Male	Group Finance Director, Frontier Agriculture Limited
Alexis Cazin	13 March 2023	French	Male	Group Leader EMEA, Cargill
Scott Gurvis	1 April 2019	American	Male	Chief Financial Officer, AB Agri
José Nobre	8 February 2018	French	Male	Chief Executive Officer at AB Agri and Chair of Frontier Agriculture Limited
Diana Overton	14 September 2017	British	Female	Deputy Group Managing Director, Frontier Agriculture Limited
Jos Schieveen	9 November 2022	Dutch	Male	Finance Director EMEA, Cargill
Oriol Serrahima	1 May 2021	Spanish	Male	Managing Director for Grains EMEA, Cargill
Ray Cahill	4 March 2021	British	Male	Company Secretary, Frontier Agriculture Limited

Board meetings
The Frontier Board meets every quarter. Typical agenda items include health and safety performance, governance, strategy refresh (centred on The Responsible Choice and our ICE values), financial and commercial performance, risk management, HR reports and internal and external audits (if applicable). An agenda and accompanying papers are circulated ahead of each meeting and minutes are sent out subsequently.

Other regular attendees include Frontier internal representatives and industry and legal experts, who are invited to Board meetings to provide specific updates.

Frontier's senior leadership team
The Frontier Agriculture Limited Board delegates the running of Frontier's day-to-day operations to its eight senior leadership team (SLT) members. Three SLT members also sit on Frontier Agriculture Limited's Board, as described above. Biographies of Frontier's current SLT can be found on pages 61 to 62. The SLT meets at least monthly.

Aligning purpose and strategic direction
Our purpose is 'Creating a better future for agriculture' and our vision is 'To be the first-choice partner for crop production and grain marketing for UK farmers, and the first-choice employer in UK agriculture'. Our directors seek to align the Group's purpose, vision and strategic direction with our shareholders' long-term aspirations for sustainable growth. A summary of long-term market trends that influence Frontier's strategic direction can be found on pages 21 to 22.

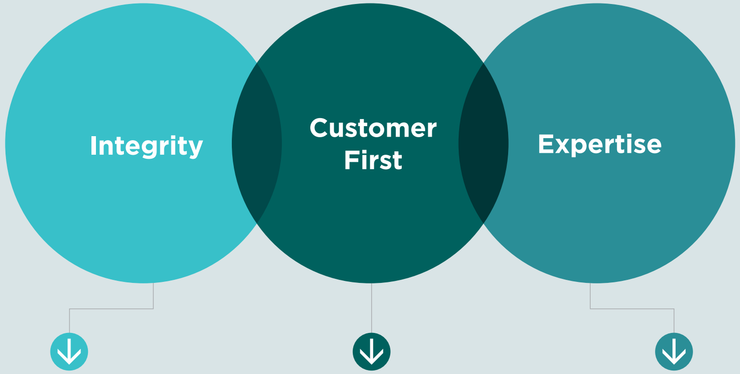
Culture and values
Our values of Integrity, Customer First and Expertise define the Group's culture, underpin our expectations of high standards of professional and ethical conduct and link to our purpose. Directors and SLT members lead by example to promote our culture and values. Health and safety remains our number one priority (see page 25) and our The Responsible Choice framework underpins the way we operate.

Risks and opportunities
Frontier has a risk management framework which sets out roles and responsibilities for risk management across the Group. Our updated risk policy defines methods and measures to identify both risks and opportunities and to mitigate and develop these respectively. More information can be found on pages 42 to 44. As part of our recent strategy refresh, the SLT has identified five growth pillars (see page 23) – for developing opportunities to grow the business and help mitigate some of the risks that our industry is facing.

Stakeholder engagement
Frontier's key and other stakeholders are listed on page 8 and stakeholder engagement methods and outcomes are shared on pages 39 to 41 in the 'S172 statement' section. As described in The Responsible Choice review: People on page 25, we have a workstream to develop our employee experience which will increase the opportunities for employees to have a voice in how the business is operating.

Remuneration
Details of directors' remuneration can be found in note 6 to the consolidated financial statements, including the aggregate emoluments and amounts receivable under long-term incentive schemes by the highest-paid director.

OUR 'ICE' VALUES

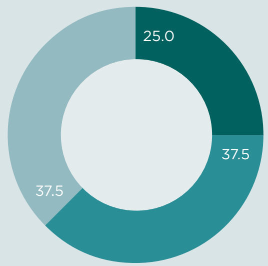


Integrity	Customer First	Expertise
We will always act with integrity	We will always put customers first	We will always apply our expertise
'Choosing to do the right thing for customers, colleagues and ourselves.'	**'Working to put the customer at the heart of everything we do.'**	**'Using our skills, training and experience to the benefit of our customers.'**

FRONTIER AGRICULTURE LIMITED BOARD

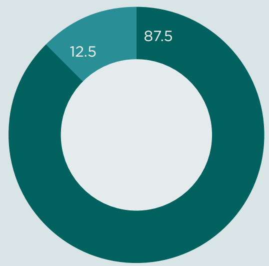
SHAREHOLDER REPRESENTATION BY NUMBER OF MEMBERS, %

- A.B.F.Holdings Limited
- Cargill PLC
- Frontier Agriculture Limited

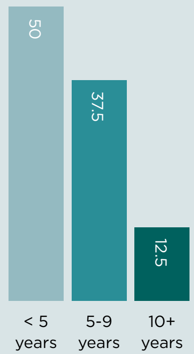


BREAKDOWN BY GENDER, %

Male Female



BREAKDOWN BY LENGTH OF SERVICE, %



ESG GOVERNANCE

Keeping ESG on the agenda

We keep material ESG topics on our agenda through our The Responsible Choice (TRC) framework, which is referenced throughout this report. The framework covers five areas that we focus on to grow the Frontier business for the long term. We are actively embedding the TRC framework in everything we do – using it, for example, to ensure that we consider and realise ESG-related benefits as part of our investments alongside more traditional financial measures. This leads to more debate and discussion around financial and ESG trade-offs and helps us to think about longer-term outcomes for our stakeholders and business.

Missions and goals

Each TRC focus area has a long-term mission and associated goals. While we anticipate the missions to have a considerable shelf-life, we expect their supporting goals to evolve more frequently, given the changing dynamics of the UK agriculture, food and feed sectors. We are currently reviewing the most relevant and material ESG metrics and targets to set against our TRC missions.

Progress and performance

An overview of activities and performance in 2024 for each TRC focus area can be found on pages 24 to 38.

The Responsible Choice review – Page 24

TRC GOVERNANCE FRAMEWORK

In 2024, we embedded the TRC framework more formally into our business – creating a TRC Steering Group and TRC Strategy Group and allocating senior management leads and senior leadership team (SLT) sponsors for each key TRC area (see pages 61 and 62). Through this governance framework, a cross-section of key business functions and experts are represented and given a senior voice in the business. The SLT is updated on TRC activity throughout the year and the Frontier Agriculture Limited Board is updated on a periodic basis by the three SLT members who sit on it.

TRC Steering Group
Five members

This group meets quarterly with monthly check-ins.

Members

- Deputy Group MD[1]
- Group Commercial Strategy Director (Chair)[1]
- Group Operations and Supply Chain Director[1]
- Sustainability Manager
- Executive Assistant to Group Managing Director

TRC Strategy Group
12 members representing key business activities

This group meets at least once a month.

TRC focus area

- **People lead** – Human Resources
- **Production lead** – Sustainable Crop Production
- **Partnership lead** – Sustainability
- **Planet lead** – Business Development
- **Prosperity lead** – Compliance

Each TRC focus area has a dedicated SLT sponsor and a senior business lead.

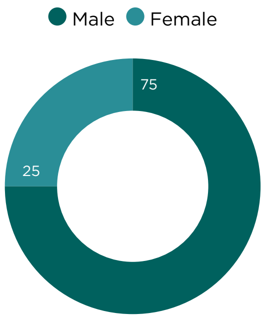
Other TRC Strategy Group representatives:
- Commercial (grain customers)
- Corporate communications
- Supply chain inputs
- Commercial (farm customers)
- Technology
- Customer strategy
- Corporate administration

1 Denotes SLT member.

SENIOR LEADERSHIP TEAM

Our senior leadership team (SLT) has the experience, expertise and energy to meet our growth aspirations.

SLT BREAKDOWN BY GENDER, %



SLT BREAKDOWN BY LENGTH OF SERVICE, NUMBER

MARK AITCHISON
Group Managing Director

Joined Frontier: 2005

Experience and responsibilities

Mark has been the Managing Director since 2005, and was the architect of the merger that formed Frontier, having joined Cargill's agricultural division in 1992. Mark has a BSc in Applied Biology from Liverpool University and a postgraduate degree in Agronomy and Crop Husbandry.

In 2014 Mark was awarded an honorary doctorate from Harper Adams University in recognition of his outstanding contribution to UK agriculture.

Other appointments and stewardship roles

> Director of the Rutland Agricultural Society since 2015.
> Director of Frontier Agriculture Limited.
> Chairman of Navara Oat Milling Limited.
> Investor Director of the Main Board of Oxbury Bank.

DIANA OVERTON
Deputy Group Managing Director

Joined Frontier: 2012

Experience and responsibilities

Diana is a chartered accountant with experience in strategic business development, corporate finance and finance management, including in several roles within the Associated British Foods family.

Diana is responsible for Frontier's group strategy, HR, IT and business development and graduated from Bristol University with a mathematics degree. She is also a member of Frontier's The Responsible Choice Steering Group.

Other appointments and stewardship roles

> Trustee of the Royal Agricultural Benevolent Institution (RABI), and in the role of Honorary Treasurer since May 2023.
> Member of the Institute of Chartered Accountants.
> Director of Frontier Agriculture Limited.

JAMES CAMERON
Group Finance Director

Joined Frontier: 2005

Experience and responsibilities

James is a chartered accountant with experience in financial reporting, corporate finance, audit and taxation. He graduated from Sheffield University in 1995 with a degree in Accounting and Management Control and secured his Associate Chartered Accountant (ACA) qualification in 1999. Prior to joining Frontier in 2005, James spent four years at GE Capital Bank where he was initially responsible for UK financial reporting, followed by a senior finance role working on mergers and acquisitions. In April 2024, James was promoted to Group Finance Director and oversees all finance and administration functions across Frontier. James is the SLT sponsor for the Prosperity area of Frontier's The Responsible Choice.

Other appointments and stewardship roles

> Director of Frontier Agriculture Limited.
> Member of the Institute of Chartered Accountants.

TRC sponsor:
Prosperity

DAVID ALLISTON
Group Operations and Supply Chain Director

Joined Frontier: 2019

Experience and responsibilities

David joined Frontier and the SLT in 2019, bringing with him a wealth of experience working as a senior leader across sectors including agriculture, retail, food and manufacturing. His proven expertise in operations, logistics, e-commerce and complex supply chains is underpinned by a keen commercial mind. At Frontier, David is responsible for health and safety, site networks, logistics and service delivery levels. He is also the SLT sponsor for the Planet area of Frontier's The Responsible Choice and a member of The Responsible Choice Steering Group.

TRC sponsor:
Planet

SAMANTHA BROOKE
Seed Director

Joined Frontier: 2023

Experience and responsibilities

Sam brings 23 years' experience in the seed industry, having held various roles in production, sales and marketing, product management and strategy development. Sam is responsible for developing Frontier's exciting and diverse seed portfolio, and is set on bringing her passion for seed innovation to our customers. Sam is the SLT sponsor for the Production and Partnership areas of Frontier's The Responsible Choice.

TRC sponsor:
Production and Partnership

SIMON CHRISTENSEN
Grain Director

Joined Frontier: 2005

Experience and responsibilities

Having studied Agricultural and Food Marketing at Newcastle University, Simon joined Cargill in 1993 as a graduate. He has since built his career working in various merchant and trading roles with Cargill and, from 2005, with Frontier.

Other appointments and stewardship roles

> Board director of the Agricultural Industry Confederation.

> Board director of Woldgrain.

ANDREW FLUX
Group Commercial Strategy Director

Joined Frontier: 2007

Experience and responsibilities

Since joining Frontier in 2007, Andrew has held leadership roles in grain trading, commercial sales, crop protection, corporate sustainability, marketing and IT, making him well placed to lead Frontier's strategic commercial direction. Andrew is also the chair of Frontier's The Responsible Choice Steering Group. Andrew has a background in arable farming and went to agricultural college.

Other appointments and stewardship roles

> Non-executive director at Camgrain Stores Ltd.

> Partner in family farming business.

> Board member of CCm Technologies.

TRC Steering Group: Chair

NICK HEALD
Group Commercial Director

Joined Frontier: 2005

Experience and responsibilities

Nick joined Cargill in 1997 following a degree in Agricultural Economics and Food Marketing at Newcastle University. Having worked in various sales and commercial roles, Nick took on the General Manager role at Wells Agriculture, a division of Frontier, in 2005.

In 2018, he became Frontier's Commercial Director South before becoming Frontier's Group Commercial Director in 2022, a role in which he is responsible for all of Frontier's farm-gate activity across the UK. Nick is the SLT sponsor for the People area of Frontier's The Responsible Choice.

TRC sponsor:
People

DIRECTORS' REPORT

The directors present their Directors' report and consolidated financial statements for the year ended 26 June 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the sale and merchanting of agricultural crops, seed, fertiliser and chemicals.

DIRECTORS AND DIRECTORS' INTERESTS

The directors who held office during the year and to the date of approval of these financial statements were as follows:

K M Aitchison	
J Cameron	(appointed 2 April 2024)
A Cazin	
S Gurvis	
J Nobre	
D Overton	
A H Schieveen	
O Serrahima Arbestain	

No director had a beneficial interest in the shares of the Company during the year. K M Aitchison, D Overton and J Cameron benefited from qualifying third-party indemnity provisions in place during the financial period.

Further information about Board members can be found on page 58.

PROPOSED DIVIDEND

The directors proposed a dividend of £15,230,000 (2023: £25,946,000) to be paid following the reporting period. This has not been included within creditors as it was not approved before the year end.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political contributions during the year (2023: £nil). Donations to UK charities amounted to £27,000 (2023: £40,000).

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

EMPLOYEE INFORMATION

The Company does all that is practicable to meet its responsibility towards the employment and training of disabled people. Where an employee becomes disabled, every effort is made to provide continuity of employment in the same job or a suitable alternative.

Further information about how the Company engages with employees and keeps them informed can be found on pages 25 to 29.

STAKEHOLDER ENGAGEMENT

A summary of how the directors had regard to the need to foster the Company's business relationship with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, can be found in the 'S172 statement' section of the Strategic report on pages 39 to 41.

STRATEGIC REPORT AND FUTURE DEVELOPMENTS

The directors present the Strategic report for Frontier Agriculture Limited for the year ended 26 June 2024 on pages 1 to 57.

Key reporting areas are summarised below:

Reporting area	Page number
About Frontier/Principal activities	7 and 19
Key performance indicators and analysis	17
Principal risks	45
Financial risk management, including use of hedging instruments	16
Market conditions and outlook	21 to 22 and 9 to 13
Environmental information	
– Streamlined Energy and Carbon Reporting (SECR)	57
– Climate-related financial disclosures	51
– Other related narrative	34
S172 statement and related information, including stakeholder engagement	39
Further information on employees	25 to 29
Further information on Board members	58

By order of the Board

K Mark Aitchison

K M Aitchison
Director

18 December 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of their profit or loss for that period.

In preparing each of the Group and parent 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.
> State whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
> Assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
> Use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company, and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRONTIER AGRICULTURE LIMITED

We have audited the financial statements of Frontier Agriculture Limited ("the Company") for the period ended 26 June 2024 which comprise the Consolidated profit and loss account and other comprehensive income, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 26 June 2024 and of the Group's profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

GOING CONCERN

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk relating to revenue recognition because of the limited opportunities and rationalisations to fraudulently recognise revenue.

We also identified a fraud risk related to manipulation of commodity stock and commodity open contract pricing in response to possible pressures to meet profit targets.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These include journals with unusual characteristics compared to the total population with consideration to the end of the period reporting and irregular amounts in the general ledger, and unexpected journals posted to cash or loan accounts, unexpected journals impacting the valuation of open contracts.

- Vouching commodity stock and commodity open contract pricing valuations to third party and other evidence to corroborate the contract valuation assumptions.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: data protection laws, anti-bribery laws, and employment laws, recognising the nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

STRATEGIC REPORT AND DIRECTORS' REPORT

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

DIRECTORS' RESPONSIBILITIES

As explained more fully in their statement set out on page 64, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud

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or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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

Adam Craig (Senior Statutory Auditor)

for and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
EastWest
Tollhouse Hill
Nottingham
NG1 5FS
Dated: 19 December 2024

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

for the period ended 26 June 2024

	Notes	**2024 £000**	2023 £000
Turnover	3	**1,756,110**	2,362,743
Cost of sales		**(1,635,765)**	(2,231,006)
Gross profit		**120,345**	131,737
Distribution costs		**(28,871)**	(27,141)
Administrative expenses		**(56,538)**	(54,666)
Other operating income		**2,110**	2,158
Group operating profit		**37,046**	52,088
Group's share of profit/(loss) in joint ventures	12	**(172)**	(496)
Interest receivable and similar income	7	**3,005**	2,031
Interest payable and similar expenses	8	**(16,620)**	(13,358)
Fair value gain on investment	12	**16,800**	–
Profit before taxation		**40,059**	40,265
Tax on profit	9	**(7,249)**	(8,342)
Profit for the financial year		**32,810**	31,923
Profit or loss attributable to:			
Owners of the parent		**33,601**	31,923
Non-controlling interests		**(791)**	–
		32,810	31,923
Other comprehensive income			
Remeasurement of the net defined benefit liability	19	**(1,881)**	(2,121)
Income tax on other comprehensive income	9	**658**	747
Other comprehensive income for the year, net of income tax		**(1,223)**	(1,374)
Total comprehensive income for the year		**31,587**	30,549
Total comprehensive income attributable to:			
Owners of the parent		**32,378**	30,549
Non-controlling interests		**(791)**	–
		31,587	30,549

In both the current and preceding period, the Group had no discontinued operations.

CONSOLIDATED BALANCE SHEET

at 26 June 2024

		2024		2023	
	Notes	£000	£000	£000	£000
Fixed assets					
Goodwill	10	21,950		13,858	
Intangible assets	10	29,443		19,159	
			51,393		33,017
Tangible assets	11		101,473		46,651
Investments	12		35,689		24,968
Pension surplus	19		473		2,468
			189,028		107,104
Current assets					
Stocks	13	191,201		190,673	
Debtors (including £11,520,000 (2023: £11,520,000) due after more than one year)	14	436,650		487,206	
Cash at bank and in hand	15	2,580		2,460	
		630,431		680,339	
Creditors: amounts falling due within one year	16	(513,551)		(497,334)	
Net current assets			116,880		183,005
Total assets less current liabilities			305,908		290,109
Provisions for liabilities					
Deferred tax	18	(10,971)		(7,418)	
			(10,971)		(7,418)
Net assets			294,937		282,691
Capital and reserves					
Called-up share capital	20		36,000		36,000
Profit and loss account			253,123		246,691
Non-controlling interest			5,814		-
Shareholders' funds			294,937		282,691

These financial statements were approved by the Board of directors on 18 December 2024 and were signed on its behalf by:

J Cameron
Director

Company registered number: 05288567

COMPANY BALANCE SHEET

at 26 June 2024

	Notes	2024		2023	
		£000	**£000**	£000	£000
Fixed assets					
Goodwill	10	**4,035**		4,923	
Intangible assets	10	**20,117**		16,247	
			24,152		21,170
Tangible assets	11		**46,946**		42,235
Investments	12		**125,360**		79,472
Pension surplus	19		**473**		2,468
			196,931		145,345
Current assets					
Stocks	13	**187,512**		187,272	
Debtors (including £11,520,000 (2022: £11,520,000) due after more than one year)	14	**428,676**		481,976	
Cash at bank and in hand		**233**		4	
		616,421		669,252	
Creditors: amounts falling due within one year	16	**(517,979)**		(532,131)	
Net current assets			**98,442**		137,121
Total assets less current liabilities			**295,373**		282,466
Provisions for liabilities					
Deferred tax	18	**(8,354)**		(6,452)	
			(8,354)		(6,452)
Net assets			**287,019**		276,014
Capital and reserves					
Called-up share capital	20		**36,000**		36,000
Profit and loss account			**251,019**		240,014
Shareholders' funds			**287,019**		276,014

These financial statements were approved by the Board of directors on 18 December 2024 and were signed on its behalf by:

J Cameron
Director

Company registered number: 05288567

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Called-up share capital £000	Profit and loss account £000	Total equity £000
Balance at 23 June 2022	36,000	241,091	277,091
Total comprehensive income for the year			
Profit for the year	–	31,923	31,923
Other comprehensive income			
Remeasurement of the net defined benefit liability	–	(2,121)	(2,121)
Income tax on other comprehensive income	–	747	747
Total comprehensive income for the year	**–**	**30,549**	**30,549**
Transactions with owners recorded directly in equity			
Dividends paid	–	(24,949)	(24,949)
Total contributions by and distributed to owners	**–**	**(24,949)**	**(24,949)**
Balance at 26 June 2023	**36,000**	**246,691**	**282,691**
Dividends proposed post year end	–	(25,946)	(25,946)
Total	**36,000**	**220,745**	**256,745**

	Called-up share capital £000	Profit and loss account £000	Non-controlling interest £000	Total equity £000
Balance at 26 June 2023	36,000	246,691	–	282,691
Total comprehensive income for the year				
Profit/(loss) for the year	–	33,601	(791)	32,810
Other comprehensive income				
Remeasurement of the net defined benefit liability	–	(1,881)	–	(1,881)
Income tax on other comprehensive income		658	–	658
Total comprehensive income for the year	**–**	**32,378**	**(791)**	**31,587**
Transactions with owners recorded directly in equity				
Dividends paid	–	(25,946)	–	(25,946)
Non-controlling interest acquired during the year			6,605	6,605
Total contributions by and distributed to owners	**–**	**(25,946)**	**6,605**	**(19,341)**
Balance at 26 June 2024	**36,000**	**253,123**	**5,814**	**294,937**
Dividends proposed post year end	–	(15,230)	–	(15,230)
Total	**36,000**	**237,893**	**5,814**	**279,707**

COMPANY STATEMENT OF CHANGES IN EQUITY

	Called-up share capital £000	Profit and loss account £000	Total equity £000
Balance at 23 June 2022	36,000	232,453	268,453
Total comprehensive income for the year			
Profit for the year	–	33,884	33,884
Other comprehensive income			
Remeasurement of the net defined benefit liability	–	(2,121)	(2,121)
Income tax on other comprehensive income	–	747	747
Total comprehensive income for the year	**–**	**32,510**	**32,510**
Transactions with owners recorded directly in equity			
Dividends paid	–	(24,949)	(24,949)
Total contributions by and distributed to owners	**–**	**(24,949)**	**(24,949)**
Balance at 26 June 2023	**36,000**	**240,014**	**276,014**
Dividends proposed post year end	–	(25,946)	(25,946)
Total	**36,000**	**214,068**	**250,068**

	Called-up share capital £000	Profit and loss account £000	Total equity £000
Balance at 26 June 2023	36,000	240,014	276,014
Total comprehensive income for the year			
Profit for the year	–	38,174	38,174
Other comprehensive income			
Remeasurement of the net defined benefit liability	–	(1,881)	(1,881)
Income tax on other comprehensive income	–	658	658
Total comprehensive income for the year	**–**	**36,951**	**36,951**
Transactions with owners recorded directly in equity			
Dividends paid	–	(25,946)	(25,946)
Total contributions by and distributed to owners	**–**	**(25,946)**	**(25,946)**
Balance at 26 June 2024	**36,000**	**251,019**	**287,019**
Dividends proposed post year end	–	(15,230)	(15,230)
Total	**36,000**	**235,789**	**271,789**

CONSOLIDATED CASH FLOW STATEMENT

for year ended 26 June 2024

	Notes	2024 £000	2023 £000
Cash flows from operating activities			
Profit for the year		**32,810**	31,923
Adjustments for:			
Depreciation, amortisation and impairment		**12,481**	12,394
Interest receivable and similar income		**(3,005)**	(2,031)
Interest payable and similar charges		**16,620**	13,358
Gain on sale of tangible fixed assets		**(291)**	(181)
Share on losses in joint ventures		**172**	496
Fair value gain on investment		**(16,800)**	
Taxation	9	**7,249**	8,342
		49,236	64,301
(Increase)/decrease in trade and other debtors	14	**54,762**	119,397
(Increase)/decrease in stocks	13	**21**	19,941
(Decrease)/increase in trade and other creditors	16	**(41,815)**	(57,415)
(Decrease)/increase in provisions and employee benefits	19	**245**	213
		62,449	146,437
Tax paid		**(6,757)**	(7,542)
Net cash from operating activities		**55,692**	138,895

	Notes	2024 £000	2023 £000
Net cash from operating activities		**55,692**	138,895
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		**441**	268
Interest received		**2,874**	1,851
Acquisition of businesses net of cash/(loans) acquired	2	**(23,748)**	–
Acquisition of other investments	12	**(4,000)**	(6,978)
Acquisition of tangible fixed assets	11	**(17,281)**	(7,476)
Acquisition of intangible fixed assets	10	**(8,886)**	(7,528)
Net cash from investing activities		**(50,600)**	(19,863)
Cash flows from financing activities			
Interest paid		**(17,690)**	(12,281)
Dividends paid		**(25,946)**	(24,949)
Cash received/(paid) from other financing facilities	17	**76,014**	(95,713)
Net cash from financing activities		**32,378**	(132,943)
Net (decrease)/increase in cash and cash equivalents		**37,470**	(13,911)
Cash and cash equivalents at beginning of year	15	**(254,556)**	(240,645)
Cash and cash equivalents at end of year	15	**(217,086)**	(254,556)

NOTES

(forming part of the financial statements)

1. ACCOUNTING POLICIES

Frontier Agriculture Limited (the 'Company') is a company limited by shares and incorporated and domiciled in the UK. The registered number is 05288567 and the registered address is Weston Centre, 10 Grosvenor Street, London, W1K 4QY.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102') as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000, unless otherwise stated.

The Group's accounting reference date is 30 June 2024. These financial statements are for the period 27 June 2023 to 26 June 2024. The comparative figures are for the period 24 June 2022 to 26 June 2023. All references to year within these financial statements should be taken to refer to the period from 27 June 2023 to 26 June 2024 or the period from 24 June 2022 to 26 June 2023.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

> The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time.

> No separate parent company cash flow statement with related notes is included.

> Key management personnel compensation has not been included a second time.

> The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 25.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis, except that derivative financial instruments are stated at their fair value.

1.2. Going concern

The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate on the following basis.

During the year ended 26 June 2024, the Group generated a profit before tax of £40.1 million and recorded a net cash inflow from operating activities of £55.7 million. The Group also had net current assets of £98.4 million.

At the year end, the Group had total facilities of £375 million comprising bank loan and overdraft facilities of £235 million, trade receivables facilities of £110 million and a £30 million grain stocking facility. Of the £235 million bank loan and overdraft facilities, £210 million is a revolving credit facility, which can be drawn down as necessary throughout the term of the facility and is fully secured by limited guarantees from both Cargill Incorporated and A.B.F.Holdings Limited. The other remaining £25 million comprises a £20 million asset loan and £5 million overdraft facility, both of which are secured by the Company, Frontier Agriculture Limited.

At the year end, the Group had utilised £311 million of the available £375 million facilities. After the year end, an additional uncommitted facility of £50 million was completed to increase the total available facility limits to £425 million. At the date of signing these financial statements, the Group was using £345 million of the available £425 million facilities.

The Group has a long-term relationship with each of the lenders and meets with each lender on a periodic basis to evaluate whether the facilities in place are adequate and appropriate. The Group has historically refinanced all available existing borrowings at each renewal period and anticipates that a consistent level of facilities will continue to be made available for at least 12 months following the signing of these financial statements. As with any company placing reliance on the renewal of existing facilities, the directors acknowledge that there can be no certainty that ongoing facilities will be arranged although, at the date of approval of these financial statements, they have no reason to believe that this will not be the case.

Based on the latest financial position of the Group, the directors have prepared forecasts for at least 12 months. This represents the directors' best estimate of the forecasted financial performance and cash flow of the Group for the forecast period, and anticipates the continuing availability of the banking facilities in place at the date of approval of these financial statements.

Based on these forecasts, the directors are satisfied that the Group will have sufficient funds to meet its liabilities as they fall due. The directors have also considered the effect of potential severe but plausible downside scenarios on future cash flows and have modelled such an impact on the forecasts for at least the next 12 months. In performing this sensitivity, the directors have modelled changes in the operating cash flows based on increases in market prices above the expected levels used in the base case forecast, which are based on the current market price for commodity futures. In modelling this scenario, the directors remain satisfied that the Group will continue to have sufficient funds to ensure that all liabilities are met as they fall due, namely as a result of the undrawn facilities that are available to the Group under their current agreements.

Consequently, the directors have a reasonable expectation that the Group and Company will have adequate facilities to continue in operational existence for a period of at least 12 months following the date of these financial statements. Given this, the financial statements of the Group have been prepared on a going concern basis.

1.3. Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 26 June 2024. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the Consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

A joint venture is a contractual arrangement in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly

1. ACCOUNTING POLICIES *(continued)*

controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the Consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The Company recorded a profit of £38,174,000 for the period (2023: £33,884,000).

In the parent financial statements, investments in subsidiaries and jointly controlled entities are carried at cost less impairment.

1.4. Foreign currency

Transactions in foreign currencies are translated to the Group companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a f oreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.5. Classification of financial instruments issued by the Group

In accordance with FRS 102.22, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called-up share capital and share premium account exclude amounts in relation to those shares.

1.6. Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts and other revolving facilities 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 only of the cash flow statement.

Other investments

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment.

Other financial instruments

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

1.7. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	15 to 50 years
Leasehold land and buildings	life of lease
Plant and machinery	6 to 25 years
Fixtures, fittings, tools and equipment	5 to 15 years
Motor vehicles	4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.8. Business combinations

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the entity.

At the acquisition date, the Group recognises goodwill as:

> the fair value of the consideration (excluding contingent consideration) transferred; plus
> estimated amount of contingent consideration (see below); plus
> the fair value of the equity instruments issued; plus
> any non-controlling interest at the non-controlling interest's share of the net amount of the identifiable assets, liabilities and provisions for contingent liabilities so recognised; plus
> directly attributable transaction costs; less
> the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

FRS 102.35 grants certain exemptions from the full requirements of FRS 102 in the transition period. The Company/Group elected not to restate business combinations that took place prior to 1 July 2014. In respect of acquisitions prior to 1 July 2014, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

1. ACCOUNTING POLICIES *(continued)*

1.9. Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the business combination from which the goodwill arose.

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The costs of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Patents and trademarks	10 years
Customer lists and brands	10 years
Trade secrets	10 years
Capitalised development costs	2 to 10 years

The basis for choosing these useful lives is the period in which the Group expects to gain economic benefit from each intangible asset.

Goodwill is amortised on a straight-line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 to 20 years.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with FRS 102.27 Impairment of Assets when there is an indication that goodwill or an intangible asset may be impaired.

1.10. Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate, or in periods in which the related costs are incurred.

1.11. Stocks

Except as described below, stocks and work in progress are valued at the lower of cost and net realisable value.

Commodity stocks where the value of the underlying commodity is determined by a quoted terminal market are measured at fair value net of distribution costs, where fair value is the market price ruling at the balance sheet date. The directors consider that the measurement of these stocks at fair value is a more relevant measure of the Group's performance because of the nature of the market in which the Group operates - i.e. it is an active market where the sale can be achieved at published prices and stock is in a state of readily realisable value.

1.12. Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset, and that these can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Commodity purchase/sale open contracts (excluding futures contracts), where the value of the underlying commodity is determined by a quoted terminal market, are classified as other financial assets/liabilities and measured at fair value net of distribution costs, where fair value is the market price ruling at the balance sheet date.

Commodity futures and option contracts, and foreign exchange futures and option contracts associated with open commodity contracts, are classified as other financial assets/liabilities and measured at fair value, where the fair value is the market price ruling at the balance sheet date.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The goodwill acquired in a business combination is allocated, for the purpose of impairment testing, to cash-generating units ('CGUs') that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire group of entities into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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.

1. ACCOUNTING POLICIES *(continued)*

1.13. Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans is calculated 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 its present value. The fair value of any plan assets is deducted. The entity determines the net interest expense on the net defined benefit liability for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability, taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA-credit-rated bonds denominated in the currency of, and having maturity dates approximating to the terms of, the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period, are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

1.14. Turnover

Turnover is derived from, and recognised on, the delivery of goods or the performance of services concerned. Turnover is shown net of value-added tax, returns, rebates and discounts, and after eliminating turnover within the Group.

1.15. Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease; unless the payments to the lessor are structured to increase in line with expected general inflation, in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

1.16. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax, or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. BUSINESS COMBINATIONS FROM ACQUISITION AND DISPOSALS OF BUSINESSES

Group

During the current period the Group acquired a further 37.5% interest in the share capital of Navara Oat Milling Limited. As at 26 June 2024, the Group owns 75% of the share capital, which is considered to be a controlling interest for the purposes of consolidation.

Effective acquisition:

The acquisition had the following effect on the Company's assets and liabilities:

	Book values £000	Fair value adjustments £000	Recognised values on acquisition £000
Tangible fixed assets	43,462	–	43,462
Intangible fixed assets	462	–	462
Bank overdraft	(532)	–	(532)
Trade and other debtors	1,058	–	1,058
Stock	105	–	105
Asset financing loans	(14,916)	–	(14,916)
Trade and other creditors	(3,220)	–	(3,220)
Net assets acquired	26,419	–	26,419

Total cost of business combination	**£000**
Consideration paid:	
Initial cash price paid	13,500
Costs directly attributable to the business combination	76
Total consideration	**13,576**
Add book value of existing equity stake	9,907
Add non-controlling interest	6,605
Less net assets acquired	(26,419)
Goodwill on acquisition	**3,669**

2.

The expected useful life of goodwill stemming from this acquisition is 10 years.

2. BUSINESS COMBINATIONS FROM ACQUISITION AND DISPOSALS OF BUSINESSES *(continued)*

Group

During the current period the Group acquired 100% of the share capital of Boston Seeds Limited.

Effective acquisition:

The acquisition had the following effect of the Company's assets and liabilities:

	Book values £000	Fair value adjustments £000	Recognised values on acquisition £000
Tangible fixed assets	177	-	177
Intangible fixed assets	-	5,658	5,658
Stock	444	-	444
Trade and other debtors	604	-	604
Cash	1,284	-	1,284
Trade and other creditors	(1,589)	-	(1,589)
Deferred tax	(5)	(1,415)	(1,420)
Net assets acquired	915	4,243	5,158

Total cost of business combination	**£000**
Consideration paid:	
Initial cash price paid	10,807
Deferred consideration at fair value	1,256
Costs directly attributable to the business combination	117
Total consideration	**12,180**
Goodwill on acquisition	**7,022**

2.

Fair value adjustments were made to recognise the brand name (£883,000), customer lists (£3,775,000) and software (£1,000,000), with an associated deferred tax liability recorded.

The expected useful life of goodwill stemming from this acquisition is 10 years.

3. TURNOVER

	2024 £000	2023 £000
Analysis of turnover by geographical destination		
United Kingdom	**1,670,946**	2,111,693
Rest of the world	**85,164**	251,050
	1,756,110	2,362,743

4. EXPENSES AND AUDITOR'S REMUNERATION

Included in profit/loss are the following:

	2024 £000	2023 £000
Research and development expensed as incurred	**491**	868
Auditor's remuneration:		
Audit of these financial statements	**160**	159
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the Company	**–**	4
Other tax advisory services	**–**	–

5. STAFF NUMBERS AND COSTS

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

	Number of employees	
	2024	2023
Administrative	**485**	410
Processing and distribution	**771**	751
	1,256	1,161

The aggregate payroll costs of these persons were as follows:	2024 £000	2023 £000
Wages and salaries	**64,676**	58,949
Social security costs	**6,384**	6,453
Pension costs	**3,718**	3,284
	74,778	68,686

3.

The directors consider that there is only one class of business. Turnover is generated by operations based solely in the United Kingdom.

4.

Amounts receivable by the Company's auditor and its associates in respect of the audit of financial statements of associated pension schemes is £16,600 (2023: £15,000).

6. DIRECTORS' REMUNERATION

	2024 £000	2023 £000
Directors' remuneration	**1,681**	1,482
Company contributions to defined benefit pension schemes	**–**	–
Company contributions to defined contribution pension schemes	**6**	20

	Number of directors	
	2024	2023
Retirement benefits are accruing to directors under:		
Defined contribution schemes	**2**	1
Defined benefit schemes	**–**	–

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024 £000	2023 £000
Interest receivable on financial assets at amortised cost	**2,874**	1,851
Net interest income on net defined benefit pension plan (note 19)	**131**	180
Total interest receivable and similar income	**3,005**	2,031

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2024 £000	2023 £000
Interest payable on financial liabilities at amortised cost	**16,620**	13,358
Total interest payable and similar charges	**16,620**	13,358

6.

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £1,085,000 for the year (2023: £992,000).

The following directors benefited from qualifying third party indemnity provisions:

- K M Aitchison
- D Overton
- J Cameron

9. TAX ON PROFIT

Total tax expense recognised in the profit and loss account and other comprehensive income	2024 £000	2024 £000	2023 £000	2023 £000
Current tax				
Current tax on income for the period	4,501		7,151	
Adjustments in respect of prior periods	(49)		(21)	
Total current tax		4,452		7,130
Deferred tax (note 18)				
Origination and reversal of timing differences	2,832		1,591	
On intangibles from business acquisitions	(114)		(55)	
Adjustments in respect of prior periods	79		(324)	
Total deferred tax		2,797		1,212
Total tax		7,249		8,342

	2024 £000 Current tax	2024 £000 Deferred tax	2024 £000 Total tax	2023 £000 Current tax	2023 £000 Deferred tax	2023 £000 Total tax
Recognised in profit and loss account	4,452	2,797	7,249	7,130	1,212	8,342
Recognised in other comprehensive income	–	(658)	(658)	–	(747)	(747)
Total tax	4,452	2,139	6,591	7,130	465	7,595

Reconciliation of effective tax rate	2024 £000	2023 £000
Profit for the year	32,810	31,923
Total tax expense	7,249	8,342
Profit excluding taxation	40,059	40,265
Tax using the UK corporation tax rate of 25% (2023: 20.5%)	10,015	8,254
Non-deductible expenses	1,106	561
Income not taxable	(4,200)	–
Prior period adjustment	30	(345)
Super deduction	–	(554)
Unutilised losses	738	426
Pre-trade expenses	(440)	–
Total tax expense included in profit or loss	7,249	8,342

9.

The tax rate applicable in the year ending 26 June 2024 is 25% (2023: 20.5%). Deferred tax balances are held at the future tax rate of 25% (2023: 25%) with the exception of the approved pension deferred tax liability which is held at 35%.

10. INTANGIBLE ASSETS AND GOODWILL

Group	Goodwill £000	Customer lists and brand names £000	Patents and trademarks £000	Trade secrets £000	Software £000	Total £000
Cost						
Balance at beginning of year	27,251	17,992	1,891	667	20,914	68,715
Additions	–	–	–	–	8,886	8,886
Arising from business combinations	10,691	4,658	–	–	1,462	16,811
Balance at the end of year	37,942	22,650	1,891	667	31,262	94,412
Amortisation and impairment						
Balance at beginning of year	13,393	12,105	971	489	8,740	35,698
Amortisation for the year	2,599	2,112	189	67	2,354	7,321
Balance at end of year	15,992	14,217	1,160	556	11,094	43,019
Net book value						
At end of year	**21,950**	**8,433**	**731**	**111**	**20,168**	**51,393**
At beginning of year	13,858	5,887	920	178	12,174	33,017

Company	Goodwill £000	Customer lists and brand names £000	Software £000	Total £000
Cost				
Balance at beginning of year	12,325	13,497	18,581	44,403
Additions	-	-	7,326	7,326
Balance at end of year	12,325	13,497	25,907	51,729
Amortisation and impairment				
Balance at beginning of year	7,402	7,954	7,877	23,233
Amortisation for the year	888	1,623	1,833	4,344
Balance at end of year	8,290	9,577	9,710	27,577
Net book value				
At end of year	**4,035**	**3,920**	**16,197**	**24,152**
At beginning of year	4,923	5,543	10,704	21,170

10.

Amortisation charge

The amortisation charge is recognised in administrative expenses in the profit and loss account.

11. TANGIBLE FIXED ASSETS

Group	Land and buildings £000	Assets under construction £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Motor vehicles £000	Total £000
Cost						
Balance at beginning of year	32,117	987	73,847	13,825	391	121,167
Additions	2,847	2,127	9,935	1,527	57	16,493
Transfers	5,291	–	(4,672)	(619)	–	–
Arising from business combinations	21,278	–	21,885	418	125	43,706
Disposals	–	–	(1,870)	(103)	(87)	(2,060)
Balance at the end of year	61,533	3,114	99,125	15,048	486	179,306
Depreciation and impairment						
Balance at beginning of year	14,909	–	48,322	10,897	388	74,516
Depreciation charge for the year	1,711	–	2,806	637	6	5,160
Transfers	1,196	–	(1,167)	(29)	–	–
Acquired from acquisitions	–	–	11	31	25	67
Disposals	–	–	(1,724)	(99)	(87)	(1,910)
Balance at end of year	17,816	–	48,248	11,437	332	77,833
Net book value						
At end of year	**43,717**	**3,114**	**50,877**	**3,611**	**154**	**101,473**
At beginning of year	17,208	987	25,525	2,928	3	46,651

Land and buildings

The net book value of land and buildings comprises:

	2024 £000	2023 £000
Freehold	**38,419**	14,728
Short leasehold	**5,298**	2,480
	43,717	17,208

11. TANGIBLE FIXED ASSETS *(continued)*

Company	Land and buildings £000	Assets under construction £000	Plant and machinery £000	Fixtures, fittings, tools and equipment £000	Motor vehicles £000	Total £000
Cost						
Balance at beginning of year	32,117	664	66,114	13,592	233	112,720
Additions	1,772	2,058	3,729	1,110	57	8,726
Transfers	5,291	–	(4,672)	(619)	–	–
Disposals	–	–	(1,870)	(101)	(87)	(2,058)
Balance at the end of year	39,180	2,722	63,301	13,982	203	119,388
Depreciation and impairment						
Balance at beginning of year	14,909	–	44,558	10,788	230	70,485
Depreciation charge for the year	1,571	–	1,776	525	–	3,872
Transfers	1,196	–	(1,167)	(29)	–	–
Disposals	–	–	(1,722)	(101)	(92)	(1,915)
Balance at end of year	17,676	–	43,445	11,183	138	72,442
Net book value						
At end of year	**21,504**	**2,722**	**19,856**	**2,799**	**65**	**46,946**
At beginning of year	17,208	664	21,556	2,804	3	42,235

Land and buildings
The net book value of land and buildings comprises:

	2024 £000	2023 £000
Freehold	**16,206**	14,728
Short leasehold	**5,298**	2,480
	21,504	17,208

12. FIXED ASSET INVESTMENTS

Group	Interests in joint ventures £000	Other investments £000	Total £000
Cost or valuation			
At beginning of year	10,945	15,030	25,975
Additions	–	4,000	4,000
Disposal/transfer to subsidiary	(10,575)	–	(10,575)
Revaluation to fair value	–	16,800	16,800
At end of year	370	35,830	36,200
Share of post-acquisition reserves			
At beginning of year	(866)	(141)	(1,007)
Share of profit/(loss)	(172)	–	(172)
Disposal/transfer to subsidiary	668	–	668
At end of year	(370)	(141)	(511)
Net book value			
At end of year	**-**	**35,689**	**35,689**
At beginning of year	10,079	14,889	24,968

Company	Shares in Group undertakings £000	Investment in joint venture £000	Other investments £000	Total £000
Cost or valuation				
At beginning of year	68,087	12,771	14,930	95,788
Additions	25,756	–	4,000	29,756
Transfer	10,575	(10,575)	–	–
Revaluation to fair value	–	–	16,800	16,800
At end of year	104,418	2,196	35,730	142,344
Provisions				
At beginning of year	(14,079)	(2,196)	(41)	(16,316)
Share of profit/(loss)	–	(668)	–	(668)
Disposal/transfer to subsidiary	(668)	668	–	–
At end of year	(14,747)	(2,196)	(41)	(16,984)
Net book value				
At end of year	**89,671**	**-**	**35,689**	**125,360**
At beginning of year	54,008	10,575	14,889	79,472

12. FIXED ASSET INVESTMENTS *(continued)*

The undertakings in which the Group's and Company's interest at the year end is more than 20% are as follows.

	Registered office	Country of incorporation	Principal activity	Class and percentage of shares held: Group	Class and percentage of shares held: Company
Subsidiary undertakings					
Nomix Limited	A	UK	Non-trading	100%	100%
Lothian Crop Specialists Limited	B	UK	Non-trading	100%	100%
SOYL Limited	A	UK	Non-trading	100%	100%
Euroagkem Limited	B	UK	Non-trading	100%	100%
Phoenix Agronomy Limited	A	UK	Non-trading	100%	100%
The Agronomy Partnership Limited	A	UK	Non-trading	100%	100%
North Wold Agronomy Limited	A	UK	Non-trading	100%	100%
GFP (Agriculture) Limited	A	UK	Supply of seed and seed processing services	100%	100%
GH Grain (No.2) Ltd	A	UK	Non-trading	100%	100%
Grain Harvesters Limited	A	UK	Non-trading	100%	100%
GH Grain Limited	A	UK	Non-trading	100%	100%
Forward Agronomy Limited	A	UK	Non-trading	100%	100%
Boothmans (Agriculture) Limited	A	UK	Non-trading	100%	100%
IntraCrop Limited	A	UK	Manufacture of agricultural chemicals	100%	100%
Anglia Grain Services Limited	C	UK	Non-trading	100%	100%
Anglia Grain Holdings Limited	C	UK	Non-trading	100%	100%
B.C.W. (Agriculture) Limited	D	UK	Non-trading	100%	100%
Nomix Enviro Limited	E	UK	Sale of herbicides and production and sale of related spraying equipment	100%	100%
Southampton Grain Terminal Limited	F	UK	Non-trading	100%	100%
Yagro Ltd	G	UK	Software development	100%	100%
Navara Oat Milling Ltd	H	UK	Post-harvest crop activities	75%	75%
Frontier Agriculture (Europe) B.V.	I	NL	Holding company	100%	100%
Boston Seeds Limited	J	UK	Seed retail	100%	100%
Farm Seeds Limited	J	UK	Seed retail	100%	0%

12.

Registered offices:

A Weston Centre, 10 Grosvenor Street, London, W1K 4QY

B Kingseat, Newmacher, Aberdeenshire, AB21 0UE

C Riverside, Wissington Road, Nayland, Colchester, Essex, CO6 4LT

D Unit 8, Burnside Business Park, Burnside Road, Market Drayton, TF9 3UX

E Witham St Hughs, Lincoln, LN6 9TN

F Berth 36, Test Road, Eastern Docks, Southampton, SO14 3GG

G Eagle Labs Incubator, 28 Chesterton Road, Cambridge CB5 3AZ

H Northants APC, Rushton Road, Kettering, NN14 1FL

I Kabelweg 57, 1014 BA, Amsterdam

J 23 London Road, Downham Market, Norfolk, PE38 9BJ

Country of incorporation:

UK United Kingdom

NL Netherlands

13. STOCKS

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Raw materials and consumables	**2,524**	3,604	**1,707**	2,487
Finished goods	**188,677**	187,069	**185,805**	184,785
	191,201	190,673	**187,512**	187,272

14. DEBTORS

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Trade debtors	**304,187**	346,651	**299,662**	342,536
Other debtors	**33,186**	20,916	**32,959**	20,612
Other financial assets (note 21)	**40,826**	61,330	**40,826**	61,330
Prepayments	**31,566**	28,139	**30,937**	27,832
Accrued income	**22,403**	28,233	**22,161**	27,848
Corporation tax	**4,482**	1,937	**2,131**	1,818
	436,650	487,206	**428,676**	481,976
Due within one year	**425,130**	475,686	**417,156**	470,456
Due after more than one year	**11,520**	11,520	**11,520**	11,520
	436,650	487,206	**428,676**	481,976

15. CASH AND CASH EQUIVALENTS/BANK OVERDRAFTS

Group	**2024 £000**	2023 £000
Cash at bank and in hand	**2,580**	2,460
Bank loans and overdrafts	**(219,666)**	(257,016)
Cash and cash equivalents per cash flow statements	**(217,086)**	(254,556)

13.

Raw materials, consumables and changes in finished goods recognised as cost of sales in the year amounted to £1,568 million (2023: £2,070 million) (Company: £1,538 million (2023: £2,055 million)).

The net write-down of stocks to net realisable value amounted to £105,000 (2023: £155,000 write-down) (Company: £105,000 write-down (2023: £155,000 write-down)). The net write-downs/write-backs are included in cost of sales.

15.

There are no significant non-cash transactions during the year, nor any restrictions on cash and cash equivalents held. The bank loans and overdrafts included in this note are categorised as cash and cash equivalents on the basis that they form an integral part of the Group's cash management.

16. CREDITORS: amounts falling due within one year

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Bank loans and overdrafts (note 17)	**219,666**	257,016	**214,826**	257,016
Other financing facilities (note 17)	**90,930**	–	**71,248**	–
Trade creditors	**104,935**	109,221	**100,906**	106,585
Amounts owed to Group undertakings	**–**	–	**36,881**	38,470
Taxation and social security	**1,925**	1,861	**1,783**	1,771
Other financial liabilities (note 21)	**31,019**	48,626	**31,019**	48,626
Accruals and deferred income	**61,991**	77,493	**58,533**	76,727
Other creditors	**3,085**	3,117	**2,783**	2,936
	513,551	497,334	**517,979**	532,131

17. INTEREST-BEARING LOANS AND BORROWINGS

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

	Group		Company	
	2024 £000	2023 £000	**2024 £000**	2023 £000
Creditors: falling due within less than one year				
Secured bank loans	**190,000**	160,000	**190,000**	160,000
Bank overdraft	**29,666**	97,016	**24,826**	97,016
Other financing facilities	**90,930**	–	**71,248**	–
	310,596	257,016	**286,074**	257,016

17. INTEREST-BEARING LOANS AND BORROWINGS *(continued)*

Terms and debt repayment schedule

Group	Currency	Year of maturity	Repayment schedule	2024 £000	2023 £000
Bank loans					
Secured bank loan	GBP	2023	18 Sep	–	60,000
Secured bank loan	GBP	2023	18 Sep	–	40,000
Secured bank loan	GBP	2023	17 July	–	60,000
Secured bank loan	GBP	2024	8 Aug	150,000	–
Secured bank loan	GBP	2024	10 Jul	40,000	–
Bank deposits and overdrafts					
Bank overdraft	GBP	–	On demand	12,502	103,230
Bank overdraft	USD	–	On demand	1,931	2,646
Bank (deposit)/overdraft	EUR	–	On demand	15,233	(8,860)
Other financing facilities					
Sales financing	GBP	–	–	71,248	–
Asset financing	GBP	–	–	19,682	–
				310,596	257,016

Company	Currency	Year of maturity	Repayment schedule	2024 £000	2023 £000
Bank loans					
Secured bank loan	GBP	2023	18 Sep	–	60,000
Secured bank loan	GBP	2023	18 Sep	–	40,000
Secured bank loan	GBP	2023	17 July	–	60,000
Secured bank loan	GBP	2024	8 Aug	150,000	–
Secured bank loan	GBP	2024	10 Jul	40,000	–
Bank deposits and overdrafts					
Bank overdraft	GBP	–	On demand	7,662	103,230
Bank overdraft	USD	–	On demand	1,931	2,646
Bank (deposit)/overdraft	EUR	–	On demand	15,233	(8,860)
Other financing facilities					
Sales financing	GBP	–	–	71,248	–
				286,074	257,016

17.

Nominal interest rates vary between 4.40% and 6.95% (2023: 4.25% and 6.25%).

The Group has total facilities of £375 million (2023: £430 million), of which £64 million was undrawn at 26 June 2024 (2023: £173 million).

The Group's bank loans and overdraft facilities of £215 million (2023: £290 million) are made up of a Company revolving credit facility of £210 million and a £5 million bank overdraft in Navara Oat Milling Limited. The revolving credit facility is secured in total by equal guarantees from both Cargill Incorporated and A.B.F.Holdings Limited. The overdraft in Navara is guaranteed by a debenture over all assets in Navara Oat Milling Limited.

At the year end, the Group also had access to a sales financing facility of £110 million (2023: £110 million), a stock financing facility of £30 million (2023: £30 million), and an asset financing facility of £20 million (2023: £nil). The asset financing facility is secured by a debenture over all assets in Navara Oat Milling Limited.

18. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	**2024 £000**	2023 £000	**2024 £000**	2023 £000	**2024 £000**	2023 £000
Accelerated capital allowances	**–**	–	**(8,229)**	(4,835)	**(8,229)**	(4,835)
Arising on business combinations	**–**	–	**(2,576)**	(1,719)	**(2,576)**	(1,719)
Employee benefits	**–**	–	**(166)**	(864)	**(166)**	(864)
Net tax assets/(liabilities)	**–**	–	**(10,971)**	(7,418)	**(10,971)**	(7,418)
Company						
Accelerated capital allowances	**–**	–	**(7,246)**	(4,202)	**(7,246)**	(4,202)
Arising on business combinations	**–**	–	**(942)**	(1,386)	**(942)**	(1,386)
Employee benefits	**–**	–	**(166)**	(864)	**(166)**	(864)
Net tax assets/(liabilities)	**–**	–	**(8,354)**	(6,452)	**(8,354)**	(6,452)

19. EMPLOYEE BENEFITS

The Group operates a defined benefit pension plan. The plan closed to future accrual of benefits effective from 31 December 2017 and the defined benefit scheme members joined the Company defined contribution plans. The duration of the scheme is 13.6 years. The pension cost charged to the profit and loss account for the year represents current service cost, other finance costs and administrative expenses amounting to £414,000 (2023: £333,000). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

From April 2011 the Group began operating a salary sacrifice scheme. This increases the employer contributions made during the reporting periods but reduces the wages and salaries and national insurance expense incurred by the Group.

The plan was established from 2 April 2005 to provide continuation of benefits for employees previously participating in the defined benefit arrangements of the shareholders. The plan is effectively closed to new entrants and there is no liability for benefits prior to 2 April 2005. An actuarial valuation of the plan was carried out on 5 April 2023 and signed on 15 May 2024, and updated for FRS 102 purposes to 26 June 2024 by a qualified independent actuary.

For UK employees, the Group operates a defined benefit pension scheme with assets held in a separately administered fund. The scheme provides retirement benefits on the basis of members' final salary. The plan is administered by an independent trustee, who is responsible for ensuring that the plan is sufficiently funded to meet current and future obligations. The Group has agreed a funding plan with the trustee, whereby ordinary contributions are made into the scheme based on a percentage of active employees' salary. Additional contributions are agreed with the trustee to reduce the funding deficit where necessary.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high-quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

The cost of the defined benefit plan, recognised in the profit and loss as 'Employee costs', except where included in the cost of an asset, comprises:

a. The increase in pension liability arising from employee service during the period; and
b. The cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, both determined at the beginning of the year. This cost is recognised in profit or loss as 'Finance expense'.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. This case may have implications for other plans that were contracted-out and made changes between 1997 and 2016. The outcome was appealed, but the appeal was dismissed by the Court of Appeal on 25 July 2024. Therefore, as the law currently stands, a plan amendment to a contracted-out scheme in the period between 1997 and 2016 without appropriate actuarial confirmation could be void.

19. EMPLOYEE BENEFITS *(continued)*

The Trustees of the Frontier Defined Benefit Pension Plan, together with their legal advisers, have reviewed the deeds of amendment during the relevant period and for all relevant deeds which amended contracted-out benefits, the deed contains a recital confirming that the actuarial confirmation had been given. Therefore, there are no current implications for the Plan of the Virgin Media decision and there is no allowance made for this in calculating the defined benefit obligation at the reporting date.

Group and Company

Net pension surplus/(liability)	2024 £000	2023 £000
Defined benefit obligation	**(34,658)**	(32,906)
Plan assets	**35,131**	35,374
Net pension surplus/(liability)	**473**	2,468

Movements in present value of defined benefit obligation	2024 £000	2023 £000
At beginning of year	**32,906**	41,345
Interest expense	**1,686**	1,572
Remeasurement: actuarial (gain)/losses	**1,178**	(7,879)
Benefits paid	**(1,112)**	(2,132)
At end of year	**34,658**	32,906

Movements in fair value of plan assets	2024 £000	2023 £000
At beginning of year	**35,374**	45,967
Interest income	**1,817**	1,752
Remeasurement: return on plan assets	**(703)**	(10,000)
Contributions by employer	**300**	300
Benefits paid	**(1,112)**	(2,132)
Administrative expenses	**(545)**	(513)
At end of year	**35,131**	35,374

Expense recognised in the profit and loss account	2024 £000	2023 £000
Net interest (income) on net defined benefit asset	**(131)**	(180)
Administrative expenses and/or taxes	**545**	513
Total net expense recognised in profit or loss	**414**	333

19. EMPLOYEE BENEFITS *(continued)*

The fair value of the plan assets and the return on those assets were as follows:

	2024 Fair value £000	2023 Fair value £000
Equities	**7,165**	7,159
Government debt	**23,232**	22,581
Multi-asset fund	**681**	616
Insurance policies	**1,923**	1,872
Cash	**2,130**	3,146
	35,131	35,374
Actual return on plan assets	**1,114**	(8,248)

The significant actuarial assumptions are shown below:	**2024**	2023
Discount rate	**5.2%**	5.3%
Rate of increase in pensions in payment	**1.90%**	1.95%
Rate of increase in pensions in deferment	**2.7%**	2.7%
Inflation assumption	**3.1%**	3.1%
Assumed life expectancy:		
Male retiring today aged 65	**21.9**	22.1
Male retiring in 20 years aged 65	**23.6**	23.8
Female retiring today aged 65	**23.9**	24.4
Female retiring in 20 years aged 65	**25.9**	26.1

19.

In valuing the liabilities of the pension fund at 26 June 2024, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year-old to live for a number of years after retirement.

In 2024 the Company paid a lump sum contribution of £300,000 into the pension plan.

Contributions of £300,000 (2024: £300,000) are expected to be paid into the plan during the annual period beginning after the reporting period.

Defined contribution plans

Group
The Group operates eight defined contribution pension plans.

The total expense relating to these plans in the current year was £3,718,000 (2023: £3,284,000).

20. CAPITAL AND RESERVES

Share capital	**2024 £000**	2023 £000
Allotted, called up and fully paid		
3,600,000,104 A ordinary shares of £0.01 each	**36,000**	36,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

20.

Dividends

After the balance sheet date total dividends of £15,230,000, equivalent to 2p per qualifying ordinary share (2023: £25,946,000), were proposed by the directors. The dividends have not been provided for, but are presented as a segregated component of retained earnings at the end of the year.

21. FINANCIAL INSTRUMENTS

(a) Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

Group	2024 £000	2023 £000
Assets measured at fair value through profit or loss	**171,947**	180,778
Assets measured at amortised cost	**425,030**	277,978
Liabilities measured at fair value through profit or loss	**(31,019)**	(48,626)
Liabilities measured at amortised cost	**(482,397)**	(448,708)

(b) Financial instruments measured at fair value

Commodity financial instruments

The fair value of commodity financial instruments, where the value of the underlying commodity is determined by a quoted terminal market, is based on the market price ruling at the balance sheet date net of distribution costs.

Derivative financial instruments

The fair value of commodity futures and options contracts, and foreign exchange futures and options contracts associated with commodity financial instruments, is based on the market price ruling at the balance sheet date.

(c) Financial risk management

The Group has exposure to the following risks arising from financial instruments: credit risk, liquidity risk and market risk.

> *Credit risk*
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

> *Liquidity risk*
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

> *Market risk*
Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group uses derivatives to manage market risks.

22. OPERATING LEASES

Non-cancellable operating lease rentals are payable within the following timeframes:

	Group		Company	
	2024 £000	2023 £000	2024 £000	2023 £000
Less than one year	**9,383**	8,273	**8,786**	7,676
Between one and five years	**18,731**	16,036	**16,345**	13,650
More than five years	**25,446**	26,102	**17,093**	17,153
	53,560	50,411	**42,224**	38,479

22.

During the year £9,995,000 was recognised as an expense in the profit and loss account in respect of operating leases (2023: £8,457,000).

23. COMMITMENTS

Capital commitments

Contractual commitments to purchase tangible and intangible fixed assets at the year end were £3,504,000 (2023: £2,313,000) Company: £3,504,000 (2023: £2,313,000).

24. RELATED PARTY DISCLOSURES

Group

During the year the Group undertook the following related party transactions.

Group related parties

The Company is the ultimate parent undertaking of the Group headed Frontier Agriculture Limited. Consequently, the Company is exempt under Section 33.1A of FRS 102 Related Party Disclosures from disclosing related party transactions with wholly owned subsidiaries of Frontier Agriculture Limited.

Other related party transactions

The Company has no controlling party since it is owned in equal proportions by Cargill PLC and A.B.F.Holdings Limited.

		2024		2023	
Trade sales	Key	**£000**	**£000**	£000	£000
Cargill PLC	b	**150,502**		248,363	
AB Agri Limited	a	**211,683**		299,072	
Freemans of Newent Ltd	c	**1,440**		6,505	
Cargill Spain	b	**3,123**		37,217	
ABF Grain Products Ltd	a	**83,739**		59,254	
Cargill SA	b	**1,153**		9,950	
The Silver Spoon Company Limited	a	**5,145**		–	
Cargill Animal Nutrition	b	**–**		11,119	
British Sugar PLC	a	**817**		481	
Vivergo Fuels Ltd	a	**38,628**		29,983	
			496,230		701,944

24.

Key

- a subsidiary of Associated British Foods plc
- b subsidiary of Cargill Incorporated
- c joint venture of Cargill Incorporated

24. RELATED PARTY DISCLOSURES *(continued)*

		2024		2023	
Trade purchases	Key	**£000**	**£000**	£000	£000
Cargill PLC	b	**(2,458)**		(5,381)	
Cargill France	b	**(777)**		–	
Provimi Ltd	b	**(201)**		(21)	
Cargill SA	b	**(7)**		(11)	
British Sugar PLC	a	**(18)**		(37)	
Cargill Ltd	b	**(27,638)**		(40,535)	
ABF Grain Products Ltd	a	**(398)**		(471)	
Cargill Poland	b	**(1,960)**		–	
Cargill Australia	b	**(1,192)**		–	
			34,649		(46,456)
Service income					
AB Agri Limited	a		**–**		1
Service expense					
Cargill PLC	b	**(14)**		(16)	
AB Agri Limited	a	**(4)**		(30)	
			(18)		(46)
Leasing income					
AB Agri Limited	a		**–**		1
Leasing expense					
Cargill PLC			**(1,049)**		(672)
Management charges					
Cargill PLC	b		**(20)**		(20)

24.

Key

a subsidiary of Associated British Foods plc

b subsidiary of Cargill Incorporated

c joint venture of Cargill Incorporated

24. RELATED PARTY DISCLOSURES *(continued)*

Trading balances as at 26 June 2024 with subsidiaries of Cargill Incorporated (including Cargill PLC) and Associated British Foods plc (including A.B.F.Holdings Limited), participating interests and companies controlled by company directors are set out below and are included within trade debtors and trade creditors.

		2024		2023	
Debtors due within one year:	Key	**£000**	**£000**	£000	£000
Cargill PLC	b	**17,125**		23,559	
ABF Grain Products Ltd	a	**10,667**		6,868	
Freemans of Newent Limited	c	**–**		170	
AB Agri Limited	a	**19,644**		36,813	
British Sugar PLC	a	**311**		311	
Vivergo Fuels Ltd	a	**4,059**		3,749	
Cargill Animal Nutrition	b	**1,341**		1,896	
The Silver Spoon Company Ltd	a	**1,293**		–	
Provimi Ltd	b	**28**		–	
			54,468		73,366
Creditors due within one year:					
Cargill PLC	b	**–**		(358)	
Provimi Ltd	b	**–**		(6)	
			–		(364)

Transactions involving joint ventures	**2024 £000**	2023 £000
Service charges	**–**	11

24.

Key

- a subsidiary of Associated British Foods plc
- b subsidiary of Cargill Incorporated
- c joint venture of Cargill Incorporated

24. Transactions involving joint ventures

Transactions with key management personnel

The key management personnel are considered to be the statutory directors only. Directors' emoluments are disclosed in note 6.

Director's loan

During 2021 a loan of £150,000 was made, with an interest rate of 1.5% over Bank of England base rate, repayable over three years. The balance outstanding at 26 June 2024 is £67,000. This is presented within Other debtors.

25. ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

Pension assumptions
The Group has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including life expectancy, salary increases, asset valuations, and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligations in the balance sheet. The assumptions reflect historical experience and current trends.

Key accounting judgements

Stock and open market contract valuation
At year end, the Group performs a mark-to-market adjustment, revaluing all contracts (note 21) and physical stock holdings (note 13) to the market price at that date, in line with fair value accounting. Judgements are taken on what the appropriate market price is, based on quality and regional variations.

Fair value on acquisitions
The fair values attributable to intangibles recognised in business combinations involve a degree of accounting judgement, due to the inherent subjectivity of the balances. Refer to note 2 to the consolidated financial statements. Management assess each acquisition on a case-by-case basis taking into account historic experience and expected future economic inflows to attach the required fair values to the intangible assets.

Defined benefit pension scheme
The Company's defined pension benefit scheme is assessed annually in line with Section 28 of FRS 102. The accounting valuations are assessed using the independent advice of a qualified actuary, and in the year under review resulted in a pension surplus being recognised at 26 June 2024, as separately disclosed above. The net surplus is highly sensitive to various actuarial assumptions, including but not limited to performance of scheme assets, discount rates and inflation.

Fair value of equity instruments
At the year end, the Group assesses the need to revalue investments in equity instruments to market value in line with fair value accounting. Judgements are taken on what the appropriate market price is based on readily available information to support share prices.

GLOSSARY

FARMING TERMINOLOGY

Biostimulants Substances/micro-organisms applied to plants, seeds or soil that stimulate natural processes to enhance nutrient uptake, disease resistance and stress tolerance.

Break crops Crops grown between successive main-crop plantings to improve soil health, manage pests and diseases and enhance overall crop productivity.

Carbon insetting Reducing emissions within a company's own operations rather than investing in carbon offsetting projects that reduce emissions elsewhere.

Carbon sequestration Process that removes carbon dioxide from the atmosphere and stores it in natural sinks.

Companion crops Plants that grow well together, bringing benefits such as improved yields, pest control, pollination, increased nitrogen and phosphate release.

Hazard Analysis and Critical Control Point (HACCP) Set of principles for food safety management procedures.

Hydrotreated vegetable oil (HVO) Renewable diesel fuel replacement derived from feedstocks (e.g. vegetable oils, animal fats and waste oils) through a hydrotreating process.

Natural capital management Management of natural assets, including geology, soil, air, water and living things, on which a business or organisation may be dependent.

Precision farming Approach that uses technologies (e.g. GPS, sensors, drones, robotics, data analytics and machine learning) to monitor/control farm operations with high accuracy.

Regenerative agriculture Approach to farming/land management to create/restore resilient farming systems for future economic and environmental viability. Key practices include minimising soil disturbance, maintaining living roots and increasing biodiversity.

Sustainable Farming Incentive (SFI) Voluntary initiative introduced by the UK government to support the transition to more sustainable and environmentally friendly farming practices; focused on rewarding farmers to implement sustainable land management practices, while maintaining productivity.

Variable rate nitrogen (VRN) Analytical technique that applies differing amounts of fertiliser to different parts of a field to improve crop yields and the efficient use of nitrogen.

ORGANISATIONS MENTIONED IN THIS REPORT

Agricultural Industries Confederation (AIC) Trade association representing UK companies that produce, distribute or market agricultural inputs. www.agindustries.org.uk

British Society of Plant Breeders (BSPB) Trade association that represents plant breeding companies in the UK. www.bspb.co.uk

Linking Environment And Farming (LEAF) UK- based organisation working with farmers, the food industry and consumers to promote more sustainable food and farming systems. www.leaf.eco

Network for Greening the Financial System (NGFS) A global coalition of central banks and financial supervisors committed to advancing the role of the financial sector in addressing climate change and promoting sustainable development. www.ngfs.net

Royal Agricultural Benevolent Institution (RABI) UK charity dedicated to supporting farming families during financial hardship, crisis or emotional distress by providing financial assistance, practical support and wellbeing services. www.rabi.org.uk

Science Based Targets initiative (SBTi) A corporate climate action organisation that enables companies and financial institutions worldwide to play their part in combating the climate crisis. www.sciencebasedtargets.org

SEDEX An organisation that suppliers data-driven insights, tools and services to help companies continuously improve ESG outcomes. www.sedex.com

For more information about farming practices and how Frontier is involved:
www.frontierag.co.uk/crop-production

REGISTERED OFFICE

Frontier Agriculture Limited
Weston Centre
10 Grosvenor Street
London
W1K 4QY

Registered in England
No: 05288567
VAT registration no.
GB 853 1477 21

HEAD OFFICE

Frontier Agriculture Limited
Witham St Hughs
Lincoln
Lincolnshire
LN6 9TN

T 01522 860000
E info@frontierag.co.uk

DIGITAL

@Frontierag
@workatfrontier

Frontier-Agriculture

FrontierAgriculture

www.frontierag.co.uk

www.frontierag.co.uk

Richard Barnes